

K&S Corporation announces intention to declare takeover bid unconditional

K&S Corporation Limited (ASX: “KSC”) is pleased to advise that it has informed Scott Corporation Limited (ASX: “SCC”) of its intention to declare its off-market takeover offer for shares in Scott Corporation unconditional on and with effect from 24 February 2014. Notice of the intention to declare the offer unconditional has been provided in order to facilitate the declaration and subsequent payment by Scott Corporation of the fully franked special dividend of 5 cents per share to Scott Corporation shareholders.

This follows the overwhelming vote recorded by K&S Corporation shareholders at its extraordinary general meeting on 6 February 2014 in favour of K&S Corporation acquiring shares in Scott Corporation under the merger plan announced in November last year.

Scott Corporation’s major shareholder, AA Scott Pty Ltd, has also accepted K&S Corporation’s offer in respect of its 70.37% holding in Scott Corporation. AA Scott Pty Ltd has elected to receive the scrip consideration alternative under the offer.

If successfully completed, the merger between K&S Corporation and Scott Corporation will create a merged group with annual revenues of about \$750 million, a market capitalisation in excess of \$200 million, and more than 2,000 employees.

In accordance with the bidder’s statement provided to Scott Corporation shareholders, K&S Corporation’s conditional off-market takeover offer for Scott Corporation shares opened on 23 December 2013 and will close at 7:00pm (EDST) on 4 March 2014.

One of the formal bid conditions set out in Schedule 1 to the bidder’s statement, was that for the merger between K&S Corporation and Scott Corporation to proceed, K&S Corporation shareholders needed to approve their Company’s acquisition of shares in Scott Corporation under the Offer for the purposes of ASX Listing Rule 10.1 and Chapter 2E of the Corporations Act.

That required condition was satisfied at last week’s EGM by K&S Corporation shareholders approving the acquisition of shares in Scott Corporation under the Offer. Details of the proxy votes held by K&S Corporation for its EGM are set out in the announcement to the ASX released on 6 February 2014.

K&S’ Deputy Chairman, Mr Greg Boulton AM, said:

“K&S Corporation’s Board is extremely pleased by the overwhelming vote of confidence in the merger with Scott Corporation given by shareholders at last week’s EGM and also by the acceptance of our offer by AA Scott Pty Ltd in respect of its 70.37% holding in Scott Corporation. We are delighted to announce that we intend to declare the Offer unconditional.

“With the Offer scheduled to close on 4 March 2014, we urge any Scott Corp shareholders who intend to accept the Offer, but have not already done so, to send in their acceptance forms in accordance with the bidder’s statement before that date.

“K&S Corporation’s Board views the merger as an excellent way to expand the scope and scale of our existing business.

“Scott Corporation operates in different functional and geographic markets to K&S Corporation and offers an opportunity to diversify our business. With its exposure to the resources sector, we see Scott Corporation’s business as highly complimentary to K&S Corporation.

“Scott Corporation shareholders who elect to receive K&S Corporation shares as consideration under the Offer will benefit from being part of a larger and more diversified transport and logistics group with greater access to capital to fund future growth. Those shareholders are also expected to benefit from the larger free float and increased liquidity in shares in K&S Corporation.”

Scott Corporation’s independent directors have recommended the Offer to Scott Corporation shareholders, subject to there being no superior proposal and the independent expert appointed by Scott Corporation continuing to conclude that the Offer is fair and reasonable to Scott Corporation shareholders.

As set out in its bidder’s statement, if K&S Corporation becomes entitled to exercise general compulsory acquisition rights to acquire the shares of any Scott Corporation shareholders who have not accepted the Offer, K&S Corporation intends to exercise those rights.

Further Information:

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