



CPI Group Limited

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2 May 2011

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4 Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Scheme of Arrangement becomes Effective and determination to pay Special Dividend

CPI Group Limited (**CPI**) announces that it has today lodged with the Australian Securities and Investments Commission an office copy of the orders made by the Supreme Court of Victoria approving the scheme of arrangement on 29 April 2011 by which PagePack (AU) Pty Ltd will acquire all of the issued shares of CPI (the **Scheme**). A copy of the orders is enclosed with this announcement.

Accordingly, the Scheme has now become legally effective and CPI's shares will be suspended from trading on ASX at the close of trading on ASX today (being 4.00pm, 2 May 2011).

Special Dividend

CPI also announces that the CPI Board has today determined to pay a fully franked special dividend of 18.5 cents cash per share (**Special Dividend**). As announced by CPI on 18 April 2011:

- the record date for determining entitlements to the Special Dividend will be 7.00pm on Friday, 6 May 2011; and
- the Special Dividend will be paid to shareholders on Tuesday, 10 May 2011.

Scheme consideration

CPI shareholders who hold shares on the record date for determining entitlements to receive the scheme consideration (7.00pm on Wednesday, 11 May 2011) will be entitled to receive scheme consideration of 26.5 cents cash per share (being 45 cents cash per share less the Special Dividend of 18.5 cents per share).

The scheme consideration is expected to be paid to CPI shareholders between Monday, 16 May 2011 and Wednesday, 18 May 2011.

Shareholder Information

For further information, contact:

Mr Peter Reilly
Chairman
CPI Group Limited
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Mr Bernard Cassell
Managing Director
CPI Group Limited
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**IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL AND EQUITY DIVISION
COMMERCIAL COURT**

LIST E
No. S CI 2011 00792

**IN THE MATTER OF CPI GROUP LIMITED
ACN 006 364 067**

**CPI GROUP LIMITED
ACN 006 364 067**

Plaintiff

GENERAL FORM OF ORDER

JUDGE: The Honourable Justice Ferguson

DATE MADE: 29 April 2011

ORIGINATING PROCESS: Originating Process

HOW OBTAINED: On return of the Originating Process filed 23 February 2011

ATTENDANCE: Mr N.J. O'Bryan of Senior Counsel for the Plaintiff and Mr G.J. Ahern of Counsel

OTHER MATTERS: It was noted that a statement dated 27 April 2011 had been given by the Australian Securities and Investments Commission in accordance with section 411(17)(b) of the Corporations Act 2001 (Cth).



THE COURT ORDERS THAT:

1. The scheme of arrangement in this proceeding, the terms of which are set out in the document scheduled to this Order, be and is hereby approved pursuant to section 411(4)(b) of the *Corporations Act* 2001 (Cth).
2. The Plaintiff be exempted pursuant to subsection 411(12) of the *Corporations Act* 2001 (Cth) from compliance with subsection 411(11) of the *Corporations Act* 2001 (Cth) in relation to the scheme of arrangement.



AND THE COURT DIRECTS THAT:

3. The solicitors for the Plaintiff draw up this Order and that it be signed by the Honourable Justice Ferguson.

Dated : 29 April 2011

The Honourable Justice Ferguson
Associate of a Judge of the Court



Scheme of Arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001 (Cth)*

between

CPI Group Limited (ACN 006 364 067)
of 41-45 Mills Road, Braeside Victoria 3195 (CPI)

and

Scheme Shareholders

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691), or if the context requires, the financial market operated by it.

BidCo means, subject to clause 4.4 of the Scheme Implementation Deed, PagePack (AU) Pty Limited (ACN 146 091 625).

Business Day has the meaning given in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

Close of Trading means the close of normal trading on ASX on the Effective Date.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Court means the Supreme Court of Victoria or any other court of competent jurisdiction under the Corporations Act determined by CPI, BidCo and Maui.

CPI Board means the board of directors of CPI as constituted from time to time.

CPI Shareholder means a person who is registered in the Register as the holder of Shares.

Deed Poll means the Deed Poll dated 10 March 2011 executed by BidCo and Maui, pursuant to which BidCo and Maui covenant in favour of the Scheme Shareholders to:

- (a) perform the steps attributed to BidCo or Maui (as the case may be) under, and otherwise comply with, this Scheme as if BidCo and Maui were a party to this Scheme; and

- (b) comply with their respective obligations under the Scheme Implementation Deed, in so far as that deed relates to this Scheme, and in the case of BidCo, do all things necessary or expedient on its part to implement this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order in relation to the Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

Excluded Share means any Share held by an Excluded Shareholder.

Excluded Shareholder means any CPI Shareholder who is BidCo, Maui, a Related Body Corporate of BidCo or a Related Body Corporate of Maui.

Explanatory Booklet means the information to be despatched to CPI Shareholders in accordance with clause 6.1(f) of the Scheme Implementation Deed.

Implementation Date means the date that this Scheme will be implemented according to its terms, being the fifth Business Day, or such other Business Day as the parties to the Scheme Implementation Deed agree, following the Record Date.

Listing Rules means the official listing rules of ASX.

Maui means, jointly and severally (but subject to the limitations in clause 1.2(b) of the Scheme Implementation Deed), Maui Capital Indigo Fund Limited and Maui Capital Indigo General Partner Limited as general partner for and on behalf of Maui Capital Indigo Limited Partnership.

Maui Capital Indigo Fund Limited means Maui Capital Indigo Fund Limited.

Maui Capital Indigo Limited Partnership means Maui Capital Indigo General Partner Limited as general partner for and on behalf of Maui Capital Indigo Limited Partnership.

Permitted Special Dividend has the meaning given to that term in the Scheme Implementation Deed.

Record Date means, in respect of the Scheme, 7.00pm on the fifth Business Day (or such other Business Day as CPI, Maui and BidCo agree) following the Effective Date.

Register means CPI's register of members maintained under and in accordance with section 169 of the Corporations Act.

Registered Address means the address of each CPI Shareholder as recorded on the Register.

Registrar means Computershare Investor Services Pty Limited.

Related Body Corporate of a person has the meaning given to that term in the Scheme Implementation Deed.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between CPI and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by CPI, Maui and BidCo.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, \$0.45 cash (as reduced by the cash amount of the Permitted Special Dividend, if any).

Scheme Order means the orders of the Court approving the Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Implementation Deed means the deed entered into between CPI, BidCo and Maui dated 17 January 2011, under which each party undertakes specific obligations to give effect to this Scheme.

Scheme Meeting means the meeting of CPI Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Scheme Share means a Share on Issue as at the Record Date, other than an Excluded Share.

Scheme Share Transfer means for each Scheme Shareholder, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Second Court Hearing means the hearing of the application to the Court for the Scheme Order approving the Scheme.

Share means an issued fully paid ordinary share in the capital of CPI.

Trust Account has the meaning given under clause 4.3.

1.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Melbourne, Australia time;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;

- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) the obligations of Maui Capital Indigo Fund Limited and Maui Capital Indigo Limited Partnership are joint and several.

2. Preliminary

2.1 CPI

CPI is a public company incorporated in Australia and registered in Victoria and is a company limited by shares. CPI is admitted to the official list of ASX and its Shares are officially quoted on the stock market conducted by ASX. Its registered office is at 41-45 Mills Road, Braeside Victoria 3195.

2.2 CPI securities

As at the date of the Explanatory Booklet, CPI has on issue or has granted (as applicable) 58,996,376 Shares.

2.3 BidCo

BidCo is a company incorporated in Australia and is a company limited by shares. Its registered office is at c/o BDO (NSW-Vic) Pty Ltd, Level 30, 525 Collins Street, Melbourne Victoria 3000.

2.4 Agreement to implement the Scheme

Each of CPI and BidCo have agreed, by executing the Scheme Implementation Deed, to implement the terms of this Scheme and the steps contemplated to follow the implementation of this Scheme, to the extent those steps are required to be done by each of them.

2.5 Deed Poll

BidCo and Maui have executed the Deed Poll in favour of Scheme Shareholders.

2.6 Summary of Scheme

If the Scheme becomes Effective:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to BidCo and CPI will become a subsidiary of BidCo;

- (b) in consideration of the transfer of the Scheme Shares, BidCo will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme;
- (c) CPI will enter the name of BidCo in the Register as the holder of all the Scheme Shares;
- (d) it will bind CPI and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and
- (e) it will override the constitution of CPI, to the extent of any inconsistency.

3. Conditions precedent

3.1 Conditions precedent

The conditions precedent to this Scheme are:

- (a) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than clause 3.1(k)) having been satisfied or waived in accordance with the Scheme Implementation Deed as at 8.00am on the Second Court Date or such other time specified in that condition precedent;
- (b) neither the Scheme Implementation Deed nor the Deed Poll being terminated, as at 8.00am on the Second Court Date; and
- (c) this Scheme being approved for the purposes of section 411(4)(b) of the Corporations Act at the Second Court Hearing, subject to the matters noted in clause 7.9.

3.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and the binding effect of this Scheme.

3.3 Certificate

CPI and BidCo will provide to the Court at the Second Court Hearing certificates, or such other evidence as the Court requests, confirming whether or not the conditions precedent to this Scheme (other than the condition precedent in clause 3.1(c) above and the condition precedent in clause 3.1(k) of the Scheme Implementation Deed) have been satisfied or waived.

3.4 End date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before 15 June 2011.

3.5 Termination

Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms before this Scheme becomes Effective, each of BidCo and CPI are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

4. The Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions in clause 3.1 of this Scheme are satisfied or, where applicable, waived, CPI will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable, and in any event by no later than 5.00pm on the first Business Day (or on such other Business Day as CPI, Maui and BidCo agree) after the date on which the Court makes that Scheme Order. This Scheme will be Effective on and from the Effective Date.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective in accordance with clause 4.1, the following actions will occur (in the order set out below) on the Implementation Date:

- (a) on or before 10.00am on the Implementation Date, and in consideration for the transfer of the Scheme Shares to BidCo under the Scheme, BidCo must pay or procure payment of the Scheme Consideration to each Scheme Shareholder for each Scheme Share that is held by the Scheme Shareholder as at the Record Date in accordance with clause 4.3;
- (b) after 10.00am on the Implementation Date, and subject to BidCo fulfilling its obligations under clause 4.3, all of the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date must be transferred to BidCo without the need for any further act by any Scheme Shareholder, by CPI effecting a valid transfer or transfers of the Scheme Shares to BidCo under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (i) CPI delivering to BidCo a duly completed Scheme Share Transfer executed by CPI as transferor (acting as the attorney and agent of each Scheme Shareholder under clause 7.1); and
- (ii) BidCo duly executing the Scheme Share Transfer as transferee and delivering it to CPI for registration; and
- (c) immediately after receipt of the duly executed Scheme Share Transfer from BidCo under clause 4.2(b)(ii), CPI must enter the name of BidCo in the Register in respect of all of the Scheme Shares the subject of the Scheme Share Transfer.

4.3 Payment of Scheme Consideration

The obligation of BidCo to pay or procure payment of the Scheme Consideration pursuant to clause 4.2(a) is to be satisfied by BidCo, before 10.00am on the Implementation Date, depositing in cleared funds into an account established by, or on behalf of, CPI and in the name of CPI (**Trust Account**) an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders, such amount to be held by CPI on trust for the Scheme Shareholders (except that any interest on the amount will be for the account of BidCo) and for the purpose of sending the aggregate Scheme Consideration to the Scheme Shareholders.

4.4 Despatch of Scheme Consideration

- (a) Subject to BidCo complying with its obligations under clause 4.3, CPI within three Business Days after the Implementation Date paying from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration due to that Scheme Shareholder in accordance with this Scheme by despatching or procuring the despatch to the Scheme Shareholder of a cheque, by pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme Shareholders must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date.
- (b) To the extent that a cheque properly dispatched by or on behalf of CPI pursuant to this clause 4.4 is returned to CPI as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date (**Unclaimed Consideration**):

- (i) CPI must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
- (ii) subject to CPI complying with its obligations under clause 4.4(b)(i), CPI is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

5. Entitlement to participate and dealings in Shares

5.1 Entitlement to participate

Each Scheme Shareholder will be entitled to participate in this Scheme.

5.2 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Shares will be recognised if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Register as the holder of the relevant Shares by the Record Date;
- (b) in all other cases share transfer forms in registerable form or transmission applications in respect of those dealings are received at the place where the Register is kept by the Record Date.

5.3 CPI's obligation to register

CPI must register any registerable transfers or transmission applications received in accordance with clause 5.2(b) by, or as soon as practicable after, the Record Date.

5.4 Transfer requests received after Record Date

CPI will not accept for registration or recognise for any purpose any transfer, transmission or application in respect of CPI Shares received after 7.00pm on the Record Date, other than a transfer to BidCo in accordance with this Scheme.

5.5 No disposal after Close of Trading

No CPI Shareholder shall dispose of or purport to agree to dispose of any CPI Shares or any interest therein after the Close of Trading. Any dealings in CPI Shares after Close of Trading shall not be recognised by the Registrar.

5.6 Maintaining the Register

For the purpose of determining entitlements to Scheme Consideration, CPI must, until the Scheme Consideration has been paid, maintain, or cause the Registrar to maintain, the Register in accordance with the provisions of this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Register.

5.7 Statements of holding cease to have any effect

After 7.00pm on the Record Date, any share certificate or holding statement for CPI Shares (other than statements of holding in favour of BidCo and its successors in title) will cease to have any effect as a document of title in respect of those shares and each current entry on the Register as at 7.00pm on the Record Date will cease to have any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration (other than the entries in respect of BidCo).

5.8 Provision of Scheme Shareholder's details

As soon as practicable after the Record Date, and in any event at least three Business Days before the Implementation Date, CPI must ensure that a complete copy of the Register as at 7.00pm on the Record Date, including details of the names, registered addresses and holdings of CPI Shares for each Scheme Shareholder are available to BidCo in the form BidCo reasonably requires.

5.9 Shareholder loans

To the extent that a Scheme Shareholder has an existing loan with CPI which relates to the Scheme Shares, the proceeds of the Scheme Consideration will firstly be applied by CPI to discharge the outstanding loan amount with the balance of the Scheme Consideration (if any) to be paid to the Scheme Shareholder in accordance with this Scheme.

6. Quotation of Shares

6.1 Suspension of trading in ASX

CPI will apply to the ASX to suspend trading in the Shares on ASX from the Close of Trading.

6.2 Termination from official quotation

Provided that the Scheme has been fully implemented in accordance with its terms, CPI will apply for termination of the official quotation of the Shares on ASX, and removal from the official list of ASX, on a date after the Implementation Date as determined by BidCo.

7. General provisions

7.1 Authority given to CPI

On the Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints CPI and all of its directors and officers (jointly and severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against either or both of BidCo or Maui; and
- (b) executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including, without limitation, executing a proper instrument of transfer of its CPI Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the CPI Shares held by Scheme Shareholders,

and CPI accepts such appointment. CPI as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors and officers (jointly, severally or jointly and severally).

7.2 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to CPI, and appointed and authorised CPI as its attorney and agent to warrant to BidCo, that all their CPI Shares (including any rights and entitlements attaching to those shares) transferred to BidCo under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and transfer their CPI Shares (including any rights and entitlements attaching to those shares) to BidCo under this Scheme.

7.3 Further assurances

CPI will execute documents and do all things and acts necessary or expedient in order to implement this Scheme.

7.4 Authority of CPI

Each of the Scheme Shareholders consents to CPI doing all things necessary for or incidental to the implementation of this Scheme.

7.5 Scheme binding

This Scheme binds CPI and all Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against the Scheme) and, to the extent of any inconsistency, overrides the constitution of CPI.

7.6 Variation, cancellation or modification of rights

The Scheme Shareholders agree to the transfer of their CPI Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their CPI Shares constituted or resulting from this Scheme (if any).

7.7 Beneficial entitlement to Scheme Shares

On the Scheme becoming Effective, pending registration by CPI of BidCo in the Register as the holder of the Scheme Shares:

- (a) BidCo will be beneficially entitled to the Scheme Shares transferred to it under this Scheme; and
- (b) each Scheme Shareholder irrevocably appoints BidCo as its sole proxy and, where appropriate, its corporate representative to attend shareholder meetings of CPI, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders resolution of CPI, and the Scheme Shareholder may not itself attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative.

7.8 Notices

Where a notice, transfer, transmission, application or other communication referred to in the Scheme is sent by post to CPI, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at CPI's registered office or at the office of the Registrar.

7.9 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, CPI may, by its counsel on behalf of all persons concerned consent to only such of those conditions or alterations to this Scheme to which BidCo has consented, such consent not to be unreasonably withheld or delayed.

7.10 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by BidCo.

7.11 Governing Law

- (a) The governing law of the Scheme is the law in force in the State of Victoria.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria and of the courts competent to determine appeals from those courts.