

ASX RELEASE

20 June 2014



The Manager
ASX Market Announcements
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

Attached is the following announcement for release to the market:

- Development concerning Cheung Kong Consortium takeover proposal.

Yours sincerely

A handwritten signature in blue ink, appearing to read "P. May", with a long horizontal flourish extending to the right.

Paul May
Company Secretary

Telephone: (08) 8418 1113

20 June 2014

Development concerning Cheung Kong Consortium takeover proposal



On 30 May 2014, Envestra announced that it had entered into a Bid Implementation Agreement (BIA) with the Cheung Kong Consortium in relation to an off-market offer of \$1.32 cash per Envestra share.

The BIA, a copy of which was released to ASX, provided in part as follows:

- "(a) *Envestra Shareholders will be entitled to receive a final dividend of up to \$0.035 per Envestra Share in respect of the financial year ending 30 June 2014, provided that such dividend is declared (or determined to be paid) on or prior to 21 August 2014 (Final Dividend).*
- (b) *The Consideration under the Offer:*
 - (i) *will not be reduced on account of the Final Dividend ..."*

The Consortium's announcement to the Hong Kong Stock Exchange and released by Envestra to ASX on 30 May 2014 stated:

"The Bidder has agreed that Envestra shareholders will be entitled to receive a final dividend of up to \$0.035 per Envestra share in respect of the financial year ending 30 June 2014 provided that such dividend is declared (or determined to be paid) on or prior to 21 August 2014 ("Final Dividend"), without any reduction to the Offer price of A\$1.32 per share."

This statement was reflected in Envestra's announcement to ASX on 30 May 2014:

"Envestra and Consortium BidCo have also agreed that Envestra shareholders will be entitled to receive a final dividend of up to \$0.035 per Envestra Share in respect of the financial year ending 30 June 2014, provided that such dividend is declared (or determined to be paid) on or prior to 21 August 2014 (Final Dividend), without any reduction to the Consortium Offer price of \$1.32 per Envestra share."

Envestra's Non-Affiliated Directors have informed the Consortium that, in accordance with the terms of the BIA and consistent with the above announcements, they propose to declare a final dividend of 3.5 cents prior to 21 August 2014, specifically on 11 July 2014, with a record date of 18 July 2014.

The Consortium has now indicated to Envestra that it objects to the declaration of a dividend in those circumstances.

Envestra's Non-Affiliated Directors have considered the Consortium's objections and have concluded that they are obliged to proceed with their proposed course of action outlined above, to ensure that the record date for the proposed final dividend is within the offer period for the Consortium's bid, and hence to seek to ensure that Envestra's shareholders receive the benefit of the 3.5 cent final dividend in addition to the Consortium's \$1.32 per share offer.

Unless the Consortium withdraws its objection to the proposed course of action at an early date, Envestra's Non-Affiliated Directors expect that an application will need to be made to the Takeovers Panel to resolve the matter.

For further information contact:

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