



28 November 2012

ALESCO DETERMINES TO PAY AN ADDITIONAL FULLY FRANKED DIVIDEND OF \$0.27 PER SHARE

Alesco Corporation Limited (**Alesco**) (ASX:ALS) today announced it has exercised its discretion to determine an additional fully franked special dividend of \$0.27 per Share (**Additional Dividend**) following the announcement by DuluxGroup Limited (**DuluxGroup**) (ASX:DLX) that it has reached a relevant interest in Alesco approaching 90%¹. The record date for the Additional Dividend is 7 December 2012 (**Record Date**).

The payment of the Additional Dividend is subject to DuluxGroup declaring its takeover offer (**Offer**) unconditional. If this occurs, the Additional Dividend will be paid on 19 December 2012 to shareholders holding Alesco Shares as at 5.00pm on the Record Date.

DuluxGroup has also confirmed that it intends to declare the Offer unconditional on 12 December 2012 and proceed to pay accepting shareholders by 19 December 2012². It is expected that DuluxGroup will commence a compulsory acquisition process to acquire the remaining shares in Alesco once the Offer is unconditional and it reaches a 90% relevant interest (as defined in the Corporations Act).

KEY POINTS

- Alesco shareholders on the register at 5:00pm on the Record Date will receive the Additional Dividend from Alesco on 19 December 2012 provided DuluxGroup has declared its Offer unconditional before then.
- Alesco Shareholders who accept into the Offer or whose Alesco Shares are compulsorily acquired by DuluxGroup will receive \$1.63 per Share from DuluxGroup in connection with the Offer.
- The payment of the Additional Dividend brings the total fully franked dividends paid under the Offer up to the maximum permitted under DuluxGroup's best and final Offer of \$0.42 per Share providing a total of up to \$0.18 per Share of franking credits. **The value of franking credits is not the same for all shareholders and shareholders should obtain their own tax advice.**
- On 16 November 2012, Alesco announced that it has received a favourable draft Class Ruling from the Australian Taxation Office (**ATO**) in relation to the income tax implications of recent final and special dividends paid by Alesco as well as any Additional Dividends.
- Alesco has not yet received a draft Class Ruling from the ATO on the impact of any dividend on the capital proceeds to be taken into account for the purpose of calculating a capital gain or capital loss (if relevant) on disposal of shares to DuluxGroup under the Offer or on compulsory acquisition. Further submissions have been made in relation to this question and it is expected that the ATO's response on this aspect of Alesco's Class Ruling application will be received

¹ Under the terms of the Takeover Implementation Agreement agreed between Alesco and DuluxGroup (a summary of which was disclosed with Alesco's ASX announcement of 28 September), "interest" for this purpose includes the total of DuluxGroup's voting power in Alesco plus Alesco Shares subject to acceptance instructions under the DuluxGroup Institutional Acceptance Facility plus Alesco Shares held by index funds and certain other holdings which will automatically accept into the Offer once there is a change of control as agreed by DuluxGroup and Alesco.

² The Offer consideration of \$2.05 per Share comprises \$1.63 per Share payable by DuluxGroup, \$0.27 per Share Additional Dividend anticipated to be paid by Alesco on 19 December 2012 and the \$0.15 per Share of fully franked dividends paid to shareholders who were on its register on the dividend record date of 17 August 2012.

within approximately two weeks. The payment of any Additional Dividend is not conditional on receipt of a class ruling in relation to the capital gains tax consequences.

- Shareholders will receive \$1.63 per Share cash from DuluxGroup but will not receive the Additional Dividend from Alesco if they acquire their Alesco Shares on or after 3 December 2012, being the ex-dividend date for the Additional Dividend, and they either accept the Offer or have their Alesco Shares compulsorily acquired under the Offer.
- Alesco has approval from its banking syndicate to allow the determination of the Additional Dividend as currently contemplated under its existing banking facilities³. Payment of the Additional Dividend is subject to a number of conditions, including the banking syndicate not withdrawing its approval prior to the time of payment⁴.

Further details on the expected timetable are contained in Annexure A. Alesco Shareholders should refer to the Third Supplementary Target's Statement for further information in relation to DuluxGroup's Offer and the Additional Dividend.

In view of DuluxGroup's current interest in Alesco Shares¹, your Directors continue to unanimously recommend that Alesco Shareholders ACCEPT DuluxGroup's Offer or sell their Alesco Shares on market, in the absence of a superior proposal.

Commenting on the developments, Mark Luby Chairman of Alesco said:

"Our agreement with DuluxGroup in relation to its Offer announced on 28 September was on the basis that Alesco has the discretion to pay an additional fully franked special dividend of up to \$0.27 per Share if DuluxGroup achieves a 90% interest in Alesco.

"Given the response to the Offer from shareholders, the Alesco Board is pleased to have delivered a clear pathway for Alesco Shareholders to realise franking credits which we have consistently said belong to them.

"Alesco continues to generate strong cashflows and, as a result, the Additional Dividend will be fully funded by Alesco with its net debt position standing at \$77million at the end of October."

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Alesco supplies innovative branded products to trade and industrial customers serving the building products markets in Australia and New Zealand. For more information on Alesco visit www.alesco.com.au.

All company announcements and information on the DuluxGroup Offer and Alesco's response are available on the Alesco website at www.alesco.com.au. Shareholders can also receive information on the Offer by calling the Alesco Shareholder Information Line:

Within Australia: 1800 828 558
Outside Australia: +61 2 8280 7215

³ Alesco and DuluxGroup have agreed to amend the TIA to recognise that Alesco will fund the payment of the Additional Dividend. Alesco has received approval to wholly fund payment of the Additional Dividend from its banking syndicate.

⁴ The drawdown of funds for, and the payment of, the Additional Dividend is subject to a number of conditions, including DuluxGroup declaring the Offer unconditional and holding a relevant interest (excluding shares held by index funds and certain other holdings which will automatically accept into the Offer once there is a change of control) of at least 85.6% in Alesco.

Annexure A – expected timetable

Event	Indicative Timing
Alesco determines Additional Dividend and announces record date for Additional Dividend	28 November 2012
ASX ex-dividend date	3 December 2012 (four business days before Additional Dividend record date)
Additional Dividend record date	7 December 2012 (seven business days after determination of Additional Dividend, per terms of TIA)
DuluxGroup declares its offer unconditional ⁵	12 December 2012 (no earlier than three business days after the Additional Dividend record date, per terms of TIA)
Additional Dividend payment date ⁶	19 December 2012
DuluxGroup pays accepting Shareholders the remaining offer consideration ⁷	19 December 2012 (within five business days of offer being declared unconditional)

⁵ DuluxGroup intends to extend the Offer period to facilitate the Additional Dividend process and will advise of the new Offer close date on or before 30 November 2012. DuluxGroup has agreed with Alesco that it will not declare its Offer unconditional until at least 3 business days after the record date for the Additional Dividend. If the Takeover Implementation Agreement which contains such agreement was to terminate, DuluxGroup could declare its Offer unconditional at any time and DuluxGroup reserves the right to do so in such circumstances.

⁶ Assuming DuluxGroup declares the Offer unconditional on 12 December 2012 and provided that DuluxGroup has a relevant interest (excluding shares held by index funds and certain other holdings which will automatically accept into the Offer once there is a change of control) of at least 85.6% in Alesco before the drawdown of funds for the Additional Dividend.

⁷ DuluxGroup will pay \$1.63 per Share to Shareholders who have accepted the Offer prior to 12 December 2012 assuming DuluxGroup declares the Offer unconditional on 12 December 2012.