



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP14/55

Wednesday, 9 July 2014

Envestra Limited – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 1 July 2014 from Envestra Limited in relation to its affairs (see [TP14/53](#)).

Envestra is the subject of a conditional off-market takeover bid by CK ENV Investments Pty Ltd, a member of the CK Consortium. The bid was announced by Envestra and CK ENV on 30 May 2014 and both announcements, which were agreed by the parties, also stated:

*“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.”*

CK ENV's offer will close on 8 August 2014, unless extended.

In an announcement made on 20 June 2014, Envestra stated that it proposed declaring a final dividend of \$0.035 per share with accelerated ex-dividend and record dates around mid-July but that the CK Consortium objected to the declaration of a dividend in those circumstances. In a media release later that day, the CK Consortium stated that they had no objection to the declaration of a final dividend but did object to the accelerated timetable for declaration and payment.

Envestra applied to the Panel for a declaration of unacceptable circumstances on the basis (among others) that the objection was designed to deter early declaration of the final dividend and deprive shareholders of the benefit of the final dividend. Envestra has sought final orders including to the effect that Envestra shareholders who accept the offer also receive the final dividend in addition to the offer amount of \$1.32 per share.

The Panel noted that Envestra had not yet declared its final dividend and that the CK Consortium has not advised whether, if necessary, it would extend the offer period so that the record date for the final dividend would be before the offer closed or would decline to do so. In the circumstances, the Panel considers that no

unacceptable circumstances have arisen yet. Accordingly, the Panel declined to conduct proceedings.

It appears to the Panel, without the benefit of submissions from the parties, that the statement in the 30 May 2014 announcements may be a statement to which truth in takeovers policy applies. If, in future, the statement was departed from, the Panel considers that a fresh application could be made.

The sitting Panel was Peter Day, Rod Halstead (sitting President) and Ron Malek.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3597
allan.bulman@takeovers.gov.au