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To: Company Announcements Office  
ASX

By: Electronic Lodgement

## **POSTPONEMENT OF STAPLED SECURITY RESTRUCTURING**

Attached is a News Release dated 18 August 2004 regarding the above matter.

**Murray King**  
**Company Secretary**

Enclosure

# News Release



18 August 2004

## **Alinta Postpones Stapled Security Restructuring to Pay Fully Franked Dividends**

Alinta Limited announced today that it has deferred implementation of the stapled security restructuring originally foreshadowed in its rights issue prospectus dated 17 March 2004. The decision to postpone the restructure was primarily based upon Alinta's ability to pay fully franked dividends for distributions relating to the 2004 and 2005 financial years. Under the proposed stapling arrangement, Alinta distributions would have been partly franked and partly tax deferred.

The Alinta Board has taken the decision to defer the restructuring after a thorough review of the impacts of the sale of Uecomm. The Uecomm sale is expected to create a significant level of franking credits that can be more efficiently distributed to shareholders under the existing capital structure. Alinta announced last month that it had received \$155 million for the sale of its interests in Uecomm.

Alinta Chairman Tony Howarth said the Uecomm sale had been a significant change in circumstances since the announcement of the plan to implement a restructure and issue stapled securities.

Mr Howarth said Alinta, in conjunction with Macquarie Bank, had undertaken a detailed review of the effects of the sale of Uecomm on Alinta's capital structure.

"The proposed restructure into a stapled security was intended for the benefit of shareholders based on the circumstances that existed for Alinta in March 2004. While we had always stated Alinta did not intend to be a long-term shareholder of Uecomm, we were not in a position to reliably estimate how long that might have been," Mr Howarth said.

"We recognise the need to be flexible and respond in the best interests of our shareholders to significant events like the sale of Uecomm. Deferring the restructure is in shareholder's best interests, as we are now in a position to pay fully franked dividends at the distribution levels we originally intended to pay."

Alinta intends to revisit the restructure proposal in late 2005, and will make a decision whether to proceed based on the circumstances that exist at that time. Dependent on Alinta's position in late 2005, the restructure may well still be in best long-term interests of shareholders.

The stapled security restructuring proposal arose from the purchase of the former Duke pipeline and power generation assets. These assets are 100% owned by the Alinta Infrastructure Trust, which in turn is 100% owned by Alinta. The restructuring would have seen current Alinta shareholders holding a direct interest in 80.1% of the trust, with Alinta holding the remaining 19.9%. Ordinary shares in Alinta and units in the trust would then have been traded on the ASX on a stapled basis. The restructure was planned to allow shareholders to receive returns of capital on a tax deferred basis in relation to the newly acquired assets. The proposal was still

# News Release



subject to shareholder approval, and Alinta had previously advised it had been likely to proceed in late 2004.

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