



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	25 May 2015
From	Helen Hardy	Pages	4
Subject	Contact concludes review and announces revised distribution policy including a special dividend of \$367m to be paid in June 2015		

Attached herewith is a copy of an announcement released to the NZX by Contact Energy today.

Origin Energy holds 53.09% of quoted ordinary shares in Contact Energy Limited.

Regards

Helen Hardy
Company Secretary

02 8345 5000 – helen.hardy@originenergy.com.au

MEDIA RELEASE

For immediate release

Monday 25 May 2015

Contact concludes review and announces revised distribution policy including a special dividend of \$367m to be paid in June 2015

As announced in February 2015, Contact Energy Limited (Contact) has been examining growth opportunities in renewable energy, the company's capital structure and the capacity to increase distributions to shareholders.

Contact has concluded that there are no material investment opportunities available at this time that would sufficiently reward shareholders and that the company can support increased distributions to shareholders.

The Contact Board of Directors has revised the company's distribution policy to reflect the expectation that Contact will have limited capital requirements in the near term. Contact's amended dividend policy will be to target an average ordinary dividend equivalent to approximately 100 per cent of Underlying Earnings after Tax¹.

To the extent free cash flow exceeds the distributions outlined above, and absent new domestic growth opportunities or adverse market events, additional distributions will be made and are likely to take the form of share buybacks.

As the company has accumulated a significant balance of imputation credits from capital raisings over recent years the company has determined to return \$367 million (50.0 cents per share) to shareholders through a fully imputed special dividend to be paid on 23 June 2015.

Contact remains committed to maintaining an efficient capital structure and to an investment grade credit rating. Standard and Poor's has recently re-confirmed Contact's BBB credit rating.

"As a result of the capital investments made with the support of our shareholders, Contact is a strongly cash generative business which can support the change in distribution policy announced today. We value the flexibility provided by an investment grade credit rating which enables the company to withstand variable market conditions.

¹Refer to pages 3 and 4 of the Management discussion of financial results for the 6 months ended 31 December 2014 for a definition and reconciliation between statutory profit and the non-GAAP profit measure underlying earnings after tax (profit excluding significant items that do not reflect Contact's ongoing performance).

Contact believes that we have a strong capability in renewable energy, in particular geothermal, and we will continue to explore how we may leverage these skills to grow earnings over the long term.

Contact is focused on creating long-term value for our shareholders and will do this through the safe operation of our business, a focus on costs and efficiency and providing customers with the quality of service and products they expect”, said Mr Barnes.

ENDS

Notes:

- The fully imputed special dividend of 50.0 cents per share will be paid on 23 June 2015 to all Contact Energy shareholders who are on the Company’s share register at 5pm on the record date of 10 June 2015.
- The dividend will be fully imputed which amounts to an imputation credit of 19.4444 cents per share.
- The Company will also pay a supplementary dividend of 8.8235 cents per share to non-resident shareholders. The Company will receive from the IRD a tax credit equivalent to the supplementary dividend.

Media enquiries: Nicholas Robinson 027 705 3831

Investor enquiries: Fraser Gardiner 021 228 3688

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

Full name of issuer **Contact Energy Limited**

Name of officer authorised to make this notice **Dennis Barnes - Chief Executive Officer** Authority for event, e.g. Directors' resolution **Directors' Resolution**

Contact phone number **+64 4 499 4001** Contact fax number **+64 4 499 4003** Date **25 / 05 / 2015**

Nature of event
Tick as appropriate

Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renounceable

Rights Issue non-renounceable Capital change Call Dividend If ticked, state whether: Interim Full Year Special DRP Applies

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares (733,358,872)** ISIN **NZCENE0001S6**
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities ISIN
If unknown, contact NZX

Number of Securities to be issued following event Minimum Entitlement Ratio, e.g. ① for ② for

Conversion, Maturity, Call Payable or Exercise Date Treatment of Fractions

Strike price per security for any issue in lieu or date Strike Price available. Tick if *pari passu* OR provide an explanation of the ranking

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security (does not include any excluded income) **\$0.50** Source of Payment

Excluded income per security (only applicable to listed PIEs) **Not applicable**

Currency **NZD** Supplementary dividend details - NZSX Listing Rule 7.12.7 Amount per security in dollars and cents **\$0.088235**

Total monies **\$366,679,436** Date Payable **23 June, 2015**

Taxation *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price \$

Resident Withholding Tax **\$0.000000/\$0.034722** Imputation Credits (Give details) **\$0.194444**

Foreign Withholding Tax **\$0.000000** FDP Credits (Give details) **\$0.000000**

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -* **10 June, 2015**

Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.* **23 June, 2015**

Notice Date *Entitlement letters, call notices, conversion notices mailed* **Not applicable**

Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.* **Not applicable**

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:
Security Code:

