



STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

NEWS RELEASE

Mercury announces share buyback programme

2 May 2018 – Mercury has today announced that it will begin an on-market share buyback programme to purchase up to 20 million ordinary shares for an aggregate purchase price of up to \$50 million.

The share buyback will only acquire shares on the NZX Main Board and may occur from 7 May 2018 until 30 June 2018. The acquired shares will not be cancelled and will be held by Mercury as treasury stock.

Mercury Chair Joan Withers said the Board's view is that a purchase of the company's shares at current market prices is an efficient use of excess balance sheet capacity that also reflects Mercury's desire to maintain capital flexibility for future value-enhancing initiatives for its shareholders.

"The Board believes that the buyback is a prudent method of addressing the company's low gearing relative to its target capital structure and is an efficient way of returning capital to shareholders" said Mrs Withers. The buyback will bring the company's gearing levels near 2.0x for debt to EBITDAF, consistent with the conservative end of Mercury's target range of 2.0x to 3.0x.

Mrs Withers said that holding the shares as treasury stock reflected the company's desire to maintain capital flexibility. This will add to the 1.6% of shares already held as treasury stock from Mercury's buyback in FY2014.

Consistent with previous years, Mercury will further consider appropriate capital management initiatives at the end of the financial year, recognising the expected record financial results based on current guidance.

For further information:

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ABOUT MERCURY NZ LIMITED

Mercury's mission is energy freedom. Our purpose is to inspire New Zealanders to enjoy energy in more wonderful ways and our goal is to be New Zealand's leading energy brand. We focus on our customers, our people, our partners and our country; maintain a long-term view of sustainability; and promote wonderful choices. Mercury is energy made wonderful. www.mercury.co.nz

