



STOCK EXCHANGE LISTINGS: NEW ZEALAND (MCY) / AUSTRALIA (MCY)

NEWS RELEASE

Mercury to Redeem MCY010 Capital Bonds

19 June 2019 – Mercury NZ Limited ("**Mercury**") announces that it is exercising its right to fully redeem its NZ\$300 million of subordinated capital bonds (NZDX ticker code: MCY010) ("**MCY010 Bonds**"). The redemption will occur in accordance with the trust deed for the MCY010 Bonds on the first reset date, 11 July 2019.

Holders of the MCY010 Bonds will be entitled to receive the principal amount (NZ\$1.00) of each MCY010 Bond held, together with accrued and unpaid interest up to the first reset date.

Mercury is undertaking a new offer of subordinated capital bonds ("**Capital Bonds**"). Holders of the MCY010 Bonds who wish to participate in the offer should contact their usual financial adviser to obtain an allocation of Capital Bonds. Holders of the MCY010 Bonds who have received an allocation from their financial adviser can elect to have some or all of the proceeds from their MCY010 Bonds applied to the settlement of that allocation.

Mercury will be communicating with all the holders of the MCY010 Bonds to notify them of this decision. A template letter is attached to this announcement.

For further information please contact:

| | | |
|--------------|-----------------|--------------|
| BNZ | Deutsche Craigs | Forsyth Barr |
| 0800 284 017 | 0800 226 263 | 0800 367 227 |

ENDS

For further information:

Media – Craig Dowling 0272 105 337
Investors – Tim Thompson 0275 173 470

Attachments: Template letter to bondholders
 Corporate Action Notice

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.

Visit us at: www.mercury.co.nz





19 June 2019

Dear bondholder

Mercury NZ Limited – Notice of redemption of MCY010 Bonds

We are writing to you as a holder of existing Mercury NZ Limited ("**Mercury**") capital bonds with the NZX ticker code MCY010 ("**MCY010 Bonds**"). The MCY010 Bonds are issued under a master trust deed dated 14 April 2003 and a supplemental trust deed (capital bonds) dated 6 June 2014, each as amended and/or restated from time to time (together, the "**Trust Deed**").

Mercury is exercising its right to fully redeem the MCY010 Bonds, in accordance with the Trust Deed on the first reset date, 11 July 2019. This is a notice of redemption under clause 7.4 of the supplemental trust deed referred to above.

On redemption, holders of the MCY010 Bonds will be entitled to receive the principal amount (NZ\$1.00) of each MCY010 Bond held, together with accrued and unpaid interest up to the first reset date.

As described in our letter to you dated 12 June 2019, Mercury is undertaking a new offer of subordinated capital bonds ("**Capital Bonds**"). If you have received an allocation of Capital Bonds from your financial adviser, you may elect to have the principal amount of the redemption proceeds payable for your MCY010 Bonds applied and set-off against the application moneys payable by you for Capital Bonds.

If you do not participate in the offer of the Capital Bonds, or if the redemption proceeds payable to you exceed the application amounts payable by you for Capital Bonds, Mercury will pay the excess (plus all accrued interest) to you by the method which you currently receive interest payments for your MCY010 Bonds. If you wish to change this payment instruction, please update your details at www.investorcentre.com/nz or advise Computershare in writing prior to 4 July 2019.

Registrar:

Computershare Investor Services Limited
Private Bag 92119
Victoria Street West
Auckland 1142
Telephone (09) 4888777
Email: enquiry@computershare.co.nz

If you have any questions regarding your investment we advise you to contact your financial adviser.

Yours sincerely

William Meek | Chief Financial Officer

MERCURY NZ LIMITED

33 Broadway
Newmarket
Auckland 1023

MERCURY.CO.NZ

Corporate Action Notice

(Other than for a Distribution)

Updated as at 8 May 2019

| Section 1: issuer information (mandatory) | | | | |
|----------------------------------------------------------------------------|----------------------------------------------------------|---|-------------------------------|--|
| Name of issuer | Mercury NZ Limited | | | |
| Class of Financial Product | Subordinated unsecured capital Bonds | | | |
| NZX ticker code | MCY010 | | | |
| ISIN (If unknown, check on NZX website) | NZMRPDG001C6 | | | |
| Name of Registry | Computershare Investor Services Limited | | | |
| Type of corporate action (Please mark with an X in the relevant box/es) | Share purchase plan | | Renounceable Rights issue | |
| | Capital reconstruction | | Non Renounceable Rights issue | |
| | Call | X | Bonus issue | |
| Record date | 01/07/2019 | | | |
| Ex-Date (one business day before the Record Date) | 28/06/2019 | | | |
| Currency | New Zealand Dollars | | | |
| Section 2: Call | | | | |
| Total number of Financial Products being called | 300,000,000 | | | |
| Total call amount payable in respect of all Financial Products | \$300,000,000, together with accrued and unpaid interest | | | |
| Amount payable per Financial Product | \$1.00, together with accrued and unpaid interest | | | |
| Call notices mailed | 19/06/2019 | | | |
| Section 3: Authority for this announcement | | | | |
| Name of person authorised to make this announcement | William Meek, Chief Financial Officer | | | |
| Contact person for this announcement | Tim Thompson | | | |
| Contact phone number | 0275 173 470 | | | |
| Contact email address | investor@mercury.co.nz | | | |
| Date of release through MAP | 19/06/2019 | | | |