



## NEWS RELEASE

9 June 2014

NZX: MRP

ASX: MYT

### Standard & Poor's confirm credit rating for capital bonds

Standard & Poor's has made the following statement in regard to Mighty River Power's capital bond offer announced 6 June 2014.

"Standard & Poor's Ratings Services said that it had assigned its 'BB+' long-term issue credit rating to New Zealand-based utility Mighty River Power Ltd.'s (MRP) proposed NZ\$250 million (plus up to NZ\$50 million of oversubscriptions) in capital bonds.

These securities are subordinated to all current and future senior creditors of the group. Also, Standard & Poor's has assigned the securities 'Intermediate' equity credit, which means that for presentation purposes we will reclassify 50% of the capital bonds as equity and hence 50% of the interest paid as dividends. MRP has indicated that the proceeds will be used for general corporate purposes to improve financial flexibility and repay bank debt. The proposed notes have a final maturity date of July 2044; however, MRP can call the notes under certain circumstances. Nevertheless our equity classification is influenced by our belief that the company is committed to maintaining a security of this nature in its capital structure."

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