



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

NEWS RELEASE

Mercury Launches Capital Bond Offer

12 June 2019 – Mercury NZ Limited ("**Mercury**") confirmed today that it is offering up to NZ\$300 million of subordinated capital bonds ("**Capital Bonds**") to New Zealand retail and institutional investors.

The offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities.

Full details of the offer are contained in the indicative terms sheet which has been prepared for the offer and is also attached, as is a presentation on the offer. The Capital Bonds are expected to be quoted on the NZX Debt Market and to be assigned an issue credit rating of BB+ by S&P Global Ratings.

The offer will open with an indicative margin range for the Capital Bonds to the First Reset Date (11 July 2024) of 2.10% p.a. to 2.25% p.a. (subject to a minimum interest rate for that period of 3.60% p.a.). An announcement of the actual margin (which may be above or below the indicative margin range mentioned above) and the interest rate will be made following the bookbuild process, expected to be completed on 19 June 2019 ("**Rate Set Date**"). The terms sheet for the offer will be updated to include the interest rate and will be released on or about the same day.

Subject to a successful bookbuild process for the offer, Mercury intends to redeem its existing subordinated capital bonds which are quoted on the NZX Debt Market under the ticker code MCY010 ("**MCY010 Bonds**") by giving a redemption notice to holders of MCY010 Bonds on or shortly after the Rate Set Date.

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 receive an allocation of Capital Bonds from their financial adviser can elect to have some or all of the proceeds from the redemption of their MCY010 Bonds applied to that allocation.

The offer will close on 4 July 2019, with the Capital Bonds expected to be issued on 11 July 2019.

There is no public pool for the Capital Bonds, which will be reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild.

Interested investors (including holders of MCY010 Bonds) should contact Bank of New Zealand, Deutsche Craigs Limited, Forsyth Barr Limited (as Joint Lead Managers), or their usual financial adviser for more details.

For further information please contact:

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

ENDS

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.

Visit us at: www.mercury.co.nz

