



Better together.

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Trustpower launches fixed rate retail bond offer

1 July 2019

Trustpower Limited (**Trustpower**) announced today that it is offering up to NZ\$100,000,000 (with the ability to accept oversubscriptions of up to NZ\$25,000,000 at Trustpower's discretion) of unsecured, unsubordinated fixed rate bonds (**Bonds**) to New Zealand institutional and retail investors (**Offer**).

The Offer consists of:

- a firm offer of up to NZ\$50,000,000, which will be reserved for New Zealand clients of the Joint Lead Managers, approved financial intermediaries and other primary market participants invited to participate in the bookbuild process (**Firm Offer**); and
- an investor offer of up to NZ\$50,000,000, which will be reserved for existing New Zealand bondholders and shareholders of Trustpower (**Investor Offer**).

Under the Investor Offer, Trustpower has reserved:

- NZ\$30,000,000 of Bonds for New Zealand holders of Trustpower's existing subordinated bonds (which are quoted on the NZX Debt Market under the ticker code TPW160 (**TPW160 Bonds**)) who wish to apply to exchange all or some of their TPW160 Bonds for the Bonds (on a one-for-one basis) (an **Exchange**). Trustpower will also make a cash payment to each investor who is issued Bonds under the Exchange (see "*Reinvestment opportunity for TPW160 Holders*" in the attached Terms Sheet for how this cash payment is calculated); and
- NZ\$20,000,000 of Bonds for all Trustpower shareholders and bondholders in New Zealand (including New Zealand holders of the TPW160 Bonds).

An application for Exchange can also be made in respect of firm allocations received under the Firm Offer. Oversubscriptions can be accepted under the Firm Offer and/or the Investor Offer.

There is no public pool for the Offer.

Trustpower may at its sole discretion reallocate Bonds between:

- the Investor Offer and the Firm Offer; or
- the two reserved pools within the Investor Offer.

Trustpower may scale applications in its absolute discretion, and in doing so may take into account factors including timing and size of application.

The Bonds have a 7 year term with a Maturity Date of 29 July 2026.

The Interest Rate will be the higher of (a) the minimum rate of 3.35% per annum and (b) the Issue Margin plus the Base Rate on the Rate Set Date (5 July 2019). The Issue Margin will be set following a bookbuild process on 5 July 2019. The Interest Rate (and, if applicable, the Issue Margin) will be announced by Trustpower via NZX shortly thereafter.

The indicative Issue Margin range for the Bonds is 1.75% to 1.85% per annum.

The Investor Offer is expected to close on 19 July 2019 and the Firm Offer is expected to close on 24 July 2019, with the Bonds expected to be issued on 29 July 2019.

The Bonds are expected to be quoted on the NZX Debt Market.

Full details of the Offer are contained in the Terms Sheet attached. The Offer will be made as an offer of debt securities of the same class as existing quoted debt securities pursuant to the Financial Markets Conduct Act 2013. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX.

Joint Lead Managers

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ENDS

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