

Treasury Report: Role of Joint Lead Managers - Achieving Widespread NZ Ownership

Date:	5 April 2012	Report No:	T2012/651
--------------	--------------	-------------------	-----------

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	Note	None
Associate Minister of Finance (Hon Steven Joyce)	Note	None
Minister for State Owned Enterprises (Hon Tony Ryall)	Note	None

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Dominic Milicich	Senior Analyst, Commercial Transactions Group	9176 087 (wk)	[Withheld under s9(2)(a)] ✓
Andrew Blazey	Manager, Commercial Transactions Group	9176 985 (wk)	

Minister of Finance's Office Actions (if required)

None.

Enclosure: No

Treasury Report: Role of Joint Lead Managers - Achieving Widespread NZ Ownership

Purpose of Report

1. Following discussion at the weekly MOM meeting with ministers on 26 March, we were asked to provide a report on the role of Joint Lead Managers (JLMs), with specific emphasis on how widespread retail ownership is to be achieved.

Role of the JLMs

2. The role of the JLMs is primarily to provide project management and advisory services to support the successful execution of the IPO. Particular tasks include:
 - developing an overall project plan for the IPO
 - providing advice on corporate and offer issues such as
 - capital and debt structure
 - corporate restructuring and strategic positioning
 - dividend policy
 - design of the pre-registration process
 - allocation policy
 - the need for any retail incentives
 - pricing and after market issues
 - participating in the planning and execution of the due diligence process
 - co-ordinating the preparation, production and distribution of offer documents
 - dealing with regulatory bodies as required
 - overseeing domestic and international retail and institutional marketing campaigns and roadshows, including market research, and
 - managing and arranging logistics, including printing, mailhouse, and applications processing.
3. It is important to note that the JLMs provide advice to the Crown and that the Crown reserves the right as to whether to act on that advice at its sole discretion. Most notably, as it states in the contract with the JLMs “the Joint Lead Managers acknowledge that the determination of final allocations of Offer Securities will be made by the Crown”.

Recommended Action

We recommend that you **note** the contents of this report.

Andrew Blazey
Manager, Commercial Transactions Group

Hon Bill English
Minister of Finance

Hon Tony Ryall
Minister for Stated Owned Enterprises