

The Treasury

Mighty River Power Share Buyback Information Release

October 2013

Release Document

www.comu.govt.nz/publications/information-releases/mixed-ownership-model

Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information, or who is the subject of the information
- [3] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [5] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [8] 9(2)(h) - to maintain professional legal privilege
- [9] Not relevant

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Mighty River Power Share Buyback: Timeline of Events

21 October 2013

Date	Event
28 August 2013	<p>Mighty River Power announces its 2012/13 financial results, and states that “the stronger balance sheet and reduced Capital Expenditure forecast [are] factors in [an] overview of capital management”.</p> <p>https://nzx.com/companies/MRP/announcements/240281</p>
2 October 2013	<p>Mighty River Power releases a presentation it gave at its Capital Markets Day which states that “[a] focus on sustainable earnings and capital management [is] underway and ongoing” and that “a number of capital management options exist in absence of growth investments [including a] change to ordinary dividend ... , [a] special dividend ... , [a] share buy-back [which] would need to be in the best interests of the company and shareholders”.</p> <p>https://nzx.com/companies/MRP/announcements/241897</p>
3 October 2013	<p>A research note on Mighty River Power by a private sector equity analyst states that the company is considering “a capital return ... most likely via share-buyback”.</p>
9 October 2013	<p>Mighty River Power management contacts the Treasury to ascertain the Crown’s position with respect to participating as a seller in a possible buyback, and whether the necessary confidentiality arrangements are in place to allow this discussion. The Treasury determines that no such confidentiality arrangements exist.</p> <p>The Chair of Mighty River Power contacts the offices of shareholding Ministers, and calls the Minister for State Owned Enterprises, to arrange a phone discussion with Ministers later that day regarding an unspecified “market related issue”. Treasury advises Ministers not to take a call without knowing what the subject of the discussion is. The phone discussion does not occur.</p>
10 October 2013	<p>At 8:50 a.m., before the sharemarket opens, Mighty River Power publicly announces a buyback of up to 25 million of its shares starting from 15 October 2013.</p> <p>https://nzx.com/companies/MRP/announcements/242192</p> <p>In the afternoon, the Treasury advises Ministers’ offices by email that a Treasury report will be sent the following day, and that the report will advise Ministers that the Crown does not participate in the buyback. This is the first advice Ministers received (the afternoon following the public announcement).</p>
11 October 2013	<p>The Treasury provides advice to Ministers on the share buyback (Treasury report T2013/2602 and associated emails).</p>