

## **Mighty River Power Share offer**

FAQs for potential retail investors

The Mighty River Power Share Offer is expected to open for applications on Monday, 15 April 2013.

You can view, download or print the Share Offer document from within New Zealand at [www.mightyrivershares.govt.nz](http://www.mightyrivershares.govt.nz)

When the Share Offer opens, shares can be bought directly. All applications for shares must be made on the application form accompanying the Share Offer document.

### **1. What is the Mighty River Power Share Offer?**

The Government is planning to sell up to 49% of four state owned energy companies. These partial sales are expected to be achieved through a series of public share offers. New Zealanders will have the opportunity to buy shares in the companies.

The first of these sales is for shares in Mighty River Power Limited (MRP offer). The Government will sell up to 686 million shares in Mighty River Power and has said the shares are likely to list for between \$2.35 and \$2.80 a share. More information on the Government's mixed ownership model programme, of which the MRP offer forms part, can be found at [www.governmentshareoffers.govt.nz](http://www.governmentshareoffers.govt.nz)

### **2. Can I still buy shares if I did not pre-register?**

Potential investors from New Zealand were invited to register their interest in the MRP offer on the Government's website without any obligation to purchase shares, in order to help the Government gauge levels of interest in the offer.

Pre-registration was not necessary in order to buy shares. New Zealanders' who did pre-register however, will be eligible for up to 25% more shares than someone who did not pre-register, in the event of scaling due to demand exceeding the number of shares available.

### **3. Do I need financial advice and when should I get this?**

FMA encourages all potential investors to be fully informed before making decisions about investing.

If you are considering whether or not to invest, the most important source of information is the MRP offer investment statement and prospectus, available at [www.mightyrivershares.govt.nz](http://www.mightyrivershares.govt.nz). These are available now so investors and their advisers have time to read information about the offer before making an investment decision.

Look first at the 'Answers to Important Questions' section which outlines the basic information you need to know, including: who is providing the offer; how much you will pay for the shares; the likely returns; the procedures and timeframes for making the investment; and the main investment risks.

Make sure you take time to read the offer document before you decide whether or not to invest. If you have more questions or don't understand what you are being invited to invest in then seek financial advice - see 'What sort of financial advice should I obtain and who can provide this for me?'

More information on investing in shares can be found at:  
<https://www.governmentshareoffers.govt.nz/investing/>

#### **4. What sort of financial advice should I obtain and who can provide this for me?**

There are two different types of advice relevant to the MRP offer:

Personalised advice - this is advice tailored to your personal circumstances about whether the shares are suitable for you, and can be provided by an Authorised Financial Adviser (AFA).

Class advice - this is generic advice relevant to a group or 'class' of people with similar characteristics and circumstances as you (such as age and risk appetite) and can be provided by an AFA, a Registered Financial Adviser (RFA) or a QFE Adviser (such as an adviser employed by a broker, bank or other financial institution). Class advice might also be issued generally by an entity such as a financial institution or bank. Class advice does not take into account your personal situation.

Ask the person who is providing you with advice to explain what sort of advice they are providing. If they can't give you a satisfactory explanation, then you may want to consider changing your adviser.

#### **5. Do I have to obtain financial advice before I invest in MRP?**

No, not necessarily. You can purchase shares on an 'information only' basis (sometimes called 'execution only' or 'direct') through a broker, or through some banks who are involved in the MRP offer or through other financial institutions. You can also purchase

shares directly. You should however take steps to ensure you are fully informed about the MRP offer. See below: 'What else should I do before I make any decisions?'

## **6. What else should I do before I make any decisions?**

We encourage all investors to understand what they are investing in. The best way to do this is to read the investment statement and prospectus. Start by looking at the Answers to Important Questions section in the investment statement: who is providing the offer; how much you will pay for the shares; the likely returns; the procedures and timeframes for making the investment; and the main investment risks. If the investment statement and prospectus have been combined into one document then you will find this important information at the front of the document and more detailed information on each of these topics as you read further into the document.

## **7. What if I don't have a financial adviser or an existing broker?**

You can find a list of Authorised Financial Advisers on FMA's website at: </help-me-invest/getting-financial-advice/find-an-adviser/>

You can find a list of brokers here: [https://www.nzx.com/investing/find\\_a\\_participant](https://www.nzx.com/investing/find_a_participant)

## **8. How do I know if I am a wholesale or retail investor?**

Most 'ordinary New Zealanders' are likely to be classed as 'retail investors' and are entitled to the full protections that are available in law when they make an investment. For example, they are entitled to receive the offer document containing required content, disclosure from their financial adviser and access to a dispute resolution scheme.

Experienced or habitual investors, or investors (such as companies or other entities) who meet certain prescribed asset criteria can be classed as 'wholesale' for investment and financial advice purposes and are not entitled to all those protections.

If you have been advised that you are a wholesale investor (or you have previously certified yourself as an eligible investor), and you are not sure what this means for you and for this offer, please talk to your adviser or broker about whether this classification is appropriate for the MRP offer. If they can't give you a satisfactory explanation, then you may want to consider changing your adviser.

### **9. Is this investment guaranteed by the Government?**

No. The Government is selling the shares but this does not mean that it guarantees future returns from MRP shares or otherwise guarantees your investment. Look carefully at the sections in the investment statement and prospectus about returns and risks and look at the prospective financial information sections for the issuer's assessment of likely future prospects. Ask your financial adviser or broker to guide you through these sections if you are unsure.

### **10. Where can I find more information about investing generally?**

You can find more information on investing, including goals and risk tolerance, developing an investment plan, choosing an investment and risks involved in investing at: [/help-me-invest/investing-basics/](#)

### **11. Where can I find more information about the offer?**

Further information about the MRP offer can be found at:  
<https://www.governmentshareoffers.govt.nz/about/>