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Infratil/Mercury JV reaches key milestone of 85% acceptances and alerts small shareholders

The joint venture formed by Infratil Limited and Mercury NZ Limited for the takeover of Tilt Renewables Limited has reached the key milestone of 85% acceptances.

"Now we have reached 85%, a full privatisation becomes almost inevitable in the future", said Marko Bogoievski, CEO and Director of Infratil.

"The current JV terminates when the offer ends. But in the future Infratil and Mercury could choose to form a new JV and acquire the shares needed to reach 90% from a small number of institutional investors, or Infratil could creep via a series of purchases once the stand down period required by the Takeovers Code is over. Once 90% is reached, we can compulsorily acquire the balance of shares outstanding."

Infratil believes that Tilt Renewables' upcoming share issue for the development of the Dundonnell Wind Farm project is a key trigger point. Tilt Renewables has announced that it intends to raise up to A\$280 million via an accelerated renounceable entitlement offer, or AREO. Essentially, an AREO is a pro-rata share issue where the rights of shareholders who do not participate in the cash issue are auctioned off to institutional and other professional investors.

"Ordinarily, that sort of share issue can work well for non-participating shareholders", said Mr Bogoievski, "but this isn't going to be an ordinary situation. Small shareholders should be wary, as there aren't likely to be many bidders for their rights if they don't participate in the issue, except perhaps a small number of larger institutional shareholders. There's a very real risk that the shares will be issued at a significant discount to the share price, and that small shareholders will receive little or no value for their rights. If that happens, those shareholders will have the value of their shareholding diluted."

"Infratil urges minority shareholders to accept the offer now, particularly those who are unlikely to participate in the upcoming equity raise. The offer closes this Friday, 30 November 2018 at 11.59pm and cannot be extended again."

Any enquiries should be directed to:

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