



2 May 2016



# Indicative Terms Sheet

Fixed rate bonds maturing  
12 May 2023



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2 May 2016

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## Important Notice

The offer of debt securities by WIAL is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (“**FMCA**”).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as WIAL’s bonds maturing on 15 May 2021, which have a fixed interest rate of 6.25% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA020 (“**Existing Bonds**”).

Accordingly, the 2023 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

WIAL is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (“**NZX**”) for the purpose of that information being made available to participants in the market and that information can be found by visiting [www.nzx.com/companies/WIA](http://www.nzx.com/companies/WIA).

The Existing Bonds are the only debt securities of WIAL that are currently quoted and in the same class as the 2023 Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

This Terms Sheet sets out the key terms of the offer (“**Offer**”) by Wellington International Airport Limited (“**WIAL**”) of up to \$50,000,000 (with the ability to accept oversubscriptions of up to \$25,000,000 at WIAL’s discretion) of fixed rate bonds maturing on 12 May 2023 (“**2023 Bonds**”) under its master trust deed dated 1 December 2008 (as amended from time to time) (“**Trust Deed**”) as modified and supplemented by the supplemental trust deed dated 29 April 2016 (together, “**Trust Documents**”) entered into between WIAL and Trustees Executors Limited (“**Supervisor**”). Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Trust Documents.

# Key Terms of the 2023 Bonds

<b>Issuer</b>	Wellington International Airport Limited.		
<b>Description</b>	<p>The 2023 Bonds are unsecured, unsubordinated, fixed rate interest bearing debt obligations of WIAL.</p> <p>The obligations of WIAL with respect to the 2023 Bonds are not guaranteed by any Subsidiary of WIAL or any other person and are not secured in any way against any assets of WIAL or the WIAL Group.</p>		
<b>Purpose</b>	WIAL will use the net proceeds of the Offer for general corporate purposes.		
<b>Issuer Credit Rating</b>	<table><tr><td><b>Standard &amp; Poor's</b></td><td>BBB+</td></tr></table> <p>There will be no specific issue rating for the 2023 Bonds.</p> <p>A rating is not a recommendation by any rating organisation to buy, sell or hold the 2023 Bonds. The above credit rating is current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by Standard &amp; Poor's.</p>	<b>Standard &amp; Poor's</b>	BBB+
<b>Standard &amp; Poor's</b>	BBB+		
<b>Issue Amount</b>	WIAL is offering up to \$50,000,000 of 2023 Bonds, with the ability to accept oversubscriptions of up to \$25,000,000 at WIAL's discretion.		
<b>Opening Date</b>	Monday, 2 May 2016		
<b>Closing Date</b>	12.00pm on Friday 6 May 2016		
<b>Rate Set Date</b>	Friday, 6 May 2016		
<b>Issue Date and Allotment Date</b>	Thursday, 12 May 2016		
<b>Maturity Date</b>	Friday, 12 May 2023		
<b>Interest Rate</b>	<p>The Interest Rate will be the sum of the Issue Margin and the Base Rate. However, WIAL has agreed the Interest Rate will not be less than 4.25% per annum.</p> <p>The Interest Rate will be announced by WIAL via NZX on or shortly after the Rate Set Date.</p>		
<b>Indicative Issue Margin</b>	The indicative range of the Issue Margin is 1.55% – 1.65% per annum.		
<b>Base Rate</b>	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with WIAL, according to market convention, with reference to Reuters page ICAPKIWISWAP2 (or any successor page) on the Rate Set Date and rounded to 2 decimal places, if necessary, with 0.005 being rounded up.		
<b>Interest Payments</b>	<p>Interest will be payable semi-annually in arrear in equal amounts on 12 May and 12 November of each year up to and including the Maturity Date. The First Interest Payment Date will be 12 November 2016.</p> <p>If an Interest Payment Date is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and no adjustment will be made to the amount payable as a result of the delay in payment.</p>		
<b>Change to Interest Rate</b>	If, on any Test Date, Total Interest Bearing Debt exceeds 60% of Total Tangible Assets, then the Interest Rate for the next Interest Period shall increase by 0.50% per annum over the original Interest Rate.		
<b>Early Redemption</b>	<p>WIAL may elect to redeem, some or, all of the 2023 Bonds by giving written notice to the Supervisor and the Holders of the 2023 Bonds no later than five Business Days prior to any Record Date. Such notice must be given at a date not less than 25 Business Days before the Maturity Date. On early redemption, WIAL will pay to Holders of the 2023 Bonds the greater of:</p> <ol style="list-style-type: none"><li>the Principal Amount plus accrued interest (less any withholding taxes and other deductions) and</li><li>the average price, weighted by volume, of all trades of 2023 Bonds through NZX over the 10 Business Days up to the fifth Business Day before the relevant redemption date (except that if 2023 Bonds have not been sold through NZX on at least five of the 10 Business Days referred to above, the average price will be determined by an independent adviser selected by the Supervisor and approved by the Issuer).</li></ol> <p>Holders of the 2023 Bonds have no right to require WIAL to redeem their 2023 Bonds prior to the Maturity Date, except following an Event of Default.</p>		

<b>Brokerage</b>	<p>Brokerage of 0.50% plus 0.25% on firm allocations.</p> <p>Such amounts will be distributed as appropriate to Primary Market Participants and approved financial intermediaries.</p>
<b>Record Date</b>	The tenth calendar day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day or such other date as is advised by the Registrar to Holders from time to time.
<b>Issue Price</b>	\$1.00 per 2023 Bond.
<b>Minimum Application</b>	The minimum application is \$10,000, with multiples of \$1,000 thereafter.
<b>Registrar</b>	Link Market Services Limited.
<b>Further Indebtedness</b>	WIAL may, without the consent of the Holders of the 2023 Bonds, issue additional securities or other debt obligations on such other terms and conditions as WIAL may think fit.
<b>Financial Covenants</b>	<p>WIAL shall ensure that, on each Test Date:</p> <ul style="list-style-type: none"> <li>• Total Secured Debt does not exceed 10% of Total Tangible Assets.</li> <li>• Total Interest Bearing Debt does not exceed 70% of Total Tangible Assets</li> </ul> <p>(as those terms are defined in the supplemental trust deed for the 2023 Bonds).</p>
<b>How to Apply</b>	<p>All of the 2023 Bonds, including oversubscriptions, are reserved for clients of the Joint Lead Managers, institutional investors and other Primary Market Participants invited to participate in the bookbuild. There will be no public pool for the offer. Accordingly, retail investors should contact any Joint Lead Manager, their financial adviser or any primary market participant for details on how they may acquire 2023 Bonds. You can find a primary market participant by visiting <a href="http://www.nzx.com/investing/find_a_participant">www.nzx.com/investing/find_a_participant</a>.</p> <p>In respect of oversubscriptions or generally, any allotment of 2023 Bonds will be at WIAL's discretion, in consultation with the Joint Lead Managers. WIAL reserves the right to refuse all or any part of an application without giving any reason.</p> <p>Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the 2023 Bonds including obtaining a common shareholder number ("CSN"), an authorisation code ("FIN") and opening an account with a Primary Market Participant as well as the costs and timeframes for putting such arrangements in place.</p>
<b>ISIN</b>	NZWIAD0030L8
<b>Transfers</b>	<p>Holders are entitled to sell or transfer their 2023 Bonds at any time subject to the terms of the Trust Documents and applicable securities laws and regulations. WIAL may decline to register a transfer of 2023 Bonds for the reasons set out in the Trust Documents.</p> <p>The minimum amount of 2023 Bonds a Holder can transfer is \$1,000, and integral multiples of \$1,000 thereafter. No transfer of 2023 Bonds or any part of a Holder's interest in a 2023 Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold 2023 Bonds with an aggregate Principal Amount of less than the minimum holding of \$10,000 (other than zero).</p> <p>NZX has approved these restrictions on the transfer of the 2023 Bonds.</p>
<b>NZX Quotation</b>	WIAL will take any necessary steps to ensure that the 2023 Bonds are, immediately after issue, quoted. Application has been made to NZX for permission to quote the 2023 Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.
<b>NZX Debt Market Ticker Code</b>	WIA030
<b>Expected Date of Initial Quotation on the NZX Debt Market</b>	13 May 2016

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**Selling Restrictions**

The 2023 Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No 2023 Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of WIAL and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

By purchasing the 2023 Bonds, each Holder agrees to indemnify WIAL in respect of any loss, cost, liability or expense sustained or incurred by WIAL as a result of the breach by the Holder of the selling restrictions set out above.

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**Arranger and Organising Participant**

ANZ Bank New Zealand Limited.

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**Joint Lead Managers**

ANZ Bank New Zealand Limited, First NZ Capital Securities Limited, Forsyth Barr Limited, Westpac Banking Corporation (acting through its New Zealand branch).

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**Supervisor**

Trustees Executors Limited.

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**Governing Law**

New Zealand.

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**The dates set out in this Terms Sheet are indicative only and are subject to change.**

WIAL has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the Closing Date or to choose not to proceed with the Offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Copies of the Trust Documents are available at WIAL's website at [www.wellingtonairport.co.nz/bonds](http://www.wellingtonairport.co.nz/bonds).

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

For further information regarding WIAL, visit [www.nzx.com/companies/WIA](http://www.nzx.com/companies/WIA).



# Directory

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## ISSUER

### Wellington International Airport Limited

Wellington Airport Terminal  
Stewart Duff Drive  
PO Box 14 175  
Wellington

## REGISTRAR

### Link Market Services Limited

Level 11, Deloitte Centre  
80 Queen Street  
Auckland

## LEGAL ADVISERS TO WIAL

### Buddle Findlay

State Insurance Tower  
1 Willis Street  
PO Box 2694  
Wellington 6140

## SUPERVISOR

### Trustees Executors Limited

Level 5  
10 Customhouse Quay  
Wellington 6140

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## ARRANGER, ORGANISING PARTICIPANT AND JOINT LEAD MANAGER

### ANZ Bank New Zealand Limited

ANZ Centre, Level 10  
171 Featherston Street  
Wellington 6140  
0800 269 476

## JOINT LEAD MANAGERS

### First NZ Capital Securities Limited

Level 14  
171 Featherston Street  
Wellington 6011  
0800 005 678

### Westpac Banking Corporation (ABN 33 007 457 141)

(acting through its New Zealand branch)  
Westpac on Takutai Square  
Level 8, 16 Takutai Square  
Auckland 1010  
0800 942 822

### Forsyth Barr Limited

Level 9, Forsyth Barr House  
The Octagon  
Dunedin 9016  
0800 367 227