

AUCKLAND COUNCIL

SERIES NOTICE NO. 0001

FIXED RATE BONDS DUE 18 DECEMBER 2018

Current at 14 December 2012.

This document is a Series Notice and supplements, and forms part of, the Investment Statement dated 3 December 2012 issued by Auckland Council for the offer of bonds (**Investment Statement**). These Bonds are Retail Bonds. Capitalised terms used in this Series Notice have the defined meanings which appear in the Investment Statement.

Issuer	Auckland Council (Council)
Description of Bonds	Secured, unsubordinated, debt obligations of Council.
Type of Bonds	Fixed Rate Bonds
Security	Charge over all rates from time to time set or assessed by Council and all rates revenue of Council and certain proceeds of such assets, being proceeds which constitute accounts receivable, negotiable instruments or cash.
Purpose	The net proceeds from the issue of the Bonds will be used for the general purposes of Council, including debt refinancing and capital expenditure of Council and its council controlled organisations.
Bonds' Credit Rating	The credit rating of the Bonds is: AA by Standard & Poor's Aa2 by Moody's
Issue Amount	NZ\$125,000,000
Issue Price	Par (being \$1.00 per Bond)
Minimum Subscription Amounts	NZ\$5,000 and in multiples NZ\$1000 thereafter.
Joint Lead Managers	ANZ Bank of New Zealand
Organising Participant	ANZ
Opening Date	Monday, 10 December 2012
Closing Date	Friday, 14 December 2012, 12.00 pm
Interest Rate Set Date	Friday, 14 December 2012
Issue Date	Tuesday, 18 December 2012
Expected date of initial quotation and trading on NZDX	Wednesday, 19 December 2012
Maturity Date	Tuesday, 18 December 2018
Interest Rate	4.41 % per annum
Base Rate	3.36% per annum
Margin	1.05% per annum
Interest Payment Dates	18 June and 18 December each year up to and including the Maturity Date
First Interest Payment Date	18 June 2013

Business day convention	Following unadjusted
Day count convention	Actual/Actual
Interest Periods	Semi-annual in arrears, in two equal payments
Most Recent Financial Statements	30 June 2012
NZX Quotation	<p>Application has been made to NZX for permission to quote the Bonds on the NZDX and all requirements of NZX relating to that application that can be complied with on or before the date of distribution of Series Notice have been duly complied with. However, NZX accepts no responsibility for any statement in this Series Notice.</p> <p>NZX is a registered exchange, and NZDX is a registered market, under the Securities Market Act 1988.</p>
Ticker Code	NZX ticker code AKC060 has been reserved for the Bonds.
ISIN Code	NZAKCDT279C9
NZX Waivers for Issue	NZX has granted Council a waiver in respect of the Bonds from the requirement in NZDX Listing Rule 5.2.3 that at least 500 members of the public hold at least 25% of the number of securities of the class issued, with each member of the public holding at least a minimum holding. The waiver reflects that the Bonds may not be widely held and as a consequence there may be reduced liquidity in the Bonds.
Allocation Policy	If the value of applications received is greater than the value of Bonds available, Bonds will be allotted to applicants as determined by Council in consultation with the Joint Lead Managers. Council reserves the right to refuse all or any part of an application without giving any reason.
Applications	Applications should be submitted to either Joint Lead Manager by 12:00pm on the Closing Date. Applications can also be submitted to Council, any NZX primary market participant, the Organising Participant, or any other channel approved by NZX in time to enable the application to be forwarded to a Joint Lead Manager by 12:00pm on the Closing Date.
Payment	Payment must be made in New Zealand dollars for immediate value by a direct debit authorisation, a cheque drawn on a New Zealand bank account (or, if the application is for Bonds of an aggregate subscription amount of NZ\$500,000 or more, by bank cheque), through the NZClear system (institutional investors only) or by prior arrangement with Computershare Investor Services Limited.
Repo-eligibility	Council intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for Domestic Market Operations.

The dates set out in this Series Notice are indicative only and are subject to change. Council 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 then subsequent dates relating to the offer may be extended accordingly.

The Bonds are offered by Council on the terms and conditions set out in the Investment Statement as supplemented by this Series Notice.

Applications must be made on the application form contained in the Investment Statement and be for a minimum Principal Amount of NZ\$5,000 and thereafter in multiples of NZ\$1,000. Allotment of Bonds will only be made on receipt of such an Application Form.

For a free copy of the Investment Statement, please contact either Joint Lead Manager or Council:

ANZ

Level 7,
1 Victoria Street
Wellington 6012

Telephone: 0800 269 476

Bank of New Zealand

Level 6, Deloitte Centre
80 Queen Street
Auckland

Telephone: (09) 375 1391

Facsimile: (09) 976 5710

Auckland Council

www.aucklandcouncil.govt.nz