



13 February 2017

**Contact Energy retail bond CEN040 series**

Attached for release are the following documents in respect of Contact Energy Limited's (Contact) retail bond offer.

- (a) Quotation Notice NZX Debt Market
- (b) Waiver from NZX Debt Market listing rule 5.2.3

**ENDS**



## QUOTATION NOTICE: NZX DEBT MARKET CONTACT ENERGY LIMITED BONDS ("CEN040")

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<b>Issuer:</b>	Contact Energy Limited ("CEN")
<b>Ticker Code:</b>	CEN040
<b>ISIN:</b>	NZCEND0040L1
<b>Details of Issue:</b>	An offer of up to \$75 million (with the ability to accept oversubscriptions of up to \$25 million at the discretion of the Issuer) of unsecured, unsubordinated, fixed rate, interest bearing debt obligations of the Issuer
<b>Opening Date:</b>	Monday, 13 February 2017
<b>Closing Date:</b>	12pm on Friday, 17 February 2017
<b>Interest Rate:</b>	To be set on Friday, 17 February 2017
<b>Maturity Date:</b>	Tuesday, 15 November 2022
<b>Interest Payment Dates:</b>	15 February, 15 May, 15 August and 15 November of each year up to and including the Maturity Date
<b>Date of First Interest Payment:</b>	Monday, 15 May 2017
<b>First Interest Paid To:</b>	Bondholder on the relevant Record Date
<b>Minimum Application Amount:</b>	\$5,000 with multiples of \$1,000 thereafter
<b>Face Value:</b>	\$1.00 per Bond
<b>Supervisor Name:</b>	The New Zealand Guardian Trust Company Limited
<b>Lead Manager and Organising Participant:</b>	Forsyth Barr Limited (Joint Lead Manager and Organising Participant) and Westpac Banking Corporation (Joint Lead Manager)
<b>Trust Deed Dated:</b>	Supplemental Trust Deed dated on or about 10 February 2017.
<b>Issue Date:</b>	Thursday, 23 February 2017
<b>Registrar:</b>	Link Market Services Limited ("LNKT")
<b>Settlement Status:</b>	NZCDC Settlement System
<b>Expected Commencement of Trading on the NZX Debt Market:</b>	Friday, 24 February 2017

**Mark Peterson**  
Interim Chief Executive Officer  
NZX Limited

**13 February 2017**



# NZX Regulation Decision

Contact Energy Limited (“CEN”)

Application for waiver from NZX Debt Market Listing Rule  
5.2.3

10 February 2017



## Waiver from NZX Debt Market Listing Rule 5.2.3

### Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by CEN is complete and accurate in all material respects, NZXR grants CEN a waiver from Rule 5.2.3, as modified by the Ruling, in respect of the CEN040s for a period of six months from the Quotation Date, to the extent that this Rule requires the CEN040s be held by at least 100 Members of the Public holding at least 25% of the CEN040s on issue.
2. The waiver in paragraph 1, above, is provided on the conditions that:
  - a. CEN clearly and prominently discloses the waiver and its implications in the Terms Sheet for the CEN040s and any other Offering Document relating to an offer of CEN040s made during the period of this waiver;
  - b. CEN clearly and prominently discloses this waiver, its conditions, and its implications in its half-year report, and its annual report, for the period the waiver is relied upon;
  - c. CEN discloses liquidity as a risk in the Terms Sheet for the CEN040s; and
  - d. CEN notifies NZXR as soon as practicable if there is a material reduction to the total number of Members of the Public holding at least a Minimum Holding of the CEN040s, and/or the percentage of CEN040s held by Members of the Public holding at least a Minimum Holding.
3. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not or ceases to be full and accurate in all material respects.
4. The Rule to which this decision relates is set out in Appendix Two to this decision.
5. Capitalised terms which have not been defined in this decision have the meanings given to them in the Rules.

### Reasons

6. In coming to the decision to provide the waiver set out in paragraph 1 above, NZXR has considered that:
  - a. Debt Securities are generally not subject to the same degree of trading activity as Equity Securities. NZX is satisfied that sufficient liquidity can exist in a secondary market for debt securities with a smaller number of security holders;
  - b. CEN has advised that it expects the spread of the CEN040s will increase to meet the spread requirements of Rule 5.2.3 over time. CEN may meet the spread requirements at the time of Quotation. The CEN040s are being offered through primary market participants and other financial intermediaries without a public pool, but CEN expects that the CEN040s will be quickly sold down by institutional investors after initial quotation. This expectation is based on CEN's experience with the CEN030s. CEN has advised that it is not in a position to confirm as at the date of this waiver that the spread requirements will be met at the time of Quotation;
  - c. CEN has appointed Westpac Banking Corporation (acting through its New Zealand branch) and Forsyth Barr Limited as joint lead managers and Deutsche Craigs Limited

as Co-manager which will assist with the wide distribution of the CEN040s in the primary and secondary markets;

- d. the conditions, contained in paragraph 2(a), 2(b) and 2(c) above, require CEN to provide access to information about this waiver and its implications to prospective investors as part of the Offer, as well as those wishing to trade in the CEN040s for the period of this waiver. Investors can take this information into account when making their investment decision;
- e. the condition contained in paragraph 2(d) above requires CEN to provide information that will allow NZXR to monitor any material reduction in the spread of the CEN040s over the period of this waiver;
- f. the waiver is granted for six months. This gives NZXR the opportunity to reconsider the spread of the CEN040s in six months' time if CEN considers a waiver is still required; and
- g. there is precedent for this decision.

## Confidentiality

- 7. CEN has requested that the application for a waiver from Rule 5.2.3, and NZXR's decision, be kept confidential until the notice to be provided by CEN in relation to the CEN040s under clause 20(1)(a) of schedule 8 of the FMC Regulations 2014, has been released.
- 8. In accordance with footnote 1 to Rule 1.11.2, NZXR grants CEN's request.



## Appendix One

1. Contact Energy Limited (**CEN**) is a Listed Issuer with shares and bonds Quoted on the NZX Main Board (**Main Board**) and NZX Debt Market (**Debt Market**) respectively.
2. On 21 March 2014, CEN Quoted unsecured, unsubordinated, fixed rate bonds worth \$222,000,000 in total (**CEN020s**). The CEN020s, which will mature on 15 May 2019. On 7 September 2015, CEN Quoted unsecured, unsubordinated, fixed rate bonds worth \$150,000,000 in total (**CEN030s**). The CEN030s, which will mature on 15 November 2021.
3. CEN intends to make an offer of unsecured, unsubordinated, fixed rate bonds (**CEN040s**) under the exclusion set out in Schedule 1, Clause 19 of the Financial Markets Conduct (**FMC**) Act 2013 (**Offer**).
4. The Offer will open on or about 13 February 2017 and close on or about 17 February 2017. The joint lead managers of the Offer will conduct a bookbuild on or about 17 February 2017 in order to determine the CEN040s' margin (**Bookbuild**), which will be used to determine the CEN040s' interest rate. CEN intends to Quote the CEN040s on the Debt Market on or about 24 February 2017 (**Quotation Date**).
5. The CEN040s mature on or about 15 November 2022.
6. CEN will release a terms sheet on or prior to the date the Offer opens, setting out the main terms of the CEN040s (**Terms Sheet**).
7. In accordance with NZX Regulation's (**NZXR**) Ruling on NZDX Listing Rule (**Rule**) 5.2.3 issued on 29 September 2015 (the **Ruling**), the CEN040s are required to be held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.
8. CEN has engaged with joint lead managers in respect of the anticipated bonds. The joint lead managers are unable to give assurances in respect of the spread of the CEN040s.
9. The Offer is structured so that all of the CEN040s are reserved for clients of the joint lead managers of the Offer, the co-managers, primary market participants and other approved financial intermediaries. There is no public pool for the Offer. CEN has sought a waiver from Rule 5.2.3 that it is uncertain whether the CEN040s will satisfy the spread requirements of Rule 5.2.3, when the CEN040s are initially Quoted on the Debt Market.



## Appendix Two

### Rule 5.2 Quotation of Securities

- 5.2.3 A Class of Securities will generally not be considered for Quotation on the NZSX or NZDX unless those Securities are held by at least 500 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained, or NZX is otherwise satisfied that the Issuer will maintain a spread of Security holders which is sufficient to ensure that there is a sufficiently liquid market in the Class of Securities.

#### **Ruling on NZX Debt Market Listing Rule 5.2.3 – 29 September 2015**

For the purposes of Rule 5.2.3, a Class of Debt Securities will generally not be considered for Quotation on the NZDX unless those Securities are held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.

