

17 May 2018

NZX announces indicative issue margin for subordinated note offer

Further to the announcement by NZX Limited ("**NZX**") of an offer of up to \$40 million of unsecured, subordinated notes ("**Subordinated Notes**"), NZX today announced the indicative issue margin and minimum interest rate to be used in setting the interest rate to apply to the Subordinated Notes for the first five years until the first election date on 18 June 2023 (the "**initial interest rate**").

The initial interest rate will be set as the sum of the five year swap rate plus the issue margin, subject to a minimum interest rate of 5.40% per annum. The indicative issue margin has been set at 2.60% to 3.00% per annum.

An announcement of the initial interest rate for the Subordinated Notes will be made following a bookbuild process, which is expected to be completed on or about Friday, 25 May 2018. Interest payments may be deferred in certain circumstances as described in the product disclosure statement ("**PDS**").

The offer is expected to open on Monday 28 May 2018 and is comprised of:

- a priority offer ("**Priority Offer**") of up to \$5 million of Subordinated Notes to New Zealand NZX Shareholders. The Priority Offer is expected to close on Friday 8 June 2018 at 5pm (New Zealand time); and
- a general offer ("**General Offer**") of up to \$35 million of Subordinated Notes to investors resident in New Zealand and institutional investors invited to participate in a bookbuild. The General Offer is expected to close on Friday 15 June 2018 at 5pm (New Zealand time).

There is no public pool for the Subordinated Notes in the General Offer, with all of the Subordinated Notes under the General Offer being reserved for clients of the joint lead managers, co-manager and other approved financial intermediaries.

The Subordinated Notes are expected to be quoted on the NZX Debt Market.

Further details of the offer are contained in the PDS for the Subordinated Notes. The PDS is available through www.nzxnote.co.nz or by contacting a joint lead manager or co-manager, and must be obtained by investors before they decide to acquire any Subordinated Notes.



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