



Wellington International Airport Limited
Main Terminal
PO Box 14175
Wellington 6241
New Zealand

Email: mail@wellingtonairport.co.nz

NZX ANNOUNCEMENT

3 August 2020

Wellington International Airport launches retail bond offer

Wellington International Airport Limited (**WIA**) announced today that it is offering up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$25,000,000 at WIA's discretion) of 6 year unsecured, unsubordinated, fixed rate bonds (**Bonds**) to New Zealand institutional and retail investors.

The Bonds will mature on 14 August 2026. The Interest Rate for the Bonds will be fixed for six years.

The Interest Rate will be the sum of the Issue Margin plus the Base Rate on the Rate Set Date, but will be no less than the minimum Interest Rate of 2.50% per annum. The actual Issue Margin may be above or below the indicative Issue Margin range. It will be set following a bookbuild process on 7 August 2020 (or earlier at WIA's sole discretion), and will be announced by WIA via NZX shortly thereafter, together with the Interest Rate.

The indicative Issue Margin range for the Bonds is 2.20% to 2.45% per annum.

WIA has applied for the Bonds to be quoted on the NZX Debt Market. WIA has a long-term issuer credit rating of BBB (negative outlook) by S&P Global Ratings.

The offer will close on 7 August 2020 (or earlier at WIA's sole discretion) following the bookbuild process, with the Bonds expected to be issued on 14 August 2020.

There is no public pool for the Bonds, which will be reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the book-build.

Unless the context requires otherwise, capitalised terms used in this announcement have the meaning given to them in the indicative Terms Sheet.

Full details of the Bond offer are contained in the indicative Terms Sheet attached.

Wellington International Airport Limited

3rd & 4th August 2020 – Investor Presentation: 6 Year Retail Bond Offer



Joint Lead Managers



FORSYTH BARR

Important Information and Disclaimer



This presentation has been prepared by Wellington International Airport Limited (**WIA** or the **Issuer**) in relation to the offer of bonds described in this presentation (**Bonds**). The offer of the Bonds is made in reliance upon the exclusion in Clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). The Bonds have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- WIA'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;
- WIA's bonds maturing on 12 May 2023, which have a fixed interest rate of 4.25% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA030;
- WIA's bonds maturing on 5 August 2024, which have a fixed interest rate of 4.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA040;
- WIA's bonds maturing on 16 June 2025, which have a fixed interest rate of 5.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA050; and
- WIA's bonds maturing on 1 April 2030, which have a fixed interest rate until 1 April 2025 of 4.00% per annum (and will then reset until the maturity date) and are currently quoted on the NZX Debt Market under the ticker code WIA060, (together the **Existing Bonds**)

WIA 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 <https://www.nzx.com/companies/WIA>. The Existing Bonds are the only debt securities of WIA that are currently quoted in the same class as the Bonds. Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those bonds. The information in this presentation is of general nature and does not constitute financial product advice, investment advice or any recommendation by the Issuer, the Supervisor, the Arranger, the Joint Lead Managers, or any of their respective directors, officers, employees, affiliates, agents or advisers to subscribe for, or purchase, any of the Bonds. Nothing in this presentation constitutes legal, financial, tax or other advice. The information in this presentation does not take into account the particular investment objectives, financial situation, tax position or needs of any person. You should make your own assessment of an investment in the Issuer and should not rely on this presentation. In all cases, you should conduct your own research on the Issuer and analysis of any offer, the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Issuer, and the contents of this presentation.

This presentation contains certain forward-looking statements with respect to the Issuer. All of these forward-looking statements are based on estimates, projections and assumptions made by the Issuer about circumstances and events that have not yet occurred. Although the Issuer believes these estimates, projections and assumptions to be reasonable, they are inherently uncertain. Therefore, reliance should not be placed upon these estimates or forward-looking statements and they should not be regarded as a representation or warranty by the Issuer, the directors of the Issuer or any other person that those forward-looking statements will be achieved or that the assumptions underlying the forward-looking statements will in fact be correct. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material. The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

Various risks and uncertainties exist that could cause WIA's actual results, performance or achievements to differ materially from those in the forward-looking statements, including, among other things, the following: (i) general economic and business conditions, including as a result of COVID-19 and the travel restrictions imposed by the New Zealand Government and other Governments on WIA and its subsidiaries business; (ii) trends and business conditions affecting the New Zealand tourism market; (iii) changes in customer habits; (iv) loss or disruption to critical business information and operational control systems resulting from attacks on IT systems; (v) changes in interest rates; (vi) changes in WIA's strategies; (vii) compliance with, and potential changes to accountancy, legal and tax regimes and (viii) change of government, regulation and policy. The foregoing list of factors is not exhaustive. When evaluating forward looking statements or financial forecasts to make decisions investors should carefully consider the foregoing factors and other uncertainties and potential events. Past performance is not a reliable indicator of future performance.

None of the Arranger, the Joint Lead Managers or Supervisor or any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents or otherwise arising in connection with the offer of Bonds; (b) have authorised or caused the issue of, or made any statement in, any part of this presentation; and (c) make any representation, recommendation or warranty, expressed or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation and accept no liability (except to the extent such liability is found by a court to arise under the Financial Markets Conduct Act 2013 or cannot be disclaimed as a matter of law).

The offer of Bonds is being made only in New Zealand. The distribution of this presentation, and the offer or sale of the Bonds, may be restricted by law in certain jurisdictions. Persons who receive this presentation outside New Zealand must inform themselves about and observe all such restrictions. Nothing in this presentation is to be construed as authorising its distribution, or the offer or sale of the Bonds, in any jurisdiction other than New Zealand and the Issuer accepts no liability in that regard. The Bonds may not be offered or sold directly or indirectly, and neither this presentation nor any other offering material may be distributed or published, in any jurisdiction other than New Zealand. Application has been made to NZX for permission to quote the 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 the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

Certain financial information contained in this presentation is prepared using non-GAAP financial measures. These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, WIA's audited consolidated financial statements. WIA monitors EBITDAF as a key performance indicator and believes it assists investors in assessing the performance of WIA. A reconciliation of these measures to GAAP measures may be found in the WIA audited accounts which can be accessed via WIA's website.

WIA has an issuer credit rating of BBB (negative outlook) from S&P Global Ratings. A rating is not a recommendation by an organisation to buy, sell or hold Bonds. The WIA issuer credit rating is current as at the date of this presentation and is subject to suspension, revision or withdrawal at any time by S&P Global Ratings.

Unless the context otherwise requires, capitalised terms used in this presentation have the same meaning given to them in the Term Sheet for the offer.

Overview of the Offer



Issuer	Wellington International Airport Limited
Instrument	Unsecured unsubordinated fixed rate bonds
Ranking	Bonds will rank equally with WIAL's banking and USPP debt obligations
Volume	Up to \$75 million plus up to \$25 million oversubscriptions
Maturity Date	14 August 2026 – 6 year bond
Joint Lead Managers	ANZ and Forsyth Barr

Bond Offer Objectives

Refinance the \$75m May 2021 bond maturity and fund general corporate purposes

Target the 6 year maturity gap in WIAL's debt profile

Retain diversification of funding market access – Bank funding, commercial paper markets, retail bond market and USPP

WIAL does not expect to make further retail bond offers in 2020-2021

- › Business Overview
- › Executive Team
- › Current Operating Environment
- › Aeronautical Business
- › Commercial Business
- › Financial Results
- › Responding to COVID-19
- › 2040 Masterplan
- › Bond Offer Terms & Timetable
- › Questions



Business Overview

Key regional infrastructure – high barriers to entry



The year ended 31 March 2020 in numbers...



94,000

Flights



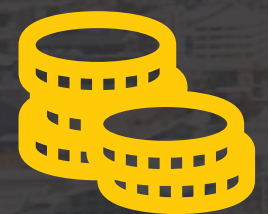
6.1 million

Passengers



NZ \$103.2 million

EBITDAF



NZ \$28.9 million

**Net Profit after
Tax & Subvention
Payment**



NZ \$1.37 billion

Total Assets



136 FTE

Employees

Data above is from WIAL's audited FY20 annual report



Business Overview

Ongoing focus on business growth, high quality service and efficiency



- › **Business diversification & growth**
Recent capital investments (hotel, transport hub and terminal optimisation) have diversified revenue sources and provided a platform for future growth
- › **High quality service**
Rated 2nd for service quality across Australasian airports
- › **Cost efficient**
Most cost efficient of the major airports in New Zealand
- › **Private/public ownership model**
Infratil (NZ listed infrastructure company) 66%, Wellington City Council 34% since 1998
- › **Issuer credit rating of BBB/negative outlook**
Long-term investment grade credit rating from S&P
- › **Light handed economic regulatory regime**
Information disclosure regime for the aeronautical business of the main NZ airports, with landing charges set through airline consultation process
- › **Kaitiakitanga – Embedding sustainability across everything we do**
Annual GRESB Assessments are undertaken to transparently report WIAL's progress and benchmark ESG performance



Executive Team

Experienced leadership



Steven Sanderson - Chief Executive Officer

Steve joined Wellington Airport in February 2012. Steve has predominantly a career background in infrastructure businesses including Airport, Electricity and Ports. Prior to his appointment at Wellington Airport Steve's previous key roles include CEO for Queenstown Airport, CEO Dynamic Controls a US owned company, which is listed on the NY stock exchange, General Manager NZ/Australia at Powerco, and General Manager at Lyttelton Port Company. Steve is currently Chair of New Zealand Airports Association, and is a former Director of Pioneer Generation & Port Nelson.



Martin Harrington - Chief Financial Officer

Martin joined the Wellington Airport team in 2008, prior to this, he held a number of senior finance roles within various industry sectors, including transport, tourism and financial services. He is responsible for financial and management reporting, taxation, treasury, risk management, insurance and regulatory services for the business.



Jackie Holley – General Manager People and Culture

Jackie has over 16 years of HR experience, having worked in various HR roles for a diverse range of organisations, including PwC, AXA, InterGen and ACC. Jackie has a Masters in Psychology and her most recent role at ACC was as the Deputy Head of Assurance Services.



Ayolt Wiertsema - General Manager Aero Operations

Ayolt Wiertsema is responsible for airport operations and joined the Wellington Airport team in 2011. He has significant aviation experience with 12 years at Amsterdam Airport Schiphol. Ayolt also has a background in service management consultancy and marketing.



John Howarth – General Manager Infrastructure & Planning

John has a long history with Wellington Airport, he was the Chief Operating Officer, (also acting as CEO) from 2002 till 2013 and returned in March 2017 as the GM Infrastructure. John trained as a civil engineer and has worked in the construction industry for over 30 years. With more than 20 years of his career involved in the planning, development and maintenance of airports John is unashamedly an aviation enthusiast.



Leanne Gibson – General Manager Transport, Facilities and IT

Leanne is responsible for ensuring that all the information & communications technology at the airport is available 24x7, fit for purpose, secure and resilient. Leanne joined the airport in February 2014 having previously worked for the Ministry of Education as their Chief Information Officer. Prior to that, she worked at the border (for MAF) as the Director of Passenger Clearance and as their Chief Information Officer, making Leanne well acquainted with the complexities and challenges associated with busy airports and ports.



Matt Clarke - Chief Commercial Officer

Matt Clarke joined the Wellington Airport team in 2010 and is responsible for WIAL's aeronautical and commercial revenue. He has 17 years' airport senior management experience spanning operational and commercial roles across six airports in New Zealand and abroad. Matt is a Director of Wellington Regional Economic Development Agency and Nelson Airport.



Jenna Raeburn – General Manager Corporate Affairs

Jenna joined the Wellington Airport team in 2019 and is primarily responsible for marketing, communications and regulatory strategy. Her background is in politics with a foundation in law and economics. She also has extensive government relations experience across a range of sectors including transport, technology, e-commerce and infrastructure.

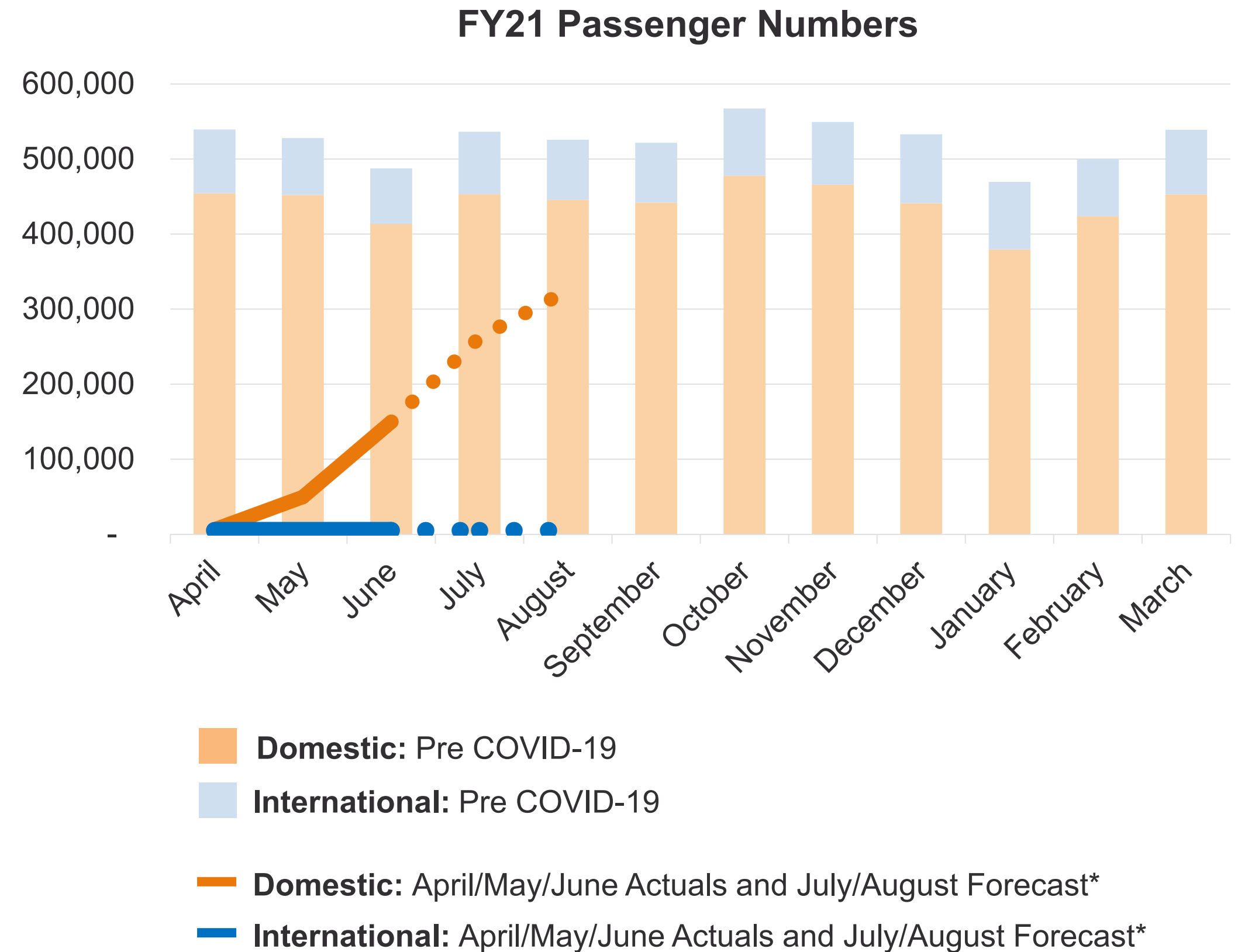
Current Operating Environment – COVID-19

85% domestic pax pre Covid-19, encouraging early signs of recovery



- > **Domestic focus means lower exposure to border closures**
Pre COVID-19, approximately 85% of WIAL's passenger market was domestic. New Zealand currently has no domestic air travel restrictions under Level 1
- > **Majority of international traffic is trans-Tasman**
Both Governments looking to open trans-Tasman travel when safe to do so
- > **Capacity and passenger numbers already recovering post-lockdown**
Scheduled domestic capacity in July 2020 is around 65% of pre COVID-19 levels and is expected to be around 75% in August 2020, with demand supported by a Government-led domestic tourism campaign
- > **Historic resilience to disruptive events**
WIAL has recovered strongly following previous events – currently forecasting a return to pre COVID-19 passenger numbers in FY22/FY23
- > **Long-term fundamentals remain strong**
Well positioned for future passenger growth with a central location, supporting NZ's capital city, high barriers to entry, second largest economy and point to point international travel

Historic information in this presentation must be considered in light of WIAL's current operating environment. Past performance is not a reliable indicator of future performance, particularly given the uncertainty created by COVID-19 related issues.

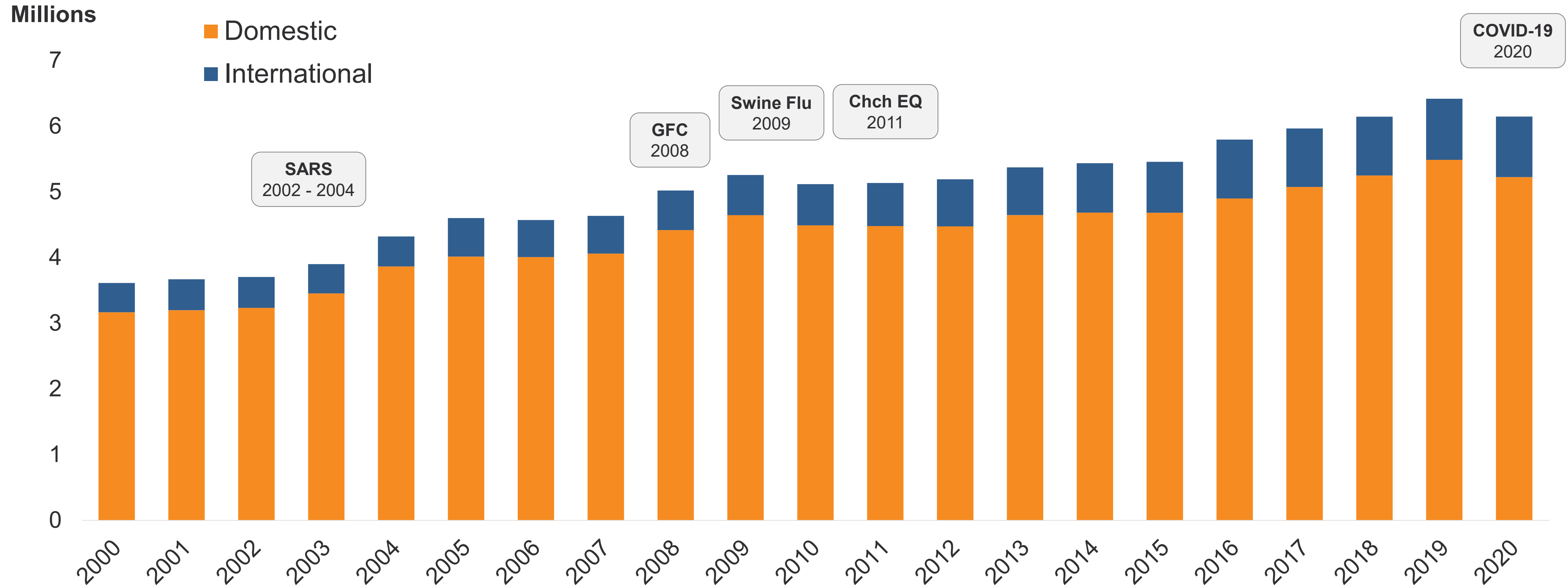


* WIAL's July 2020 and August 2020 passenger forecasts are based on airline schedules available at the time this presentation was prepared and are subject to change.

- › Aeronautical charges contribute ~60% of total revenue
- › Pre COVID-19, approximately 85% of WIAL's passengers were domestic
- › Home of Government, delivering high proportion of business travellers
- › Government related traffic provides a stable foundation level of demand even in times of economic downturn
- › NZ airport regulation regime requires pricing to be reset at least every 5 years, through consultation with airlines
- › Aero charges held flat per passenger for FY21 given COVID-19, to be reset in April 2021 for passengers/capex



Passenger Numbers Financial Years 2000 - 2020



Average **+2.8%** passenger growth per annum over last 20 years

Aeronautical Business

Domestic and International Route Network



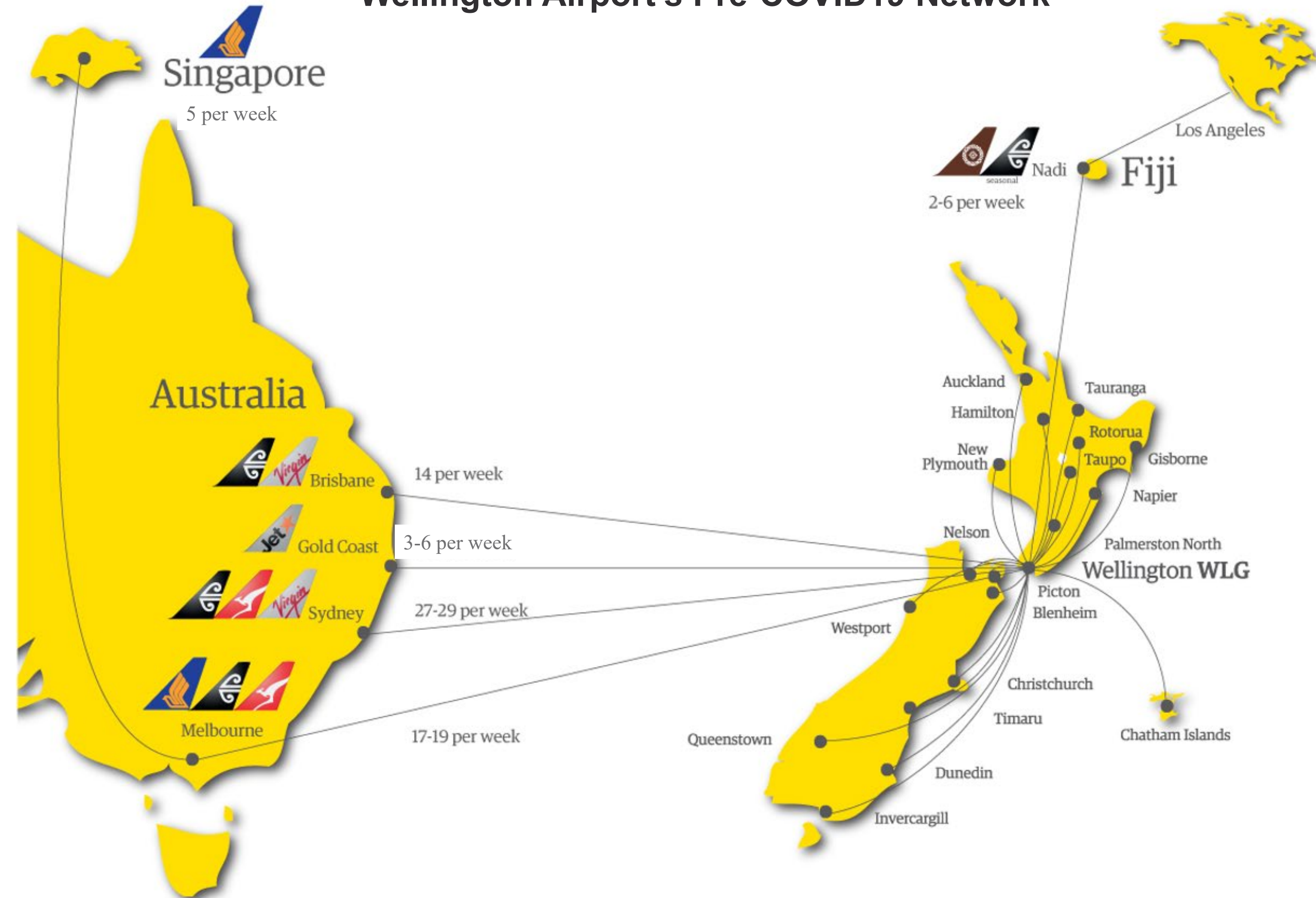
Domestic

- › Key routes are on the main trunk (Auckland and Christchurch)
- › Prior to COVID-19, load factors were at historic highs
- › WIAL's domestic market is recovering faster than anticipated as restrictions around non-essential travel and physical distancing on planes have been lifted
- › Domestic hub activity increases in weak demand periods

International

- › International network is predominantly short haul to Australia and Fiji
- › WIAL had seen a strong increase in capacity and passengers prior to COVID-19
- › New Zealand's borders are generally closed apart from essential/repatriation flights with most passengers being funnelled through Auckland
- › WIAL is currently handling occasional charter services but not scheduled international flights
- › There is still uncertainty as to when international routes will reopen and when unrestricted travel will be permitted

Wellington Airport's Pre-COVID19 Network



Property & Hotel Business

- 134 room, 4-star hotel and restaurant is fully integrated with the airport terminal. The hotel was only closed for a short-period over level 4 lockdown
- Diversified rent roll with tenancies ranging from main campus leases to residential properties, community facing restaurants and large format retail independent of primary airport activity



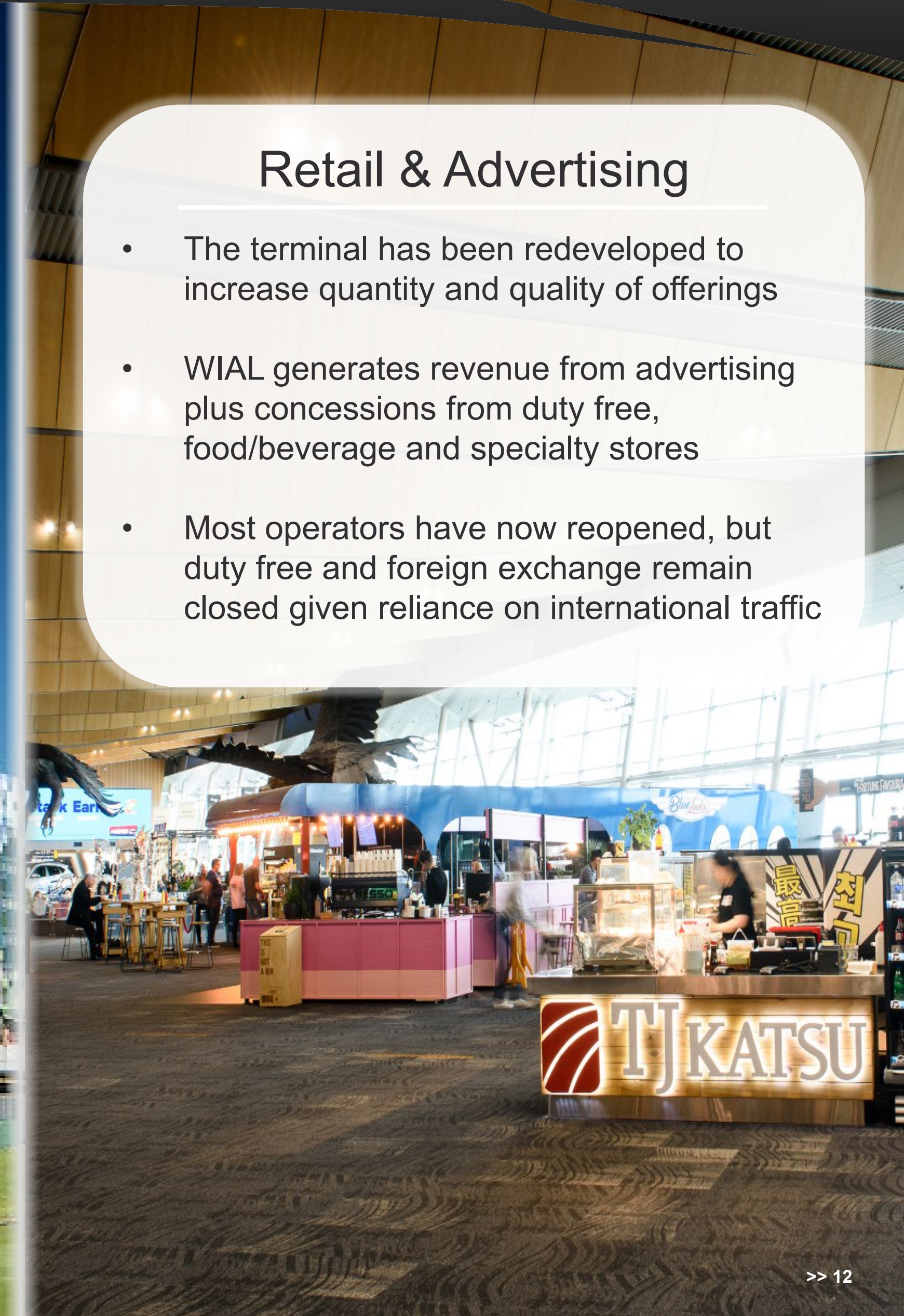
Carparking & Transport

- WIAL offers a range of carparking products including valet
- Multi-level transport hub was opened in 2018 with 1,000 additional parking spaces and electric vehicle charging
- WIAL also receives concessions from buses, taxis, rideshare and rental cars



Retail & Advertising

- The terminal has been redeveloped to increase quantity and quality of offerings
- WIAL generates revenue from advertising plus concessions from duty free, food/beverage and specialty stores
- Most operators have now reopened, but duty free and foreign exchange remain closed given reliance on international traffic



Financial Results

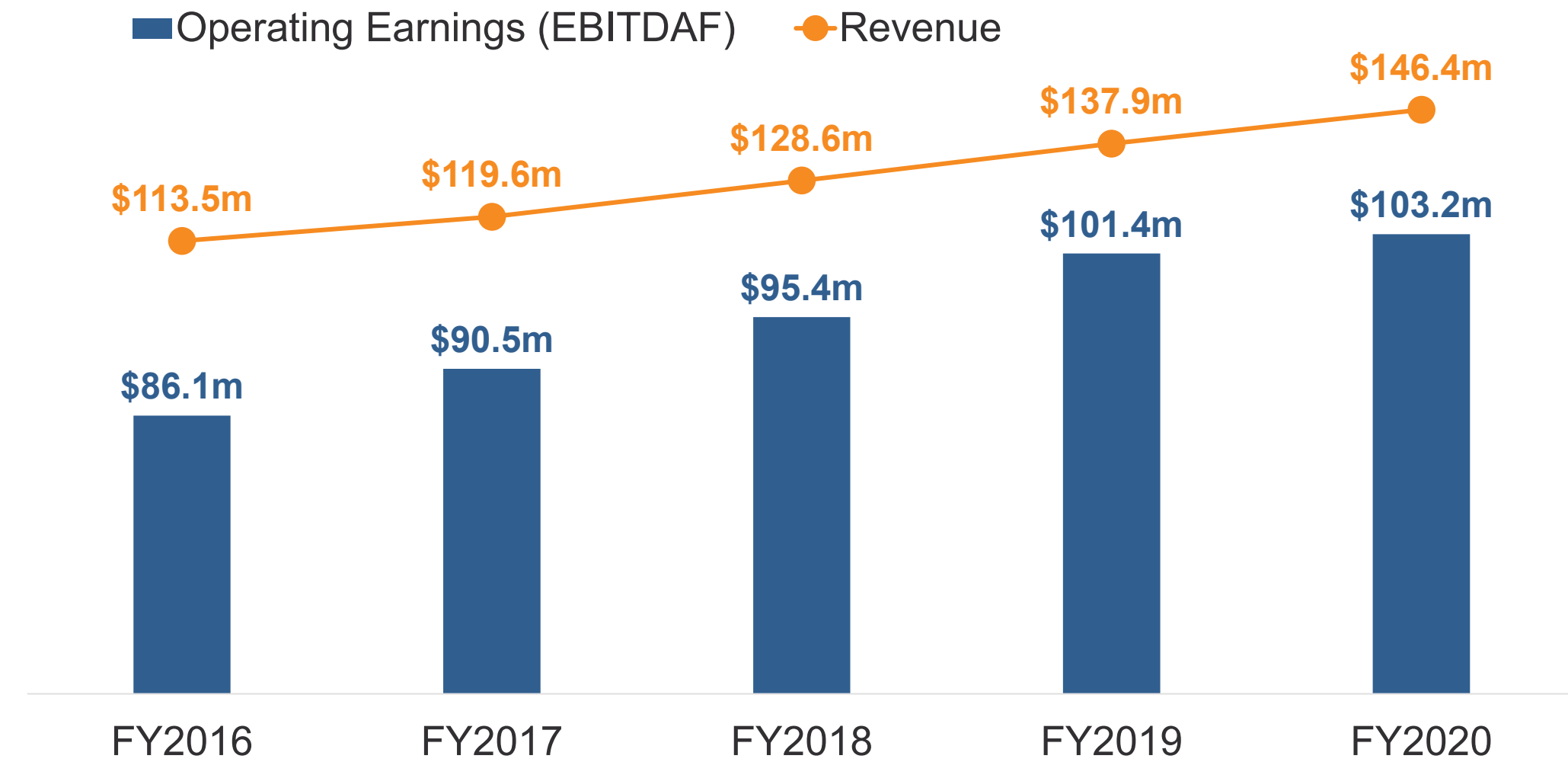
Last 5 Years Summary



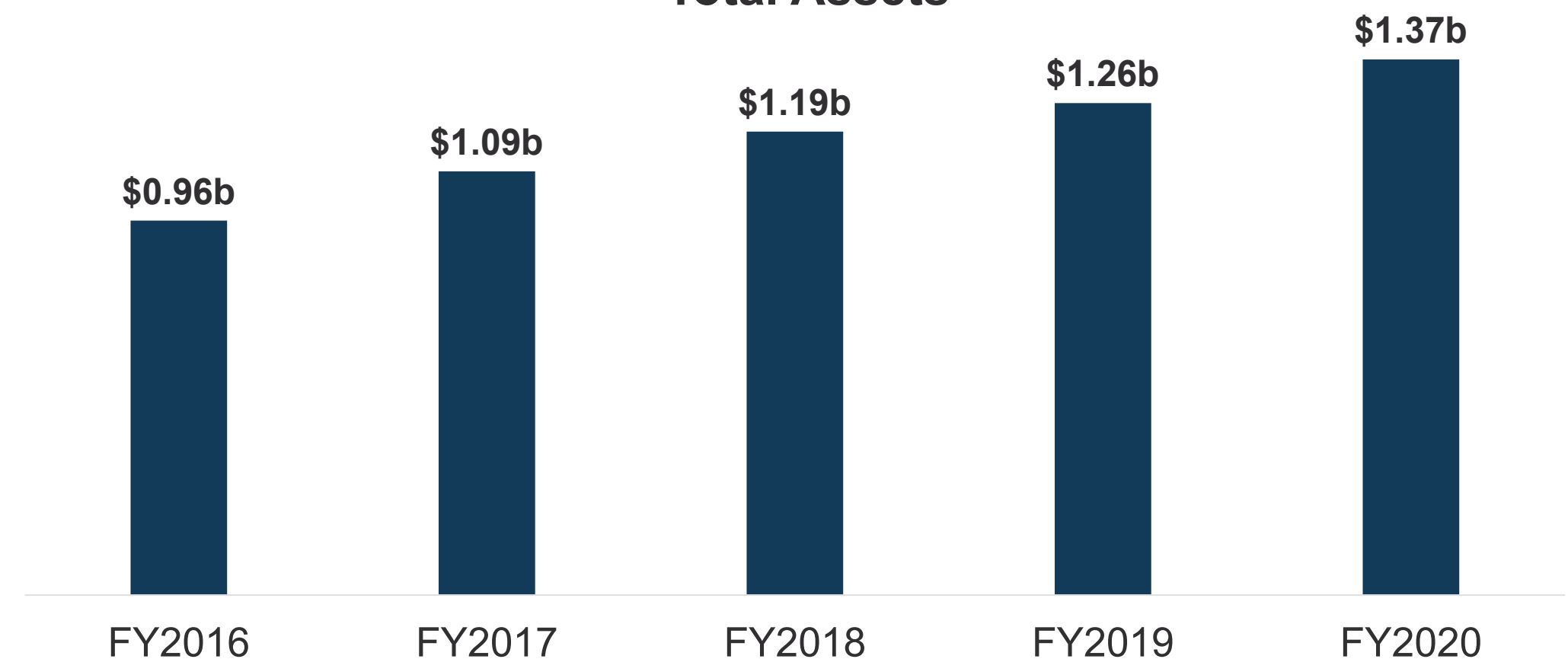
- › FY20 EBITDAF* of \$103.2 million, +1.8% on prior year
- › FY20 Net Profit After Tax of \$28.9 million, +22.7% on prior year
- › FY20 partly impacted by COVID-19 in late March 2020
- › Total assets of \$1.37 billion, +43% growth since 2016 reflects capital investment, increase in land holding with acquisitions of Miramar Golf Club back-9 and Miramar South School and valuation uplifts

*EBITDAF – Earnings before interest, tax, depreciation, amortisation, subvention payments and fair value movements (proxy for operating cash flows)

EBITDAF* and Revenue



Total Assets



Responding to COVID-19

Acted early with resizing of business and balance sheet strengthening

- › **Strong focus on cash flow management and resizing**
- › **Operating cost reduction to-date 25%**
 - Resized organisation for new operating environment (30% headcount reduction)
 - 20% reduced remuneration for most staff and Board members, 4-day working week, and suspension of bonuses/incentives
 - Business-wide review for cost savings including consultancy, property and discretionary expenditure
- › **Prioritisation of capital expenditure**
 - Focusing on essential safety, asset replacement and maintenance
 - Close-off of key projects close to completion
 - 2040 Masterplan on hold until operating conditions improve



Responding to COVID-19

Lender and shareholder support



> Banking and USPP Lending Group

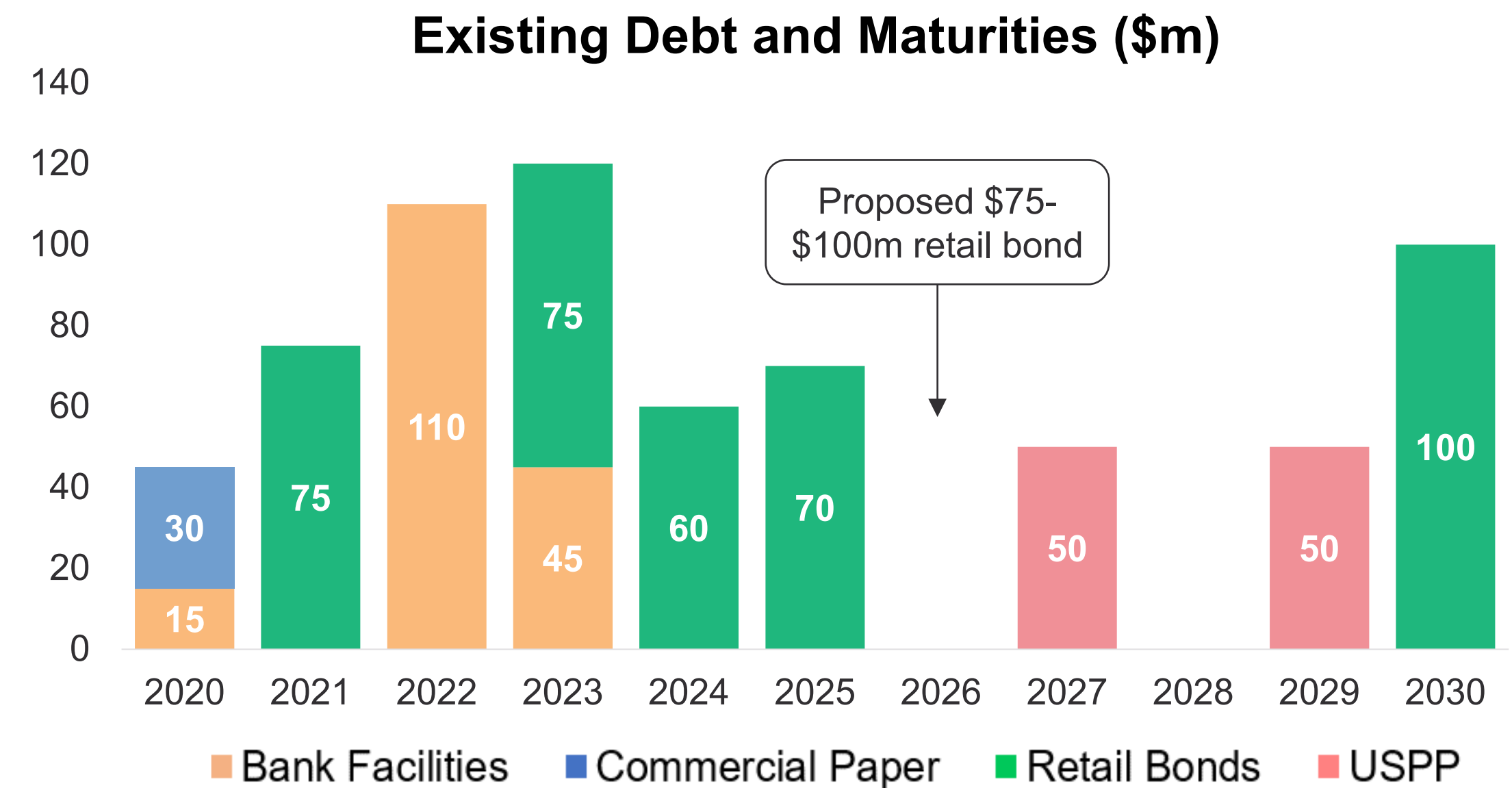
- \$70m additional bank facilities in place, now \$170m across banking group
- \$155m of bank facility maturities extended beyond two years to May 2022/23 (extension of remaining \$15m being finalised)
- Banking group and USPP lenders have been very supportive. All waivers now agreed and in place
- Interest cover ratio waivers agreed with banks and USPP lenders for next three test dates (Sept. 2020, March 2021, Sept. 2021) and also material adverse event due to COVID-19

> Bonds

- Next bond maturity is \$75m retail bond in May 2021
- No further bond maturities until May 2023

> Shareholder support

- Shareholder support from Wellington City Council and Infratil with a \$75.8m equity commitment in the form of redeemable preference shares
- Distributions suspended until in compliance with all covenants



Responding to COVID-19

Covenant headroom and S&P rating



> Key covenants

- Covenants high headroom at 31 March 2020:
 - Leverage 40.6% - headroom \$250m at 60%
 - Interest bearing debt/TTA 41.8% - headroom \$390m at 70%
- EBITDA/senior interest – covenant waivers in place

Key Covenants

Covenants	Applies to	31/03/2020	31/03/2019
Secured Liabilities/TTA Ratio (<5%)	Banks/USPP	0.0%	0.0%
Leverage Ratio, Debt:Debt+Equity (<60%)	Banks/USPP	40.6%	39.5%
Guaranteeing Group TTA Ownership (>90%)	Banks/USPP	99.9%	100.0%
EBITDA/Senior Interest Ratio (>180%)	Banks/USPP	377.3%	421.2%
Secured Debt/TTA Ratio (<10%)	USPP/ Bonds	0.0%	0.0%
Interest Bearing Debt/TTA Ratio (<70%)	USPP/ Bonds	41.8%	38.6%

Note that retail bonds also include an interest rate step-up if total interest bearing debt exceeds 60% of total tangible assets on a test date.

> S&P Issuer credit rating BBB, negative outlook (June 2020)

- Negative outlook reflective of a global or wider Australasian sector
- Not reflective of WIAL specifics ie 85% domestic passengers, home of Government, low exposure to long haul, strong and supportive shareholders and well supported airlines in Air NZ/Qantas
- Based on conservative lockdown (pre-Level 1) forecasts which assumed total FY21 passengers will be 40% of FY20 levels
- Forecasts show key metrics recovering in line with passenger numbers
- WIAL committed to a minimum BBB rating
- Lender pricing step ups below BBB also incentivises a minimum BBB rating

2040 Masterplan

WIAL's 2040 Masterplan was published in December 2019

This provides a roadmap for future investment, ensuring the airport is well positioned for future growth in passengers numbers and aircraft traffic

Apron Expansion

New Baggage Handling System

Terminal Extension

Miramar Golf Club Acquisition

Apron Expansion

Cargo Hub Development

Construct New Airport Fire Station

Seawall Upgrades & Runway Extension

Summary Bond Offer Terms



Issuer	Wellington International Airport Limited (WIA)
Status	Unsecured, unsubordinated, fixed rate bonds
Use of proceeds	For general corporate purposes including the refinancing of the \$75,000,000 May 2021 bond maturity
Issuer Credit Rating	BBB (Negative Outlook) (S&P Global Ratings)
Issue Amount	Up to \$75,000,000 plus up to \$25,000,000 oversubscriptions (at WIA's discretion)
Maturity	14 August 2026 - 6 year term
Interest Rate	The Interest Rate will be announced via NZX on or shortly after the Rate Set Date. The Interest Rate will be equal to the sum of the Base Rate and the Issue Margin but in any case will be no less than the Minimum Interest Rate
Indicative Issue Margin and Minimum Interest Rate	To be announced via the NZX on the opening date (3 August 2020)
Interest Payment Dates	Payable semi-annually in arrear in equal amounts on 14 August and 14 February
Quotation	Expected to be quoted on the NZDX (ticker code WIA070)
Brokerage	0.50% brokerage, 0.25% firm fee
Denominations	Minimum \$10,000 holding then \$1,000 increments
Change to Interest Rate	If on any Test Date (Semi-annual), Total Interest Bearing Debt exceeds 60% of Total Tangible Assets (TTA), then the Interest Rate for the next Interest Period shall increase by 0.50% per annum over the original Interest Rate
Early Redemption	<p>WIA may elect to redeem some or all of the Bonds. On early redemption, WIA will pay to Holders the greater of:</p> <p>(a) the Principal Amount plus Accrued Interest; and</p> <p>(b) the volume weighted average price on the NZX</p> <p>Holders of the Bonds have no right to require WIA to redeem prior to the Maturity Date, except in accordance with the Trust Documents following an Event of Default</p>
Financial Covenants	<p>Total Secured Debt cannot exceed 10% of TTA</p> <p>Total Interest Bearing Debt cannot exceed 70% of TTA</p> <p>Non-compliance with material obligations (which would include a breach of a financial covenant) is an Event of Default, subject to remedy where the non-compliance is capable of remedy</p>

Bond Offer Timetable

All dates are indicative only, and subject to change



3 August 2020	Offer Opens
3 - 4 August 2020	Roadshow
7 August 2020	Offer Closes (Bids due 12pm)
7 August 2020	Allocations & Rate Set
14 August 2020	Issue date (Institutional settlement process)
17 August 2020	Expected quotation date
14 February 2021	First interest payment date*
14 August 2026	Bond maturity date

* 14 February 2021 is a Sunday, with the coupon paid in accordance with the following business day convention, Monday 15 February 2021

INDICATIVE

TERMS SHEET

6 year fixed rate bonds maturing
on 14 August 2026



This indicative terms sheet (“Terms Sheet”) sets out the key terms of the offer (“Offer”) by Wellington International Airport Limited (“WIA”) of up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$25,000,000 at WIA’s discretion) fixed rate bonds maturing on 14 August 2026 (“2026 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 3 August 2020 (“Supplemental Trust Deed”) (together, “Trust Documents”) entered into between WIA 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.

Important Notice

The offer of debt securities by WIA 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:

- WIA’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;
- WIA’s bonds maturing on 12 May 2023, which have a fixed interest rate of 4.25% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA030;
- WIA’s bonds maturing on 5 August 2024, which have a fixed interest rate of 4.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA040;
- WIA’s bonds maturing on 16 June 2025, which have a fixed interest rate of 5.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA050; and
- WIA’s bonds maturing on 1 April 2030, which have a fixed interest rate until 1 April 2025 of 4.00% per annum (and will then re-set until the maturity date) and are currently quoted on the NZX Debt Market under the ticker code WIA060,

(together the “Existing Bonds”).

Accordingly, the 2026 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

WIA 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.

The Existing Bonds are the only debt securities of WIA that are currently quoted and in the same class as the 2026 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.





KEY TERMS OF THE 2026 BONDS

Issuer	Wellington International Airport Limited (“WIA”)
Description	The 2026 Bonds are unsecured, unsubordinated, fixed rate interest bearing debt obligations of WIA.
Guarantee	The obligations of WIA with respect to the 2026 Bonds are guaranteed by the Guaranteeing Group Members under the Trust Deed. The Guarantee is an unsecured, unsubordinated obligation of each Guaranteeing Group Member. Currently Wellington Airport Noise Treatment Limited and Whare Manaakitanga Limited are the only Guaranteeing Group Members (in addition to WIA).
Purpose	The proceeds of the Offer will be used to refinance the NZ\$75,000,000 retail bond issue maturing on 15 May 2021 and for general corporate purposes.
Credit Rating	<p style="text-align: center;">Issuer Credit Rating</p> <p>S&P Global Ratings BBB (negative outlook)</p> <p>A rating is not a recommendation by any rating organisation to buy, sell or hold the 2026 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 S&P Global Ratings.</p>
Issue Amount	WIA is offering up to NZ\$75,000,000 of 2026 Bonds with the ability to accept oversubscriptions of up to an additional NZ\$25,000,000 at WIA’s discretion. The offer is not underwritten.
Opening Date	Monday, 3 August 2020
Rate Set Date	Friday, 7 August 2020
Closing Date	12.00pm, Friday 7 August 2020. The offer can be closed early at WIA’s sole discretion.
Issue Date and Allotment Date	Friday, 14 August 2020
Maturity Date	Friday, 14 August 2026
Interest Rate	<p>To be determined by WIA in consultation with the Arranger following the bookbuild held on the Rate Set Date (7 August 2020).</p> <p>The Interest Rate will be announced via NZX on or shortly after the Rate Set Date. The Interest Rate will not change over the term of the 2026 Bonds.</p> <p>The Interest Rate will be equal to the sum of the Base Rate and the Issue Margin but in any case will be no less than 2.50 percent per annum.</p>
Indicative Issue Margin Range	The indicative Issue Margin range is 2.20 to 2.45 percent per annum for the 2026 Bonds.
Issue Margin	The Issue Margin for the 2026 Bonds (which may be above or below the indicative Issue Margin range) is the rate (expressed as a percentage rate per annum) determined by WIA (in consultation with the Joint Lead Managers) through the bookbuild held on the Rate Set Date.
Base Rate	The rate per annum (expressed on a percentage yield basis rounded, if necessary, to the nearest 2 decimal places with 0.005 being rounded up) which is determined by WIA (in consultation with the Joint Lead Managers) as the mid market swap rate for a period from the Issue Date to the Maturity Date, in accordance with market convention, by reference to Bloomberg page ICNZ4 (or any successor page) on the Rate Set Date.

Interest Payment Dates and Interest Periods	<p>Interest will accrue from the Issue Date and will be payable semi-annually in arrear in equal amounts on 14 August and 14 February of each year up to and including the Maturity Date. The first Interest Payment Date will be 14 February 2021.</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> <p>Each Interest Period in respect of an Interest Payment Date is the period from, and including, the preceding Interest Payment Date (or the Issue Date) to, but excluding, that Interest Payment Date.</p>
Change to Interest Rate	<p>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.</p>
Business Day	<p>A day (other than a Saturday or Sunday) on which registered banks are generally open for banking business in Wellington and Auckland.</p>
Early Redemption	<p>WIA may elect to redeem, some or, all of the 2026 Bonds by giving written notice to the Supervisor and the Holders of the 2026 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, WIA will pay to Holders of the 2026 Bonds the greater of:</p> <ul style="list-style-type: none"> (a) the Principal Amount plus Accrued Interest (as those terms are defined in the Supplemental Trust Deed) (less any withholding taxes and other deductions); and (b) the average price, weighted by volume, of all trades of 2026 Bonds through NZX over the 10 Business Days up to the fifth Business Day before the relevant redemption date (except that if 2026 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 WIA). <p>Holders of the 2026 Bonds have no right to require WIA to redeem their 2026 Bonds prior to the Maturity Date, except in accordance with the Trust Documents following an Event of Default.</p>
Brokerage	<p>WIA will pay brokerage of 0.50% of the aggregate principal amount on 2026 Bonds issued plus 0.25% on firm allocations.</p>
Record Date	<p>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.</p>
Issue Price	<p>NZ\$1.00 per 2026 Bond.</p>
Minimum Application	<p>The minimum application is NZ\$10,000, with multiples of NZ\$1,000 thereafter.</p>
Registrar	<p>Link Market Services Limited</p> <p>The 2026 Bonds will be accepted for settlement within the NZClear system.</p>
Further Indebtedness	<p>WIA may, without the consent of the Holders of the 2026 Bonds, issue additional securities or other debt obligations on such other terms and conditions as WIA may think fit.</p>
Financial Covenants	<p>WIA shall ensure that, on each Test Date:</p> <ul style="list-style-type: none"> (a) Total Secured Debt does not exceed 10% of Total Tangible Assets; and (b) Total Interest Bearing Debt does not exceed 70% of Total Tangible Assets, <p>(as those terms are defined in the Supplemental Trust Deed).</p> <p>Non-compliance with material obligations (which would include a breach of a financial covenant) is an Event of Default, subject to remedy where the non-compliance is capable of remedy. Please refer to the Trust Documents for more detail.</p>

How to apply	<p>All of the 2026 Bonds, including oversubscriptions, are reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the book-build. There will be no public pool for the offer. Accordingly, retail investors should contact a Joint Lead Manager, their financial adviser or any primary market participant for details on how they may acquire 2026 Bonds. You can find a primary market participant by visiting https://www.nzx.com/services/market-participants/find-a-participant.</p> <p>In respect of oversubscriptions or generally, any allotment of 2026 Bonds will be at WIA's discretion, in consultation with the Joint Lead Managers. WIA 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 2026 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>
ISIN	NZWIAD0070L4
Transfers	<p>Holders are entitled to sell or transfer their 2026 Bonds at any time subject to the terms of the Trust Documents, the Selling Restrictions set out below and applicable securities laws and regulations. WIA may decline to register a transfer of 2026 Bonds for the reasons set out in the Trust Documents.</p> <p>The minimum amount of 2026 Bonds a Holder can transfer is NZ\$1,000, and integral multiples of NZ\$1,000 thereafter. No transfer of 2026 Bonds or any part of a Holder's interest in a 2026 Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold 2026 Bonds with an aggregate principal amount of less than the minimum holding of NZ\$10,000 (other than zero).</p>
NZX Quotation	<p>WIA will take any necessary steps to ensure that the 2026 Bonds are, immediately after issue, quoted. Application has been made to NZX for permission to quote the 2026 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.</p>
NZX Debt Market Ticker Code	WIA070
Quotation Date	Expected to be 17 August 2020
Selling restrictions	<p>This is an offer of 2026 Bonds to institutional investors and members of the public who are resident in New Zealand only. WIA has not taken and will not take any action which would permit a public offering of 2026 Bonds, or possession or distribution of any offering material in respect of the 2026 Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).</p> <p>The 2026 Bonds may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.</p> <p>By purchasing any 2026 Bonds, each Holder agrees to indemnify the Issuer, the Arranger, the Joint Lead Managers, the Supervisor and each of their respective directors, officers and employees (as applicable) for any loss, cost, liability or expenses sustained or incurred by the Issuer, the Arranger, the Joint Lead Managers and the Supervisor, as the case may be, as a result of the breach by that Holder of these selling restrictions.</p>
Governing Law	New Zealand

