

**Disclosure Statement**  
**15 November 2013**

**Transpower New Zealand Limited launches listed bond offer**

Transpower New Zealand Limited (“Transpower”) today announced it is making an offer of up to NZ\$100 million (with the ability to accept up to a further NZ\$100 million in oversubscriptions) of unsecured, unsubordinated bonds (“Bonds”).

The Bonds, which are to mature on 30 November 2018, will be fungible, and will together form one tranche, with the existing Transpower fixed rate bonds issued on 30 November 2011 (TRP010). The Bonds are expected to be quoted on the NZX Debt Market, the debt security market operated by NZX Limited (“NZX”), from 2 December 2013.

Transpower is a State Owned Enterprise and 100% owned by the Crown. The Crown does not guarantee the Bonds. Transpower plays two main roles central to the operation and development of New Zealand’s electricity power system. It is the owner and the operator of the high voltage electricity transmission system (National Grid) and the provider of co-ordination and security functions for the power system (System Operator).

Net proceeds from the issue of Bonds are intended to be applied for general corporate purposes, including the capital expenditure requirements, of the Transpower Group.

The Bonds have been documented pursuant to a registered simplified disclosure prospectus dated 15 November 2013 (“Prospectus”) and pricing supplement no. 7 dated 15 November 2013 for the Bonds (“Pricing Supplement”). The full details of the offer are contained in these documents.

Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that application that can be complied with on or before the date of the Prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in the Prospectus, the Pricing Supplement or this announcement. NZX is a registered exchange, and the NZX Debt Market is a registered market, each regulated under the Securities Markets Act 1988.

Transpower expects the Bonds will be assigned a credit rating of AA- by Standard & Poor’s and A1 by Moody’s.

An announcement regarding the indicative issue margin range will be made on or before the opening date. The opening date is expected to be 25 November 2013. An announcement of the issue margin will be made following the bookbuild process, expected to be on or before 27 November 2013.



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PO Box 1021  
Wellington 6140  
New Zealand  
P 64 4 495 7000  
F 64 4 495 7100  
[www.transpower.co.nz](http://www.transpower.co.nz)

The interest rate payable in respect of the Bonds will be 5.14 per cent per annum. The issue yield of the Bonds will be the aggregate of the base rate (which is to be determined as set out in the Pricing Supplement, plus the issue margin for the Bonds. The issue price per bond will be determined on 27 November 2013 by reference to the issue yield in accordance with the Reserve Bank of New Zealand semi-annual bond pricing formula, which can be obtained from the Lead Manager upon request.

Investors interested in the offer should contact the Lead Manager, Westpac Banking Corporation (acting through its New Zealand Branch), on 0800 942 822, or their usual financial adviser, to request a free copy of the Prospectus and the Pricing Supplement\*.

\* Applications for Bonds can only be made using the application form included in the Prospectus. No applications for Bonds will be accepted or money received unless the subscriber has received a copy of the Prospectus and the Pricing Supplement. The minimum application amount is for Bonds with a principal amount of at least NZ\$5,000 and in multiples of NZ\$1,000 thereafter. Interest will be paid by Transpower on the Bonds to the bondholders as at the relevant record date on each interest payment date specified in the Pricing Supplement.

**For further information, please contact: Rebecca Wilson, Corporate Communications Manager, 04 590 6695; 021 578 608**



## TRANSPower NEW ZEALAND LIMITED

# PRICING SUPPLEMENT NO. 7 FIXED RATE BONDS DUE 2018

## Current at 15 November 2013

This Pricing Supplement is prepared in respect of, issued with, and referred to in, the registered simplified disclosure prospectus dated 15 November 2013 (**Prospectus**) prepared by Transpower New Zealand Limited (**Transpower**) for the offer of bonds.

Unless the context otherwise requires, capitalised terms used in this Pricing Supplement have the defined meanings which appear in the Prospectus.

<b>Issuer</b>	Transpower New Zealand Limited
<b>Description of Bonds</b>	Unsecured, unsubordinated, debt obligations of Transpower
<b>Type of Bonds</b>	Fixed Rate Bonds
<b>Bonds Rating</b>	The rating of the Bonds is expected to be: A1 Moody's AA- Standard & Poor's
<b>Maximum offer size</b>	The maximum aggregate of the Principal Amount of the Fixed Rate Bonds being offered under this Pricing Supplement is NZ\$100,000,000 (with the ability to accept up to a further NZ\$100,000,000 in oversubscriptions).
<b>Fungibility</b>	The Fixed Rate Bonds being offered under this Pricing Supplement will be fungible with the Fixed Rate Bonds issued on 30 November 2011 under Pricing Supplement No. 2 dated 17 November 2011 ( <b>TRP010 Bonds</b> ) and will together form one tranche.
<b>Interest Rate</b>	5.14 per cent per annum
<b>Principal Amount</b>	NZ\$1.00 per Bond
<b>Issue Price</b>	The Issue Price per Bond will be determined on the Issue Yield Set Date by reference to the Issue Yield in accordance with the Reserve Bank of New Zealand semi-annual bond pricing formula which can be obtained from the Lead Manager upon request.
<b>Lead Manager</b>	Westpac Banking Corporation (acting through its New Zealand branch)
<b>Opening Date</b>	25 November 2013
<b>Closing Date</b>	10.00 am on 27 November 2013
<b>Issue Yield Set Date</b>	27 November 2013
<b>Issue Date</b>	29 November 2013
<b>Expected date of initial quotation and trading on the NZX Debt Market</b>	2 December 2013

<b>Maturity Date</b>	30 November 2018
<b>Interest Payment Dates</b>	30 May and 30 November in each year up to and including the Maturity Date.
<b>First Interest Payment Date</b>	30 May 2014
<b>Issue Yield</b>	<p>The aggregate of the Base Rate on the Issue Yield Set Date plus the Issue Margin.</p> <p>The Issue Yield will be announced via NZX on or shortly after the Issue Yield Set Date, and may be obtained from Transpower or the Lead Manager. The Issue Yield will not change after the Issue Yield Set Date.</p>
<b>Base Rate</b>	The interpolated semi annual mid rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Lead Manager according to market convention, with reference to the Reuters page 'ICAPAUKIWISWAP' (or any successor page) on the Issue Yield Set Date, rounded to the nearest three decimal places (if necessary), with 0.0005 being rounded up.
<b>Indicative Issue Margin</b>	The indicative range of the Issue Margin will be determined by Transpower in consultation with the Lead Manager and announced via NZX on or before the Opening Date.
<b>Issue Margin</b>	The Issue Margin will be determined by Transpower in consultation with the Lead Manager following a bookbuild and announced via NZX on or before the Issue Yield Set Date.
<b>Frequency of interest payments</b>	Semi-annually in arrears in two equal payments.
<b>Quotation</b>	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market.</p> <p>All the requirements of NZX relating to the application for quotation that can be complied with on or before the date of distribution of this Pricing Supplement have been duly complied with. However, NZX accepts no responsibility for any statement in the Prospectus or in this Pricing Supplement.</p> <p>NZX is a registered exchange, and the NZX Debt Market is a registered market, each regulated under the Securities Markets Act 1988.</p>
<b>Ticker code</b>	If NZX accepts the application for quotation of the Bonds on the NZX Debt Market, the Bonds will form one tranche with the TRP010 Bonds and will be quoted under the NZX ticker code "TRP010".
<b>ISIN</b>	NZ519D1118L9
<b>Registry Security Code</b>	519-1118
<b>NZClear</b>	TPFL/TF1118
<b>Applications</b>	Applications may be submitted to Transpower at its address specified in the Directory to the Prospectus in time to enable the application to be forwarded to the Lead Manager by 10.00 am on the Closing Date for the Bonds, at the address set out below. Applications may also be submitted to the Lead Manager or to any NZX primary market participant, the Lead Manager as the organising participant for the quotation of the Bonds, or any other channel approved by NZX in time to enable the application to be forwarded to the Lead Manager, in each case by 10.00 am on the Closing Date for the Bonds, at the addresses set out below.
<b>Repo-eligibility</b>	The Bonds will be eligible securities for domestic market operations by the Reserve Bank of New Zealand.

The dates set out in this Pricing Supplement are indicative only and are subject to change. Transpower 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.

All of the Bonds will be reserved for subscription by clients of the Lead Manager, NZX participants, and other approved financial intermediaries. The aggregate number of Bonds so reserved will be up to NZ\$200,000,000 (constituting 100% of Bonds offered under this Pricing Supplement, including any oversubscriptions). In respect of any oversubscriptions or generally, any allotment of Bonds will be at Transpower's discretion, in consultation with the Lead Manager. Transpower reserves the right to refuse all or any part of an application without giving any reason.

#### *NZX Waivers*

NZX has granted a waiver from Listing Rule 11.1.1 to enable Transpower to decline to accept or register a transfer of Bonds if such transfer would result in the transferor holding or continuing to hold Bonds with a Principal Amount of less than NZ\$5,000 or if such transfer is for an amount of less than NZ\$1,000 or a multiple thereof. The effect of the waiver from Listing Rule 11.1.1 is that the minimum holding amount in respect of the Bonds will at all times be NZ\$5,000 in aggregate and that Bonds can only be transferred in multiples of NZ\$1,000.

NZX has granted a temporary waiver in respect of the TRP010 Bonds from the requirement in Listing Rule 5.2.3 that at least 500 members of the public hold at least 25% of the TRP010 Bonds issued, with each member of the public holding at least a minimum holding. The waiver has been granted for a period of twelve months from 28 February 2013. The effect of the lack of spread is that during the waiver period the Bonds may not be widely held and there may be reduced liquidity in the Bonds.

The Bonds are offered by Transpower on the terms and conditions set out or referred to in the Prospectus. Applications must be made on the Application Form contained in the Prospectus 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. Interest will be paid by Transpower on the Bonds on each Interest Payment Date to the Bondholders as at the relevant Record Date.

#### **For a free copy of the Prospectus, please contact:**

**Westpac Banking Corporation** (acting through its New Zealand branch)

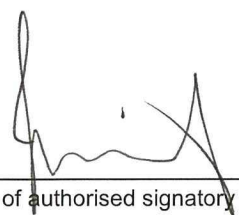
Level 8, 16 Takutai Square


Auckland

Telephone: 0800 942 822

Executed as a deed by:

Transpower New Zealand Limited:

  
\_\_\_\_\_  
Signature of authorised signatory  
  
Mark Verbiest  
\_\_\_\_\_  
Name of authorised signatory

  
\_\_\_\_\_  
Signature of witness  
  
EA  
\_\_\_\_\_  
Occupation  
  
Wellington  
\_\_\_\_\_  
City/town of residence

Executed under the name and seal of **The New Zealand Guardian Trust Company Limited** by:

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Signature of authorised signatory  
  
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Name of authorised signatory  
  
\_\_\_\_\_  
Signature of witness  
  
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Occupation  
  
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City/town of residence

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Signature of authorised signatory  
  
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Name of authorised signatory

Executed as a deed by:

Transpower New Zealand Limited:

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Signature of authorised signatory

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Name of authorised signatory

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Signature of witness

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Occupation

\_\_\_\_\_  
City/town of residence

**Executed** under the name and seal of  
**The New Zealand Guardian Trust Company Limited by:**

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Signature of authorised signatory

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Name of authorised signatory

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Signature of authorised signatory

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Name of authorised signatory

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Signature of witness

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Occupation

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City/town of residence

