

AUCKLAND COUNCIL

SERIES NOTICE NO. 0002

FIXED RATE BONDS DUE 25 MARCH 2024

Current at 21 March 2014.

This document is a Series Notice and supplements, and forms part of, the Investment Statement dated 5 March 2014 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\$ 200,000,000
Issue Price	Par (being \$1.00 per Bond).
Minimum Subscription Amounts	NZ\$5,000 and in multiples NZ\$1,000 thereafter.
Bookrunner	ANZ Bank New Zealand Limited (ANZ)
Joint Lead Managers	ANZ Bank of New Zealand Westpac Banking Corporation (acting through its New Zealand Branch)
Organising Participant	ANZ
Interest Rate Set Date	Friday 14 March 2014
Offer Opening Date	Friday 14 March 2014
Offer Closing Date	Friday 21 March 2014 12.00 pm
Issue Date	Tuesday 25 March 2014
Expected date of initial quotation and trading on NZDX	Wednesday 26 March 2014
Maturity Date	Monday 25 March 2024
Interest Rate	5.806% per annum.



Interest Payment Dates	25 March and 25 September each year up to and including the Maturity Date.
First Interest Payment Date	25 September 2014
Business day convention	Following unadjusted
Day count convention	Actual/Actual
Interest Periods	Semi-annual in arrears, in two equal payments.
Most Recent Annual and Interim Financial Statements	Annual 30 June 2013 Half year 31 December 2013
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 AKC070 has been reserved for the Bonds.
ISIN Code	NZAKCDT324C3
NZX Waivers for Issue	<p>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. The waiver has been granted for a period of 12 months from the date of quotation of the Bonds on the NZDX.</p>
Who may apply	<p>The Bonds are offered to New Zealand resident investors and investors in other jurisdictions where the Bonds may be lawfully offered.</p> <p>All of the Bonds have been reserved for clients of the Joint Lead Managers, institutional investors and other approved participants and will be allocated to those persons by Council in consultation with the Bookrunner and the Joint Lead Managers. The aggregate value of Bonds so reserved will be up to \$150,000,000 (together with any Bonds allotted as part of any oversubscriptions up to \$50,000,000).</p> <p>Retail investors should contact any Joint Lead Manager or their broker for details of the application process for Bonds as there is no public pool for the Bonds.</p>
Applications	<p>Applications should be submitted to any 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.</p>
Payment	<p>Payment must be made in New Zealand dollars for immediate value by a personal 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), or by prior arrangement through the NZClear system (institutional investors only) with a Joint Lead Manager.</p>
Repo-eligibility	<p>Council intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for Domestic Market Operations.</p>

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 any Joint Lead Manager or Council:

ANZ

Level 7, 1 Victoria Street
Wellington 6112

Telephone: 0800 269 476

Bank of New Zealand

Level 6, Deloitte Centre
80 Queen Street
Auckland

Telephone: (09) 375 1391

Facsimile: (09) 976 5710

Westpac Banking Corporation

(acting through its New Zealand Branch)

Level 8, 16 Takutai Square
PO Box 934

Auckland 1140

Telephone: 0800 942 822

Auckland Council

www.aucklandcouncil.govt.nz