

NZX Regulation Decision
Infratil Limited
Application for Waiver from NZDX Listing Rule 5.2.3

Background

1. Infratil Limited (“**IFT**”) is a Main Board and Debt Market Listed Issuer with seven series of convertible bonds currently Quoted on the Debt Market.
2. IFT proposes making public offers of non-convertible bonds (“**New Bonds**”). The first offer will be to all investors in New Zealand (“**General Offer**”), and the second only to holders of the existing tranche of convertible bonds maturing on 15 November 2012 (“**Exchange Offer**”).
3. IFT has applied for Quotation of the New Bonds on the Debt Market.
4. The General Offer will have an offer period of 17 October 2012 to 14 January 2013 (“**Offer Period**”) and IFT intends to issue the New Bonds subscribed for under the General Offer on three separate dates, being 15 November 2012, 14 December 2012 and 15 January 2013.
5. The Exchange Offer will have an offer period of 17 October 2012 to 14 November 2012 and New Bonds subscribed for under the Exchange Offer will be issued on 15 November 2012.
6. The initial date of Quotation of the New Bonds on the Debt Market will be 15 November 2012.
7. NZDX Listing Rule (“**Rule**”) 5.2.3 requires that, upon Quotation, at least 500 Members of the Public hold at least 25% of the number of New Bonds issued, with each Member of the Public holding at least a Minimum Holding (“**Spread Requirements**”).
8. IFT considers that it is possible that the Spread Requirements may not be satisfied by the initial date of Quotation on the Debt Market (although it is intended that the Spread Requirements will be satisfied on or before the final issue date of the New Bonds).

Application

9. IFT has applied to NZX Regulation (“**NZXR**”) seeking a waiver from the Spread Requirements contained in Rule 5.2.3 in respect of the New Bonds.
10. IFT submits the following in support of its waiver application:
 - (a) The lack of initial liquidity during the Offer Period will not be of a disadvantage to the holders of New Bonds. Debt securities are generally not subject to the same degree of trading activity as equity securities;
 - (b) It is intended that the Spread Requirements will be satisfied on or before the final issue date for the New Bonds; and
 - (c) NZXR has granted similar waivers on a number of occasions in respect of previous issues of debt securities by IFT and other issuers.

Rules

11. Rule 5.2.3 provides:

“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.”

12. The footnote to Rule 5.2.3 provides:

“NZX will readily consider a waiver from the requirements of Rule 5.2.3:

- (a) in the case of Debt Securities or Convertible Equity Securities if NZX is satisfied that the lack of initial liquidity would not be of a disadvantage to holders... .”

Decision

13. On the basis that the information provided by IFT is complete and accurate in all material respects, NZXR grants IFT a waiver from Rule 5.2.3 until the final issue date of the New Bonds (as defined in the simplified disclosure prospectus for the New Bonds (“**Prospectus**”)), which is currently expected to be 15 January 2013, on the condition that IFT clearly and prominently disclose this waiver decision and its implications, in the Prospectus for the offers of New Bonds.

Reasons

14. In coming to the decision to grant IFT a waiver from Rule 5.2.3, NZXR has considered the following matters:

- (a) Debt securities are not subject to the same degree of trading activity as equity securities;
- (b) The waiver is granted on a temporary basis, until the final issue date of the New Bonds;
- (c) NZXR will have the opportunity to review and approve the Prospectus in respect of the offer of New Bonds; and
- (d) There is precedent for temporary waivers being granted in the past in similar circumstances.

Confidentiality

15. IFT has requested that its application and this waiver decision be kept confidential until the offer of New Bonds is announced to the market.

16. In accordance with footnote 4 to Rule 1.11.4, NZXR grants IFT’s request.

ENDS.