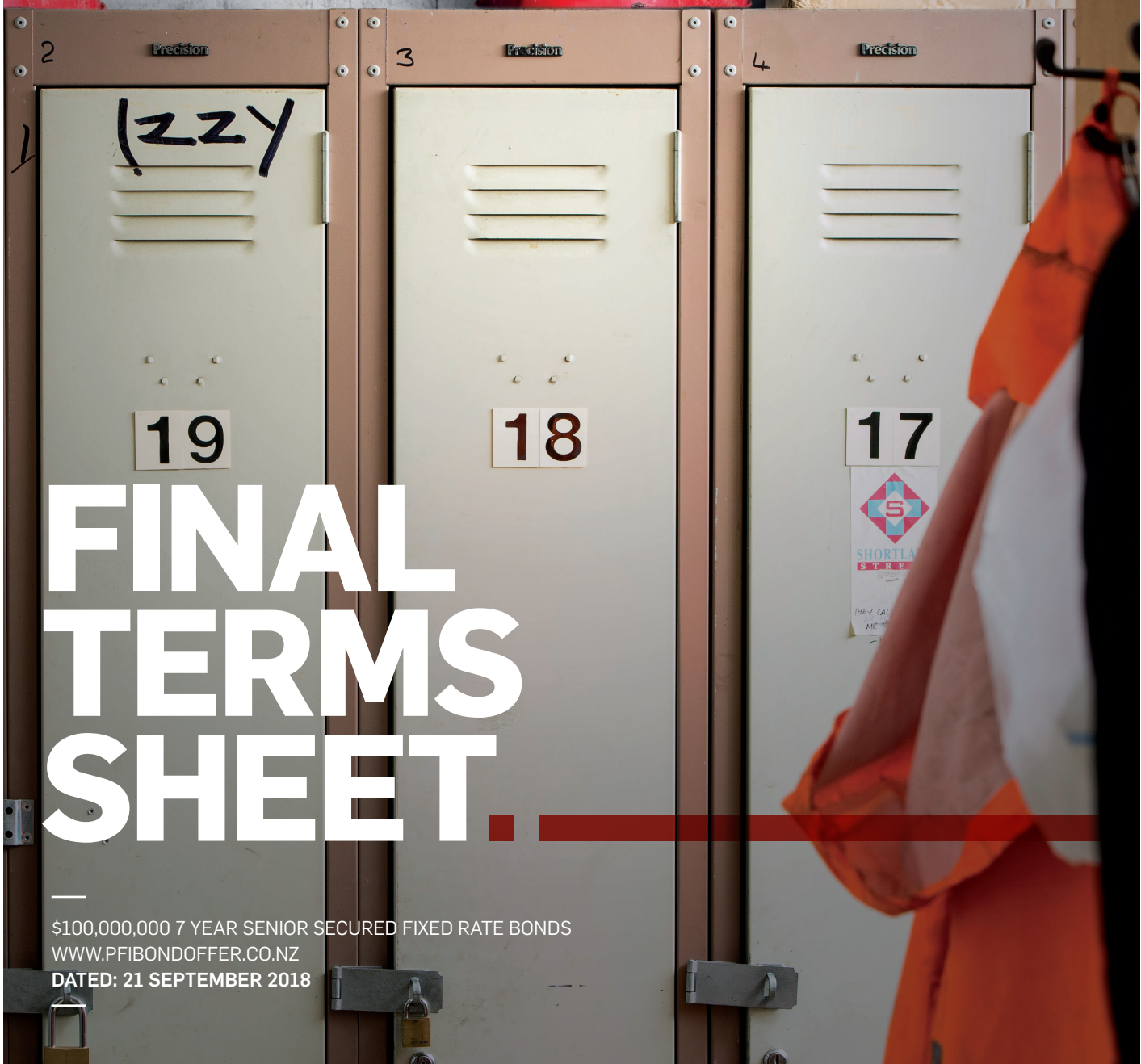




Property  
For  
Industry  
Limited



# FINAL TERMS SHEET.

\$100,000,000 7 YEAR SENIOR SECURED FIXED RATE BONDS  
[WWW.PFIBONDOFFER.CO.NZ](http://WWW.PFIBONDOFFER.CO.NZ)  
DATED: 21 SEPTEMBER 2018

JOINT LEAD  
MANAGERS:



DeutscheCRAIGS

 FORSYTH BARR

# FINAL TERMS SHEET

dated 21 September 2018

## Senior Secured Fixed Rate Bonds due 1 October 2025

This terms sheet (**Terms Sheet**) sets out the key terms of the offer by Property for Industry Limited (**PFI**) of \$100,000,000 of seven-year senior secured fixed-rate bonds maturing on 1 October 2025 (**Bonds**) under its bond master trust deed dated 2 November 2017 (as amended from time to time) (**Trust Deed**) as modified and supplemented by the supplemental deed dated 17 September 2018 entered into between PFI and Public Trust (**Supervisor**) (together with the Trust Deed, **Bond Trust Documents**).

Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Bond Trust Documents.

### Important notice

The offer of debt securities by PFI 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 PFI's \$100,000,000 senior secured fixed-rate bonds maturing on 28 November 2024 (which have an interest rate of 4.59% p.a.), which are currently quoted on the NZX Debt Market under the ticker code PFI010 (**PFI010 Bonds**).

The Bonds are of the same class as the PFI010 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

PFI 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/PFI](http://www.nzx.com/companies/PFI).

The PFI010 Bonds are the only debt securities of PFI that are currently quoted in the same class as the Bonds.

Investors should look to the market price of the PFI010 Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including the credit rating (if any), maturity and the other terms of the relevant debt securities).

<b>Issuer</b>	Property for Industry Limited.
<b>Description</b>	Senior secured fixed rate bonds.
<b>Opening Date</b>	Monday, 17 September, 2018.
<b>Closing Date</b>	Friday, 21 September, 2018.
<b>Rate Set Date</b>	Friday, 21 September, 2018.
<b>Issue Date</b>	Monday, 1 October 2018.
<b>Maturity Date</b>	Wednesday, 1 October 2025.
<b>Purpose</b>	The proceeds of the offer are expected to be used to repay existing bank debt.
<b>Offer Amount</b>	\$100,000,000.
<b>Guarantee and Security</b>	<p>P.F.I. Property No. 1 (<b>PFI Property</b>) has guaranteed the payments due on the Bonds.</p> <p>The Bonds are secured by first ranking mortgages (the <b>Mortgages</b>) granted by PFI Property as Guarantor over various properties (the <b>Mortgaged Properties</b>).</p> <p>The Security Trustee holds the Mortgages for all creditors entitled to their benefit, which currently includes (in addition to the Supervisor and the Holders) the PFI Group's banks and their facility agent, on an equal ranking basis.</p>

<b>Financial Covenant</b>	<p>PFI agrees to ensure that the total principal amount of all outstanding borrowed money secured by the Mortgages is not more than 50% of the total value of all Mortgaged Properties (the <b>Loan to Value Ratio</b>).</p> <p>A breach of the Loan to Value Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Supervisor in a director's report will be an Event of Default under the Bond Trust Documents.</p>
<b>Distribution Stopper</b>	PFI is not permitted to make any distribution if an Event of Default is continuing or if it would result in an Event of Default. Full details of the Events of Default are set out in the Bond Trust Documents.
<b>No Credit Rating</b>	The Bonds will not be rated.
<b>Issue Price</b>	\$1.00 per Bond, being the Principal Amount of each Bond.
<b>Early Repayment</b>	<p>Holders have no rights to require PFI to redeem the Bonds early except through the Supervisor in the case of an Event of Default (as defined in the Bond Trust Documents). PFI does not have the right to redeem the Bonds early.</p>
<b>Interest Rate</b>	4.25%, being the sum of the Base Rate plus the Issue Margin.
<b>Issue Margin</b>	1.60% per annum.
<b>Base Rate</b>	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with PFI, according to market convention, with reference to Bloomberg page 'TCNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
<b>Interest Payments</b>	Quarterly in arrear in equal payments.
<b>Interest Payment Dates</b>	1 January, 1 April, 1 July and 1 October each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date. The first Interest Payment Date will be 1 January 2019 but as that date is a public holiday, the actual payment will be made on 3 January 2019.
<b>Record Date</b>	5.00pm on the date that is 10 days before the relevant Interest Payment Date or, if that is not a Business Day, the immediately preceding Business Day.
<b>Business Days</b>	Auckland and Wellington.
<b>Brokerage</b>	0.50% brokerage plus 0.25% on firm allocations paid by PFI.
<b>ISIN</b>	NZPFIDT020C1.
<b>NZX Debt Market Quotation</b>	<p>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 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> <p>NZX ticker code PFI020 has been reserved for the Bonds.</p>
<b>Minimum Application Amount and Denominations</b>	\$5,000 and multiples of \$1,000 thereafter.



<b>Transfer Restrictions</b>	<p>Holders are entitled to sell or transfer their Bonds at any time subject to the terms of the Bond Trust Documents and applicable securities laws and regulations. PFI may decline to register a transfer of the Bonds for the reasons set out in the Bond Trust Documents.</p> <p>No transfer may be made if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a principal amount of less than \$5,000 (other than zero) or not in multiples of \$1,000.</p> <p>NZX has approved these restrictions on the transfer of the Bonds.</p>
<b>Governing law</b>	New Zealand.
<b>NZX Waiver</b>	NZX has granted PFI a waiver from NZX Listing Rule 7.11.1 to allow allotment of the Bonds to occur within six Business Days of the Closing Date.
<b>Who May Apply &amp; How to Apply</b>	<p>All of the Bonds, including oversubscriptions, will be reserved for clients of the Joint Lead Managers, institutional investors and other Primary Market Participants invited to participate in the bookbuild. There will be no public pool for the Bonds.</p> <p>Retail investors should contact any Joint Lead Manager, their financial adviser or any Primary Market Participant for details on how they may acquire Bonds. You can find a Primary Market Participant by visiting <a href="http://www.nzx.com/investing/find_a_participant">www.nzx.com/investing/find_a_participant</a>.</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 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>
<b>Arranger and Organising Participant</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) ( <b>Westpac</b> ).
<b>Joint Lead Managers</b>	Deutsche Craigs Limited, Forsyth Barr Limited and Westpac.
<b>Supervisor</b>	Public Trust.
<b>Security Trustee</b>	New Zealand Permanent Trustees Limited.
<b>Securities Registrar</b>	Computershare Investor Services Limited.
<b>Selling Restrictions</b>	<p>PFI does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. This terms sheet may not be published, delivered or distributed in or from any country other than New Zealand.</p> <p>By subscribing for or otherwise acquiring any Bonds, each Holder agrees to indemnify, among others, PFI, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by the Holder of these selling restrictions.</p>

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Bond Trust Documents are available on the website (managed by PFI) for the offer of the Bonds [www.pfibondoffer.co.nz](http://www.pfibondoffer.co.nz).

Investors should seek qualified, independent financial and taxation advice before deciding to invest. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

For further information regarding PFI, visit [www.nzx.com/companies/PFI](http://www.nzx.com/companies/PFI).

# ADDRESS DETAILS

## Issuer

### Property for Industry Limited

Shed 24, Prince's Wharf  
147 Quay Street  
Auckland 1010

## Supervisor

Public Trust  
Level 9, 34 Shortland Street  
Auckland 1010

## Security Trustee

New Zealand Permanent Trustees Limited  
Level 9, 34 Shortland Street

## Securities Registrar

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Auckland 0622  
Telephone: 09 488 8777  
Email: pfi@computershare.co.nz

## Arranger and Organising Participant

### Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square  
Level 8, 16 Takutai Square  
Auckland 1010  
0800 942 822

## Joint Lead Managers

### Deutsche Craigs Limited

Level 36, Vero Centre  
48 Shortland Street  
Auckland 1010  
0800 226 263

### Forsyth Barr Limited

Level 23, Lumley Centre  
88 Shortland Street  
Auckland 1010  
0800 367 227

### Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square  
Level 8, 16 Takutai Square  
Auckland 1010  
0800 942 822

# IMPORTANT DATES.

<b>OPENING DATE</b>	<b>CLOSING DATE</b>	<b>BOOKBUILD DATE</b>	<b>RATE SET DATE</b>
<b>MONDAY 17 SEPTEMBER 2018</b>	<b>FRIDAY 21 SEPTEMBER 2018</b>	<b>FRIDAY 21 SEPTEMBER 2018</b>	<b>FRIDAY 21 SEPTEMBER 2018</b>
<b>ISSUE DATE</b>	<b>EXPECTED QUOTATION</b>	<b>MATURITY DATE</b>	
<b>MONDAY 1 OCTOBER 2018</b>	<b>TUESDAY 2 OCTOBER 2018</b>	<b>WEDNESDAY 1 OCTOBER 2025</b>	

The dates set out in this Terms Sheet are indicative only and are subject to change. PFI may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the offer described in this Terms Sheet early, accepting late applications and extending the Closing Date). PFI reserves the right to cancel the offer described in this Terms Sheet and the issue of the Bonds, in which case all application monies received will be refunded (without interest) as soon as practicable.