

Air New Zealand | Bond issue | 07-22 | A\$550m

Air New Zealand further diversified its sources of financing in the second quarter with a A\$550 million (\$379 million) bond issuance in the Australian market.

The Auckland-based carrier returned to the bond market with its inaugural A\$550 million Australian medium-term notes, as part of its comprehensive NZ\$2.2 billion recapitalisation package.

The AMTN issuance comprised two tranches; A\$300 million of 5.7% four-year fixed rate bonds maturing on 25 May 2026 and A\$250 million of 6.5% seven-year fixed rate bonds maturing on 25 May 2029, according to *Finsight*.

This was Air New Zealand’s inaugural issue using its Australian debt issuance programme and represents a further diversification of the airline’s funding markets.

The transaction was open to institutional investors only and has been rated Baa2 by Moody’s.

Australia and New Zealand Banking, Citigroup Global Markets Australia, Commonwealth Bank of Australia and MUFG Securities Asia acted as joint lead managers on the transaction.

ISIN: AU3CB0289205

ISIN: AU3CB0289213

Transaction Overview

Structure

Product category: Financing
Product type: DCM
Structure Bond issue
Use of proceeds General corporate purposes

Transaction Categories

Regions:
[Oceania](#) | [New Zealand](#) |

Tagged as:
[Unsecured](#) | [Debt Capital Markets](#) | [Syndicated](#) |

Debt

Air New Zealand, 5.7% 25may2026, AUD (AUD 300.00m (USD 207.10m)) 20 Jul 2022

Type: Debt
Moody's: Baa2
Tenor: 3 Years 10 Months
Amount: AUD 300.00m (USD 207.10m)
Reference Spread: 240.0000
Maturity Date: 25 May 2026

AIRFINANCE GLOBAL

Duration: 3 Years 10 Months
Description: ISIN: AU3CB0289205

Tranche Pricings

Coupon Type Fixed Rate
Coupon % 5.70
Period 01 Jul 2022 > 01 May 2026 (3 Years 9 Months)

Air New Zealand, 6.5% 25may2029, AUD (AUD 250.00m (USD 172.58m)) 20 Jul 2022

Type: Debt
Moody's: Baa2
Tenor: 6 Years 10 Months
Amount: AUD 250.00m (USD 172.58m)
Reference Spread: 300.0000
Maturity Date: 25 May 2029
Duration: 6 Years 10 Months
Description: ISIN: AU3CB0289213

Tranche Pricings

Coupon Type Fixed Rate
Coupon % 6.50
Period 01 Jul 2022 > 01 May 2029 (6 Years 9 Months)

[Back to top](#)

Transaction Roles

Borrower/Issuer

Company Name	Role	Client
Air New Zealand	Borrower/Issuer	

Banks

Company Name	Role	Client
Australia and New Zealand Banking Group	Debt Arranger	
Australia and New Zealand Banking Group	Overall Arranger	
Australia and New Zealand Banking Group	Joint book-running manager	
Citigroup	Debt Arranger	
Citigroup	Overall Arranger	
Citigroup	Joint book-running manager	
Commonwealth Bank of Australia	Debt Arranger	
Commonwealth Bank of Australia	Overall Arranger	
Commonwealth Bank of Australia	Joint book-running manager	
MUFG	Debt Arranger	
MUFG	Overall Arranger	
MUFG	Joint book-running manager	

[Back to top](#)

Transaction Timeline

20/07/2022	Financial close	ANZ raises new funding in capital markets
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[Back to top](#)

Coverage

[Air NZ negotiating 777-300ER addition](#)

Will spend NZ\$3.5 billion on new aircraft and retrofitting of its existing fleet over the next five years.

[Air NZ targets up to \\$57m with latest bond](#)

Minimum coupon of 6% for 2028 maturity.

[Air NZ readies for special Jolco delivery](#)

Kiwi flag carrier 'firmly in the 'revive' phase of its 'survive, revive, thrive' mission'.

[Air NZ losses increase](#)

But flag carrier sees positive booking trends.

[MUFG promotes Trauchessec](#)

Trauchessec becomes head of global aviation.

[Back to top](#)

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