

Media Release

For Release: 10 December 2012

ANZ commences cash tender offer for certain outstanding Commonwealth Guaranteed Transferable Certificates of Deposit

Australia and New Zealand Banking Group Limited (ANZ) today announced that it had commenced a conditional offer to purchase all or some of the following senior debt securities:

- A\$1,100,000,000 Floating Rate Transferable Certificates of Deposit (issued as Series No. 71 under a pricing supplement dated 16 January 2009) and guaranteed by the Commonwealth of Australia.
- A\$2,410,000,000 5.25% Fixed Rate Transferable Certificates of Deposit (issued as Series No. 72 under pricing supplements dated 16 January 2009, 2 February 2009 and 24 March 2009) and guaranteed by the Commonwealth of Australia.

Attached is a copy of the relevant Offer Memorandum.

The offer is made in accordance with the restrictions contained in the Offer Memorandum.

For media inquiries contact: For investor inquiries contact:

Paul Edwards Group GM Corporate Communications Tel: +61-3-8654-9999 or +61-434-070101

Email: paul.edwards@anz.com

David Goode

Head of Debt Investor Relations Tel: +61-3-8654-5357

Email: david.goode@anz.com

NOT FOR DISTRIBUTION TO ANY PERSON RESIDENT OR LOCATED IN THE UNITED STATES

If you do not understand this document or are in any doubt about the action you should take, you are urged to contact a professional adviser. If you have, prior to the date of this document, sold or otherwise transferred your entire holding of the TCDs (as defined below), please hand this document to the purchaser or transferee or to the agent to whom you made the sale or transfer for transmission to the purchaser or transferee.

Offer Memorandum



Australia and New Zealand Banking Group Limited

ABN 11 005 357 522 ("Issuer")

Conditional offer by the Issuer to purchase the TCDs (defined below) issued pursuant to the deed poll dated 20 June 2001 and amended and restated on 11 April 2003, 23 April 2004, 26 February 2007 and 28 November 2008 ("Deed Poll") and the Information Memorandum dated 28 November 2008 ("Information Memorandum").

The transferable certificates of deposit the subject of the purchase offer ("TCDs") are detailed below:

A\$1,100,000,000 Floating Rate Transferable Certificates of Deposit (issued as Series No. 71 under a pricing supplement dated 16 January 2009) and guaranteed by the Commonwealth of Australia

ISIN: AU3FN0007480

("Floating Rate TCDs")

A\$2,410,000,000 5.25% Fixed Rate Transferable Certificates of Deposit (issued as Series No. 72 under pricing supplements dated 16 January 2009, 2 February 2009 and 24 March 2009) and guaranteed by the Commonwealth of Australia

ISIN: AU3CB0100857

("Fixed Rate TCDs" and together with the Floating Rate TCDs, the "TCDs")

Offer Manager

Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522)

Dated 10 December 2012

Australia and New Zealand Banking Group Limited (the "Offer Manager") has been appointed as offer manager in relation to the conditional invitation by the Issuer detailed in this document. By acting in that capacity, the Offer Manager may have a pecuniary or other interests in the TCDs, may receive fees, brokerage or commissions, may have interests under other arrangements and may act as principal in dealing in or with the TCDs.

The Offer Manager has not undertaken to review the financial condition or affairs of the Issuer nor to inform any Holder (as defined below) of information about the Issuer coming to its attention. If not otherwise defined in this document, capitalised terms have the meaning given to them in the terms and conditions applicable to the TCDs set out in the Information Memorandum as supplemented by the Pricing Supplements for the TCDs. The Offer Manager is not undertaking to underwrite any part of the Offer (as defined below) and does not have any obligation to purchase the TCDs should the Offer (as defined below) not proceed for any reason.

1. Offer to purchase TCDs

1.1 Offer

Subject to the conditions set out in paragraph 1.2 below, the Issuer offers to each holder of the TCDs (including a person who is shown in the records of the Austraclear System as an owner of the TCDs) to whom the offer is made in accordance with the restrictions contained in this Offer Memorandum (each a "**Holder**") to purchase all or some of each Holder's TCDs:

- (a) for settlement on or about Thursday, 20 December 2012 (the "Settlement Date"); and
- (b) at a price (the "Purchase Price"):
 - (i) in the case of the Floating Rate TCDs, which is the price determined at or around 11.00am Melbourne time on Monday, 17 December 2012 which is equivalent to 3 month-BBSW (set at or around 10.10am Melbourne time on Monday, 17 December 2012) minus a margin of 0.1% per annum plus accrued interest to (but excluding) the Settlement Date determined in accordance with customary market practice; and
 - (ii) in the case of the Fixed Rate TCDs, which is the bond price equivalent to the yield, being the semi-quarterly coupon matched against asset swap minus 0.1% per annum determined at or around 11.00am Melbourne time on Monday, 17 December 2012, determined in accordance with customary market practice,

(the "Offer").

1.2 Conditions of the Offer

The Offer to a Holder is conditional upon the receipt by the Offer Manager (on behalf of the Issuer) of the Holder's Acceptance (as defined below) before 5.00pm Melbourne time on Friday, 14 December 2012 (or such other acceptance as otherwise agreed by the Offer Manager (on behalf of the Issuer) and the relevant Holder) ("Cut-Off Time").

An Acceptance (as defined below) once given is irrevocable, except as provided in the following paragraph. The giving of an Acceptance constitutes a representation by the Holder that it is a person to whom the Offer may be made in accordance with the restrictions contained in this Offer Memorandum. The Issuer may in its absolute discretion refuse to accept any Acceptance by a Holder which is an Australian resident if it is not satisfied that the Offer as it relates to that Holder is made in one of the circumstances specified in Regulation 7.9.97 of the Corporations Act.

The Issuer may, at any time prior to the Cut-Off Time, withdraw, amend or vary the Offer or postpone or bring forward the Cut-Off Time or the Settlement Date in respect of the TCDs. If the Offer (or any part of it) is withdrawn, amended or varied prior to the Cut-Off Time or the Cut-Off Time or the Settlement Date is postponed or brought forward, the Issuer will notify the Holders that the Offer has been withdrawn, amended or varied or that the Cut-Off Time or the Settlement Date has been postponed or brought forward and give details of any amendment or variation or change in such time or date. If the Offer (or any part of it) is withdrawn, to the extent of that withdrawal, no purchase of TCDs will occur (whether or not a Holder's Acceptance has been given before notice of the withdrawal is received). If the Offer is varied or amended, a Holder may by notice to the Offer Manager (on behalf of the Issuer) by 4.00pm Melbourne time on the Business Day following the notice of amendment or variation (or such other time as the Holder and Offer Manager may agree) revoke its Acceptance (failing which the Acceptance shall remain in effect in respect of the Offer as amended or varied). For the purposes of the preceding sentence, postponing or bringing forward the Cut-Off Time or the Settlement Date will not constitute and amendment or variation of the Offer.

1.3 Completion where Holder elects to accept the Offer

Subject to paragraph 1.2 above, if a Holder accepts the Offer before the Cut-Off Time, and to the extent that the Offer has not been withdrawn by the Issuer prior to the Cut-Off Time, then on the Settlement Date the Holder will sell and the Issuer will purchase those TCDs at the Purchase Price. Each relevant Holder must make arrangements to transfer the TCDs held by them to the Issuer against payment for those TCDs by the Issuer. In order to facilitate the settlement of such purchase, the Issuer and the relevant Holders confirm that settlement will take place on the following basis:

- (a) the relevant TCDs held by, or on behalf of, that Holder will be purchased by and must be transferred to the Offer Manager (on behalf of the Issuer); and
- (b) the Purchase Price will be paid to the Holder by the Offer Manager (on behalf of the Issuer),

in each case through the Austraclear System in accordance with accepted market practice, or in such other manner as is agreed between the Holder and the Offer Manager.

Except as set out above, each relevant Holder will be deemed to agree and acknowledge that nothing in this agreement constitutes a commitment by the Offer Manager to purchase any Instruments or to otherwise underwrite, or provide funding for, the purchase of any Instruments by the Issuer.

1.4 Important information

The Issuer may purchase an amount of up to all of the TCDs pursuant to the Offer and intends to cancel any such TCDs that are purchased from Holders pursuant to the Offer.

To the extent any TCDs are purchased by the Issuer pursuant to the Offer, the trading markets for the TCDs that remain outstanding may be significantly limited. Such remaining TCDs may command a lower market price than would a comparable issue of debt securities with greater market liquidity. A reduced market value may also make the trading price of such TCDs more volatile. As a result, the market price for TCDs that remain outstanding after completion of the Offer may be adversely affected by the Offer and there can be no assurance that an active trading market will exist for such TCDs following completion of the Offer.

1.5 Taxation

Holders should consult their own professional advisers regarding the possible tax consequences under any jurisdiction applicable to them that may arise in connection with their acceptance or non-acceptance of the Offer.

2. Holder's Acceptance

To accept the Offer a Holder should contact their usual institutional credit sales contact at the Offer Manager or alternatively the person set out below and confirm acceptance of the Offer (in such manner as may be agreed by the Offer Manager) ("**Acceptance**"), at or before 5.00pm Melbourne time on Friday, 14 December 2012 (or as otherwise agreed by the Offer Manager (on behalf of the Issuer) and the relevant Holder).

Attention: Apoorva Tandon, Debt Syndicate ANZ

Level 20, 20 Martin Place, Sydney, NSW 2000 Telephone: 02 9227 1296

Email: apoorva.tandon@anz.com

Neither the Issuer nor the Offer Manager is making any recommendation as to whether you should agree to the terms of the conditional offer being made by the Issuer which is contained in this document. You must make your own independent decision as to whether to agree to the Offer. This document has been prepared by, and issued with, the authority of the Issuer and the Issuer accepts responsibility for the information contained in it.

The Offer Manager has not, and none of its shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers has, independently verified the information contained in this document. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by them as to the accuracy or completeness of this document or any further information supplied by the Issuer in connection with this document.

The Offer Manager and its shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of an Note of any information coming to their attention with respect to the Issuer and make no representation as to the ability of the Issuer to comply with its obligations under the TCDs.

General Restrictions

The Issuer is making the Offer only in those jurisdictions where it is lawful to do so. This document does not constitute and may not be used as an offer or invitation to purchase securities in any place where, or to any person to whom, it would not be lawful to make the offer or invitation.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("Corporations Act")) in relation to the Offer has been or will be lodged with the Australian Securities and Investments Commission ("ASIC") and this document does not comply with Division 5A of Part 7.9 of the Corporations Act. In addition:

- (a) no offers or applications will be made or invited for the purchase of any TCDs in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) this document or any other offering material or advertisement relating to any TCDs will not be distributed or published in Australia,

unless (i) the aggregate consideration payable by the Issuer is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act; (ii) such action complies with all applicable laws and regulations; (iii) such action does not require any document to be lodged with ASIC; and (iv) the offer or invitation is made in circumstances specified in Corporations Regulation 7.9.97.

You have been sent this document on the basis that, amongst other matters, if you are a resident of Australia, you are a wholesale client for the purposes of Section 761G of the Corporations Act or otherwise a person to whom disclosure is not required under Part 6D.2 of Chapter 7 of the Corporations Act.

Japan

The TCDs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended, the "FIEL"). Accordingly, no offer is made or sale will be made of any TCDs directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with the FIEL and all applicable laws, regulations and guidelines promulgated

by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.