



Media Release

For Release: 2 July 2013

ANZ launches A\$750 million ANZ Capital Notes Offer

- Open to Australian investors; Expected margin of between 3.4% and 3.6% p.a. above bank bill swap rate -

ANZ today announced that it intends to issue ANZ Capital Notes to raise A\$750 million with the ability to increase or decrease the size of the offer.

The offer is expected to open on 10 July 2013 and forms part of ANZ's ongoing capital management strategy. ANZ will use the proceeds of the offer for general corporate purposes.

ANZ Capital Notes will constitute Basel III-compliant Additional Tier 1 Capital under the Australian Prudential Regulation Authority's (APRA) current capital adequacy standards.

ANZ Securities, Citigroup, Commonwealth Bank of Australia, J.P. Morgan, National Australia Bank and RBS Morgans have been appointed as Joint Lead Managers and Bell Potter, Morgan Stanley Wealth Management and Ord Minnett have been appointed as Co-Managers on the transaction.

See the following table for the key features of ANZ Capital Notes

The Offer comprises:

- an ANZ Securityholder Offer, open to Australian resident holders of:
 - ANZ Ordinary Shares;
 - convertible preference shares issued by ANZ in September 2008 (CPS1), December 2009 (CPS2) and September 2011 (CPS3); or
 - ANZ Subordinated Notes issued in March 2012,who are on the Register for those securities at 7.00pm (Melbourne time) on 26 June 2013;
- a General Offer, open to Australian residents who are not ANZ Securityholder Applicants, Broker Firm Applicants or Institutional Investors;
- a Broker Firm Offer, open to clients of Syndicate Brokers invited to participate through the Broker Firm Offer; and
- an Institutional Offer, open to investors that have been invited by ANZ Securities to bid for ANZ Capital Notes through the Institutional Offer.

The closing date for the ANZ Securityholder Offer and General Offer is scheduled to be at 5:00pm (Melbourne time) on Wednesday 31 July 2013. The Broker Firm Offer is scheduled to close at 10:00am (Melbourne time) on Tuesday 6 August 2013.

Shareholder approval is not required for the issue of ANZ Capital Notes.

The ANZ Capital Notes Prospectus, attached to this release, has been lodged with ASIC and the ASX and is available for download within Australia at www.capitalnotes.anz.com or by calling the ANZ Information Line on 1800 113 399 (Australia) or +61 3 9415 4010 (international). A replacement Prospectus, containing the Margin and Application Forms, will be made available when the Offer opens.

Investors should consider the Prospectus in deciding whether to apply for ANZ Capital Notes. Applications may only be made using the application form attached to or accompanying the replacement Prospectus.

For investor enquiries about ANZ Capital Notes please call the ANZ Information Line on 1800 113 399 (Australia) or +61 3 9415 4010 (international).

For media enquiries only contact:

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| Key dates for the Offer | |
|--|-----------------------|
| Lodgement of the Prospectus with ASIC | 2 July 2013 |
| Bookbuild to determine the Margin | 9 July 2013 |
| Announcement of the Margin and lodgement of the replacement Prospectus with ASIC | 10 July 2013 |
| Opening Date | 10 July 2013 |
| Closing Date for ANZ Securityholder Offer and General Offer | 5.00pm 31 July 2013 |
| Closing Date for Broker Firm Offer | 10.00am 6 August 2013 |
| Issue Date | 7 August 2013 |
| ANZ Capital Notes commence trading on ASX (deferred settlement basis) | 8 August 2013 |
| Confirmation Statements despatched by | 12 August 2013 |
| ANZ Capital Notes commence trading on ASX (normal settlement basis) | 13 August 2013 |
| First Distribution Payment Date | 1 March 2014 |
| Optional Exchange Date | 1 September 2021 |
| Mandatory Conversion Date | 1 September 2023 |

The key dates and times for the Offer are indicative only and may change without notice.

Key features of ANZ Capital Notes

- ANZ Capital Notes are notes issued by ANZ.
- Distributions on ANZ Capital Notes are non-cumulative and based on a floating rate. Distributions are scheduled to be paid half-yearly in arrears, subject to a Payment Condition not existing and ANZ's discretion to pay.
- The Distribution Rate will be calculated as the sum of the 180 day Bank Bill Rate plus the Margin, together multiplied by (1 – corporate tax rate which is currently 30%). The Distributions are expected to be fully or substantially franked.
- The Margin will be determined following the Bookbuild scheduled for Tuesday 9 July 2013 and is expected to be in the range of 3.4% to 3.6%.
- On 1 September 2021, ANZ has the right to redeem the ANZ Capital Notes, subject to certain conditions including APRA's prior written approval.
- The ANZ Capital Notes will Convert into a variable number of ANZ Ordinary Shares on 1 September 2023 (subject to certain conditions being satisfied), unless they are Exchanged earlier.
- ANZ must Convert some or all Notes where ANZ encounters severe financial difficulty. In these circumstances there are no conditions to conversion and the Notes will convert into a variable number of ANZ Ordinary Shares, subject to a maximum number of ANZ Ordinary Shares. This restriction may result in Holders suffering a loss.
- ANZ must convert all ANZ Capital Notes if a Change of Control Event occurs and may Exchange all or some ANZ Capital Notes if a Tax Event or Regulatory Event occurs, in each case subject to certain conditions.

Capitalised terms in this release have the meaning given to them in the Prospectus.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE U.S. This statement does not constitute an offer of any securities for sale. The securities offered will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.