Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

19 February 2014

ANZ Capital Notes 2: Despatch of Letter to Eligible CPS1 Holders

Attached is a letter being sent to those holders of ANZ convertible preference shares issued in 2008 (**CPS1**) with registered addresses in Australia, as recorded on ANZ's register at 7.00pm AEDT on Friday 31 January 2014 (**Eligible CPS1 Holders**).

Each letter attaches an ANZ Capital Notes 2 prospectus lodged with ASX and the Australian Securities and Investments Commission today (**Prospectus**), which replaces a prospectus dated 11 February 2014, and a personalised Reinvestment Offer Application Form.

The letter notifies Eligible CPS1 Holders of the offer of ANZ Capital Notes 2, and the CPS1 Reinvestment offer, pursuant to the Prospectus.

Yours faithfully

John Priestley
Company Secretary
Australia and New Zealand Banking Group Limited

For investor enquiries about ANZ Capital Notes 2 please call the ANZ Information Line on 1800 113 399 (Australia) or +61 3 9415 4010 (international)

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19 February 2014

Dear CPS1 Holder

ANZ CPS1 Reinvestment Offer

As you are a holder of ANZ convertible preference shares issued by ANZ in 2008 (**CPS1**), I am writing to inform you of an opportunity to realise your investment in CPS1 and invest the proceeds in a new ANZ security called ANZ Capital Notes 2. This priority offer is referred to in this letter as the **Reinvestment Offer.**

Full details of the Reinvestment Offer and the offer of ANZ Capital Notes 2 are contained in the Prospectus accompanying this letter.

What happens if you elect to participate in the Reinvestment Offer?

You may elect for some or all of your CPS1 which you held at 7:00pm AEDT on 31 January 2014 to be bought back by ANZ for $100 each on 31 March 2014. The proceeds from the buy-back of your CPS1 will be automatically applied to purchase an equivalent number of ANZ Capital Notes 2 (which are also $100 each).

You may also apply for more ANZ Capital Notes 2 than the number of CPS1 you hold.

If you elect to participate in the Reinvestment Offer, you will still receive a scheduled CPS1 dividend payable on 17 March 2014 and you will also receive a pro rata dividend for the period from 17 March 2014 until 31 March 2014 (subject in both cases to the payment tests in the CPS1 terms, including that the Board resolves to pay the relevant dividend).

How to apply under the Reinvestment Offer

A personalised Reinvestment Offer Application Form is enclosed with this letter. Please refer to section 4.3.1 of the Prospectus for instructions on how to apply.

Page 6 of the Prospectus sets out the key dates for the Reinvestment Offer. The closing date for the Reinvestment Offer is **5.00pm AEDT on 20 March 2014** and, if you wish to participate, we will need to receive your completed Reinvestment Offer Application Form and payment for any additional ANZ Capital Notes 2 by then.

What happens if you don't elect to participate in the Reinvestment Offer?

Participation in the Reinvestment Offer is not compulsory. You may wish to continue to hold your CPS1 or sell your CPS1 on market through your broker or otherwise.

Should you elect to continue to hold your CPS1, ANZ expects (subject to APRA approval) to issue a notice so that all remaining CPS1 will be repurchased on 16 June 2014 for their face value ($100).

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Further information

You should read the Prospectus in full before deciding to apply for ANZ Capital Notes 2. The Reinvestment Offer is not a simple rollover into a similar investment. CPS1 and ANZ Capital Notes 2 have different benefits and risks, which must be evaluated separately.

If you have any questions, please call the ANZ Information Line on 1800 113 399 (within Australia) or +61 3 9415 4010 (international) (Monday to Friday – 8:30am to 5:30pm AEDT) or contact your broker or other professional adviser.

Finally, I would like to take this opportunity to thank you for your support of ANZ.

Yours sincerely

John Morschel

Chairman

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