



Media Release

Corporate Communications

100 Queen Street

Melbourne Vic 3000

www.anz.com

For Release: 26 September 2008

ANZ announces Convertible Note Issue

Australia and New Zealand Banking Group Limited (ANZ) today announced the issue of \$600 million of hybrid Tier 1 Convertible Notes as a private placement.¹

The Convertible Notes, issued by ANZ's New York Branch, are non-cumulative, perpetual, subordinated, and pay a monthly coupon equal to the 30 day bank bill rate plus 200 basis points. The Convertible Notes are unlisted.

The Convertible Notes convert into a variable number of ANZ ordinary shares on 28 September 2009 or each quarterly interest payment date thereafter, at the holders' option, or earlier following the occurrence of certain events. The variable number of ordinary shares to be issued on any conversion is determined by reference to the simple average of the daily volume weighted average sales prices of ANZ's ordinary shares sold on the ASX during the 15 trading days prior to conversion, after applying a 1% discount.

Subject to APRA approval, ANZ may redeem the Convertible Notes at face value on any interest payment date on or after 29 December 2008 or following the occurrence of certain events.

The Convertible Notes constitute Innovative Tier 1 Capital for ANZ on a Level 1 and a Level 2 basis and are in addition to the current offer of ANZ Convertible Preference Shares which is expected to settle on 30 September 2008.

The proceeds of the issue of the Convertible Notes will be used outside of Australia by ANZ for its general corporate purposes.

For media enquiries only, please contact:

Cherelle Murphy
Senior Media Relations Manager
Tel: 03-9273 6190 or 0409 655 551
Email: cherelle.murphy@anz.com

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.

¹ 1,200 Convertible Notes with a face value of \$500,000 each will be issued. Shareholder approval is not required for this issue of Convertible Notes. The issue of Convertible Notes is not an issue to a class of security holders.