

Media Release



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ANZ Stapled Exchangeable Preferred Securities offer

ANZ today announced an offer of up to \$750 million of ANZ Stapled Exchangeable Preferred Securities (ANZ StEPS), with the ability to accept oversubscriptions of up to \$250 million.

The announcement coincides with the lodgement today of the ANZ StEPS prospectus with the Australian Securities and Investments Commission.

ANZ Chief Executive Officer Mr John McFarlane said: "The ANZ StEPS offer forms part of ANZ's ongoing capital management program.

"The proceeds from the offer will strengthen ANZ's balance sheet and increase its financial flexibility. The proceeds may be used to partially fund any buy-back or redemption of the preference shares that were issued in the United States in 1998 or for other purposes determined by the Directors," Mr McFarlane said.

Key features of the ANZ StEPS offer include:

- a quarterly floating distribution rate, calculated as the 90 day bank bill rate plus a margin;
- distributions are payable in preference to any dividends on ANZ's ordinary shares;
- the ability for ANZ to change certain terms on reset dates, the first of which is 15 September 2008;
- the ability for ANZ or investors to exchange ANZ StEPS for cash or ordinary shares in certain circumstances; and
- ASX quotation, subject to successful application.

Investors wishing to acquire ANZ StEPS will need to complete and return the application form attached to or accompanying the prospectus during the offer period. The offer period is scheduled to open at 9:00am on 22 August 2003 and close at 5:00pm on 17 September 2003.

ANZ's Australian ordinary shareholders will receive a priority allocation over applicants who are members of the general public if there is excess demand for ANZ StEPS. ANZ ordinary shareholders can call the ANZ StEPS InfoLine on 1 800 022 060 to receive a personalised shareholder application form and prospectus.

Full details of the ANZ StEPS offer are contained in the prospectus which is available from the ANZ website at <http://www.anz.com/anzsteps> or by calling the ANZ StEPS InfoLine on 1 800 022 060.

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Additional information

ANZ StEPS structure

An ANZ StEPS is a 'stapled' security comprising an interest paying note (issued by ANZ Holdings (New Zealand) Limited, a wholly-owned subsidiary of ANZ) and a preference share on which dividends will not be paid while it is 'stapled' to a Note. The two securities may not be traded separately. The issue price of each ANZ StEPS is \$100.00, and applications must be for a minimum of 50 ANZ StEPS (\$5,000).

ANZ StEPS floating distribution rate

The distribution rate for the period to 15 December 2003 will be set at the 90 day bank bill rate (of 4.85%) plus an initial margin. The initial margin will be announced on 21 August 2003 following a bookbuild conducted on 19 and 20 August 2003.

ANZ StEPS external credit ratings

Standard & Poor's and Moody's have assigned an Issue Credit Rating of 'A-' and 'A2' respectively for the ANZ StEPS. The ratings are not 'market' ratings nor are they a recommendation to buy, hold or sell securities (including ANZ StEPS).

Reset of ANZ StEPS

The distribution rate on ANZ StEPS and certain other terms may be changed by ANZ on reset dates. The first reset date is 15 September 2008.

Exchange of ANZ StEPS

Holders of ANZ StEPS may require exchange of their ANZ StEPS on any reset date. On exchange, holders of ANZ StEPS will receive for each ANZ StEPS, at ANZ's choice, a number of ordinary shares in ANZ (calculated in accordance with a conversion ratio) or \$100.00 cash (subject to APRA's approval). In certain circumstances, ANZ may also require exchange.

Joint Arrangers & Bookrunners

Deutsche Bank and UBS

Joint Lead Managers

ANZ Investment Bank, Deutsche Bank and UBS

Co-Managers

ABN AMRO Morgans Limited, ANZ Securities Limited, Bell Potter Securities Limited, Citigroup Global Markets Australia Pty Limited, Deutsche Securities Australia Limited, Macquarie Equities Limited, Ord Minnett Limited and UBS Private Clients Australia Limited.

On-line Broker

E*TRADE Australia Securities Limited

Key dates

Announcement of offer and lodgement of prospectus with ASIC	14 August 2003
Record date – for determining ordinary shareholders' priority allocation	(7.00pm) 13 August 2003
Bookbuild to set initial margin	19-20 August 2003
Announcement of initial margin	21 August 2003
Opening date	(9.00am) 22 August 2003
Closing date	(5.00pm) 17 September 2003
Allotment date	24 September 2003
Start of trading of ANZ StEPS on ASX (deferred settlement basis)	25 September 2003
Dispatch of holding statements	1 October 2003
Start of trading of ANZ StEPS on ASX (normal settlement basis)	2 October 2003
First distribution payment date	15 December 2003
First reset date	15 September 2008

These dates are subject to change.