



Media Release

Corporate Communications

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ANZ maintains \$4.05 bid for E*TRADE Australia

ANZ reiterated that its cash offer of \$4.05 per share for E*TRADE Australia Limited remains compelling despite the independent expert's report which was released today.

As stated in the report, ANZ's offer provides cash certain value at a price well above E*TRADE Australia's pre-bid share price and that in the absence of ANZ's offer, E*TRADE Australia shares are likely to trade below the offer price. The report itself states that given ANZ's 34.2% shareholding in E*TRADE Australia, there appear to be limited prospects of a higher cash offer.

Commenting on the report, ANZ Group Managing Director, Personal Division, Mr Brian Hartzler said: "We remain attracted to the foundation that E*TRADE could bring us, but only at a realistic price. The independent expert's valuation of E*TRADE is unrealistic. The valuation implies a premium of more than 40% to the forecast earnings¹ multiples of the average of all US on-line brokers. It is also a premium of more than 60% to the earnings² multiple for the only other listed Australian on-line broking company and a similar premium to E*TRADE shares only 6 months ago."

The valuation is based on earnings forecasts for the year ending 30 June 2007 which have not been endorsed by E*TRADE Australia.

The independent expert's report is qualified in respect of the value of E*TRADE Australia, stating:

- Judgements regarding the value of E*TRADE are subject to considerable uncertainty.
- E*TRADE has experienced strong earnings growth in recent years, but its profitability is highly leveraged to the strength of the Australian and (indirectly) international equity markets. There is no guarantee that recent favourable equity market conditions will continue.

Mr Hartzler also noted that the valuation is predicated on unreasonable synergy assumptions. "ANZ is bidding for E*TRADE to grow and enhance the business, and not on the basis of cost synergies," Mr Hartzler said.

ANZ's cash offer for E*TRADE Australia closes at 7.00pm (Melbourne time) on 18 April 2007, unless extended. A copy of the ANZ's Bidder's Statement is available from ANZ's website www.anz.com.

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¹ Adjusted for full corporate tax for E*TRADE Australia which will become payable from 2007

² Adjusted for full corporate tax