

22 June 2015

Westpac partial sale of shares in BT Investment Management Limited

Dear Shareholders of Westpac and BT Investment Management,

On Tuesday, 16 June 2015, Westpac announced its intention to undertake a partial sale of its shareholding in BT Investment Management Limited (BTIM) by way of an Institutional Offer and a Retail Offer.

The Institutional Offer concluded on 17 June 2015, resulting in the sale of 55 million ordinary fully paid shares in BTIM ("Shares") at a price of \$8.20 per Share. This price represents a 6% discount to the closing price of the Shares on 15 June 2015.

Westpac intends to offer Eligible shareholders 27 million Shares or approximately 9% of BTIM's issued capital. An Eligible Shareholder is a registered holder of either Westpac or BTIM ordinary shares at 7.00pm (Sydney time) on 11 June 2015 and shown on the register as having an address in Australia or New Zealand. Eligible Shareholders¹ will have the opportunity to purchase either 600 Shares (equal to \$4,920 at the Offer Price) or 1,200 Shares (equal to \$9,840 at the Offer Price). The Offer Price, \$8.20 per Share, is the same price as determined under the Institutional Offer. The Retail Offer will be fully underwritten.

BTIM is an ASX listed Australian company, operating a diverse investment management business and the Shares made available under the Offer are fully paid ordinary shares issued by BTIM. Westpac first listed BTIM in 2007 with Westpac shareholders given the opportunity to participate in the initial float.

The partial sale provides benefits to both Westpac and BTIM while maintaining the strong relationship between the two companies. For Westpac, the sell-down will realise the value that has been created by BTIM, increasing Westpac's capital ratios. For BTIM, the sell-down is expected to diversify its share ownership, increase share market liquidity and help facilitate its shares being eligible for inclusion in key equity indices.

Following completion of the Offer, Westpac currently intends to retain a shareholding of approximately 31% in BTIM. Westpac will continue to have a strong relationship with BTIM. The CEO of BT Financial Group will remain as a Non-Executive Director on the Board of BTIM.

A prospectus for the Retail Offer was lodged with the Australian Securities and Investments Commission on 22 June 2015 and released on the ASX at the same time. The prospectus is also available on the Offer website at www.westpac.com.au/btimshareoffer

¹ Eligible Shareholders may not be residents of the United States or acting for the account or benefit of a U.S. person.

Why have I been sent this letter?

As an Eligible Shareholder of Westpac and/or BTIM, we are pleased to be able to present to you this opportunity to invest (or invest further) in BTIM. You are invited to obtain a Prospectus, once it is available, and to consider applying for Shares under the Retail Offer after it opens on 22 June 2015. An Eligible Shareholder is a registered holder of either Westpac or BTIM ordinary shares at 7.00pm (Sydney time) on 11 June 2015 and shown on the register as having an address in Australia or New Zealand.

What do I need to do?

If you wish to participate in the Retail Offer you should first consider the Prospectus once it is available from 22 June 2015, in deciding whether to participate in the Offer. This can be obtained from the Offer website or you can request to receive a hard-copy (see below).

Should you decide to participate you can then apply either online or by completing and returning the personalised Application Form (that will accompany the hard copy of the Prospectus) along with your Application Payment.

If you do not wish to participate in the Retail Offer you can ignore this letter and there is nothing more you need to do. The decision whether to participate is entirely up to you.

How to obtain a prospectus

Download a copy from the Offer website at www.westpac.com.au/btimshareoffer

To receive a hard-copy of the Prospectus together with a personalised Application Form you must call the Offer Information Line (open Monday to Friday, 8.30am to 5.30pm, Sydney time) on 1300 880 467 (within Australia) or +61 1300 880 467 (International). You will need your SRN/HIN to request a Prospectus.

How to apply for shares

1. Read the Prospectus in full, consider all the risks and other information and consult your professional adviser if required in determining whether to participate in the Offer.
2. Apply after the Offer opens on Monday 22 June 2015 and before the Closing Date (5.00pm, Sydney time on Friday 10 July 2015):
 - online from the Offer website – follow the instructions (you will need your SRN/HIN) and make your Application Payment by BPAY^{®2}. *This is the preferred application method; or*
 - by obtaining your personalised Application Form (which will accompany the printed Prospectus), which contains instructions on how to apply and the options available to you to make your Application Payment.

Applications can only be made for either 600 Shares (equal to \$4,920 at the Offer Price) or 1,200 Shares (equal to \$9,840 at the Offer Price).

Possible Scale back

Given the large number of Eligible Shareholders, it is possible that the Retail Offer will be oversubscribed. If this is the case, applications are expected to be scaled back. The scale back process will be determined by Westpac in conjunction with the Joint Lead Managers, as set out in the Prospectus.

Should a scale back be necessary, details will be provided on the offer website and notified to the ASX. Any refunds will be directed into a shareholder's nominated account (or by cheque) without interest.

² © Registered to BPAY Pty Ltd ABN 69 079 137 518

Key Dates

Retail Offer Record Date (7.00pm, Sydney time)	11 June 2015
Lodgement of the Retail Offer Prospectus with ASIC	22 June 2015
Retail Offer opens	Week commencing 22 June 2015
Prospectus and personalised Application Forms despatched to Eligible Shareholders (on request)	Week commencing 22 June 2015
Retail Offer Closing Date (5.00pm, Sydney time)	10 July 2015
Announcement of basis of Allocations	16 July 2015
Date shares transferred to successful Retail Offer applicants	16 July 2015
Holding Statements despatched by	20 July 2015

These dates are indicative and subject to change.

More Information

The Offer website www.westpac.com.au/btimshareoffer will be the key source of information for the Offer and will be regularly updated to include additional releases, the Prospectus and provide access to online applications. Alternatively, the BTIM Share Offer Information Line can assist if you have additional queries, (open Monday to Friday, 8.30am to 5.30pm, Sydney time) on 1300 880 467 or +61 1300 880 467 (International).

Please note that the Offer website and the Offer Information Line cannot provide you advice on whether to participate in the Retail Offer or not. If unsure you should consult a financial advisor or other professional advisor.

We are pleased to be able to make this offer exclusively to shareholders.

Yours sincerely

LINDSAY MAXSTED
Chairman

Important Notices

The Offer of Shares is being made on the basis of the Prospectus only. The information in this letter is a summary only and is not financial product or investment advice or a recommendation that the Shares are suitable for you. It does not take into account your investment objectives, financial situation or particular circumstances. You should read the Prospectus in its entirety before deciding to apply for Shares. If you have any questions about the Offer, you should consult your professional adviser.

Capitalised terms in this letter have the same meaning as given in the Prospectus.

The Shares in BTIM are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act 1959 (Cth) or Financial Claims Scheme and are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits). The Shares in BTIM will not be guaranteed or insured by Westpac, any member of the Westpac Group, any government agency or any other person. There are risks associated with an investment in Shares including the loss of some or all of your investment. Risks are discussed in the Prospectus and you should consider these risks before applying.