

Westpac Capital Notes 2 are being offered in Australia only. The restrictions which apply in relation to the Offer in certain foreign jurisdictions are set out in the Prospectus. This announcement does not constitute an offer of securities for sale in the United States, and the Westpac Capital Notes 2 may not be offered or sold in the United States.

ASX ANNOUNCEMENT

7 May 2014

WESTPAC SPS II REINVESTMENT OFFER (ASX CODE: WBCPB)

Further to Westpac Banking Corporation's ("**Westpac**") announcement today of an Offer of Westpac Capital Notes 2 ("**Notes**"), Westpac advises Eligible Westpac SPS II Holders of a priority Reinvestment Offer of Notes.

The Reinvestment Offer enables Eligible Westpac SPS II Holders to apply to sell some or all of their Westpac SPS II and reinvest the proceeds in a new security, Westpac Capital Notes 2, with no transaction costs.

Full details of the Notes and the Reinvestment Offer are contained in the Westpac Capital Notes 2 Prospectus available on the ASX and the Westpac website at www.westpac.com.au/westpaccapnotes2.

The Reinvestment Offer is expected to open on 15 May 2014.

Eligibility to participate and reinvestment options

Eligible Westpac SPS II Holders are:

- a) registered holders of Westpac SPS II on the Reinvestment Offer Record Date, 7.00pm (Sydney time) on 30 April 2014; and
- b) who are shown on the Register as having an address in Australia.

Eligible Westpac SPS II Holders who wish to participate in the Reinvestment Offer have three options available (outlined below and explained in detail in Section 3 of the Prospectus):

1. apply to reinvest all of their Westpac SPS II;
2. apply to reinvest some of their Westpac SPS II; or
3. apply to reinvest all of their Westpac SPS II and apply for additional Notes.

Applications received under the Reinvestment Offer will be given priority by Westpac.

What happens if Westpac SPS II Holders elect to participate?

Participants in the Reinvestment Offer will have their Westpac SPS II sold on-market on their behalf and have the sale proceeds reinvested in Notes. Participants will receive one Note for each Westpac SPS II sold, as both have a face value of \$100. There are no transaction costs for holders participating in the Reinvestment Offer.

Eligible Westpac SPS II Holders who participate in the Reinvestment Offer will also receive a final Pro-Rata Distribution on 30 June 2014 of \$1.0396 per Reinvested Westpac SPS II for the period from (but excluding) 31 March 2014 to (and including) the Issue Date for Notes, expected to be 23 June 2014. Distributions are subject to the distribution payment test in the Westpac SPS II terms being satisfied.

How to apply

All Eligible Westpac SPS II Holders will be mailed a copy of the Prospectus and a personalised Reinvestment Form after the Offer opens. Investors should read the Prospectus in full before deciding to apply for Notes.

To apply for Notes under the Reinvestment Offer, Eligible Westpac SPS II Holders must either submit a personalised Reinvestment Form or apply online at www.westpac.com.au/westpaccapnotes2. Applications will only be accepted after the Offer opens on 15 May 2014 until the Closing Date for the Reinvestment Offer (expected to be 10 June 2014).

What happens if Westpac SPS II Holders do not elect to participate?

Participation in the Reinvestment Offer is optional. Eligible Westpac SPS II Holders may continue to hold their Westpac SPS II or sell their Westpac SPS II on or before 17 September 2014, which is expected to be the last day of trading in Westpac SPS II on the ASX.

Westpac SPS II Holders who do not participate in the Reinvestment Offer and continue to hold their Westpac SPS II on the record date of 20 June 2014, will receive the scheduled Full Distribution of \$1.1262 per Non-Participating Westpac SPS II on 30 June 2014 (provided the distribution payment test in the Westpac SPS II terms is satisfied).

Westpac intends that any Westpac SPS II not sold through the Reinvestment Offer will be transferred to a nominated party on 30 September 2014. On that date, holders of Non-Participating Westpac SPS II will receive \$100 per Westpac SPS II, plus the Final Distribution (provided the distribution payment test in the Westpac SPS II terms is satisfied). A separate transfer notice is expected to be lodged on the ASX in due course in accordance with the Westpac SPS II terms.

Amendments to Westpac SPS II terms

To facilitate the Reinvestment Offer and transfer on 30 September 2014, Westpac has made amendments to the terms of the Westpac SPS II. The amended Westpac SPS II terms were lodged with the ASX today and are also available online at www.westpac.com.au/westpacsps2.

More information

For more information about the Offer, please visit the Westpac website at www.westpac.com.au/westpaccapnotes2 or call the Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 551 547** (local call cost within Australia).

Unless otherwise defined, capitalised expressions used in this announcement have the meanings given to them in the Prospectus.

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Key Dates for the Reinvestment Offer

Reinvestment Offer Record Date for determining Eligible Westpac SPS II Holders (7.00pm Sydney time)	30 April 2014
Opening Date	15 May 2014
Closing Date for the Reinvestment Offer (5.00pm Sydney time)	10 June 2014
On-Market Buy-Back Date	18 June 2014
Record date for Pro-Rata Distribution (payable to Participating Westpac SPS II Holders) (7.00pm Sydney time)	20 June 2014
Issue Date of Notes	23 June 2014
Payment date for Pro-Rata Distribution (payable to Participating Westpac SPS II Holders) ¹	30 June 2014

Key Dates for Non-Participating Westpac SPS II Holders

Record date for scheduled Full Distribution (payable to Non-Participating Westpac SPS II Holders) (7.00pm Sydney time)	20 June 2014
Payment date for scheduled Full Distribution (payable to Non-Participating Westpac SPS II Holders) ¹	30 June 2014
Last day of trading in Westpac SPS II	17 September 2014
Record date for scheduled Final Distribution (payable to Non-Participating Westpac SPS II Holders) (7.00pm Sydney time)	22 September 2014
Payment date for scheduled Final Distribution (payable to Non-Participating Westpac SPS II Holders) ¹	30 September 2014
Expected date of transfer to Westpac SPS II Nominated Party	30 September 2014
Expected date of buy-back of Non-Participating Westpac SPS II from Westpac SPS II Nominated Party ²	30 September 2014

These dates are indicative only and may change without notice. Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or extend the Offer Period without notice. Westpac may also withdraw the Offer at any time before the Notes are issued.

¹ Subject to satisfaction of the distribution payment test in the Westpac SPS II terms.

² Subject to satisfaction of certain conditions set out in the Westpac SPS II terms.