Westpac GROUP

EST. 1817

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

MEDIA RELEASE

10 July 2013

REINVESTMENT OFFER FOR ELIGIBLE WESTPAC SPS HOLDERS (ASX CODE: WBCPA)

Westpac Banking Corporation ("**Westpac**") today announced a priority Reinvestment Offer for Eligible Westpac SPS Holders. The Reinvestment Offer enables Eligible Westpac SPS Holders to apply to sell some or all of their Westpac SPS through an On-Market Buy-Back Facility and to automatically reinvest the sale proceeds in a new Westpac security known as Westpac Subordinated Notes II ("**Notes**") with no transaction costs.

Westpac Subordinated Notes II are fully paid, redeemable, subordinated and unsecured debt obligations of Westpac and will pay a floating rate of Interest. Westpac Subordinated Notes II are expected to be quoted on the ASX and will qualify as Tier 2 Capital under the Australian Prudential Regulation Authority's Basel III capital adequacy framework.

The Reinvestment Offer is expected to open on 18 July 2013.

Eligible Westpac SPS Holders are:

a) registered holders of Westpac SPS on the Reinvestment Offer Record Date, being 7.00pm (Sydney time) on 1 July 2013; and

b) shown on the Register as having an address in Australia.

Eligible Westpac SPS Holders who wish to participate in the Reinvestment Offer have a number of options available, which are outlined below and explained in detail in Section 3 of the Prospectus which was lodged today with ASIC and the ASX. These options are:

1. Apply to reinvest all of their Westpac SPS under the Reinvestment Offer;
2. Apply to reinvest some of their Westpac SPS under the Reinvestment Offer; or
3. Apply to reinvest all of their Westpac SPS under the Reinvestment Offer and apply for additional Notes.

Westpac will give priority to Applications received under the Reinvestment Offer when allocating the Notes.

Participation in the Reinvestment Offer is not compulsory and Eligible Westpac SPS Holders may also sell their Westpac SPS on market or continue to hold their Westpac SPS.

Westpac intends that any Westpac SPS that are not sold through the Reinvestment Offer will be transferred to the Nominated Party on 26 September 2013, which is the Initial Mandatory Conversion Date for Westpac SPS. On that date, Westpac SPS holders who continue to hold their Westpac SPS will receive $100 per Westpac SPS, plus the Final Distribution (provided the distribution payment test in the terms of the Westpac SPS is satisfied). As a technical requirement under the Westpac SPS terms, Westpac will send a transfer notice to Westpac SPS holders in the next few weeks in relation to that transfer.

All Eligible Westpac SPS Holders will be mailed a copy of the Prospectus, a personalised Reinvestment Form and a transfer notice after the Offer opens. The Offer of Notes is made in the Prospectus. Investors should read the Prospectus in full before deciding to apply for Notes. To apply for Notes under the Reinvestment Offer, Eligible Westpac SPS holders must either submit a personalised Reinvestment Form or apply online at **www.westpac.com.au/investorcentre**. Applications will only be accepted after the Offer opens on 18 July 2013 until the Closing Date for the Reinvestment Offer (expected to be 9 August 2013).

Participants in the Reinvestment Offer will have their Westpac SPS sold on-market on their behalf by a broker who will reinvest the sale proceeds in Notes. Participants will receive one Note for each Westpac SPS sold as both have a face value of $100. There are no transaction costs to holders associated with participating in the Reinvestment Offer.

Distributions payable on Westpac SPS

Provided the distribution payment test in the terms of the Westpac SPS is satisfied, holders of Westpac SPS on the record date of 21 August 2013 will receive a Pro-Rata Distribution for the period from (but excluding) 30 June 2013 to (and including) 22 August 2013. The Pro-Rata Distribution will be payable to all holders of Westpac SPS, regardless of whether they elect to participate in the Reinvestment Offer, on 29 August 2013.

Provided the distribution payment test in the terms of the Westpac SPS is satisfied, all holders of Non-Participating Westpac SPS on 18 September 2013 will receive a Final Distribution for the period from (but excluding) 22 August 2013 to (and including) 26 September 2013. The Final Distribution will be paid on 26 September 2013.

Amendments to Westpac SPS terms

To facilitate the Reinvestment Offer Westpac has made amendments to the terms of the Westpac SPS. The amended Westpac SPS terms were lodged with the ASX today and are also available on the Westpac website at **www.westpac.com.au/investorcentre**.

More information

For more information about the Offer visit the Westpac website at **www.westpac.com.au/investorcentre** or call the Westpac Subordinated Notes II Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **+61 1300 551 756** (local call cost within Australia).

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

For media enquiries, please contact:
Paul Marriage, Westpac Media Relations
Ph: 02 8219 8512
Mob: 0401 751 860

Investor Relations, please contact:
Andrew Bowden, Westpac Investor Relations
Ph: 02 8253 4008
Mob: 0438 284 863

KEY DATES FOR THE REINVESTMENT OFFER

Reinvestment Offer Record Date for determining Eligible Westpac SPS Holders (7.00pm Sydney time)	1 July 2013
Opening Date	18 July 2013
Closing Date for the Reinvestment Offer (5.00pm Sydney time)	9 August 2013
Ex-Date for Pro-Rata Distribution	15 August 2013
On-Market Buy-Back Date	19 August 2013
Record date for Pro-Rata Distribution (7.00pm Sydney time)	21 August 2013
Issue Date of Notes	22 August 2013
Payment date for Pro-Rata Distribution	29 August 2013
Last day of trading in Westpac SPS	11 September 2013
Initial Mandatory Conversion Date for Westpac SPS	26 September 2013

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.