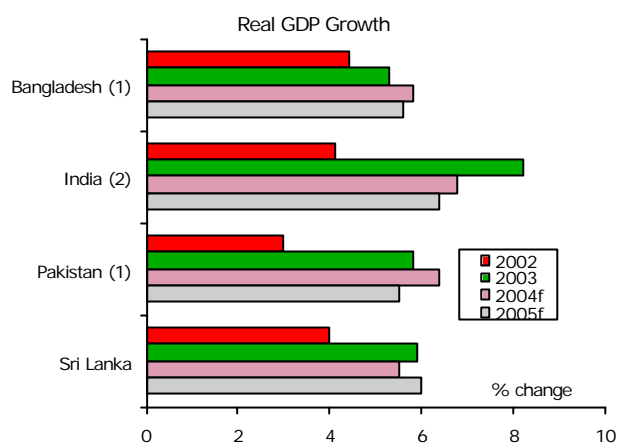


South Asia Regional Report



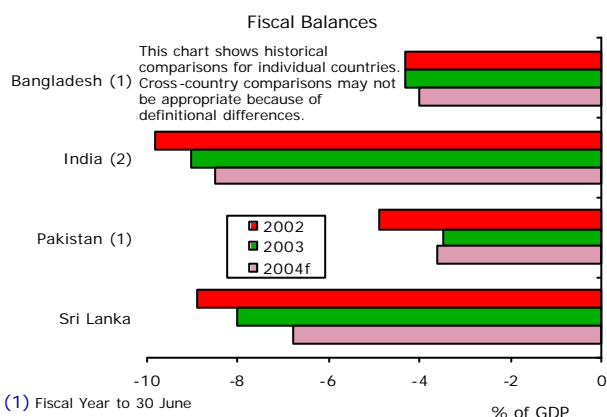
(1) Fiscal Year to 30 June

(2) Fiscal Year from 1 April

Sources: Datastream, Economist Intelligence Unit, ANZ Bank

Economic growth

- Real GDP growth in South Asia strengthened in 2003/04, with the improvement led by India.
- According to provisional figures, India's economy grew by 8.2% in fiscal year 2003/04, the strongest full-year increase since 1988/89. The recovery was broadly based, but led by the agricultural sector which recorded a strong increase of 9.1% in 2003/04 following a sharp 5.2% decline in 2002/03 caused by bad weather.
- Economic growth in Bangladesh has been steady around 4.5-5.5% since 1994. After dipping to 4.4% in fiscal year 2001/02, there was a modest recovery to 5.3% in 2002/03 and an estimated 5.8% in 2003/04.
- A similar pattern is evident in Pakistan. GDP growth is estimated to have risen by 6.4% in 2003/04 which, if confirmed, would be the strongest since 1991/92.
- Sri Lanka has recovered from the recession in 2001 when GDP contracted by 1.5%. Real GDP rose by 5.5% in 2003 and an increase around 6.0% is forecast for 2004.



This chart shows historical comparisons for individual countries. Cross-country comparisons may not be appropriate because of definitional differences.

(1) Fiscal Year to 30 June

(2) Fiscal Year from 1 April

Sources: Economist Intelligence Unit, Institute of International Finance, Central Bank of Sri Lanka

Fiscal policy

- Common fiscal characteristics in South Asia include a low level of government revenue relative to GDP and large fiscal deficits.
- Successive governments in India have been unsuccessful in securing a significant reduction in large fiscal imbalances. There has, however, been a slight improvement over the past 2 years with the central government deficit declining to an estimated 4.6% of GDP in fiscal year 2003/04, and the general government deficit (shown in the chart), which also includes state and local governments, declining to an estimated 9.0% of GDP in 2003/04.

South Asia – Economic forecasts

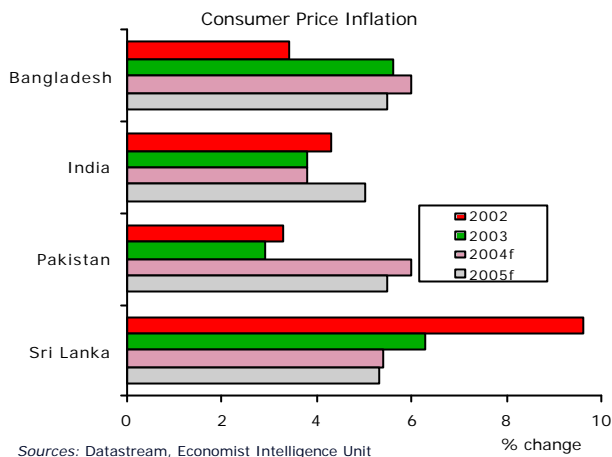
	Real GDP growth*			Consumer price inflation?		
	2003	2004(f)	2005(f)	2003	2004(f)	2005(f)
Bangladesh ¹	5.3	5.8	5.6	5.6	6.0	5.5
India ²	8.2	6.8	6.4	3.8	3.8	5.0
Pakistan ¹	5.8	6.4	5.5	2.9	6.0	5.5
Sri Lanka	5.9	5.5	6.0	6.3	5.4	5.3

* GDP figures are on a fiscal year basis as indicated ? Inflation figures are on a calendar year basis

¹ Fiscal year to 30 June

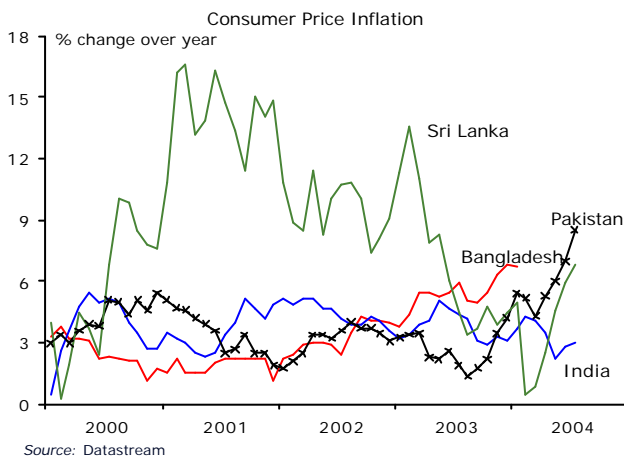
² Fiscal year from 1 April

Sources: Datastream, Economist Intelligence Unit, ANZ Bank



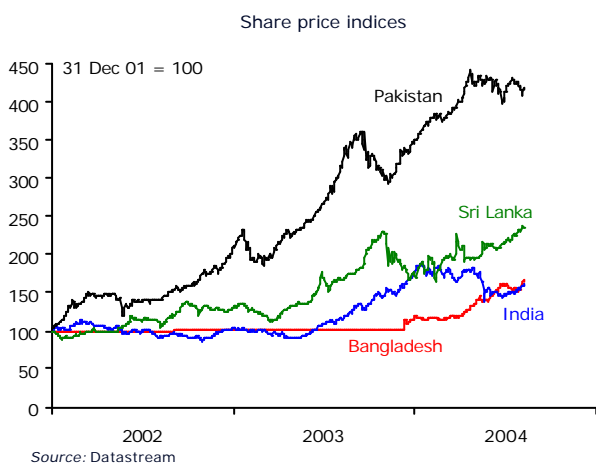
Consumer price inflation

- On an annual average basis, consumer price inflation rose in Bangladesh in 2003, but declined in the other three countries.
- Average inflation of 2.9% in Pakistan in 2003 was the lowest since 1968, mainly reflecting the favourable influence of food prices which account for 40% of the index. The favourable influence of food prices has been reversed in 2004.
- Average inflation in Sri Lanka fell to 6.3% in 2003 after 9.6% the year before. The outlook for this year and next is for 5 to 6% inflation, driven by food and energy costs.



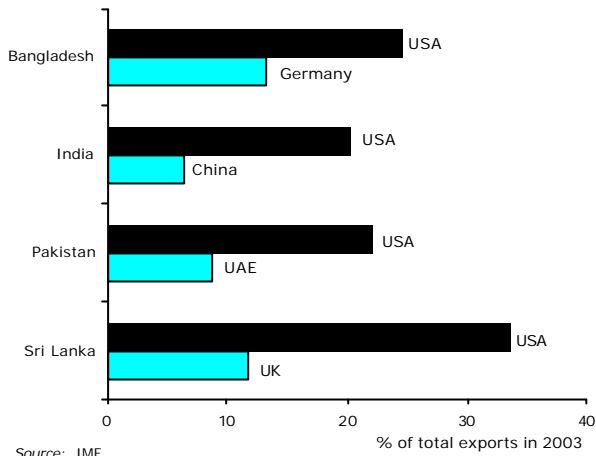
Consumer price inflation

- Consumer price inflation in India has generally remained in a fairly narrow range of 3.0-5.0% since early 2002. The Indian authorities pay closer attention to the wholesale measure of inflation which stood at 6.5% in July 2004.
- Although average inflation in Pakistan dipped slightly in 2003, this obscured a sharp rise since mid-2003. Inflation has jumped from 1.4% in July 2003 to 8.5% in June 2004, its highest since 1997, reflecting stronger demand and higher food prices.
- Inflation in Sri Lanka has been quite volatile over recent years. There was a pronounced decline from a recent peak of 13.6% in January 2003 to just 0.5% in January 2004, before a rebound to 6.8% in June 2004.



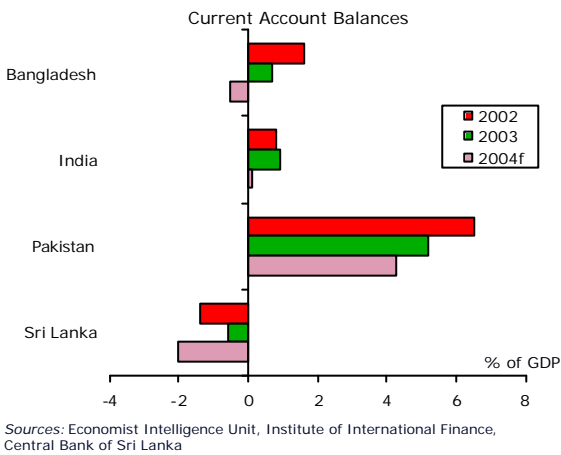
Stock market

- The stock market in Pakistan has risen dramatically since end-2001 although the strong upward trend was interrupted by a correction in late-2003 on concerns about progress in preparing Pakistan State Oil for privatisation.
- India's stock markets made strong gains in 2003 as economic prospects improved, with the Bombay Sensitive Index rising by 73% between end-2002 and end-2003. More recently there have been sharp and dramatic declines, initially on concerns that the BJP had done less well in the April/May general election than had been expected, followed by the surprising and unexpected news that the election had been won by Congress and its allies.
- The two stock markets in Bangladesh are poorly developed with very low market capitalisation.



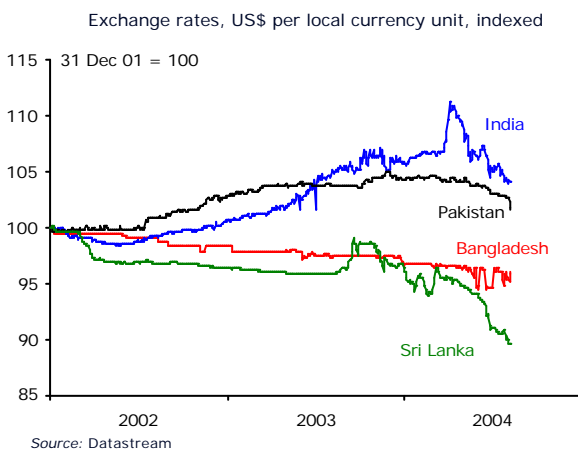
Leading export markets

- The US is the main export market for all four South Asian economies. The US share of total exports in 2003 ranged from 20% of India's exports to 34% of Sri Lanka's.
- India's exports to China have grown strongly over recent years with China overtaking the UK to become India's second largest export market in 2003.
- The US and EU together take two-thirds of Sri Lanka's exports. The commodity composition is similarly concentrated, with garments and tea accounting for almost two-thirds.



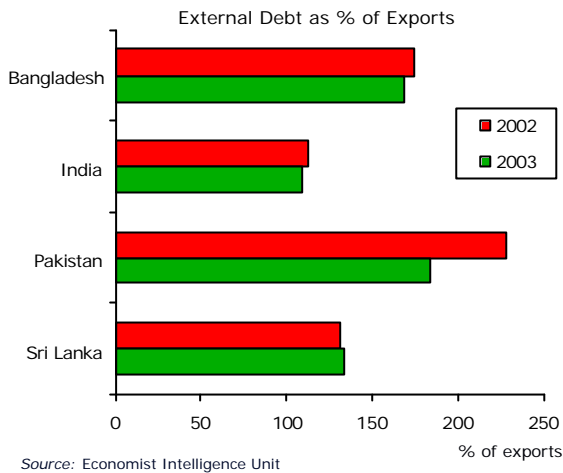
Current account

- Pakistan ended a long run of current account deficits in 2001 with an annual surplus being sustained since then. The surplus narrowed from 6.5% of GDP in 2002 to 5.2% in 2003 reflecting a slightly larger visible trade deficit and a modest decline in net transfer receipts, as well as the rise in GDP.
- India's current account has also been in surplus since 2001/02, but the surplus is small and there are doubts about whether it will be sustained particularly if oil prices remain close to the record highs reached in August 2004.
- Sri Lanka's current account deficits are funded from concessional sources, and will remain manageable provided the country meets the conditions for disbursement of these funds.



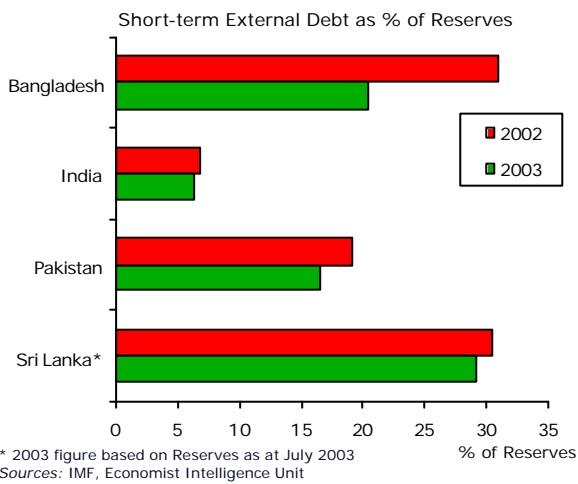
Exchange rate

- For many years, the currencies of South Asian countries depreciated against the US dollar. This broad pattern has changed since 2002, partly reflecting the general weakness of the US dollar on global foreign exchange markets and partly reflecting an improvement in economic performance in India and Pakistan.
- The Indian rupee rose by 5.1% against the US dollar during 2003. The rupee's appreciation against the dollar briefly gained momentum in March 2004 but was suddenly reversed as concerns about the outcome of the general election, and the impact on the economic reform process, mounted.
- The Pakistani rupee also strengthened against the US dollar between 2001 and 2003, but has weakened slightly in 2004.
- Since the February 2002 ceasefire, the Sri Lankan rupee has been much more stable than previously, but has recently succumbed to political uncertainties and strong import demand.



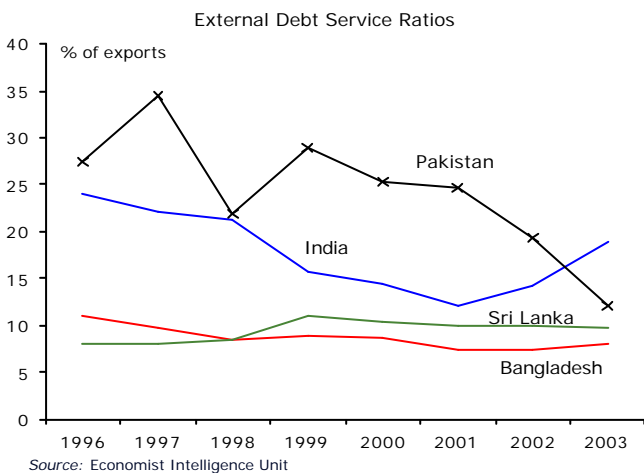
External debt to exports

- A country's external indebtedness is often gauged by Debt-to-GDP or Debt-to-Exports ratios.
- Despite a significant reduction over recent years, Pakistan remains the most highly indebted country in South Asia in terms of debt-to-exports.



Short-term debt to reserves

- The ratio of short-term debt to reserves is an important indicator of a country's capacity to meet its liabilities.
- Short-term debt as a proportion of reserves in 2003 ranged from less than 7% in India to 29% in Sri Lanka.



Debt service ratio

- A country's debt service ratio (i.e. the ratio of external debt interest and principal payments to exports of goods and services) is one of the most important criteria used in country risk assessment.
- The chart illustrates a pronounced reduction in the cost of servicing external debt in Pakistan over recent years.
- The rise in India's debt service ratio in 2003 mainly reflects pre-payment of external debt obligations and is indicative of its strengthened external position.

Politics-Snapshot

South Asia

- Turbulent politics marked by corruption, religious tensions, fractious and personalised party politics, and obdurate bureaucracy.
- Ethnic tensions: Hindi/Muslim in India; Sinhalese/Tamil in Sri Lanka. Militant Islamic groups in Bangladesh and Pakistan.
- Relations between India and Pakistan have improved and both governments seem genuine about building a stronger, more durable relationship.
- Notwithstanding the recent improvement in bilateral relations, tensions between India and Pakistan could quickly reignite and the prospect of a breakthrough concerning Kashmir in the foreseeable future still appears remote.
- The new Congress-led government in India does not plan any significant changes in foreign affairs from the policies pursued by its predecessor. India seeks good relations with China, will pursue peace talks with Pakistan and will work towards resolving conflicts in Sri Lanka and Nepal.

Bangladesh

- Politics is very confrontational with a long-standing battle between the BNP, the dominant party in the ruling coalition, and the opposition Awami League. This involves general strikes and parliamentary boycotts and is severely detrimental to economic prospects.
- Corruption is a major problem. The government is trying to improve the law and order situation, and seems to be treating the threat posed by religious extremists more seriously.

India

- Following its surprising victory in the general election held in April/May 2005, the Congress party has returned to government and leads the United Progressive Alliance (UPA). This comprises 12 parties, but is dependent on communist parties, outside the UPA, for parliamentary support.
- It is unclear whether the unusual dual political leadership of Mrs Sonia Gandhi, leader of the Congress party, and new Prime Minister Manmohan Singh, will withstand the big challenges that lie ahead.

Pakistan

- President Musharraf has a central role in preserving political stability. The current situation remains fragile and any threat to Musharraf's position could trigger political instability and quickly undermine the recent economic improvement. Pakistan has been re-admitted to the Commonwealth, but there are doubts about whether President Musharraf will honour his commitment to stand down as army chief by end-2004.
- International relations seem to have withstood a scandal involving illicit international trade in nuclear technology.

Sri Lanka

- The United People's Freedom Alliance (UPFA), led by President Chandrika Kumaratunga, won the largest number of seats in the general election in April. This ended the difficult situation where the president and prime minister were from different parties. However, the UPFA failed to secure a parliamentary majority, and its tenure in government could be precarious.
- Contact between the new government and LTTE separatist rebels has recently revived, but prospects for a resumption of the peace process remain uncertain.

Country Risks

South Asia

- Widespread poverty and low per capita income in 2003 ranging from US\$350 in Bangladesh to US\$970 in Sri Lanka.
- Impact of volatile, sometimes severe, weather on agriculture and infrastructure.
- Slow pace of economic reform and low inflows of foreign investment.
- Weak public finances. Low government revenues relative to GDP and large fiscal deficits. Slow privatisation.
- Inadequate infrastructure that constrains economic development.
- Recent economic improvement across the region has been reflected in stronger GDP growth, rising stock markets, and rising international reserves. The Indian and Pakistani currencies appreciated against the US dollar in 2002 and 2003, but both have more recently lost some of these gains.

Bangladesh

- Bangladesh faces severe economic difficulties and country risks are high, but there has been a modest improvement in creditworthiness reflecting an improvement in economic performance over the past two years.
- There was severe flooding in July 2004 and fears of a humanitarian crisis.
- IMF assistance is a positive development, but could be interrupted if the government fails to meet its commitment to further economic reform. Other sources of foreign financial assistance are also dependent on economic reform, and efforts to counter corruption and the threat posed by extremist groups.

India

- The new UPA government does not have a parliamentary majority and its dependence on the communists creates political uncertainty and will slow the economic reform process.
- Relations between India and Pakistan have improved, but tensions could quickly reignite.
- Successive governments have failed to tackle the problem of large and recurring fiscal deficits, which place upward pressure on interest rates.

Pakistan

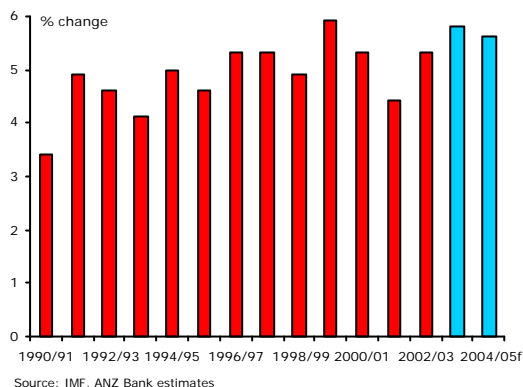
- The recent improvement in economic performance is encouraging, but the weak political consensus and institutional framework, and opposition from groups with entrenched interests, represent significant obstacles to economic reform.
- Fundamental religious movements remain powerful and represent a threat to Pakistan's government and its relations with the west.
- The economy is heavily dependent on agriculture, textiles and clothing and is thus vulnerable to international demand and the weather.

Sri Lanka

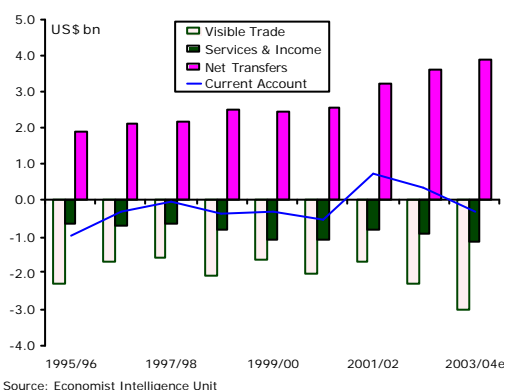
- It will be difficult for the new government to find common ground with the LTTE in order to negotiate peace, and it thus seems less likely to make headway than the previous government.
- The two-and-a-half years since the ceasefire have seen an improving economy, rising tourist numbers and support from aid donors. These will be prejudiced if the peace process breaks down. Indeed, some aid disbursements are held up pending resumption of peace talks.
- The central bank has described four scenarios based on different assumptions about peace, economic policies and structural reforms. In the worst case scenario, a financial crisis as regarded as probable.

Country Update: Bangladesh

Real GDP growth has recovered



Foreign aid and workers' remittances are vital to the balance of payments



- Real GDP growth is estimated to have risen to 5.8% in 2003/04, its strongest since 1999/00, with both agricultural and industrial production growing more strongly than in the previous year.
- In overall terms, economic performance has improved since a 3-year IMF Poverty Reduction and Growth Facility was implemented in June 2003. Economic growth has picked-up, IMF targets have been met and the IMF has praised Bangladesh for its prudent fiscal policy. Reforms to the Nationalised Commercial Banks are apparently making progress. The IMF facility is worth SDR347 mn (approximately US\$510 mn) with SDR99 mn disbursed by May 2004.
- Despite this progress, there are several economic concerns of both a medium and short-term nature. Over the medium-term, there is an on-going need for further economic reform to tackle economic imbalances and inefficiencies. In the short-term, the economic outlook is clouded by the adverse impact of high international oil prices and severe flooding in July 2004 in parts of the country.
- Inflation rose in 2003 to stand at 6.7% at end-year, but dipped to average 5.9% in Q1 2004. Higher oil prices are adversely affecting the balance of payments and the current account is estimated to have reverted to deficit in 2003/04. Direct foreign investment is reported to have risen, but inflows are still very low. The taka was allowed to float from mid-2003, but it has remained in a narrow band against the US dollar, depreciating by 2.7% between June 2003 and July 2004.
- Foreign trade is very dependent on the clothing industry, which faces growing international competitive pressures and will be adversely affected by the unwinding of international quotas. Natural gas reserves offer significant economic potential, but exports have been ruled out for the time being.

Economic data and debt statistics

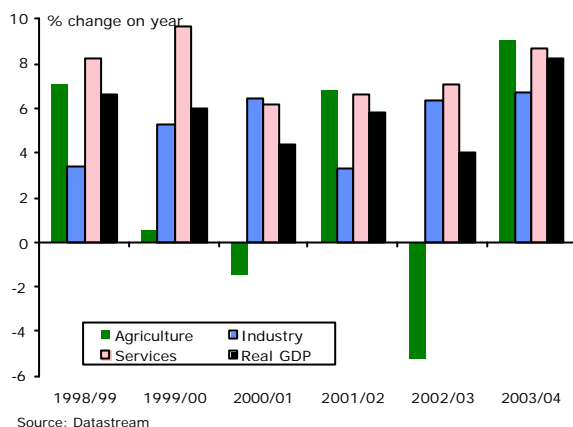
Bangladesh	1998	1999	2000	2001	2002	2003	2004f	2005f
Economic growth (%) *	5.2	4.9	5.9	5.3	4.4	5.3	5.8	5.6
Inflation (yr av, %)	8.3	6.3	2.4	1.9	3.4	5.6	6.0	5.5
Budget Balance (% of GDP) *	-3.4	-4.6	-6.1	-5.5	-4.3	-4.3	-4.0	
Current Account Balance (% of GDP) *	-0.1	-0.8	-0.6	-1.1	1.6	0.7	-0.5	
External Debt (USD bn)	15.7	16.6	15.7	15.2	17.0	18.8	19.7	
External Debt/GDP Ratio (%)	35.6	36.2	33.3	32.4	35.8	36.2	34.6	
External Debt/Exports Ratio (%)	207.2	203.6	169.4	169.0	174.2	168.5	164.3	
Short-term Debt/Reserves (%)	7.9	15.8	19.9	24.7	31.0	20.4		
Debt Service Ratio (Paid) (%)	8.5	8.8	8.6	7.4	7.4	8.1		
Debt Service Ratio (Due) (%)	8.5	8.8	8.6	8.3	8.6	8.1	7.9	
International Reserves (USD bn)	1.9	1.6	1.5	1.3	1.7	2.6		
Import Cover (g & s) (months)	2.9	2.2	1.8	1.6	2.2	2.8		

* fiscal years ending 30 June

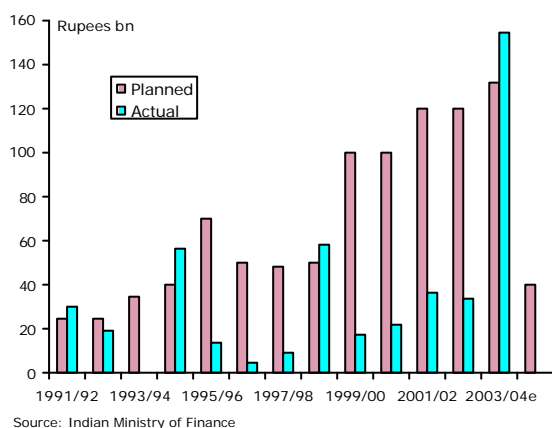
Sources: IMF, Economist Intelligence Unit, ANZ Bank

Country Update: India

Agriculture boosts GDP growth in 2003/04



Privatisation proceeds surged in 2003/04 but the new government is more cautious



- Real GDP rose by 8.2% in 2003/04, the strongest annual increase since 1988/89. A rebound in agricultural output, which rose by 9.1% in 2003/04 in marked contrast to a 5.2% contraction in 2002/03, was partly responsible, but the recovery was broadly-based. The industrial sector grew by 6.7% in 2003/04 and the services sectors by an impressive 8.7%.
- The new government's main emphasis is on improving living standards for the large rural population. The government is aiming for annual GDP growth over the medium term of 7-8%, which it recognises will require additional investment in infrastructure. It plans to reduce the fiscal deficit, and seek increased foreign investment in technology, services and export industries. The influence of the communist parties is evident in a much more cautious approach to privatisation, and in not making changes to labour laws that would make it easier to hire and fire workers. While there is appreciation of the political difficulties of pushing ahead with bold economic reforms, there is confidence in the economic and reformist credentials of Prime Minister Singh and Finance Minister Chidambaram.
- The central government fiscal deficit narrowed to 4.6% of GDP in 2003/04, from 5.3% in 2002/03. The government aims to reduce this deficit to 4.4% in 2004/05 and by at least 0.3% of GDP per annum over the medium term. The general government deficit has been around 9-10% of GDP over recent years. With a low level of domestic savings, deficits of this magnitude hamper economic growth. Balance of payments trends are expected to be less favourable over the next 12 months reflecting the impact of high oil prices, and the more cautious attitude to privatisation on foreign investment.

Economic data and debt statistics

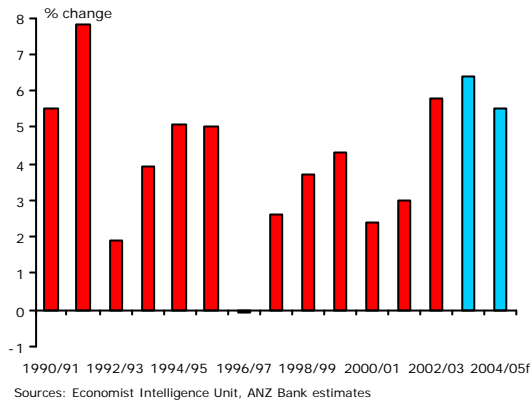
India	1998	1999	2000	2001	2002	2003e	2004f	2005f
Economic growth (%)*	6.7	6.1	4.5	5.7	4.1	8.2	6.8	6.4
Inflation (yr av, %)	13.2	4.8	4.0	3.8	4.3	3.8	3.8	5.0
Gen Govt Fiscal Balance (% of GDP)*	-9.2	-9.7	-9.6	-10.0	-9.8	-9.0		
Current Account (% of GDP)*	-1.0	-1.1	-0.8	0.2	0.8	0.9	0.1	
External Debt (USD bn)	97.6	98.3	99.1	97.5	104.4	112.1	116.5	
External Debt/GDP Ratio (%)	23.6	22.1	22.0	20.4	20.5	19.1	17.5	
External Debt/Exports Ratio (%)	171.1	152.6	130.9	126.1	112.9	108.5	94.9	
Short-term Debt/Reserves (%)	15.8	12.0	9.1	6.0	6.8	6.4		
Debt Service Ratio (Paid) (%)	21.2	15.8	14.4	12.1	14.2	18.8		
Debt Service Ratio (Due) (%)	21.2	15.8	14.4	12.1	14.2	14.9	9.8	
International Reserves (USD bn)	27.3	32.7	37.9	45.9	67.7	98.9		
Import Cover (g & s) (months)	5.5	6.2	5.9	7.4	9.7	12.1		

* fiscal years beginning 1 April

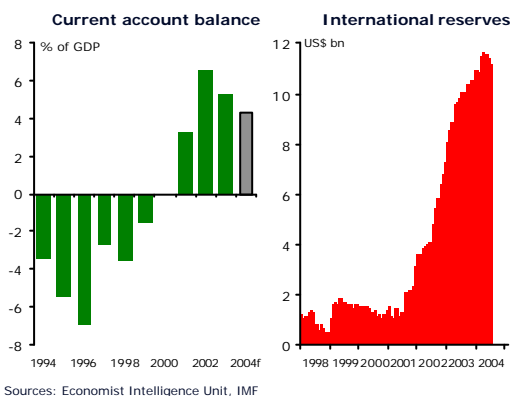
Sources: IMF, Institute of International Finance, Economist Intelligence Unit, ANZ Bank

Country Update: Pakistan

Strong GDP growth in 2003/04



The current account surplus is expected to decline modestly in 2004



- Economic performance has improved, assisted by the better framework for economic policy. Real GDP is estimated to have risen by 6.4% in 2003/04, its highest since 1989/90. Fiscal reforms to reduce the large budget deficit and privatisation plans are making gradual progress. The government recently completed the sale of Allied Bank, the fifth largest bank and the tenth state financial institution to be sold since the privatisation programme was launched in the 1990s.
- Inflation has soared from less than 3% in 2003 to 8.5% in June 2004 due to strong demand and higher food prices. The central bank seems reluctant to raise interest rates on the basis that the upturn in inflation is likely to be short-lived, but a rise in interest rates may be unavoidable if inflationary pressures do not begin to abate soon.
- There have been large current account surpluses in recent years and a strong rise in international reserves. There has also been a significant improvement in external debt ratios and Pakistan plans to repay a significant amount of external debt ahead of schedule in 2004. The clear improvement in economic performance and balance of payments allowed Pakistan to return to international capital markets in early 2004 for the first time in 5 years. However, the latest trends are not as favourable. High oil prices are having an adverse impact on the balance of payments and the prospect of a smaller current account surplus in 2004 is growing. After rising against the US dollar between mid-2001 and late-2003, the rupee has weakened over recent months. Despite the recent improvement in creditworthiness, Pakistan remains vulnerable to any deterioration in relations with the west.
- The government does not plan to seek new IMF assistance when the current programme expires at end-2004, but the commitment to reform seems genuine with political uncertainties the main risk.

Economic data and debt statistics

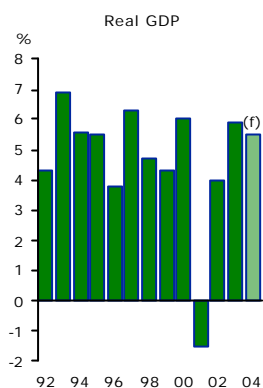
Pakistan	1998	1999	2000	2001	2002	2003	2004f	2005f
Economic growth (%)*	2.6	3.7	4.3	2.4	3.0	5.8	6.4	5.5
Inflation (yr av, %)	6.2	4.2	4.4	3.2	3.3	2.9	6.0	5.5
Budget Balance (% of GDP)*	-6.4	-5.3	-5.4	-4.9	-4.9	-3.5	-3.6	
Current Account Balance (% of GDP)	-3.6	-1.5	-0.1	3.2	6.5	5.2	4.3	
External Debt (USD bn)	32.3	33.9	32.8	31.7	33.7	34.7	34.2	
External Debt/GDP Ratio (%)	52.1	54.0	53.4	54.1	57.1	50.6	43.6	
External Debt/Exports Ratio (%)	307.0	333.5	289.8	260.5	227.8	183.5	157.5	
Short-term Debt/Reserves (%)	210.0	121.1	100.4	36.1	19.1	16.6		
Debt Service Ratio (Paid) (%)	21.9	28.9	25.3	24.7	19.3	12.1		
Debt Service Ratio (Due) (%)	29.4	28.9	25.3	24.7	19.3	12.1	11.9	
International Reserves (USD bn)	1.0	1.5	1.5	3.6	8.1	10.9		
Import Cover (g & s) (months)	1.0	1.6	1.5	3.6	7.7	8.6		

* fiscal years ending 30 June

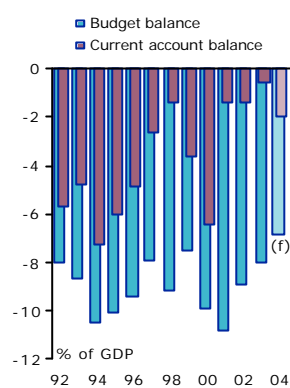
Sources: IMF, Economist Intelligence Unit, ANZ Bank

Country Update: Sri Lanka

The improved economic performance of 2002-2003 will be difficult to sustain

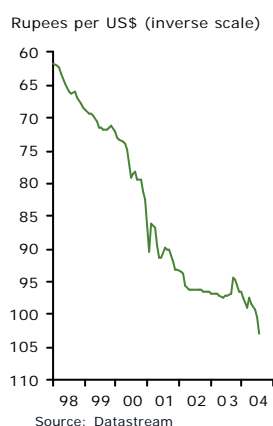


Source: Central Bank of Sri Lanka

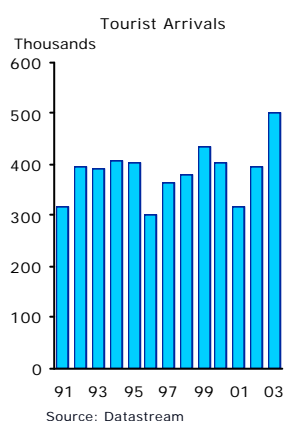


Source: Central Bank of Sri Lanka

The currency has stabilised and tourist numbers have surged since the peace process began



Source: Datastream



Source: Datastream

- The United Peoples' Freedom Alliance emerged with the largest number of seats after the April general election, but without a majority in parliament. Maintaining a workable, stable coalition will be difficult. Also, the new government seems less likely than its predecessor to find common ground with the LTTE to move towards a lasting peace.
- The economy performed well in 2002 and 2003, thanks largely to the ceasefire, which led to improved business sentiment, aid inflows and a tourism boom. Other positive factors were improved hydro-electricity generation and a strengthening global economy. Growth in 2004 is unlikely to match the 5.9% recorded in 2003. The forecast of 5.5% assumes a continuation of the ceasefire, and allows for some impact of dry weather on agriculture and power generation. Clearly, there is downside risk.
- Based on current trends, such as good export demand, ongoing expansion of port facilities and a strong tourism sector, the current account deficit should be around 2% of GDP this year. Funding of the deficit relies on concessional inflows, subject to performance conditions under IMF, World Bank, ADB and bilateral programmes. Some aid disbursements are conditional on the continuation the peace process.
- The ceasefire has facilitated a reduction in the budget deficit, from 10.8% of GDP in 2001, to an anticipated 6.8% this year.

Economic data and debt statistics

Sri Lanka	1998	1999	2000	2001	2002	2003	2004f	2005f
Economic growth (%)	4.7	4.3	6.0	-1.5	4.0	5.9	5.5	6.0
Inflation (yr av, %)	9.5	4.7	6.2	14.2	9.6	6.3	5.4	5.3
Public Sector Balance (% of GDP)	-9.2	-7.5	-9.9	-10.8	-8.9	-8.0	-6.8	
Current Account Balance (% of GDP)	-1.4	-3.6	-6.4	-1.4	-1.4	-0.6	-2.0	
External Debt (USD bn)	8.9	9.7	9.0	8.5	9.5	10.6	11.2	
External Debt/GDP Ratio (%)	56.7	62.2	55.2	54.2	57.3	57.4	56.4	
External Debt/Exports Ratio (%)	128.6	143.3	117.4	115.0	131.4	133.6	128.0	
Short-term Debt/Reserves (%)	21.9	57.7	67.0	35.2	30.5	29.1**		
Debt Service Ratio (Paid) (%)	8.6	10.9	10.1	9.7	9.4	9.3		
Debt Service Ratio (Due) (%)	9.7	11.7	10.1	9.7	9.4	9.3	9.6	
International Reserves (USD bn)	2.0	1.6	1.0	1.3	1.6	1.9*		
Import Cover (g & s) (months)	3.6	2.9	1.5	2.2	2.8	2.9**		

* July 2003 ** estimate based on July 2003 reserves

Sources: IMF, Economist Intelligence Unit, ANZ Bank

ANZ is represented in:

AUSTRALIA by:

Australia and New Zealand Banking Group Limited ABN 11 005 357 522
10th Floor 100 Queen Street, Melbourne 3000, Australia
Telephone +61 3 9273 6224 Fax +61 3 9273 5711

UNITED KINGDOM by:

Australia and New Zealand Banking Group Limited
ABN 11 005 357 522
Minerva House, PO Box 7, Montague Close, London, SE1 9DH, United Kingdom
Telephone +44 20 7378 2121 Fax +44 20 7378 2378

UNITED STATES OF AMERICA by:

ANZ Securities, Inc. (Member of NASD and SIPC)
6th Floor 1177 Avenue of the Americas
New York, NY 10036, United States of America
Tel: +1 212 801 9160 Fax: +1 212 801 9163

NEW ZEALAND by:

ANZ National Bank Limited
Level 7, 1-9 Victoria Street, Wellington, New Zealand
Telephone +64 4 802 2000

In Australia and the UK, ANZ Investment Bank is a business name of Australia and New Zealand Banking Group Limited, ABN 11 005 357 522 ("ANZ Bank"), which holds an Australian Financial Services licence no. 234527 and is authorised in the UK by the Financial Services Authority ("FSA"). In New Zealand, ANZ Investment Bank is a business name of ANZ National Bank Limited WN / 035976 ("ANZ NZ").

This document is being distributed in the United States by ANZ Securities, Inc. ("ANZ S") (an affiliated company of ANZ Bank), which accepts responsibility for its content. Further information on any securities referred to herein may be obtained from ANZ S upon request. Any US person(s) receiving this document and wishing to effect transactions in any securities referred to herein should contact ANZ S, not its affiliates.

This document is being distributed in the United Kingdom by ANZ Bank for the information of its market counterparties and intermediate customers only. It is not intended for and must not be distributed to private customers. In the UK, ANZ Bank is regulated by the FSA. Nothing here excludes or restricts any duty or liability to a customer which ANZ Bank may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the FSA.

This document is issued on the basis that it is only for the information of the particular person to whom

it is provided. This document may not be reproduced, distributed or published by any recipient for any purpose. This document does not take into account your personal needs and financial circumstances. Under no circumstances is this document to be used or considered as an offer to sell, or a solicitation of an offer to buy.

In addition, from time to time ANZ Bank, ANZ NZ, ANZ S, their affiliated companies, or their respective associates and employees may have an interest in any financial products (as defined by the Australian Corporations Act 2001), securities or other investments, directly or indirectly the subject of this document (and may receive commissions or other remuneration in relation to the sale of such financial products, securities or other investments), or may perform services for, or solicit business from, any company the subject of this document. If you have been referred to ANZ Bank, ANZ NZ, ANZ S or their affiliated companies by any person, that person may receive a benefit in respect of any transactions effected on your behalf, details of which will be available upon request.

The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable. The views expressed in this document accurately reflect the author's personal views, including those about any and all of the securities and issuers referred to herein. The author however makes no representation as to its accuracy or completeness and the information should not be relied upon as such. All opinions and estimates herein reflect the author's judgement on the date of this document and are subject to change without notice. No part of the author's compensation was, is or will directly or indirectly relate to specific recommendations or views expressed about any securities or issuers in this document. ANZ Bank, ANZ NZ, ANZ S, their affiliated companies, their respective directors, officers, and employees disclaim any responsibility, and shall not be liable, for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly (and whether in tort (including negligence), contract, equity or otherwise) out of or in connection with the contents of and/or any omissions from this communication except where a Liability is made non-excludable by legislation.

Where the recipient of this publication conducts a business, the provisions of the Consumer Guarantees Act 1993 (NZ) shall not apply.

For further information, please email Economics@anz.com