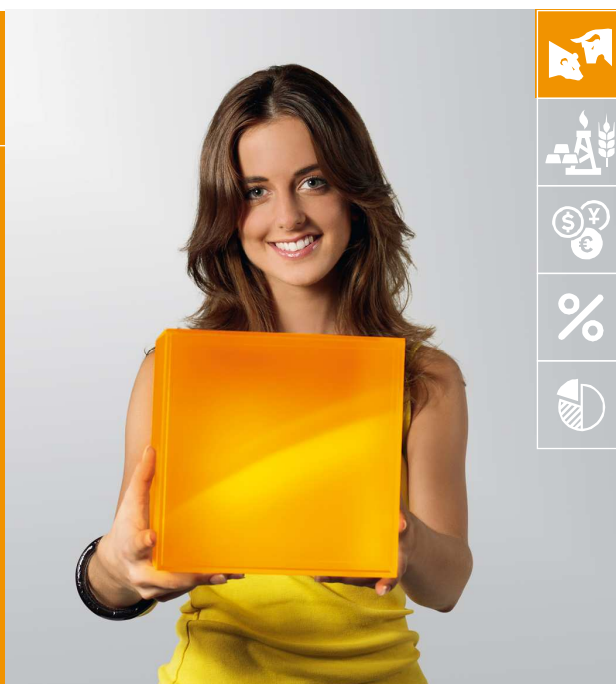


Australia New Zealand Banking Group Gain Leverage to ANZ Dividends Using Citiwarrants

Strategy	Dividend Enhancement
Rating	Hold / Medium Risk
Current Price	\$24.20
Price Target	\$25.50
Dividend	\$0.52
Franking	100%
Ex Div Date	6 th May 2010

Use Citi Instalment Warrants to Enhance the Dividend income from ANZ shares



Australia New Zealand Banking Group – Dividend Enhancement Strategy

- ANZ has declared an interim dividend of 52c, fully franked, payable on 1st July 2010, This equates to a dividend yield of 4.5% p.a. Using the below strategy investors can significantly increase this yield
- The recent market pullback provides a good opportunity to trade this strategy. ANZ is now 6.3% off April Highs
- ANZ's exposure to the Asian market also provides the potential for growth in the medium term
- Citi Investment Research and Analysis rate ANZ a Hold / Medium Risk with a price target of \$25.50. A research report with important disclosures accompanies this note.

Strategy

- Using Citi Instalment or Self-Funding Instalment Warrants rather than shares, investors can potentially enhance their income stream and exposure to dividends with the same amount of capital.
- For example, if you had \$100,000 to invest in either ANZ shares or ANZIOK (SEP-10 \$16.00) Instalment, the dollar return would be as follows:

Code	ANZ	ANZIOK
Buy Price	\$24.72	\$9.33
Number of Units	4,045	10,718
Dividend Received*	\$2,103.40	\$5,573.42
Sell Price on 01/07/2010**	\$25.20	\$9.54
Profit	\$4,045.00	\$7,824.22
Total Return on Investment	4.05%	7.82%

*Final dividend declared of 52c/share payable on 1st July 2010

**Hypothetical sell price. Warrants must be held for 45 days to receive Franking Credits.

- **By Investing in the Instalments over ANZ shares the Investor is entitled to an extra \$3400 in fully franked dividends.**



- Citi Instalments available over ANZ include:

Code	Maturity	Strike	Type	Delta
ANZIOD	17-Jun-11	\$11.00	Instalment	0.97
ANZIOO	15-Dec-11	\$12.00	Instalment	0.95
ANZIOA	23-Jun-10	\$14.00	Instalment	1.00
ANZIOK	23-Sep-10	\$16.00	Instalment	0.99
ANZIOI	15-Dec-11	\$17.50	Instalment	0.84
ANZIOG	24-Mar-11	\$19.00	Instalment	0.84
ANZIOS	23-Jun-10	\$20.00	Instalment	1.00

- Citi Self Funding Instalments available over ANZ include:

Code	Maturity	Strike	Type	Delta
ANZSOA	28-Jun-12	\$17.02	SFI	0.79
ANZSOB	27-Jun-13	\$9.59	SFI	0.93
ANZSOC	26-Jun-14	\$6.56	SFI	0.97
ANZSOD	26-Jun-15	\$13.00	SFI	0.82

Other Considerations

- As the holder of the Citi Instalment you are entitled to the dividend
- Depending upon the investor's tax circumstance, if the instalment is held for 45 days the investor is entitled to the franking credits
- Warrants must be purchased before 6th May 2010 in order to be eligible for the 2010 Interim Dividend
- This strategy is also available for Self Managed Super Funds (SMSF)

Risks

- Investors should read the relevant Product Disclosure Statement which details the potential risks associated with investing in Self Funding Instalments. Such risks can include:
 - Factors affecting the price of the warrant, e.g. the price of the underlying security
 - Possible illiquidity of trading market
 - General market risks
 - Legislative and tax risks

Rating

ANZ is covered by the Citi Investment Research Team and currently has a Hold/Medium Risk rating, with a target price of A\$25.50. This research was prepared by Craig Williams, Wes Nason and Andrew Minton. For a full report please contact the Citiwarrants Sales desk.

Contact Details

For further details on this or any other Citi Structured Product please contact the Citiwarrants Sales desk on 1300 30 70 70 or email Australia.warrants@citi.com



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