

18 June 2015

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BT Investment Management Limited - Letter to Shareholders

Please find attached a letter to shareholders of BT Investment Management Limited (**BTIM**) dated 18 June 2015, in relation to Westpac's partial sale of its shares in BTIM.

Yours sincerely,



Christopher Millard
Company Secretary

Dear Shareholder,

Westpac's partial sale of its shares in BTIM

On 16 June 2015, Westpac Group (Westpac) announced its intention to undertake a partial sale of up to 82 million shares in BT Investment Management (BTIM), which is expected to reduce its ownership from 59% per cent to between 31% and 40%. The partial sale is being conducted by way of an institutional offer and a retail offer to shareholders of BTIM and Westpac.

Westpac remains a strategic shareholder in BTIM and the relationship between the two organisations is expected to remain strong and mutually beneficial.

The sell down will deliver a number of benefits to BTIM shareholders including improved market liquidity, a larger and more diverse shareholder base, and a step-change in investor interest as BTIM becomes eligible for inclusion in key market indices.

We are pleased that as a BTIM shareholder you will have the opportunity to participate in the retail offer of shares by Westpac.

BTIM and Westpac's announcements, along with this letter, have been lodged with the ASX, and can be found on the following website www.westpac.com.au/btimshareoffer or via the ASX website www.asx.com.au.

Background

Westpac has been a significant shareholder in BTIM since it listed the company in 2007. At that time, a partial float by Westpac was undertaken to assist in the development of BTIM, including increasing executive alignment by giving management and fund managers a direct shareholding in the business.

Since listing, BTIM has proven to be a successful business, growing and diversifying into a global asset manager with operations in Australia, United Kingdom, Europe, United States and Asia, and funds under management (FUM) of \$80.7 billion at 31 May 2015.

While Westpac will no longer have a controlling interest in BTIM, it retains a significant shareholding in the company, which is a strong endorsement of the business, its management and its performance.

Importantly, Westpac and BTIM remain strategically aligned on the growth potential of the asset management sector, and their relationship provides significant benefits to both parties. The BTIM Board composition remains unchanged and will continue to have a majority of independent directors. As Westpac remains BTIM's largest shareholder, Brad Cooper, CEO of BT Financial Group, will also continue as a Non-Executive Director of BTIM.

Market Update

BTIM announced its half year results on the 29 April 2015, where we reported an increase in FUM of \$10.7 billion for the six months to 31 March 2015. On the 16 June 2015, BTIM issued a market update for the two months to 31 May 2015. Pleasingly, we have experienced continued growth in FUM, with total FUM increasing by \$3.6 billion to \$80.7 billion. This has been driven by strong net inflows into our global equity products, favourable currency movements, strong investment performance and higher global equity market levels.

Offer to BTIM Shareholders

As a shareholder of BTIM you are eligible to participate in the retail offer if you were a registered holder of BTIM ordinary shares as at 7:00pm (Sydney Time) on 11 June 2015 and shown on the register as having an address in Australia or New Zealand.

Eligible shareholders of BTIM will be entitled to apply for a number of shares equivalent to approximately \$5,000 or approximately \$10,000 worth of shares (subject to scale back under the Prospectus) at a price of \$8.20 per share, without incurring brokerage or transaction costs.

It is expected that Westpac will lodge the Prospectus with the Australian Securities and Investment Commission in the week commencing 22 June 2015, and release it to the ASX at the same time. The Prospectus will also be made available online at www.westpac.com.au/btimshareoffer.

We expect that you will shortly receive a letter from the Chairman of Westpac, Mr Lindsay Maxsted, inviting you to obtain a Prospectus and apply for shares under the retail offer.

If you wish to apply for BTIM shares under the Prospectus you will need to complete an online application or request that a prospectus and a personalised paper copy application form be forwarded by mail. You should read the Prospectus in full and if you have queries consult with your financial or other professional adviser.

Yours faithfully,



James Evans
Chairman
BT Investment Management