



Term Sheet for 4% Treasury Indexed Bonds due 20 August 2020

This Term Sheet relates to the series of Treasury Indexed Bonds referred to above. It is supplementary to, and should be read, as appropriate, in conjunction with either the *Information Memorandum for Treasury Indexed Bonds* or the *Investor Information Statement for Exchange-traded Treasury Indexed Bonds*.

A financial adviser recommending to a retail client that they invest in this Treasury Indexed Bond via an Exchange-traded Treasury Indexed Bond must provide a copy of this Term Sheet and the current version of the *Investor Information Statement for Exchange-traded Treasury Indexed Bonds* to the client.

ISSUER	Commonwealth of Australia
INSTRUMENT	Treasury Indexed Bonds
CURRENCY	Australian dollars
SERIES NUMBER	CAIN406
AUSTRACLEAR ISIN	AU0000XCLWE2
ASX CDI ISIN	AU000GSIO209
ASX CODE FOR EXCHANGE-TRADED TREASURY INDEXED BOND	GSIO20
FIRST ISSUE DATE	10 October 1996
MATURITY DATE	20 August 2020
COUPON	4% per annum paid quarterly in arrears on the Nominal Value of the bonds.
REDEMPTION AMOUNT AT MATURITY	Greater of: <ul style="list-style-type: none">- the Face Value; and- the Face Value * $(K_n)/100$ where K_n is the Nominal Value on the Maturity Date.

COUPON PAYMENT DATES	20 February, 20 May, 20 August and 20 November in each year commencing on 20 November 1996, to and including the Maturity Date.
NOMINAL VALUE OF PRINCIPAL FOR FIRST COUPON PAYMENT	\$100.55 per \$100 Face Value
DAY COUNT	Actual/Actual
BUSINESS DAYS	Sydney
BUSINESS DAY CONVENTION	Following, unadjusted
RECORD DATE	Close of business eight calendar days prior to the Coupon Payment Date. If this day is not a Business Day, the preceding Business Day is the Record Date.
DENOMINATIONS	\$1,000 Face Value for Treasury Indexed Bonds and \$100 Face Value for Exchange-traded Treasury Indexed Bonds
REGISTRAR	Computershare Investor Services Pty Limited (ACN 078 279 277)
STOCK EXCHANGE QUOTATION	Australian Securities Exchange
NON-RESIDENT INTEREST WITHHOLDING TAX	Exempt from non-resident interest withholding tax. In the event the Commonwealth of Australia as issuer is required to withhold any amounts on account of Australian taxes, it will not be liable to pay any additional amounts to bondholders as compensation for any such withholdings.
GOVERNING LAW	Treasury Indexed Bonds are subject to the law in force in the Australian Capital Territory. Exchange-traded Treasury Indexed Bonds are subject to the law in force in New South Wales.