

Preferred Capital Limited
ABN 68 101 938 176

Commonwealth Bank

Commonwealth Bank of Australia
ABN 48 123 123 124
Group Corporate Relations
Telephone: (02) 9378 2663 or (02) 9378 2662
Facsimile: (02) 9378 2395
GPO Box 2719
Sydney NSW 2001 Australia
www.commbank.com.au



7 April 2006

PERLS III to commence trading on ASX today

After being very favourably received by investors during the offer process, PERLS III will begin trading at the ASX today on a deferred settlement basis.

The PERLS III transaction will be the largest of its type to have been listed on the ASX.

A total of 5,832,281 PERLS III were issued at a price of \$200 each by Preferred Capital Limited ("PCL"), the ordinary shares of which are held by Commonwealth Bank of Australia ("the Bank"). The total amount raised was \$1,166,456,200 which substantially exceeds the minimum \$900,000,000 identified at the time the PERLS III prospectus was lodged on 3 March 2006.

The Bank's CEO, Ralph Norris said, "The strong demand for PERLS III is an exceptional vote of confidence in the Bank by PERLS investors. We are especially pleased to see a high percentage of original PERLS holders returning to the register by choosing to reinvest in PERLS III. We also warmly welcome the new PERLS III investors to the Group.

In all, the PERLS III transaction has been a resounding success and demonstrates the sophistication of Australian investors."

Allocation of PERLS III

All investors who lodged valid applications for PERLS III under the PERLS Reinvestment Offer, the Securityholder Offer, the General Offer and Broker Firm Offer have received their allocation in full.

In compliance with regulatory requirements we have attached a schedule of the top 20 PERLS III holders. We have also attached a distribution schedule of holders and an advertisement in relation to the issue of PERLS III published today in several Australian newspapers.

Holding statements

CHESS allotment advices or issuer-sponsored holding statements, which confirm the number of PERLS III issued to each applicant, will be despatched to PERLS III holders by 11 April 2006. Any holder wishing to trade their PERLS III prior to receiving their CHESS allotment advice or issuer-sponsored holding statement needs to carefully confirm their holding prior to trading by checking with their broker, or contacting the PERLS III Information Line on 1800 742 737. Holders who sell more or less than their actual PERLS III holdings before receiving their CHESS allotment advice or issuer-sponsored holding statement do so at their own risk.

Trading on ASX

PERLS III will begin trading on a deferred settlement basis at the ASX today at 1 pm (Sydney time) under the code 'PCAPA'. Trading is expected to commence on a normal settlement basis on 12 April 2006.

Media Release

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First dividend

The dividend rate for the first dividend period is **4.6760% per annum fully franked**, determined as follows:

Market rate of 5.6300% per annum¹ + margin of 1.0500%² x (1-30%³) = 4.6760%

The first dividend will be paid on 6 July 2006.

Enquiries

Investors requiring further information should contact the PERLS III Information Line on 1800 742 737.

¹ The 90 day bank bill swap rate on the issue date (6 April 2006)

² As announced on 3 March 2006

³ The current corporate tax rate

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PREFERRED CAPITAL LIMITED
Schedule of 20 largest holders

Rank	Investor	Current Balance		% Issued Capital
1	AMP LIFE LIMITED	375,000		6.43%
2	GOLDMAN SACHS JBWERE CAPITAL MARKETS LTD <HYBRID PORTFOLIO A/C>	150,000		2.57%
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	130,000		2.23%
4	COGENT NOMINEES PTY LIMITED <SMP ACCOUNTS>	125,000		2.14%
5	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	116,689		2.00%
6	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <JBENIP A/C>	100,000		1.71%
7	ANZ SECURITIES (NOMINEE) PTY LIMITED <NOMINEE A/C>	78,090		1.34%
8	GRANT THORNTON INVESTMENT MANAGEMENT (VIC) PTY LTD	76,029		1.30%
9	MR WALTER LAWTON + MRS JAN RYNETTE LAWTON <THE LAWTON SUPER FUND A/C>	60,000		1.03%
10	MR REGINALD SURTEES GEARY	50,000		0.86%
11	NATIONAL NOMINEES LIMITED	41,170		0.71%
12	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MLCI A/C>	38,979		0.67%
13	TRUCKMATE (AUSTRALIA) PTY LTD	35,000		0.60%
14	THE AUSTRALIAN NATIONAL UNIVERSITY	33,532		0.57%
15	KERLON PTY LTD	30,000		0.51%
16	CARMICHAEL GROUP INVESTMENTS PTY LTD	25,000		0.43%
17	CITICORP NOMINEES PTY LIMITED <CFSIL CWLTH SPEC 5 A/C>	25,000		0.43%
18	HENRY KENDALL GROUP HOLDINGS PTY LTD	25,000		0.43%
19	MIFARE PTY LTD	25,000		0.43%
20	UCA CASH MANAGEMENT FUND LTD	25,000		0.43%
TOTAL FOR TOP 20:		1,564,489	Number 20	26.82%
TOTAL OTHER INVESTORS:		4,267,792	15,991	73.18%
GRAND TOTAL:		5,832,281	16,011	100.00%

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PREFERRED CAPITAL LIMITED
Distribution Schedule of holders

Ranges	Investors	Number of PERLS III	% of total PERLS III issued
1 - 1000	15,424	2,315,595	39.70%
1001 - 5000	492	1,099,532	18.85%
5001 - 10000	47	379,250	6.50%
10001 - 100000	43	1,141,215	19.57%
100001 and Over	5	896,689	15.38%
Total	16,011	5,832,281	100.00%

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PERLS III Offer Dividend Rate and Allocation Policy

Preferred Capital Limited is pleased to announce that 5,832,281 Perpetual Exchangeable Repurchaseable Listed Shares ("PERLS III") were issued on 6 April 2006 at an issue price of \$200 each to raise \$1,166,456,200.

Dividend Rate

Until the first Step-up Date on 6 April 2016, the Dividend Rate will be the sum of the applicable 90 day Bank Bill Swap Rate per annum and the Initial Margin of 1.05% per annum multiplied by (1 – the Corporate Tax Rate).

The Dividend Rate on PERLS III for the first Dividend Period from Allotment until 5 July 2006 is 4.6760% per annum and is equivalent to an annual return of 6.6800% including franking credits.

Allocation Policy

General Offer Applicants	Valid applications under the General Offer have been accepted in full.
Securityholder Offer Applicants	Valid applications under the Securityholder Offer have been accepted in full.
Reinvestment Offer Applicants	Valid applications under the Reinvestment Offer have been accepted in full.
Broker Firm Offer Applicants	Valid applications under the Broker Firm Offer have been accepted in full, subject to the size of each broker's overall firm allocation.

CHES allotment advices and issuer-sponsored holding statements, which set out the number of PERLS III issued to each successful applicant, and any refund cheques will be mailed to holders by 11 April 2006.

All successful applicants are responsible for confirming the number of PERLS III allocated to them prior to selling any PERLS III. Applicants who sell PERLS III before receiving their CHES allotment advice or issuer-sponsored holding statement do so at their own risk.

Applicants may call their broker or the PERLS III Information Line on 1800 742 737 (Monday to Friday – 8.30am to 5.30pm) to confirm their holding.

Deferred settlement trading of PERLS III

PERLS III are expected to commence trading on ASX on Friday, 7 April 2006 at 1pm Sydney time, on a deferred settlement basis, under the ASX code of "PCAPA". It is expected that normal trading on ASX will commence on Wednesday 12 April 2006.

Further information

For further information regarding PERLS III allocations or otherwise, please call the PERLS III Information Line on 1800 742 737 (Monday to Friday – 8.30am to 5.30pm).

If you received a firm allocation from a Joint Lead Manager, a Co-Manager or a broker who received an allocation of PERLS III for its clients under the broker firm offer of PERLS III, you should contact that broker if you have any questions or wish to confirm your allocation.

The PERLS III Offer was made under a Prospectus dated 3 March 2006. The issuer of PERLS III is Preferred Capital Limited ABN 68 101 938 176. The ordinary shares in PCL are held by Commonwealth Bank of Australia ABN 48 123 123 124.

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Media Release Media Release

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ENDS

For additional information, please contact:
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