

14 April 2011

Australian Unity Limited Notes Offer successfully completed

Australian Unity Limited announces the successful completion of its offer of unsecured notes ("Offer").

The \$100 million Australian Unity Notes Offer closed on Friday 8 April 2011 in accordance with the prospectus and was oversubscribed such that the final allotment has now been set at \$120 million.

On 14 April 2011, 1,200,000 Australian Unity Notes will be issued to successful applicants at the issue price of \$100 per Note.

Tony Connon, Chief Financial Officer said "We are pleased with the favourable response from a good spread of institutional, retail and member investors that has resulted in the issue of \$120 million of Australian Unity Notes and we thank everyone who has participated in the Offer.

We were required to implement a partial scale back above minimum allocations to manage the large number of applications received. However, member and employee applicants were given priority allocation as disclosed in the prospectus."

Australian Unity Notes are expected to commence trading on the Australian Securities Exchange on a normal settlement basis on 19 April 2011.

Holders of Australian Unity Notes will be entitled to receive interest based on a three-month bank bill rate plus a fixed margin of 3.55 percent per annum.

Interest is payable quarterly starting 14 July 2011.

Repayment of the issue price will be made at maturity on 14 April 2016 at which time Australian Unity must redeem all outstanding Australian Unity Notes.

Ends.

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ASX code: AYU

Notes on Issue: 1,200,000

Issuer: Australian Unity Limited
(ACN 087 648 888)

Enquiries:
Australian Unity Notes registry
1300 554 474.

Contact details:
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Melbourne VIC 3205
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The listing of Australian Unity Notes on the ASX does not affect Australian Unity Limited's status as a mutual organisation.

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Key features of the Australian Unity Notes

The key features of the Australian Unity Notes are as follows:

- Australian Unity Notes are unsecured debt obligations of Australian Unity Limited
- Issue date is 14 April 2011
- Number of Australian Unity Notes on offer: 1,200,000
- Issue price and face value is \$100 each
- Maturity date is 14 April 2016
- Australia Ratings has assigned Australian Unity Notes a BBB+ long-term Credit Rating and also assigned a 'Green' Product Complexity Indicator to the Notes
- Australian Unity Notes pay quarterly interest until the earlier of redemption and the maturity date
- Interest will be payable quarterly in arrears on 14 January, 14 April, 14 July and 14 October of each year
- The interest rate is calculated by reference to the three-month bank bill rate (BBSW) on the first business day of each relevant quarterly interest period
- The first interest payment date is 14 July 2011
- Holding Australian Unity Notes does not confer voting rights at general meetings of Australian Unity

About Australian Unity

Australian Unity is a national healthcare, financial services and retirement living organisation providing services to approximately 560,000 Australians.

Australian Unity is a mutual company which currently has some 285,000 members, including approximately 10,000 members who have been with the organisation and its predecessors for more than 50 years.

Australian Unity is a provider of high-trust services to members making high-trust purchases that support their health and financial wellbeing—whether they be reliable funding and provision of healthcare needs; dependable, quality investment products and advisory services; or accommodation and care services as they age.

Australian Unity's history as a trusted mutual organisation dates back 170 years. This history includes the provision of health, sickness and funeral benefits from 1840, aged care services from the 1880s, investment bonds from the early 1960s and asset management and personal financial services since the 1990s.

In the financial year ended 30 June 2010, Australian Unity's revenue was more than \$930 million. It employs around 1,400 staff nationally.