

17 November 2015

Series B Australian Unity Bonds – Tranche 1 – Completion of Successful Bookbuild

Australian Unity Limited (“**Australian Unity**”) announced an offer of Series B Australian Unity Bonds – Tranche 1 (“**Bonds**”) on 9 November 2015 under an Offer Specific Prospectus and Base Prospectus dated as at that date (“**Offer**”).

Australian Unity advised that a bookbuild to determine institutional and syndicate broker volume under the Offer was completed on 16 November 2015. The results of the bookbuild are as follows:

- the margin determined under the bookbuild is 2.80 percent per annum over the market rate, which is at the bottom of the expected range of 2.80 percent to 2.90 percent per annum, as detailed in the Offer Specific Prospectus;
- Australian Unity has allocated \$229.8 million of Bonds on a firm basis to syndicate brokers and institutional investors under the Broker Firm and Institutional Offers. The allocations to syndicate brokers and institutional investors include allocation amounts for eligible holders of Australian Unity Notes issued in 2011 (“**2011 Notes**”) who are participating in the Reinvestment Offer through the Broker Firm and Institutional Offers; and
- the Offer target amount has been increased from the original target size of \$200 million.

Chief Financial Officer Kevin McCoy welcomed the level of support the Offer has attracted through the bookbuild process. “Australian Unity is committed to playing our part to solve some of the social infrastructure challenges Australia faces as a result of an ageing population and the rise of chronic disease. Our activities are based on providing trusted services to communities and individuals that seek to address these challenges,” Mr McCoy said.

“We are delighted with the strong support from institutional investors. We anticipate that both retail investors and members of the company will also take up the opportunity to participate in these Bonds and to contribute to the expansion of our activities”.

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:**Australian Unity Limited
114 Albert Road
South Melbourne VIC 3205
Tel: 13 29 39

The listing of Australian Unity Notes on the ASX does not affect Australian Unity Limited's status as a mutual organisation

Australian Unity is one of Australia's oldest mutual companies, governed by its members, who are also customers, since 1840. It has no shareholders and does not distribute profits. Instead it reinvests them into expanding its services to the community. The listing of the Bonds on the Australian Securities Exchange will not change Australian Unity's structure as a mutual.

The Offer

The Offer comprises:

- a Reinvestment Offer, to eligible 2011 Notes holders to fund their subscription for Bonds by selling to Australian Unity some or all of their 2011 Notes. Eligible 2011 Note holders who subscribe for Bonds will be compensated for the interest margin differential between the Bonds and the 2011 Notes for the period 15 December 2015 through to 14 April 2016;
- a Member Offer, to eligible members of Australian Unity, who are resident in Australia to participate in the Offer;
- a Broker Firm Offer, to Australian resident retail clients of brokers invited to participate in the Offer by their broker; and
- an Institutional Offer made to certain institutional investors through the bookbuild process which has now been completed.

A replacement Offer Specific Prospectus was lodged today by Australian Unity with the Australian Securities and Investments Commission ("ASIC"), which includes the margin and Application Forms. Full details of the Offer, including who is eligible to apply and how to make an Application, are contained in the Base Prospectus and replacement Offer Specific Prospectus ("**Offer Documents**"). Before deciding whether to apply for Bonds investors should read the Offer Documents in full and seek advice from a professional adviser. Investors must fill out the relevant Application Form accompanying the replacement Offer Specific Prospectus if they wish to apply for Bonds.

A link to the Offer Documents can be accessed online at www.australianunity.com.au/bonds. Alternatively, please call the Australian Unity Bonds Information Line on 1800 550 560 (within Australia) or +61 1800 550 560 (outside Australia) Monday to Friday 8:30 am to 5:30 pm (AEDST) during the Offer Period.

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Series B Australian Unity Bonds – Indicative Timetable

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|-------------------------------------------------------------------------------------------------------|-----------------------------------|
| Offer of Series B Australian Unity Bonds announced | 9 November 2015 |
| Bookbuild to determine margin and allocations to syndicate brokers and institutional investors | 16 November 2015 |
| Replacement Offer Specific Prospectus lodged with ASIC and Opening Date for Offer | 17 November 2015 |
| Closing Date for Member Offer and Reinvestment Offer | 5.00pm (AEDST) 4 December 2015 |
| Closing Date for the Broker Firm Offer | 11 December 2015 |
| Issue Date | 15 December 2015 |
| Bonds commence trading on ASX on deferred settlement basis | 16 December 2015 |
| Bonds commence trading on ASX on normal settlement basis | 18 December 2015 |
| First interest payment date | 14 April 2016 |
| Maturity Date | 15 December 2020 |

*These dates for the Offer are indicative only and may change without notice.

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Verran Fehlberg

Company Secretary

For any media enquiries please contact:

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