

9 September 2019

Australian Unity Limited announces offer of Series C Australian Unity Bonds – Tranche 1 and Series D Australian Unity Bonds – Tranche 1

Australian Unity Limited (Australian Unity) announces the offer of two new series of simple corporate bonds: Series C Australian Unity Bonds – Tranche 1 and Series D Australian Unity Bonds – Tranche 1 (the Bonds) (together the Offer).

Australian Unity is seeking to raise a total aggregate amount of \$250 million with the ability to raise more or less subject to a minimum issue of \$50 million. Australian Unity is using the proceeds of the Offer to refinance the Series B Australian Unity Bonds – Tranche 1 (AYUHB Holders) that participate in the Reinvestment Offer and for general corporate purposes.

Application has been made for both series of Bonds to be quoted on the ASX under the tickers “AYUHC” and “AYUHD” respectively.

The Offer comprises:

- Reinvestment Offer – an offer to eligible AYUHB Holders;
- Member Offer – an offer to eligible Australian Unity members;
- Broker Firm Offer – an offer to Australian resident private retail clients of the broker participants in the Offer; and
- Institutional Offer – to certain institutional investors invited to bid under the Bookbuild.

If you are an eligible AYUHB holder and participate in the Reinvestment Offer, your participating AYUHB will be sold to Australian Unity, who will reinvest a portion of the sale proceeds in Bonds. You will receive one Bond for each AYUHB sold as both have a face value of \$100. You may elect to receive either, or a combination of, Series C Australian Unity Bonds – Tranche 1 or Series D Australian Unity Bonds – Tranche 1. You will also receive a cash payment for each AYUHB sold, comprising:

- the **Accrued Interest Amount** as compensation for the interest AYUHB Holders would have received in respect of the AYUHB sold under the Reinvestment Offer for 14 October 2019 (Stub Day) on the basis of the market rate applicable to AYUHB on the Stub Day plus a margin of 2.80 percent per annum for the Stub Day. Participating AYUHB Holders will also receive the scheduled interest payment on 14 October 2019; and

ASX code:

AYU

Securities on Issue:

AYUHB – 2,500,000

Issuer:

Australian Unity Limited
ACN 087 648 888

Enquiries:

Australian Unity Registry
1300 554 474

Contact details:

Australian Unity Limited
271 Spring Street
Melbourne VIC 3000
Tel: 13 29 39

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

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- the **Further Amount** to compensate you for the difference in margin between AYUHB and the Bonds for the period from the date the bonds are issued to the AYUHB maturity date.

Australian Unity Group Managing Director Rohan Mead said the simple corporate bond structure remained an effective and efficient funding source for the Australian Unity Group and that the improved debt maturity profile resulting from the Offer would further support the Group's growth strategy.

"The Australian Unity Group is delighted to invite eligible members to participate in the Member Offer and is pleased to provide eligible AYUHB Holders the opportunity to participate in the Reinvestment Offer—thereby continuing their support of, and investment in, the Australian Unity Group as it seeks to expand its operations and activities for the benefit of its members, customers and the community."

The Offer is expected to open on 17 September 2019.

The key features of the Bonds include:

- the Bonds have a face value of \$100 per Bond;
- the Bonds are interest paying, unsubordinated and unsecured debt obligations issued by Australian Unity Limited;
- the Bonds have been assigned an investment grade long term credit rating of 'BBB+' and a 'Green' Product Complexity indicator by Australia Ratings;
- the holders of Bonds will receive floating rate interest payments to be paid quarterly in arrears;
- the interest rate will be calculated on a quarterly basis as the sum of the market rate plus the margin;
- the Series C Australian Unity Bonds – Tranche 1 will mature on 15 December 2024 and the Series D Australian Unity Bonds will mature on 15 December 2026; and
- the margin for each series of Bonds will be determined under the Bookbuild, and is expected to be in the range of 2.00 percent and 2.20 percent per annum for Series C Australian Unity Bonds – Tranche 1 and 2.15 percent and 2.35 percent per annum for Series D Australian Unity Bonds – Tranche 1.

On the maturity date of the Bonds, holders will receive the face value of the Bonds plus the final interest payment.

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The Offer is being made under an Offer-Specific Prospectus and Base Prospectus (together, the Offer Documents), which were lodged with the Australian Securities and Investments Commission today. Investors should read the Offer Documents carefully, including, the key risks sections of the Offer Documents which set out the risks associated with an investment in the Bonds and Australian Unity's business, before making a decision to invest in the Bonds.

The Offer Documents can be accessed online at www.australiannunity.com.au/bonds or by requesting a copy of the Offer Documents by calling the numbers set out below.

A replacement Offer Specific Prospectus, which will include the margin for each series of Bonds and relevant application forms, is expected to be lodged with ASIC on 17 September 2019.

Anyone wishing to subscribe for Bonds will need to complete an application form that will be included in, or accompanying, the replacement Offer Specific Prospectus. Applications for Bonds will be accepted during the Offer Period only. Please refer to the attached Offer timetable for details of Offer open and close times.

Acacia Partners Pty Ltd and National Australia Bank Limited have been appointed as Joint Arrangers and Joint Lead Managers to the Offer, and ANZ Securities Limited and Evans Dixon Corporate Advisory Pty Ltd have been appointed as Joint Lead Managers to the Offer. Australian Unity Funds Management and JBWere Limited have been appointed as Co-Managers for the Offer.

Capitalised terms used in this announcement and not otherwise defined have the meaning given to them in the Offer Documents.

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Melinda Honig
General Counsel and Company Secretary

For more information contact:
Australian Unity Bonds Information Line
1800 992 793 (within Australia)
+61 1800 992 793 (outside Australia)
Monday to Friday 8:30am to 5:30pm

For any media enquiries please contact:
Michael Moore, General Manager – Public Affairs
and Communications (0427 382 152)

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Indicative Offer timetable

Record Date for determining Eligible Members	16 August 2019
Record Date for determining eligible AYUHB Holders (7:00pm)	5 September 2019
Lodgement of Offer-Specific Prospectus with ASIC	9 September 2019
Bookbuild to determine Margins and Allocations to Syndicate Brokers and Institutional Investors	16 September 2019
Opening Date for the Offer and lodgement of Replacement Offer-Specific Prospectus with ASIC	17 September 2019
Closing Date for the Member Offer, Reinvestment Offer and Broker Firm Offer	8 October 2019
Issue Date	15 October 2019
Holding Statements dispatched by the Registry	16 October 2019
Bonds commence trading on ASX on normal settlement basis	18 October 2019

Key dates for Series C Australian Unity Bonds – Tranche 1

First Interest Payment Date ¹	14 January 2020
Tenor	~5 years
Maturity Date	15 December 2024

Key dates for Series D Australian Unity Bonds – Tranche 1

First Interest Payment Date ¹	14 January 2020
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Tenor	~7 years
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Maturity Date	15 December 2026
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*These dates are indicative only and may change without notice.

- Interest is scheduled to be paid on the quarterly Interest Payment Dates, until the Maturity Date or any earlier Redemption Date. If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day.

Important information

This announcement is not, and should not be considered to be, a recommendation to apply for Bonds, financial product advice or an offer of, or invitation to, apply for Bonds. The Offer is made in the Offer Documents. The information in this announcement is general only and does not take into account your investment objectives, financial situation or particular needs. In deciding whether to apply for Bonds, you should read the Offer Documents, including the replacement Offer Specific Prospectus which will include the Margin for each series of Bonds and the application form, carefully and their entirety and seek advice from your financial or other professional adviser. An investment in Bonds is subject to investment risk, including possible loss of income and principal invested and risks in relation to Australian Unity. No member of the Australian Unity Group guarantees the value or performance of Bonds, the repayment of your investment or any particular rate of return. The Bonds are unsecured notes for the purposes of section 283BH of the Corporations Act.

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