

# Australian United Investment Company Limited

(ABN 37 004 268 679)

ASX CODE: AUI

One for eight renounceable rights issue of approximately 13,691,614 new fully paid ordinary shares at \$6.50 per share.

This document is important and requires your immediate attention. It is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. If you are in doubt as to the course you should follow, you should consult your broker or other professional advisor without delay.

## ENTITLEMENT OFFER BOOKLET

Applications under the Entitlement Offer close at 5.00pm Australian Eastern Daylight Savings Time on 6 November 2015

### Placing Agents:

Evans and Partners Pty Ltd

Baillieu Holst Ltd

Dixon Advisory & Superannuation Services Limited

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

## Important Notice

This Entitlement Offer Booklet and the Entitlement and Acceptance Form is issued by Australian United Investment Company Ltd (AUI). The Entitlement Offer Booklet is dated 13 October 2015. The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow certain rights issues to be made without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information on AUI and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. Please read this Entitlement Offer Booklet including the Chairman's letter in its entirety along with the ASX Entitlement Offer announcements, the Entitlement and Acceptance Form and other information about AUI published on [asx.com.au](http://asx.com.au) before making a decision whether or not to acquire New Shares. If you are in doubt as to the course you should follow, you should consult your broker or other professional advisor without delay.

This Entitlement Offer Booklet, including the Chairman's letter, ASX Entitlement Offer announcements and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Entitlement Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Persons.

None of this Entitlement Offer Booklet, the Chairman's letter, the ASX Entitlement Offer announcements nor, the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of AUI that has been or may be established until 40 days following the completion of the Entitlement Offer.

Forward looking statements, opinions, estimates provided in this Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

No guarantees as to future performance of, or future return from, AUI or an investment in New Shares can be given by AUI or by any director or officer of AUI. Investment in shares is inherently subject to investment and other risks of loss of income and principal invested.

See the Glossary on page 26 for defined terms used in this Offer Entitlement Booklet.

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## Summary of Important Dates

Rights trading commences and ordinary shares quoted ex rights	Wednesday 14 October 2015
Record Date to determine Entitlements to New Shares	Friday 16 October 2015
Despatch of Entitlement Offer Booklet to Eligible Shareholders	Tuesday 20 October 2015
Last day of rights trading	Thursday 29 October 2015
New Shares quoted on a deferred settlement basis	Friday 30 October 2015
Closing date for receipt of applications (and/or renunciations) and payment	Friday 6 November 2015
Shortfall Bookbuild (if any)	Tuesday 10 November 2015
Announcement of Shortfall (if any)	Wednesday 11 November 2015
Issue of New Shares	Friday 13 November 2015
Issuer Sponsored Statements for New Shares despatched	Friday 13 November 2015
Normal trading of New Shares expected to commence	Monday 16 November 2015

*This timetable is indicative only. The Company reserves the right to vary the above dates without notice subject to the Corporations Act, Listing Rules and other applicable laws. Any amendments to the timetable will be announced on ASX. Times are AEDT.*

# Chairman's letter

13 October 2015

Dear Shareholder,

## **One for Eight Pro-rata Renounceable Rights Issue at \$6.50 per share ("Issue")**

I am pleased to advise that on 12 October 2015 the Directors announced a renounceable rights issue of approximately 13,691,614 fully paid ordinary shares ("**New Shares**") in Australian United Investment Company Ltd ("**AUI**"). The offer is being made to existing shareholders on a one for eight basis at an offer price of \$6.50 per New Share payable in full on application ("**Entitlement Offer**"). The New Shares will not be entitled to receive the interim dividend in respect of the year ending 30 June 2016, expected to be paid in March 2016, after which time the New Shares will rank equally with Existing Shares. The issue of New Shares is intended to raise up to approximately \$88,695,490 after allowing for the estimated costs of the Issue.

**Rights trading will occur from 14 October 2015 to 29 October 2015 and the Entitlement Offer will close at 5.00pm AEDT on 6 November 2015.**

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, will lower the management expense ratio, and may increase liquidity in the trading of the Company's shares.

When the funds are received from the issue of New Shares it is the current expectation that we are likely to re-balance the portfolio by investing mainly in sectors other than the banking, energy, and mining sectors which are already well represented in the portfolio. Areas of focus will include the health and services sectors.

As the New Shares are being issued at a discount to the current market price of the existing listed shares and it will take some time to fully invest the proceeds of the Issue, it is expected that dividends to shareholders are likely to be steady, or rise only modestly, over the next two years.

Your Board expects to maintain the current interim dividend rate for Existing Shares of 15.5 cents per share in respect of the interim dividend for the year ending 30 June 2016 and expects, in the absence of unforeseen circumstances, to at least maintain the current final dividend rate of 18.5 cents per share on the increased capital in respect of the final dividend for the year ending 30 June 2016.

Based on the latest available market sale price of Existing Shares on the ASX of \$7.75 on 9 October 2015, being the last business day prior to the announcement of the Issue, the offer price of \$6.50 per share represents a discount of 13% to the theoretical price of the New Shares after taking into account that the New Shares will not be entitled to receive the interim dividend in respect of the year to 30 June 2016.

The unaudited estimated pre tax net tangible assets of the Company on 9 October 2015 was \$8.00 per share, before providing for the interim dividend in respect of the year to 30 June 2016 for which the New Shares will not be entitled.

Shareholder approval of the Issue is not required.

The Directors have been advised by The Ian Potter Foundation Ltd as trustee for The Ian Potter Foundation that it intends to subscribe for its entitlement to the Issue in full (including the entitlement of its controlled entity, Dundee Trading Pty Ltd) in the absence of unforeseen circumstances.

## Terms of Issue

The New Shares will not be entitled to receive the interim dividend in respect of the year ending 30 June 2016, expected to be paid in March 2016, and accordingly the first dividend receivable on the New Shares will be the final dividend in respect of the year ending 30 June 2016, expected to be paid in September 2016.

If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "AUIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2016, when the New Shares will trade under the Company's ASX Code of "AUI" for Existing Shares and will rank equally in all respects with Existing Shares.

## Placing Agents

The Issue is not underwritten. Evans and Partners Pty Ltd, Baillieu Holst Ltd and Dixon Advisory & Superannuation Services Limited are Placing Agents to the Issue.

## Dividends and Underlying Earnings per share

Dividends paid and underlying earnings per existing share in respect of each of the last 5 completed financial years are as follows:

Year Ended 30 June	Dividends (cents per share)	Underlying Earnings (cents per share)
2015	34.0	38.3
2014	32.0	36.1
2013	29.5	32.2
2012	28.0	31.0
2011	26.5	29.4

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

All dividends referred to above were fully franked. The balance of the Company's franking account at 30 June 2015 (after adjusting for the final dividend paid on 25 September 2015) was \$33,018,438. It is the Directors' expectation that both the next interim dividend (not to be paid on the New Shares) and the final dividend for the year ending 30 June 2016 will be fully franked.

## Investment Performance

The Company's performance (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

<u>Periods Ended</u> <u>30 June 2015</u>	<u>AUI Net Asset Backing</u> <u>Accumulation</u> <u>% p.a.</u>	<u>AUI Share Price</u> <u>Accumulation</u> <u>% p.a.</u>	<u>S&amp;P ASX 300</u> <u>Accumulation Index</u> <u>% p.a.</u>
1 Year	2.0	4.6	5.6
3 Years	14.7	18.7	14.7
5 Years	8.8	8.6	9.5
10 Years	7.1	7.8	6.9

## Record date and Entitlements to New Shares

The record date to determine entitlements to New Shares is 7.00pm AEDT on Friday 16 October 2015 ("**Record Date**").

Shareholders entered in the register of members of the Company will be entitled to one New Share for every eight Existing Shares held as at the Record Date ("**Entitlement**").

In calculating Entitlements to New Shares, fractional Entitlements will be rounded up to the nearest whole share. Shares held on separate sub-registers for the same holder will not be aggregated. If you have more than one registered holding of Existing Shares, you will be sent a personalised Entitlement and Acceptance Form for each separate holding.

Information on dealing with your Entitlement is set out below.

## Share capital on completion of the Issue

On completion of the Issue, on the assumption that it is fully subscribed, the share capital of the Company will be approximately 123,224,525 shares, comprising 109,532,911 Existing Shares and approximately 13,691,614 New Shares.

The Company has no unquoted securities.

## Rights Trading

Trading in rights to the New Shares will occur on the Australian Securities Exchange ("**ASX**") from 14 October 2015 to 29 October 2015.

The closing date for acceptances and payment of \$6.50 for each New Share under the Entitlement Offer is 5.00pm AEDT on 6 November 2015.

## Who is eligible to participate

Shareholders with addresses in Australia and New Zealand who are not in the United States or a U.S. Person or acting for or on account of U.S. Persons are eligible to participate ("**Eligible Shareholders**").

Shareholders with addresses in countries other than Australia and New Zealand will not be eligible to participate because the Company has decided it is not reasonable to offer securities to persons in other countries having regard to the number of shareholders in each country, the number and value of the securities that would be offered to them, and the cost of complying with the laws of such other country. However, AUI intends to appoint a nominee to act on its behalf to seek to arrange for the sale of the Entitlements of those shareholders and to pay such shareholders the net proceeds of sale (if any) in Australian dollars.

## Dealing with your Entitlement

You may apply for New Shares in respect of all or some of your Entitlement, sell some or all of your Entitlement (subject to the availability of buyers), or do nothing. The Entitlements will trade on the ASX during the rights trading period under a separate ASX code "AUIR".

If you wish to sell all or part of your Entitlement during the rights trading period you should contact your broker or other professional advisor during that period.

Should you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor.

To accept all or part of your Entitlement your completed Entitlement and Acceptance Forms must be lodged with AUI's Share Registry (whose address will be on the Form) by 5.00pm AEDT on 6 November 2015 together with a cheque (or payment can be made by BPay) for the amount due in respect of the New Shares taken up.

To transfer your Entitlement to another person, you should complete a standard renunciation form (obtainable from your broker or other professional advisor or the Share Registry) and send it with the Entitlement and Acceptance Form to the Share Registry by 5.00pm AEDT on 6 November 2015.

If during the rights trading period you buy additional rights, including through an online broker or by off-market transfer, please contact the Share Registry, obtain an acceptance form, and send the completed form, cheque and a copy of the contract note to AUI's Share Registry by 5.00pm AEDT on 6 November 2015.

### Process for dealing with Shortfall

To the extent that Entitlements are not taken up ("**Shortfall**"), at the discretion of the Company they may be placed after the conduct of a bookbuild by the Placing Agents, to Eligible Shareholders or new professional or sophisticated investors. Any net proceeds from such sale (being the gross proceeds from the sale less the offer price and the fees and other costs of the Placing Agents) will be distributed in due proportion among the shareholders whose Entitlements were neither sold nor taken up. Neither the Company nor the Placing Agents will be liable for any failure to arrange for the issue of any New Shares in respect of Entitlements neither sold nor taken up by the closing date at a particular price or time, or at all. **As there can be no guarantee that there will be any net proceeds, it is important that Eligible Shareholders take action either to take up or sell their Entitlements.**

Should you wish to purchase additional New Shares through the Shortfall bookbuild, please contact one of the Placing Agents, whose contact details are in the Corporate Directory on page 28.

### Indicative timetable

Rights trading commences and ordinary shares quoted ex rights	Wednesday 14 October 2015
Record Date to determine Entitlements to New Shares	Friday 16 October 2015
Despatch of Entitlement Offer Booklet to Eligible Shareholders	Tuesday 20 October 2015
Last day of rights trading	Thursday 29 October 2015
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Normal trading of New Shares expected to commence	Monday 16 November 2015

*This timetable is indicative only. The Company reserves the right to vary the above dates without notice subject to the Corporations Act, Listing Rules and any other applicable law. Any amendments to the timetable will be announced on ASX. Times are AEDT.*

Please read the Entitlement Offer Booklet carefully and consult your broker or other professional advisor to evaluate whether or not to participate in the Entitlement Offer.

Your Directors have confidence in the future of Australian United Investment Company Limited, and commend the Issue to you.

Yours faithfully,

Charles Goode  
Chairman

# 1. Action Required by Eligible Shareholders

The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Entitlement Offer Booklet.

## 1.1 If you wish to take up all of your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form. Forward your completed Form together with your cheque for the amount shown on the Form, to reach the Share Registry no later than 5.00pm AEDT on 6 November 2015. Cheques should be made payable to "Australian United Investment Company Limited" and crossed "Not Negotiable". Shareholders located in Australia may use the reply paid envelope enclosed with this Entitlement Offer Booklet. Alternatively, the Form does not have to be completed or returned to the Share Registry if your payment by BPay for all of your Entitlement is received no later than 5.00pm AEDT on 6 November 2015.

## 1.2 If you wish to sell all of your Entitlement on the ASX

If you wish to sell your Entitlements you should contact your broker or other professional advisor. Please note that quotation of rights on the ASX will commence on 14 October 2015. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'AUIR'. Sale of your Entitlement must be completed by close of trading on 29 October 2015, when rights trading ceases.

## 1.3 If you wish to sell part of your Entitlement on the ASX and take up the balance of your Entitlement

If you wish to sell part of your Entitlement contact your broker or other professional advisor and follow the steps in paragraph 1.1 for the part of your Entitlement that you wish to take up. Please note that quotation of rights on the ASX will commence on 14 October 2015. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'AUIR'. Sale of part of your Entitlement must be completed by close of trading on 29 October 2015, when rights trading ceases.

## 1.4 If you wish to transfer your Entitlement to another person other than on the ASX

Forward a completed standard renunciation form(s) (obtainable from your broker or other professional advisor or from the Share Registry) together with your Entitlement and Acceptance Form to the Share Registry so as to reach the Share Registry no later than 5.00pm AEDT on 6 November 2015.

## 1.5 If you wish to purchase additional rights to New Shares

Should you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor. If an Eligible Shareholder buys additional rights or any other person (not an Eligible Shareholder) buys any rights, including through an online broker or by off-market transfer, it is the buyer's responsibility to contact the Share Registry, obtain an acceptance form, and send the completed form/cheque/copy contract note to AUI's Share Registry by 5.00pm AEDT on 6 November 2015.

## 1.6 Payment for New Shares

Payments made by cheque must be in Australian currency in favour of "Australian United Investment Company Limited" and crossed "Not Negotiable". Payments may also be made by BPay using the biller code and your reference number as described in the Entitlement and Acceptance Form. Cash payments will not be accepted. Receipts for payments will not be issued. Any Application Monies received for more than your Entitlement will be refunded to you as soon as practicable. No interest will be paid to Applicants on any Application Monies received or refunded.

### 1.7 Entitlements not taken up

Please see the information under paragraph 2.11 "Process for dealing with the Shortfall" for information in relation to how the Company may deal with the Shortfall arising from Entitlements not taken up. **It is important that Eligible Shareholders who do not take up or sell their Entitlements are aware that they may not receive any benefit from the Entitlement Offer.** Should you wish to purchase additional New Shares through the Shortfall Bookbuild, please contact one of the Placing Agents, whose contact details are in the Corporate Directory at the rear of this Entitlement Offer Booklet.  
2015.

### 1.8 Representations

By completing and returning your personalised Entitlement and Acceptance Form with a cheque for Application Monies or making a payment by Bpay®, you will be deemed to have represented:

(a) that you are an Eligible Shareholder; and

(b) on behalf of each person on whose account you are acting that: (i) you are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; (ii) you acknowledge that the New Shares have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (iii) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

### 1.9 Enquiries

If you have any queries regarding your Entitlement, please contact Link Market Services Limited by telephone on +61 1800 622 202 or your broker or other professional advisor.

## 2. Details of the Entitlement Offer

### 2.1 Purpose of the Capital Raising

The funds of up to approximately \$88,695,490 sought to be raised by the Entitlement Offer (after allowing for the Costs of the Issue) will be invested in accordance with AUI's investment objectives and policy (see paragraph 3.1).

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, will lower the management expense ratio, and may increase liquidity in the trading of the Company's shares.

When the funds are received from the issue of New Shares it is the current expectation that we are likely to re-balance the portfolio by investing mainly in sectors other than the banking, energy, and mining sectors which are already well represented in the portfolio. Areas of focus will include the health and services sectors.

As the New Shares are being issued at a discount to the current market price of the Existing Shares, and it will take some time to fully invest the proceeds of the Issue, it is expected that dividends to shareholders are likely to be steady, or rise only modestly, over the next two years.

The Board expects to maintain the current interim dividend rate for Existing Shares of 15.5 cents per share in respect of the interim dividend for the year ending 30 June 2016 and expects, in the absence of unforeseen circumstances, to at least maintain the current final annual dividend rate of 18.5 cents per share on the increased capital for the final dividend for the year ending 30 June 2016.

### 2.2 Entitlement Offer

Shareholders who are registered at the Record Date, being 7.00pm AEDT on 16 October 2015 and whose registered addresses are in Australia and New Zealand will be offered the renounceable right to acquire New Shares in the ratio of one New Share for every eight Existing Shares then held at a price of \$6.50 per New Share. Approximately 13,691,614 New Shares will be issued to raise up to approximately \$88,695,490 (after allowing for the Costs of Issue).

Your Entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form. In calculating Entitlements to New Shares, fractional Entitlements have been rounded up to the nearest whole share. Shares held on separate sub-registers for the same holder have not been aggregated. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "AUIIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2016 when the New Shares will trade under the Company's ASX Code of 'AUI' for Existing Shares and will rank equally in all respects with Existing Shares.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.

AUI reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders if their Entitlement claims prove to be overstated, or to decline to issue New Shares to Eligible Shareholders or their nominees who fail to provide information requested to substantiate their Entitlement claims or to other persons if AUI considers, in its absolute discretion, that an issue of New Shares to such person may cause AUI to breach any law.

The closing time and date for acceptance of the Entitlement Offer is 5.00pm AEDT on 6 November 2015.

The Offer Price for New Shares is payable in full on application.

### **2.3 Placing Agents**

Evans and Partners, Baillieu Holst and Dixon Advisory have been appointed by the Company as Placing Agents to the Issue. AUI has agreed to pay Dixon Advisory a fixed stamping fee of \$40,000. In investing the portfolio using the proceeds of the Issue, AUI has agreed to execute transactions up to a value of \$40 million through Evans and Partners at the brokerage rate of 0.15%, and to execute transactions up to a value of \$20 million through Baillieu Holst at the brokerage rate of 0.15%.

The Placing Agents will jointly receive a total fee of 1% of the amount paid for New Shares issued via the Shortfall Bookbuild. This fee will be payable out of the proceeds of the sale of such New Shares to the extent that the proceeds exceed the Offer Price (and otherwise will be paid by the Company in part or in whole where the proceeds of the sale for New Shares under the Shortfall Bookbuild are less than \$6.565 per New Share). Shares will not be sold for less than \$6.50 in the Shortfall Bookbuild. None of Evans and Partners, Baillieu Holst and Dixon Advisory have made any statement that is included in this Entitlement Offer Booklet or any statement on which a statement made in the Entitlement Offer Booklet is based. Each of Evans and Partners, Baillieu Holst and Dixon Advisory expressly disclaim and take no responsibility for any statements in or omissions from this Entitlement Offer Booklet. This applies to the maximum extent permitted by law.

### **2.4 Rights of New Shares**

The New Shares will not receive the interim dividend in respect of the year to 30 June 2016 expected to be paid in March 2016, and accordingly the first dividend receivable on the New Shares will be the final dividend in respect of the year ending 30 June 2016 expected to be paid in September 2016.

If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "AUI") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2016 when the New Shares will trade under the Company's ASX Code of 'AUI' for Existing Shares and will rank equally in all respects with Existing Shares.

### **2.5 Rights trading and ASX quotation**

The rights to the New Shares are renounceable. Subject to ASX approval, rights trading will occur on the ASX from 14 October 2015 to 29 October 2015.

### **2.6 Market price**

The latest available market sale price of the Existing Shares on the ASX at close of trading on 9 October 2015 was \$7.75, being the last business day prior to the announcement of the Issue.

### **2.7 Minimum subscription**

There is no minimum subscription in relation to the Issue.

### **2.8 Issue**

No issue of New Shares will be made until the proceeds for payment of the Issue have been received and permission is granted for quotation of the New Shares on ASX. If ASX does not permit quotation, the Application Monies will be refunded in full. Interest will not be paid on any refunds.

It is expected that New Shares will be issued on or about 13 November 2015. Following the issue of the new Shares under this Entitlement Offer Booklet, successful Applicants will be sent an Issuer Sponsored Holding statement or Broker Sponsored statement that sets out the number of New Shares issued to that person. These statements are expected to be issued on or after 13 November 2015.

## 2.9 Underwriting and expenses of the Issue

The issue will not be underwritten.

The Costs of the Issue payable by AUI, are estimated to be approximately \$300,000. The Costs of the Issue are described in the Glossary at the rear of this booklet.

## 2.10 Foreign jurisdictions

Shareholders with addresses in countries other than Australia and New Zealand will not be eligible to participate in the Entitlement Offer because the Company has decided it is not reasonable to offer securities to persons in other countries having regard to the number of shareholders in each country, the number and value of the securities that would be offered to them and the cost of complying with the laws of such other country.

This Entitlement Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The distribution of this Entitlement Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Entitlement Offer Booklet or information about the Entitlement Offer, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

This Entitlement Offer Booklet does not constitute a New Zealand product disclosure statement, prospectus or investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand) or the Financial Markets Conduct Act 2013 (New Zealand). The disclosure materials are being distributed in New Zealand only to persons to whom the New Shares may be offered in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 (or any replacement of that notice). The taxation treatment of Australian securities is not the same as for New Zealand securities. Investment in New Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

The Entitlements and the New Shares have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

For the above reasons, no Entitlement and Acceptance Forms are being sent to any person whose registered address is in any country other than Australia and New Zealand. AUI is not required to determine whether or not any registered holder is acting as a nominee of, or identify the residence of, any beneficial owners of Existing Shares. Where any holder is acting as a nominee for a foreign person that holder in dealing with its beneficiary will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

The Entitlements of shareholders who are not Eligible Shareholders will be issued to and sold (provided there is an available market for them and a premium over the expenses of sale can be obtained) by a nominee appointed by AUI and approved by ASIC, at prices and in the manner determined by the nominee in its discretion for the benefit of those shareholders. Neither AUI nor the nominee will be liable for any failure to sell the rights at a particular price or time, or at all. The net proceeds of any sale will be distributed in Australian dollars to shareholders on whose behalf the rights were sold. If the nominee considers that there is not an available market for the rights, unless the Company elects to deal with them under the process for dealing with the Shortfall, the Entitlements will be allowed to lapse.

#### 2.11 Process for dealing with Shortfall

If there is a Shortfall, the Shortfall may be placed, at the discretion of the Company after the conduct of a Shortfall Bookbuild by the Placing Agents, to Eligible Shareholders or new professional or sophisticated investors. Any net proceeds from such sale (being the gross proceeds from the sale less the Offer Price and the fees and other costs of the Placing Agents) will be distributed in due proportion to the shareholders whose Entitlements were neither sold nor taken up by the closing date.

Neither the Company nor the Placing Agents will be liable for any failure to arrange for the issue of any New Shares in respect of Entitlements neither sold nor taken up by the closing date at a particular price or time, or at all. **As there can be no guarantee that there will be any net proceeds, it is important that Eligible Shareholders take action either to take up or sell their Entitlements.**

Should you wish to purchase additional New Shares through the Shortfall Bookbuild, please contact one of the Placing Agents, whose contact details are in the Corporate Directory at the rear of this Entitlement Offer Booklet.

## 3. Investment Policy and Performance

### 3.1 Investment Policy

The long term objective of the Company is to provide its shareholders with steadily rising fully franked dividends and capital appreciation slightly ahead of the ASX 300 index over rolling five year periods.

The investment philosophy of the Company is to take a medium to long term view and to invest in a diversified portfolio of Australian equities which have the potential to provide income and capital appreciation over the longer term. Investments are purchased or subscribed for on the basis of the Directors' assessment of their prospects for income and growth.

### 3.2 Investment Portfolio

As at 30 September 2015, the equity portfolio of AUI was invested in Australian listed securities and was spread over 44 companies and trusts. The market value of the investment portfolio (including the cash management trust investments) was \$939,244,097.

As at 30 September 2015, the value of the twenty five largest shareholdings of the Company calculated at market prices was as follows:

<i>Company</i>	<i>Market Value \$'000</i>	<i>% of Market Value of Total Investments</i>
1. Commonwealth Bank of Australia Ltd	85,446	9.1%
2. ANZ Banking Group Ltd	76,501	8.1%
3. Westpac Banking Corporation Ltd	69,795	7.4%
4. National Australia Bank Ltd	67,455	7.2%
5. Wesfarmers Ltd	54,908	5.8%
6. BHP Billiton Ltd	52,217	5.6%
7. Diversified United Investment Ltd	47,232	5.0%
8. Rio Tinto Ltd	46,170	4.9%
9. Transurban Group	39,760	4.2%
10. Woodside Petroleum Ltd	36,163	3.9%
11. CSL Ltd	31,220	3.3%
12. Woolworths Ltd	29,808	3.2%
13. Brambles Ltd	20,454	2.2%
14. Amalgamated Holdings Ltd	19,350	2.1%
15. Telstra Corporation Ltd	16,830	1.8%
16. Ramsay Health Care Ltd	16,079	1.7%
17. Oil Search Ltd	15,774	1.7%
18. Sonic Healthcare Ltd	15,512	1.7%
19. Washington H Soul Pattinson & Co Ltd	15,210	1.6%
20. Orica Ltd	15,040	1.6%
21. AMP Ltd	13,900	1.5%
22. BT Investment Management	12,428	1.3%
23. Tatts Group Ltd	11,280	1.2%
24. Resmed Inc.	10,905	1.2%
25. Invocare Ltd	10,850	1.1%
	830,287	88.4%
<b>Total Investments at Market Value, Net Short Term Receivables and Cash</b>	939,244	

### 3.3 Dividends and Underlying Earnings Per Existing Share

Dividends paid and underlying earnings per Existing Shares in respect of each of the last 5 completed financial years are as follows:

Year Ended 30 June	Dividends (cents per share)	Underlying earnings (cents per share)
2015	34.0	38.3
2014	32.0	36.1
2013	29.5	32.2
2012	28.0	31.0
2011	26.5	29.4

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

A final dividend of 18.5 cents per share has been declared for the 2014/15 financial year (the final dividend that was paid in 2014 was 17.5 cents). All dividends referred to above were fully franked. The balance of the Company's franking account at 30 June 2015 (after adjusting for the final dividend paid on 25 September 2015) was \$33,018,438. It is the Directors' expectation that both the next interim dividend (not to be paid on the New Shares) and the final dividend for the year ending 30 June 2016 will be fully franked.

The Board expects to maintain the current interim dividend rate for Existing Shares of 15.5 cents per share in respect of the interim dividend for the year ending 30 June 2016 and expects, in the absence of unforeseen circumstances, to at least maintain the current final annual dividend rate of 18.5 cents per share on the increased capital for the final dividend for the year ending 30 June 2016. From time to time the Company may be able to include Listed Investment Company capital gains in its usual dividend. When distributed, Listed Investment Company capital gains may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. The interim and final dividends paid in respect of the 2014/15 financial year did not include any Listed Investment Company capital gains. The balance of the Company's Listed Investment Company Capital Gain Account at 30 June 2015 was \$372,101.

### 3.4 Net Tangible Asset Backing

AUI's net tangible asset backing per share (based on investments at market values, after provision for tax on net realised gains but not on unrealised gains and before provision for the final dividend) has moved over the last 5 years as follows:

30 June 2015	\$8.42
30 June 2014	\$8.57
30 June 2013	\$7.49
30 June 2012	\$6.26
30 June 2011	\$7.24 (after the issue of 2,426,619 shares at \$6.42 per share under the share purchase plan, October 2010)

The unaudited net tangible asset backing of AUI's ordinary shares at 30 September 2015 was \$7.49. This net asset backing calculation is based on investments at market value, is after tax on realised gains, before any future tax benefit of realised losses, and before estimated tax on net unrealised gains/losses. AUI is a long term investor and does not intend disposing of its portfolio. However, under current accounting standards the Company is required to provide for estimated tax on any net gains that would arise on such a theoretical disposal. After deducting this provision, the above figure at 30 September 2015 would be \$6.61 per share.

### 3.5 Performance

The Company's performance (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

<u>Periods Ended</u> <u>30 June 2015</u>	<u>AUI Net Asset Backing</u> <u>Accumulation</u> <u>% p.a.</u>	<u>AUI Share Price</u> <u>Accumulation</u> <u>% p.a.</u>	<u>S&amp;P ASX 300</u> <u>Accumulation Index</u> <u>% p.a.</u>
1 Year	2.0	4.6	5.6
3 Years	14.7	18.7	14.7
5 Years	8.8	8.6	9.5
10 Years	7.1	7.8	6.9

The Company's net asset backing accumulation performance is after all expenses, tax, and the impact of the Company's gearing. Such items are not included in the S&P/ASX indices.

## 4. Risk factors

There are a number of factors, both specific to AUI and of a general nature, which may affect the future operating and financial performance of AUI and the value of an investment in AUI. Some of these factors can be mitigated by appropriate commercial action. However many are outside the control of AUI and are dependent on the policies adopted and approaches taken by regulatory authorities or otherwise cannot be mitigated. This section describes some of the risks associated with an investment in AUI.

Before deciding to invest in AUI, prospective investors should consider carefully the following factors, as well as the other information contained in this Entitlement Offer Booklet and, if they consider appropriate, take professional advice from their broker or other professional advisor.

### 4.1 General risk factors

General factors which may have a significant impact on the future performance of AUI include:

- domestic and international economic conditions;
- the level of interest rates;
- movements in foreign exchange rates;
- any changes which may occur to the taxation of company income and capital gains;
- any changes to the system of dividend imputation in Australia;
- the impact of the global security situation, possible terrorist disturbances and possible pandemics; and
- regulatory and Governmental policy changes.

### 4.2 Risk factors specific to AUI

Company specific factors which may have a significant impact on the future performance of AUI include:

- the success of the investment strategies of AUI;
- the performance of the specific entities in which AUI invests;
- the level of distributions paid by the entities in which AUI invests;
- the market prices of the securities in which AUI invests;
- the market liquidity of the securities in which AUI invests;
- the level of borrowing which AUI undertakes (also known as gearing);

- requirements of Australian tax law in relation to Listed Investment Companies. AUI currently complies with the conditions set out in the Australian tax law for it to be regarded as a Listed Investment Company. As such it may be able from time to time to distribute Listed Investment Company capital gains which may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. AUI's ability to continue to pass on such benefits, should they arise in future, depends on it continuing to satisfy the particular requirements of Australian tax law; and
- For the period that the New Shares are trading under the separate ASX Code (expected to be 'AUIIN') the market in them may be less liquid than the market for the Existing Shares.

#### 4.3 Dividend risk factors

The ability of AUI to maintain its current level of fully franked dividends is dependent on a number of issues, the most important of which is AUI's profit performance. AUI's profit is affected by a number of items in any financial year:

- the dividend and distribution policies of the entities in which AUI invests, particularly banks, and including the level of franking attached to the payment of dividends to AUI;
- other sources of income, if any, such as interest, option premiums, any trading profits from a trading account and underwriting fees;
- the level of fees and expenses incurred in administering AUI;
- the level of borrowings that AUI has, the level of interest rates and the consequent interest charge;
- the amount of tax payable by AUI; and
- the amount of net realised capital gains or losses.

AUI is also able to source the dividends it pays to shareholders from retained earnings and from realised gains made on the sale of investments which are included in the Realisation reserve. In certain circumstances, Directors would consider accessing these reserves where they deem it appropriate.

## 5. Additional Information

### 5.1 Nature of this Entitlement Offer Booklet

This Entitlement Offer Booklet relates to an Entitlement Offer for continuously quoted securities. The information in this Entitlement Offer Booklet principally concerns the terms and conditions of the Entitlement Offer and information necessary to make an informed assessment of:

- the effect of the Issue on AUI; and
- the rights and liabilities attaching to the New Shares.

This Entitlement Offer Booklet does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity not already listed on the ASX. AUI has been listed on the ASX since 1974. During this time AUI has been subject to disclosure requirements under the Corporations Act (and its predecessor legislation) and the Listing Rules.

AUI has, since listing, provided the ASX with a substantial amount of information regarding its activities and that information is publicly available at [asx.com.au](http://asx.com.au). This Entitlement Offer Booklet is intended to be read in conjunction with that publicly available information. Investors considering the sale or acceptance of their rights, and taking up their Entitlement to New Shares, should therefore also have regard to that publicly available information before making an investment decision.

This Entitlement Offer Booklet contains general information only, which has been prepared without taking account of the objectives, financial situation or needs of any particular person. Because of that, before acting on the Entitlement Offer Booklet, any prospective investor should consider the appropriateness of the information to their objectives, financial situation and needs and consult a professional advisor where necessary.

### 5.2 Regular reporting and disclosure obligations

AUI is a disclosing entity for the purposes of the Corporations Act. As such it is subject to regular reporting and disclosure obligations including under the Listing Rules. The Listing Rules require AUI to notify ASX of information about specified events and matters as they arise for the purposes of the ASX making that information available to the financial market conducted by the ASX. In particular, AUI has an obligation (subject to certain limited exceptions) to notify the ASX immediately of any information of which it becomes aware concerning AUI which a reasonable person would expect to have a material effect on the price or value of its shares. All such disclosures are available at [www.asx.com.au](http://www.asx.com.au). You have the opportunity to access any information about AUI which has previously been disclosed to ASX. In particular, please refer to AUI's Annual Report for the year ended 30 June 2015. You should also have regard to any further announcements which may be made by AUI to ASX after the date of this Entitlement Offer Booklet.

### 5.3 Effect of the Issue on AUI

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, will lower the management expense ratio and may increase liquidity in the trading of the Company's shares.

When the funds are received from the issue of New Shares it is the current expectation that the Company is likely to re-balance its portfolio by investing mainly in sectors other than the banking, energy, and mining sectors which are already well represented in the portfolio. Areas of focus will include the health and services sectors.

As the New Shares are being issued at a discount to the current market price of the Existing Shares and it will take some time to fully invest the proceeds of the issue, it is expected that dividends to shareholders are likely to be steady, or rise only modestly, over the next two years.

The Board expects to maintain the current interim dividend rate for Existing Shares of 15.5 cents per share in respect of the interim dividend in respect of the year ending 30 June 2016 and expects, in the absence of unforeseen circumstances, to at least maintain the current final annual dividend rate of 18.5 cents per share on the increased capital in respect of the final dividend for the year ending 30 June 2016.

The effect on AUI of the offer to shareholders made under this Entitlement Offer Booklet is dependent on the success of the Issue. If all the New Shares had been issued on **30 September 2015**, the offer would have resulted in the issued capital and net asset backing per share of AUI altering approximately as shown below:

Issued Capital	Number '000's	Share Capital \$'000's
Ordinary Shares as at 30 September 2015	109,533	348,171
Shares to be issued under the Issue – approximately	13,692	88,995
Cost of the Issue (estimated) <sup>(3)</sup>		300
<b>Total issued Capital after the Issue – approximately</b>	<b>123,225</b>	<b>436,865</b>

#### Net Asset Backing

Pre Issue Net Asset Backing per share at 30 September 2015	Post Issue effect on Net Asset Backing per share at 30 September 2015
\$7.49 <sup>(1)</sup>	Approximately \$7.37 <sup>(1)</sup>
\$6.61 <sup>(2)</sup>	Approximately \$6.60 <sup>(2)</sup>

(1) After allowing for tax on realised but not unrealised capital gains and before any future tax benefit of realised losses.

(2) After allowing for tax on both realised and unrealised capital gains.

(3) Costs of the Issue are described in the Glossary at the rear of this booklet.

A pro forma Balance Sheet for AUI is provided below showing the net effect of the payment of the final dividend on 25 September 2015 and of the Issue, as if those events had occurred on 30 June 2015 with allowance for rounding and assuming the Issue is fully subscribed. The unaudited pro forma Balance Sheet is based on AUI's audited financial statements for the year ended 30 June 2015.

	<i><b>Audited Balance Sheet as at 30 June 2015</b></i>	<i><b>Adjustments for Final Dividend (Note 1)</b></i>	<i><b>Adjustments for Rights Issue (Note 2)</b></i>	<i><b>Unaudited Pro forma Balance Sheet</b></i>
	\$'000's	\$'000's	\$'000's	\$'000's
<b>CURRENT ASSETS</b>				
Cash assets	9,914	(18,991)	88,995	79,918
Receivables	8,437			8,437
Other	46			46
<b>TOTAL CURRENT ASSETS</b>	<b>18,397</b>	<b>(18,991)</b>	<b>88,995</b>	<b>88,401</b>
<b>NON-CURRENT ASSETS</b>				
Investment portfolio	1,029,619			1,029,619
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,029,619</b>			<b>1,029,619</b>
<b>TOTAL ASSETS</b>	<b>1,048,017</b>			<b>1,118,020</b>
<b>CURRENT LIABILITIES</b>				
Payables	8,432		300	8,732
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,432</b>		<b>300</b>	<b>8,732</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings – interest bearing	119,088			119,088
Deferred tax liability	124,582			124,582
Provision for Long Service Leave	19			19
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>243,688</b>			<b>243,688</b>
<b>TOTAL LIABILITIES</b>	<b>252,121</b>		<b>300</b>	<b>252,420</b>
<b>NET ASSETS</b>	<b>795,896</b>	<b>(18,991)</b>	<b>88,695</b>	<b>865,600</b>
<b>EQUITY</b>				
Issued capital	346,928	1,243	88,695	436,866
Reserves and Retained Earnings	448,968	(20,234)		428,734
<b>TOTAL EQUITY</b>	<b>795,896</b>	<b>(18,991)</b>	<b>88,695</b>	<b>865,600</b>

Note 1: Adjustments for fully franked final dividend of 18.5 cents, paid 25 September 2015 and new shares issued under the dividend reinvestment plan (DRP). The new DRP shares are eligible to participate in the one for eight renounceable rights issue.

Note 2: Adjustments for the one for eight renounceable rights issue at \$6.50 per New Share made in this Entitlement Offer Booklet. An accrual for \$300,000 relating to the Costs of the Issue has been made. Costs of the Issue are described in the Glossary at the rear of this booklet.

#### **5.4 Effect of the Entitlement Offer on shareholdings**

If all Entitlements are accepted by existing shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of AUI.

To the extent that Eligible Shareholders do not participate by selling or failing to take up their Entitlements and to the extent that there are existing shareholders who are not eligible to participate, the shareholding interest of those non-participating shareholders will be diluted.

The Directors have been advised by The Ian Potter Foundation Ltd as trustee for The Ian Potter Foundation that it intends to subscribe for its Entitlement to the Issue in full (including the Entitlement of its controlled entity, Dundee Trading Pty Ltd) in the absence of unforeseen circumstances.

Notwithstanding that existing shareholders (other than The Ian Potter Foundation Ltd) may not take up New Shares, or may take up New Shares in excess of their Entitlements by participating in rights trading or the Shortfall Bookbuild or that new investors may acquire New Shares by participating in rights trading or new professional or sophisticated investors may acquire New Shares by participating in the Shortfall Bookbuild, the Directors do not anticipate that this will result in a change of control of AUI.

#### **5.5 Borrowings**

At 30 September 2015 bank borrowings were \$120 million (30 June 2015 \$120 million) modestly gearing the portfolio by around 12.8% (30 June 2015 11.0%). At 30 September 2015, bank facilities of \$20 million were repayable within 12 months.

The level of gearing will vary from time to time as a result of market fluctuations and the Directors' view of the appropriate level of borrowings. In recent years bank borrowings have usually represented around 10%-12% of the investment portfolio at market value.

#### **5.6 Rights attaching to the New Shares**

The New Shares will not receive the interim dividend in respect of the year to 30 June 2016 expected to be paid in March 2016, and accordingly the first dividend receivable on the New Shares will be the final dividend in respect of the year to 30 June 2016, expected to be paid in September 2016. If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "AUIIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2016 when the New Shares will trade under the Company's ASX Code of 'AUI' for Existing Shares and will rank equally in all respects with Existing Shares.

The Issue is not underwritten.

Eligible Shareholders may choose to apply for all or some of their Entitlement, sell some or all of their Entitlements, subject to the availability of buyers, or do nothing. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'AUIR'. If you wish to sell your Entitlements you should contact your broker or other professional advisor.

If you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor.

#### **5.7 Interest on Application Monies**

AUI will be entitled to all interest paid or accrued on Application Monies held in trust by AUI from the date of receipt of the Application Monies to the date of issue of the New Shares to which the Application Monies relate.

## 5.8 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares or selling your Entitlements.

AUI does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Entitlement Offer. AUI, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for New Shares under this Entitlement Offer Booklet or selling their Entitlements.

## 5.9 Future performance and forward-looking statements

Neither AUI nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. This Entitlement Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Entitlement Offer Booklet and AUI assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of AUI and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Entitlement Offer Booklet.

## 5.10 Past performance

Investors should note that the past share price performance of AUI shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

## 5.11 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## 5.12 Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. AUI is not licensed to provide financial product advice in respect of the New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Entitlement Offer Booklet, you have any questions about the Entitlement Offer, you should contact your broker or other professional advisor.

### **5.13 Governing law**

The information in this Entitlement Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

### **5.14 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Entitlement Offer Booklet.

Any information or representation that is not in this Entitlement Offer Booklet may not be relied on as having been authorised by AUI or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of AUI, or any other person, warrants or guarantees the future performance of AUI or any return on any investment made pursuant to this Entitlement Offer Booklet.

# Glossary

In this Entitlement Offer Booklet:

**AEDT** means Australian Eastern Daylight Savings Time.

**Applicant** means a person who has applied to subscribe for New Shares under the Entitlement Offer.

**Application Monies** means the aggregate money payable for New Shares applied for under the Entitlement Offer by an Applicant.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Instrument** means any class order or other instrument issued by ASIC amending the provisions of the Corporations Act generally or in a specific instance.

**ASX** means Australian Securities Exchange Limited ABN 98 008 624 691.

**AUI or the Company** means Australian United Investment Company Limited ABN 37 004 268 679.

**Baillieu Holst** means Baillieu Holst Ltd.

**Corporations Act** means the Corporations Act 2001 (Cth) and any regulations made under it (including any modifications made by ASIC Instrument).

**Costs of the Issue** means the estimated costs directly associated with the Issue including legal fees, Share Registry fees, postage and printing costs, ASX Listing fees, the Dixon Advisory fixed stamping fee and sundry other items but excluding the 1% fee payable to the Placing Agents on the Shortfall Bookbuild which is only a cost to the Company in part or in whole where the amount paid for New Shares under the Shortfall Bookbuild is less than \$6.565.

**Dixon Advisory** means Dixon Advisory & Superannuation Services Limited.

**Eligible Shareholders** means a person who is registered as a holder of Existing Shares as at the Record Date whose address on the register is in Australia or New Zealand and who is not in the United States and is not a U.S. Person or acting for the account or benefit of U.S. Persons.

**Entitlement** means the entitlement to 1 New Share for every 8 Existing Shares.

**Entitlement Offer** means the pro rata renounceable rights offer to shareholders of approximately 13,691,614 New Shares in AUI in the proportion of 1 New Share for every 8 Existing Shares at the Offer Price.

**Entitlement Offer Booklet** means this booklet dated 12 October 2015 including the Form.

**Evans and Partners** means Evans and Partners Pty Ltd.

**Existing Shares** means fully paid ordinary shares in the Company on issue at the Record Date.

**Form** means the Entitlement and Acceptance Form.

**Issue** means the issue of New Shares pursuant to this Entitlement Offer Booklet.

**Listing Rules** means the ASX listing rules.

**New Shares** means the fully paid ordinary shares in the Company to be issued pursuant to this Entitlement Offer Booklet.

**Offer Price** means the offer price of \$6.50 per New Share.

**Placing Agents** means each of Evans and Partners, Baillieu Holst and Dixon Advisory.

## Glossary (continued)

**Record Date** means the time and date for determining which shareholders are registered as holders of Existing Shares, being 7.00pm AEDT on 16 October 2015.

**Securities Act** means the United States Securities Act of 1933, as amended.

**Share Registry** means Link Market Services Limited ABN 54 083 214 537.

**Shortfall** means a shortfall arising from Entitlements not taken up by the closing date for receipt of the Form.

**Shortfall Bookbuild** means the bookbuild which may be conducted by the Placing Agents with respect to the offer of New Shares in respect of the Shortfall. New Shares offered under the Shortfall Bookbuild will be sold at a price not less than the Offer Price.

**U.S. Person** has the meaning given to that term in Regulation S under the Securities Act.

# Corporate Directory

## Directors

Charles B Goode AC, B.Com (Hons) (Melb), MBA (Columbia), Hon.LLD (Melb), Hon LLD (Mon)

Peter Wetherall B.E. Hons (Qld), B.A. Hons (Oxon), GAICD

James Craig B.Ec/LLB (Adel), LLM (Melb)

Fred Grimwade B.Com/LLB (Hons) (Melb), MBA (Columbia), FAICD

## Company Secretary

Andrew J Hancock, FCA, B.Ec (Mon), Grad. Dip. CDP (RMIT)

## Principal Office

Level 20  
101 Collins Street  
Melbourne Vic 3000  
Tel: (613) 9654 0499  
Fax: (613) 9654 3499  
Email: [info@au.com.au](mailto:info@au.com.au)  
Website: [www.au.com.au](http://www.au.com.au)

## Auditors

KPMG  
Chartered Accountants  
147 Collins Street  
Melbourne Vic 3000

## Legal Advisors to the Company

Minter Ellison, Lawyers  
Level 23, North Tower  
Rialto Towers  
525 Collins Street  
Melbourne Vic 3000

## Share Registry

Link Market Services Limited  
Level 12

680 George Street  
Sydney NSW 2000  
Locked Bag A14

Sydney South NSW 1235

Tel: (+61) 1800 622 202

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Registered Office

Level 20  
101 Collins Street  
Melbourne Vic 3000

## Placing Agents

Evans and Partners Pty Ltd  
Mayfair Building  
171 Collins Street  
Melbourne Vic 3000  
Tel: (613) 9631 9827

Baillieu Holst Ltd  
Level 26  
360 Collins St  
Melbourne Vic 3000  
Tel: (613) 9602 9222

Dixon Advisory & Superannuation Services Limited  
Level 15  
100 Pacific Highway  
North Sydney NSW 2060  
Tel: 1300 852 017

## Securities Exchange

The Company is listed on the  
Australian Securities Exchange Ltd  
ASX Code: AUI

## Website

[www.au.com.au](http://www.au.com.au)