

7 October 2015

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
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20 Bridge Street  
Sydney NSW 2000

Australian Foundation  
Investment Company Limited  
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**Electronic Lodgement**

**Australian Foundation Investment Company Limited  
Share Purchase Plan**

Dear Sir / Madam

Directors have decided to make an offer to shareholders under a Share Purchase Plan (SPP) to raise additional equity for investment purposes.

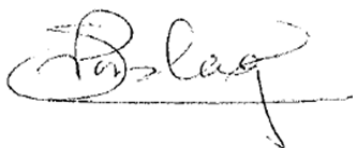
Subject to other participation requirements, shareholders with a registered address in Australia and New Zealand on the register at 7.00pm (AEDT) on Tuesday 6 October 2015 will be able to invest up to A\$15,000 in the Company's shares.

The SPP issue price will be at a 5.0% discount to the volume-weighted average price of AFIC shares traded on the Australian Securities Exchange and Chi-X Australia automated trading systems over the 5 trading days up to, and including, the day on which the SPP offer is scheduled to close, rounded down to the nearest cent. AFIC will announce the final issue price after the SPP offer closes. The number of shares issued to shareholders will be determined by dividing the value of the shares applied for by the issue price. If this calculation produces a fractional number, the number of shares issued will be rounded up to the nearest whole share.

Shares allotted under the SPP **will not be entitled to the next interim dividend** but will rank equally with existing fully paid shares after the payment of this interim dividend.

It is proposed that details of the SPP will be mailed to shareholders on Friday 16 October 2015. It is also proposed that applications will close on Monday 16 November 2015 and shares are expected to be issued under the SPP on Wednesday 25 November 2015.

Yours faithfully,



Simon Pordage  
Company Secretary