

14 December 2016

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Australian Foundation Investment Company Limited AFIC Notes – Maturity Date 28 February 2017

The Unsecured, Convertible Notes (**AFIC Notes**) issued by Australian Foundation Investment Company Limited (**AFIC** or the **Company**) on 19 December 2011 are due to mature on 28 February 2017 (**Maturity Date**).

Noteholders will receive correspondence from the Company in January 2017 as required by the ASX Listing Rules.

Noteholders will have several options available to them:

1. Conversion of AFIC Notes to AFIC Ordinary Shares

To convert some or all of their holding of AFIC Notes into AFIC ordinary shares (**AFIC Shares**) Noteholders must submit an Exit Notice by 13 February 2017.

Noteholders who elect to convert any of their AFIC Notes will receive 19.66 AFIC shares, equivalent to \$5.0864 per share, for every AFIC Note (subject to rounding and pursuant to Section 7 of the Prospectus). Noteholders will also be entitled to receive interest up to the Maturity Date.

Noteholders will receive an Exit Notice in January 2017. Noteholders who wish to convert their AFIC Notes to AFIC Shares must complete the Exit Notice and return it by post to the Company's Share Registry Computershare Investor Services Pty Limited, GPO Box 52, Melbourne Victoria 3001 Australia. The Exit Notice is also available on the Company's website.

The deadline for receipt of the exit notice is 13 February 2017.

2. Redemption of AFIC Notes (Default Option)

Noteholders that take no action will have their entire holding of AFIC Notes redeemed on the Maturity Date. The Repayment Amount is \$100 per Note (**Face Value**) and will be paid in full along with all interest. The Company will pay the proceeds in accordance with the payment instructions on file.

3. Sale of AFIC Notes on the Australian Securities Exchange (ASX)

The AFIC Notes are currently quoted on the ASX under code AFIG. Trading in the AFIC Notes on the ASX will cease from the close of trading on 22 February 2017. Any trades would be subject to normal ASX market terms and conditions and the applicable brokerage charges.

Outlined below are the key dates regarding maturity of the AFIC Notes.

Important Dates

Deadline to convert AFIC Notes to AFIC Shares (by completing an Exit Notice)	13 February 2017
Ex-date for final interest payment	17 February 2017
Record Date for final interest payment	20 February 2017
Last Trading Date in AFIG	22 February 2017
Maturity Date/Conversion Date	28 February 2017

If Noteholders have any questions in relation to the above, please do not hesitate to contact Computershare on 1300 662 270.

Yours faithfully



Matthew Rowe
Company Secretary