



**Australian Foundation**  
INVESTMENT COMPANY

Australian Foundation Investment  
Company Limited  
ABN 56 004 147 120

Level 21, 101 Collins Street  
Melbourne Victoria 3000

GPO Box 2114  
Melbourne Victoria 3001

Telephone (03) 9650 9911  
Facsimile (03) 9650 9100  
Email [invest@afi.com.au](mailto:invest@afi.com.au)  
Website [www.afi.com.au](http://www.afi.com.au)

7 August 2007

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

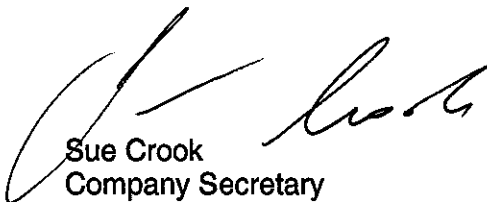
**Electronic Lodgement**

**Australian Foundation Investment Company Limited**  
**Renewal of share buy back**

Dear Sir or Madam

Please find attached Appendix 3C and ASIC form 281 for the Company.

Yours faithfully,

  
Sue Crook  
Company Secretary

# Appendix 3C

## Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

|   |   |
|---|---|
| Name of entity  | ABN   |
| <input type="text" value="AUSTRALIAN FOUNDATION INVESTMENT COMPANY LTD"/> | <input type="text" value="56 004 147 120"/> |

We (the entity) give ASX the following information.

### Information about buy-back

|   |   |   |
|---|---|---|
| 1 | Type of buy-back  | <input type="text" value="On-market"/>          |
| 2 | +Class of shares which is the subject of the buy-back ( <i>eg, ordinary/preference</i> )                            | <input type="text" value="Ordinary Shares"/>    |
| 3 | Voting rights ( <i>eg, one for one</i> )  | <input type="text" value="One for one"/>        |
| 4 | Fully paid/partly paid ( <i>and if partly paid, details of how much has been paid and how much is outstanding</i> ) | <input type="text" value="Fully paid"/>         |
| 5 | Number of shares in the +class on issue   | <input type="text" value="959,575,644"/>        |
| 6 | Whether shareholder approval is required for buy-back   | <input type="text" value="No"/>                 |
| 7 | Reason for buy-back   | <input type="text" value="Capital Management"/> |

**Appendix 3C**  
**Announcement of buy-back**

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8 Any other information material to a shareholder's decision whether to accept the offer (*eg, details of any proposed takeover bid*)

|     |
|-----|
| Nil |
|-----|

**On-market buy-back**

9 Name of broker who will act on the company's behalf

|                      |
|----------------------|
| Goldman Sachs JBWere |
|----------------------|

11 If the company intends to buy back a maximum number of shares - that number

Note: This requires a figure to be included, not a percentage.

|            |
|------------|
| 95,957,564 |
|------------|

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention

|   |
|---|
| Commencing 7 August 2007 and ending on or before 7 August 2008. |
|---|

13 If the company intends to buy back shares if conditions are met - those conditions

|     |
|-----|
| N/A |
|-----|

**Employee share scheme buy-back**

14 Number of shares proposed to be bought back

|     |
|-----|
| N/A |
|-----|

15 Price to be offered for shares

|     |
|-----|
| N/A |
|-----|

---

<sup>+</sup> See chapter 19 for defined terms.

**Selective buy-back**

- 16 Name of person or description of class of person whose shares are proposed to be bought back N/A
- 17 Number of shares proposed to be bought back N/A
- 18 Price to be offered for shares N/A

**Equal access scheme**

- 19 Percentage of shares proposed to be bought back N/A
- 20 Total number of shares proposed to be bought back if all offers are accepted N/A
- 21 Price to be offered for shares N/A
- 22 \*Record date for participation in offer N/A  
Cross reference: Appendix 7A, clause 9.

**Compliance statement**

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: .....  
Company secretary

Date: 7 August 2007

Print name: SUE CROOK

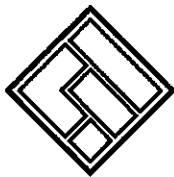
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<sup>+</sup> See chapter 19 for defined terms.

ASIC registered agent number 25066

**lodging party or agent name** Mary Melabiotis  
**office, level, building name or PO Box no.** GPO BOX 2114  
**street number & name**  
**suburb/city** MELBOURNE **state/territory** VIC **postcode** 3000  
**telephone** ( 03 ) 9924 0041  
**facsimile** ( 03 ) 9650 9100  
**DX number** suburb/city

|  |   |  |
|--|---|--|
|  | ASS. <input type="checkbox"/><br>CASH. <input type="checkbox"/><br>PROC. <input type="checkbox"/> | REQ-A <input type="checkbox"/><br>REQ-P <input type="checkbox"/> |
|--|---|--|



**Australian Securities & Investments Commission**

Notice of **intention to carry out a share buy-back**

form **281**  
 Corporations Act 2001  
 257F(2)(b)

**Company name** AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED  
**A.C.N.** 56 004 147 120

| Type of share buy-back  | Buy back details  | When is this form required      |
|---|---|---------------------------------|
| tick the appropriate box  | fill in details for the type of buy back selected   |                                 |
| <input type="checkbox"/> <b>Employee share scheme</b><br>within 10/12 limit | proposed date for buy back agreement to be entered into<br>on or about / /  | always required                 |
| <input type="checkbox"/> <b>Employee share scheme</b><br>over 10/12 limit   | proposed date for buy back agreement to be entered into<br>on or about / / AND the resolution to approve<br>the buy back is proposed to be passed on or about / / | not always required, see note 2 |
| <input checked="" type="checkbox"/> <b>On market</b><br>within 10/12 limit  | period of buy back 07/ 08 / 07 to 07/ 08 / 08   | always required                 |
| <input type="checkbox"/> <b>On market</b><br>over 10/12 limit               | period of buy back / / to / / AND<br>the resolution to approve the buy back is proposed to be passed<br>on or about / /   | not always required, see note 2 |
| <input type="checkbox"/> <b>Equal access buy back</b><br>within 10/12 limit | proposed date for buy back agreement to be entered into<br>on or about / /  | not always required, see note 2 |
| <input type="checkbox"/> <b>Equal access buy back</b><br>over 10/12 limit   | proposed date for buy back agreement to be entered into<br>on or about / / AND the resolution to approve<br>the buy back is proposed to be passed on or about / / | not always required, see note 2 |
| <input type="checkbox"/> <b>Selective buy back</b>                          | proposed date for buy back agreement to be entered into<br>on or about / / AND the resolution to approve<br>the buy back is proposed to be passed on or about / / | not always required, see note 2 |

**Notes**

- If required, a form 281 must be lodged at least 14 days before;
  - if the buy-back agreement is conditional on the passing of a resolution, the resolution is passed; or
  - if it is not - the agreement is entered into (s. 257F).
- A form 281 must be used in the case of a employee share scheme over the 10/12 limit, an on market buy-back over the 10/12 limit, an equal access scheme or a selective buy-back only if:
  - \* the company intends to give short (less than 14 days) notice of a meeting to approve the buy back and lodge the notice of meeting (with a form 280) less than 14 days before the relevant date; and
  - \* in the case of an equal access or a selective buy back, if the company lodges the documents referred to in s. 257E less than 14 days before the relevant date.

For the purposes of Note 2 "relevant date" means:

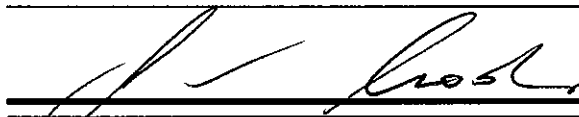
  - \* if the buy-back agreement is conditional on the passing of a resolution, the resolution is passed; or
  - \* if it is not - the agreement is entered into (s. 257F).
- If a resolution is to be passed by way of a circular to all members which complies with s. 249A, an estimated last date for signing the circular can be inserted.

**Signature**

I certify that information in this form is true and correct and the attached documents marked ( ) are true copies.

print name **SUE CROOK**capacity **COMPANY SECRETARY**

sign here


date **07 / 08 / 07**

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

**Include**

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs          mins

### BUY-BACK PROCEDURE - GENERAL Section 257B

The following table specifies the steps required for, and the sections (and forms) that apply to, the different types of buy-back.

| Procedures (and sections applied)                    | Minimum holding | Employee share scheme |                  | On-Market          |                  | Equal access scheme |                  | Selective buy-back |
|--|-----------------|-----------------------|------------------|--------------------|------------------|---------------------|------------------|--------------------|
|  |                 | within 10/12 limit    | over 10/12 limit | within 10/12 limit | over 10/12 limit | within 10/12 limit  | over 10/12 limit |                    |
| Ordinary resolution [257C]                           |                 |                       | YES              |                    | YES              |                     | YES              |                    |
| Special/unanimous resolution [257D]                  |                 |                       |                  |                    |                  |                     |                  | YES                |
| Lodge offer documents with ASC [257E]                |                 |                       |                  |                    |                  | YES                 | YES              | YES                |
| 14 days notice [257F]                                |                 | YES                   | YES              | YES                | YES              | YES                 | YES              | YES                |
| Disclose relevant information when offer made [257G] |                 |                       |                  |                    |                  | YES                 | YES              | YES                |
| Cancel shares [257H]                                 | YES             | YES                   | YES              | YES                | YES              | YES                 | YES              | YES                |
| Notify cancellation to ASC [254Y]                    | YES             | YES                   | YES              | YES                | YES              | YES                 | YES              | YES                |
| FORM 280   | NO              | NO                    | YES              | NO                 | YES              | YES                 | YES              | YES                |
| FORM 281   | NO              | YES                   | see note 2       | YES                | see note 2       | see note 2          | see note 2       | see note 2         |

**NOTE 1:** Subsections (2) and (3) of Section 257B explain what an 'equal access scheme' is. The 10/12 limit is the 10% in 12 months limit laid down in subsections (4) and (5). Subsections (6) & (7) of this section explain what an 'on-market buy-back' is. See section 9 for definitions of 'minimum holding buy-back', 'employee share scheme buy-back' and 'selective buy-back'.

**NOTE 2:** A form 281 must be used in the case of a employee share scheme over the 10/12 limit, an on market buy-back over the 10/12 limit, an equal access scheme or a selective buy-back only if:

- \* the company intends to give short (less than 14 days) notice of a meeting to approve the buy back and lodge the notice of meeting (with a form 280) less than 14 days before the relevant date; and
- \* in the case of an equal access or a selective buy back, if the company lodges the documents referred to in S. 257E less than 14 days before the relevant date.

**For the purposes of note 2**, "relevant date" means:

- \* if the buy-back agreement is conditional on the passing of a resolution, the resolution is passed; or
- \* if it is not - the agreement is entered into (S. 257F).