

27 March 2018

Change in substantial shareholder

Nick Scali Limited Managing Director, Mr Anthony Scali, today advised the Board that he has entered into an agreement with Jason Furniture (Hangzhou) Co., Ltd (KUKA) to sell 11.04 million of his shares to a subsidiary of that Company.

This transaction will result in Mr Scali continuing to hold 11.04 million shares in Nick Scali Limited, being 13.63% of the company.

KUKA is a Chinese company listed on the Shanghai Stock Exchange capitalised at circa A\$6bn. KUKA is involved in the design and manufacture of soft furniture products sold to approximately 700 customers in 120 countries, with annual sales of A\$1.4bn in 2017. KUKA is one of the largest manufacturers of furniture in China and has been a supplier to Nick Scali Limited for more than 10 years.

This transaction results in the establishment of a strategic shareholder for the Company with the objective over time to assist the company to realise its growth strategies.

Commenting on the transaction, which is subject to approval by relevant Chinese Government departments, Anthony Scali said, "Nick Scali Limited has been an important part of me for all my working life and I believe it continues to have great prospects. I am as committed to the Company as ever and I will be maintaining my remaining shareholding. I am looking forward to developing even stronger relationships with suppliers and to pursuing the growth opportunities for the benefit of all stakeholders."

The Board takes this opportunity to re-iterate the profit guidance issued at the half-yearly announcement on 7th February 2018 of Net Profit after Tax for the year ending 30 June 2018 being between 5% and 10% above that achieved last year.

J W Ingram
Chairman