

14 November 2014



Simone Papas
Manager, Issuers (Melbourne)
ASX Limited
Level 4
North Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

BY EMAIL: Simone.Papas@asx.com.au

Dear Simone

Simonds Group Limited – ASX Listing Conditions

We refer to the listing conditions dated 13 November 2014 (**Listing Conditions**) in connection with the initial public offering (**Offer**) of fully paid ordinary shares (**Shares**) in Simonds Group Limited (ACN 143 841 801) (**Simonds**) on the Australian Securities Exchanges (**ASX**) under the prospectus lodged with Australian Securities and Investments Commission (**ASIC**) on 22 October 2014 (**Prospectus**).

Capitalised terms used but not defined in this letter have the meaning given to them in the Prospectus.

1. Confirmations

Simonds confirms that:

- (a) the Offer closed on Thursday, 13 November 2014;
- (b) Simonds has received and accepted valid applications for 90,424,552 Shares and intends to proceed with the issue and transfer of these Shares;
- (c) it has the appropriate spread of shareholders and in any case that there will be at least 300 shareholders, each having a parcel of shares with a value of at least \$2,000, and at least 50% of Simonds' ordinary shares are not held by related parties. In this regard Simonds confirms that applications have been received from substantially more than 300 applications for parcels of shares of equal to, or more than, \$2,000;
- (d) the basis of allocations of Shares under:
 - (i) the Institutional Offer has been determined by the Company in consultation with the Joint Lead Managers during the bookbuild,

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which occurred prior to lodgement of the Prospectus, and institutional investors have been notified of their allocations;

- (ii) the Broker Firm Offer has been determined by brokers who allocated Shares among their respective clients. Applicants will be able to confirm their holding by calling their broker from 17 November 2014; and
 - (iii) the Priority Offer and the Employee Gift Offer has been determined by Simonds in consultation with the Joint Lead Managers. Applicants will be able to confirm their holding by calling the shareholder information line from 17 November 2014;
- (e) conditional trading will continue until Simonds has advised ASX that:
 - (i) the Sale Shares to be sold by the Selling Shareholders have been transferred to SaleCo; and
 - (ii) Simonds Group has issued Shares, and SaleCo has transferred Shares, to successful Applicants under the Offer, which is expected to be on or about 20 November 2014;
- (f) all Shares issued and transferred under the Offer were for \$1.78 per Share;
- (g) the number of Shares to be issued under each offer is as follows:
 - (i) the Institutional Offer – 64,922,101;
 - (ii) the Broker Firm Offer – 24,594,979;
 - (iii) the Employee Gift Offer – 221,306; and
 - (iv) the Priority Offer – 686,166;
- (h) the Shares will be issued or transferred to applicants on 20 November 2014;
- (i) holding statements for both the CHESS sub-register and the issuer sponsored sub-register will be dispatched on 21 November 2014;
- (j) overpayments of Application Monies will be refunded by the share registry by 1 December 2014; and
- (k) there are 60,987,716 Shares subject to voluntary escrow and that, subject to the terms of the voluntary restriction agreements between Simonds and each escrowed shareholder, all Shares will be released from escrow upon release of the Simonds preliminary financial statements for 30 June 2016.

2. Documents

Enclosed are the following documents:

- (a) an indicative statement setting out the names of the twenty largest holders in each class of security to be quoted, and the number and percentage of each class of securities held by those holders.
- (a) an indicative distribution schedule of the numbers of holders in each class of security to be quoted setting out the number of holders in the following categories:
 - 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- (b) Simonds' Appendix 1A and Information Form and Checklist;
- (c) the Prospectus;
- (d) Simonds' constitution;
- (e) a statement from all the directors, in accordance with listing rule 1.2.5A, confirming that they have made enquiries and nothing has come to their attention to suggest that the economic entity is not continuing to earn profit from continuing operations up to the date of the application for admission to the official list;
- (f) Simonds' audited accounts for the full years ended 30 June 2014;
- (g) the audited accounts of Simonds Homes Holdings Pty Ltd and its controlled entities for the years ended 30 June 2013 and 30 June 2012;
- (h) the full terms and conditions of the Employee Share Plan;
- (i) the Company's corporate governance statement;
- (j) the Company's securities trading policy; and
- (k) a statement setting out the number of securities subject to voluntary escrow and the escrow period applied to those securities.

Simonds confirms that there is a toll free Shareholder information line that is administered by the share registry. The information line has been available to Shareholders from the date the Offer opened, will remain open until after despatch of holding statements in order to deal with Shareholder enquiries in order to ensure that applicants are able to determine their entitlements for the purposes of conditional and

deferred settlement trading. Simonds also confirms that the number of available lines is expected to be sufficient to meet the anticipated volume of Shareholder calls.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Stubbs', with a stylized, jagged line above the name.

Robert G. Stubbs
Chief Financial Officer and Company Secretary

Simonds Group Limited
robert.stubbs@simonds.com.au