

9 January 2015

**SIMONDS GROUP (ASX: SIO)**

**ASX ANNOUNCEMENT**

**Builders Academy Australia to acquire a building and construction training business**

Simonds Group (ASX: SIO) is pleased to announce that its Registered Training Organisation (RTO), Builders Academy Australia (BAA) has entered into a conditional binding contract to acquire 100% of the shares of City-Wide Building and Training Services Pty Ltd (CWBTS).

The acquisition price for CWBTS will be a maximum of \$4.0 million. A portion of the consideration in the acquisition is subject to the vendor's ability to achieve their performance target to receive related incentive payments. Simonds will fund the acquisition out of existing cash reserves.

The transaction is subject to conditions precedent, including consent of the respective NSW and QLD governments. Subject to conditions precedent being satisfied, the transaction is expected to complete by end January 2015.

**Financial impact**

Simonds Group expects the acquisition to be earnings accretive from completion.

**Overview of the Acquisition**

**City-Wide Building & Training Services**

CWBTS is a RTO that has been operating since 2005 and is regulated by the Federal regulator (ASQA). CWBTS is based in Tweed Heads and specialises in the delivery of Certificates II and III qualifications in construction, carpentry, concreting, scaffolding, steelfixing, formwork/falsework, civil construction, and civil construction plant operations, mostly in northern NSW and QLD. Most of CWBTS's training is delivered on site to new and existing workers in the civil and general construction industries in the delivery of apprenticeships and traineeships.

CWBTS has entered into funding contracts with the NSW Department of Education & Communities and the QLD Department of Education, Training & Employment for the delivery of its qualifications. CWBTS also has a partnership arrangement with Construction Skills Queensland to deliver funded training & assessment programs in the civil and general construction industries in QLD.

### **Strategic Rationale and Impact for BAA**

Consistent with BAA's growth opportunities as set out in the Simonds Group Prospectus dated 22 October 2014, the acquisition enables BAA to extend its offering to the NSW and QLD markets and in Certificate II and III building and construction qualifications. The vendors of the business will join BAA as consultants and assist BAA integrate and grow the business. Upon completion, BAA will support the ongoing growth of CWBTS by integrating the business into BAA's established and robust sales, compliance, and back-office frameworks.

Consistent with BAA's vision to be Australia's number one provider of building and construction training, CWBT specialises in only delivering nationally accredited training in building and construction courses (under the Federal RTO regulator, ASQA).

Critically, CWBTS has been an owner-operated business with the owners / vendors acquiring, enrolling and training their own students internally whilst performing the administration and compliance functions of the business.

CWBTS delivers key trade, building and construction and civil construction qualifications in Certificate II and III. Consequently, BAA is moving towards its goal to provide students a comprehensive pathway from Certificate II to Advanced Diploma in the building and construction training sector. CWBTS also delivers courses in civil construction, which enables BAA to expand its offering in the building and construction training sector.

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### ***About Simonds Group (ASX code SIO)***

Simonds Group Limited is an ASX listed integrated homebuilder (Simonds Homes) and Registered Training Organisation (Builders Academy Australia). Simonds Homes is the number one homebuilder in Victoria and currently operates display homes in over 45 locations across Victoria, Queensland and South Australia with plans to expand display homes in New South Wales.

Builders Academy Australia is a Registered Training Organisation with a focus on offering nationally accredited qualifications in building and construction. The origins of Builders Academy Australia date back more than ten years, when the Simonds Group established its training division. Builders Academy Australia offers training programs to over 3000 participants in Victoria. Embedded within one of Australia's leading home builders, Builders Academy Australia is 'builders training builders', offering a clear career employment pathway for course participants as well as a well-trained network of employees, suppliers and contractors of Simonds Homes.

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