

ASX ANNOUNCEMENT

20 August 2015

SIMONDS GROUP ANNOUNCES ON-MARKET SHARE BUY-BACK

Simonds Group Limited (ASX: SIO) is pleased to announce that it intends to undertake an on-market share buy-back ("buy-back") to enable the company to buy-back up to a maximum of 7.5 million shares within a 12-month period. The buy-back is part of the company's ongoing capital management strategy.

Paul McMahon, CEO & Managing Director, said: "The buy-back is an effective method of maintaining adequate capital where SIO's shares are trading at a significant discount to the underlying value of the Company. It provides good value for shareholders and ensures an efficient capital structure whilst still maintaining appropriate balance sheet capacity to fund our national growth strategy".

In accordance with the ASX listing rules, the prices paid for shares purchased under the buy-back will be no more than 5% above the volume weighted average price of SIO shares over the 5 trading days prior to purchase. The total number of shares to be purchased by SIO under the buy-back will depend on business and market conditions, the prevailing share price, available cash reserves and market volumes, but is anticipated to be up to a maximum of 7.5 million shares.

The share buy-back is expected to commence on 7 September 2015 for a period of no more than 12 months. SIO will only buy-back shares at such time and in such circumstances as it considers beneficial to the efficient capital management of the company.

In addition, the company may from time to time acquire SIO shares on-market for our existing employee share plan arrangements.

The Company expects that the share buy-back, which will be funded from existing cash reserves and banking facilities, will be EPS accretive.

The Appendix 3C in relation to the on-market share buy-back is attached to this announcement.

- ENDS -

For more information, please contact:

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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 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 across Victoria, New South Wales and Queensland with over 5,500 course enrolments in FY15. 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.

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, 11/01/10

Name of entity	ABN/ARSN
Simonds Group Limited	54 143 841 801

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market share buy-back
2	⁺ Class of shares/units which is the subject of the buy-back (<i>eg, ordinary/preference</i>)	Ordinary shares
3	Voting rights (<i>eg, one for one</i>)	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>)	Fully paid
5	Number of shares/units in the ⁺ class on issue	151,412,268
6	Whether shareholder/unitholder approval is required for buy-back	Shareholder approval is not required
7	Reason for buy-back	Ongoing capital management

⁺ See chapter 19 for defined terms.

8	Any other information material to a shareholder's/unitholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>)	None
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On-market buy-back

9	Name of broker who will act on the company's behalf	Moelis Australia Securities Pty Limited
10	Deleted 30/9/2001.	
11	<p>If the company/trust intends to buy back a maximum number of shares - that number</p> <p><small>Note: This requires a figure to be included, not a percentage.</small></p>	<p>Up to a maximum of 7,570,613 issued ordinary shares of the Company as at the date of this announcement.</p> <p>The Company reserves the right to suspend or terminate the share buy-back at any time.</p>
12	<p>If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention</p>	<p>Commencing no earlier than 7 September 2015 and ending within 12 months from the date of this announcement.</p> <p>The Company reserves the right to suspend or terminate the share buy-back at any time.</p>
13	If the company/trust intends to buy back shares/units if conditions are met - those conditions	Not applicable

Employee share scheme buy-back

14	Number of shares proposed to be bought back	Not applicable
15	Price to be offered for shares	Not applicable

Selective buy-back

- | | | |
|----|--|----------------|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | Not applicable |
| 17 | Number of shares proposed to be bought back | Not applicable |
| 18 | Price to be offered for shares | Not applicable |

Equal access scheme

- | | | |
|----|---|----------------|
| 19 | Percentage of shares proposed to be bought back | Not applicable |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | Not applicable |
| 21 | Price to be offered for shares | Not applicable |
| 22 | ⁺ Record date for participation in offer
<small>Cross reference: Appendix 7A, clause 9.</small> | Not applicable |

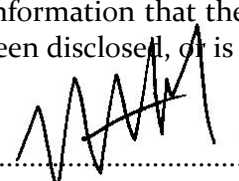
Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, 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:


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(Director/Company secretary)

Date: ...19 Aug 2015....

Print name: Robert Stubbs, Chief Financial Officer & Company Secretary

⁺ See chapter 19 for defined terms.