

ASX ANNOUNCEMENT

COURT APPROVES CONVENING OF SCHEME MEETING FOR 29 NOVEMBER 2016

INDEPENDENT EXPERT CONCLUDES THAT THE SCHEME IS IN THE BEST INTERESTS OF SIMONDS SHAREHOLDERS

Melbourne, 26 October 2016

Court Approval

Simonds Group Limited announces that the Supreme Court of Victoria has today ordered a meeting of Simonds shareholders to consider and vote on the previously announced scheme of arrangement under which SR Residential Pty Ltd, a company jointly owned by entities associated with Simonds Family Office Pty Ltd and Roche Holdings Pty Ltd, will acquire all of the shares in Simonds not already owned by associates of Simonds Family Office Pty Ltd ("**Scheme**").

If the Scheme is approved by the requisite majority of Simonds shareholders and all conditions precedent are satisfied or waived (where capable of waiver), shareholders will receive a cash payment of \$0.40 per Simonds share, to be paid on the implementation date (currently expected to be Wednesday, 7 December 2016).

The Scheme Meeting will be held at 10.00am (Melbourne time) on Tuesday, 29 November 2016 at the Pullman Hotel (Park Room), 65 Queens Road, Albert Park, Victoria 3004.

Information relating to the Scheme, including the notice convening the Scheme Meeting, will be included in a Scheme Booklet which will be sent to shareholders following registration of the Scheme Booklet with the Australian Securities and Investments Commission and lodgement with ASX.

A further announcement attaching the Scheme Booklet will be released by the company following registration of the Scheme Booklet with ASIC.

Independent Expert's Report

The Independent Expert, KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd), has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of the non-excluded Simonds shareholders, in the absence of a superior proposal.

KPMG's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet which will be released shortly.

The Independent Directors continue to unanimously recommend that Simonds shareholders vote in favour of the Scheme at the upcoming Scheme Meeting, in the absence of a superior proposal.

END.

For more information, please contact:

Media

Miche Paterson
Partner
Newgate Communications
+61 400 353 762
miche.paterson@newgatecomms.com.au

Shareholder enquiries

1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)
