

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To NZX Limited
and
To Smiths City Group Limited

Relevant event being disclosed: Change in the nature of a relevant interest in a substantial holding

Date of relevant event: 19 February 2016

Date this disclosure made: 22 February 2016

Date last disclosure made: 3 February 2016

Substantial product holder(s) giving disclosure

Full name(s): Mercantile Investment Company Limited, Sandon Capital Pty Limited

Summary of substantial holding

Class of quoted voting products: Ordinary shares

Summary for Mercantile Investment Company Limited, Sandon Capital Pty Limited

For **this** disclosure,—

- (a) total number held in class: 6,623,854
- (b) total in class: 52,688,153
- (c) total percentage held in class: 12.572%

For **last** disclosure,—

- (a) total number held in class: 6,623,854
- (b) total in class: 52,688,153
- (c) total percentage held in class: 12.572%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure: Appointment of a new custodian by Mercantile Investment Company Limited, resulting in the transfer of the 2,791,927 Smiths City Group Limited ordinary shares held by Mercantile Investment Company Limited and the 500,000 Smiths City Group Limited ordinary shares held by previous custodian McNeil Nominees Limited to the new custodian One Managed Investments Limited on 19 February 2016. No consideration was payable for the transfer.

Details after relevant event

Details for Mercantile Investment Company Limited

Nature of relevant interest(s): Beneficial owner (relevant agreement document need not be attached under regulation 139)

For that relevant interest,—

- (a) number held in class: 3,291,927
- (b) percentage held in class: 6.248%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Agreement with Sandon Capital Pty Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares. This agreement was attached to disclosure made by Mercantile Investment Company Limited and Sandon Capital Pty Limited on 27 August 2015 for beginning to have substantial holding.

For that relevant interest,—

- (a) number held in class: 3,331,927
- (b) percentage held in class: 6.324%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: N/A

Details for Sandon Capital Pty Limited

Nature of relevant interest(s): Power to exercise, or to control the exercise of, a right to vote attached to ordinary shares and the power to acquire or dispose of, or to control the acquisition or disposal of ordinary shares, by reason of being the investment manager of Sandon Capital Investments Limited.

For that relevant interest,—

- (a) number held in class: 3,331,927
- (b) percentage held in class: 6.324%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Agreement with Mercantile Investment Company Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares. This agreement was attached to disclosure made by Mercantile Investment

Company Limited and Sandon Capital Pty Limited on 27 August 2015 for beginning to have substantial holding.

For that relevant interest,—

- (a) number held in class: 3,291,927
- (b) percentage held in class: 6.248%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: N/A

Additional information

Address(es) of substantial product holder(s): Level 11, 139 Macquarie Street, Sydney NSW, Australia.

Contact details: Gabriel Radzynski, +61 2 8014 1188, gabriel@sandoncapital.com.au

Nature of connection between substantial product holders: Agreement between Mercantile Investment Company and Sandon Capital Pty Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares.

Certification

I, Gabriel Francois Radzynski, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.