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2nd July 2015

SIMONDS GROUP (ASX: SIO)

ASX ANNOUNCEMENT

Builders Academy Australia completes acquisition of City-Wide Building and Training Services; announces establishment of Independent Advisory Committee

Highlights:

- Builders Academy Australia ("BAA") has completed its acquisition of City-Wide Building and Training Services Pty Ltd.
- Acquisition enables BAA to extend its established offering in VIC to the NSW and QLD markets, and to expand the number of building and construction qualifications it can offer.
- Acquisition is forecast to be EPS accretive immediately.
- Separately, BAA has established an Independent Advisory Committee to guide its strategy to sustainably grow the business.
- Members of the Independent Advisory Committee all bring strong links to industry and government, and will further strengthen BAA's governance frameworks.

Completion of CWBTS acquisition and expansion of courses into new states

BAA advises that it has completed the acquisition of City-Wide Building and Training Services Pty Ltd ("**CWBTS**").

Consistent with BAA's growth strategy, this acquisition enables BAA to extend its offering to the NSW and QLD markets, and expand in Certificate II and III building and construction qualifications. BAA will also look to utilise CWBTS's course curriculum in the Victorian market.

Simonds Group Managing Director and CEO, Mr Paul McMahon, said: "The completion of the CWBTS acquisition sets the platform for the continued expansion of the Builders Academy brand across Australia.

"It supports our core proposition of 'Builders training Builders' and our strategy of developing a truly national capacity to deliver a comprehensive pathway from Certificate II to Advanced Diploma in the building and construction training sector.

"This provides a very real capability to help address the skills shortage in the building and construction industry."

City-Wide Building and Training Services

CWBTS is a Registered Training Organisation that has been operating since 2005, providing nationally accredited training in building and construction courses under the Federal RTO regulator, ASQA.

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Based in Tweed Heads, NSW, it specialises in the delivery of Certificate II and III qualifications in construction, carpentry, concreting, scaffolding, steel-fixing, formwork / falsework, civil construction, and civil construction plant operations, mostly in northern NSW and QLD. Most of CWBTS' 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 a Smart & Skilled funding contract with the NSW Department of Education & Communities and funding contracts with 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 and assessment programs in the civil and general construction industries in QLD.

BAA will fully integrate CWBTS into its current operations, with the CWBTS brand to be replaced by the BAA brand in due course, and the vendors of the business will join BAA to assist with integration and then growing the combined business.

Financial impact

Simonds Group will fund the acquisition costs of a maximum $4 million over the duration of the 2016 financial year from its cash reserves and credit facilities. The acquisition is forecast to be earnings accretive immediately.

Establishment of Independent Advisory Committee

BAA also advises that it has established an Independent Advisory Committee to guide and support its operations and strategy to sustainably grow the business.

The Independent Advisory Committee will be chaired by Mr Mark Henry and will comprise Senator Mr Bob Day AO, Ms Barbara Yeoh and Ms Dominique Fisher – see below for further information.

The Independent Advisory Committee will provide advice to BAA in the development and execution of its strategy, and is specifically charged with:

- Validate BAA's educational practices and also provide advice and guidance to BAA on their implementation;
- Provide guidance to BAA on current and relevant industry trends, governance and risk management including, operational direction and reporting obligations;
- Review BAA's operational metrics and to provide advice to ensure the business is performing to its potential;
- Review and advise on the best practice governance of the RTO sector; and
- To assist and advise BAA at the discretion of the BAA CEO.

The Advisory Committee will play an important role in ensuring BAA's training quality and value for money proposition is maintained as the business grows its student numbers. The members of the Advisory Committee all bring strong links to industry and government which will position them well to support BAA's strategic objectives.

BAA is specifically designed to provide industry-standard building and construction sector training from entry-level Certificate II courses to Advanced Diplomas supporting the development of apprentices all the way to builders' licensing.

BAA was first developed in 2005 to up-skill Simonds Homes staff before it was expanded to include staff from its suppliers and contractors. In 2013, BAA was opened to the wider industry and has grown significantly in numbers since that time.

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BAA is unique as a building and construction focused RTO, open to all members of the trades and construction industry and embedded in a building company. Based on the principle of "builders training builders", BAA represents the highest standard in quality training and value for money. BAA's current students are predominantly working in the trades and utilising their new skills to provide high quality skilled labour to the residential construction sector.

Ends

For more information, please contact:

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The BAA Independent Advisory Committee - Biographies

Senator Bob Day AO
Senator Day AO is a Senator for South Australia. Before entering Politics, Senator Day AO was the founder of Homestead Homes and Home Australia, which now also owns Collier Homes in Western Australia, Newstart Homes in Queensland, Ashford Homes in Victoria and Huxley Homes in New South Wales.

Senator Day AO has strong interest in youth employment, housing affordability, urban planning, economics and federalism which is reflected in a wide range of appointments which included the National President of the Housing Industry Association, Inaugural President of Independent Contractors of Australia, Director of The Centre of Independent Studies and Chairman of North East Vocational College.

Mark Henry
Mark is Chair of Maddocks and has a Government practice in the Public Law Group of top 20 law firm, Maddocks. In this role he has developed an extensive knowledge of the operation of Government. Mark was rated as one of the four best Government Lawyers in Victoria in The Australian Financial Review's Australia's Best Lawyers Survey in 2011 and has been listed in Best Lawyers for Government in 2011, 2012, 2013, 2014 and 2015. Mark has also been ranked by the Australian Corporate Lawyers Association as one of Australia's best.

His experience includes having advised a range of regulators. He has advised the VRQA, on the application of the *Education and Training Reform Act*, merits based reviews of the VRQA's decisions and compliance frameworks with respect to assessing and auditing RTOs.

He has held a range of positions at Maddocks including Chairman (current), Partner-in-Charge of the Government practice 2010-2014, Chairman 2007-2009 and Board member 2000-2007.

Barbara Yeoh
Barbara is a Key Associate of Phillips KPA and has previously been a Council Member and Deputy Chancellor of La Trobe University and the Chief Executive of the Treasury Corporation Victoria. Barbara has had more than 25 years' experience as a director on a wide range of boards and currently holds directorships on a number of statutory bodies.

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Barbara is currently the Chair of Monash Health, a Director of the Melba Conservatorium of Music and Trustee of the Melba Opera Trust, Director of the Victoria State Emergency Service, Chair of the Civil Aviation Safety Authority Audit Committee, Chair of the ACT Treasury Investment Advisory Board, Member of the Gambling and Lotteries Licence Review Panel (Victoria) and Member of the Statutory Fishing Rights Allocation Review Panel (Commonwealth).

Dominique Fisher

Dominique is currently a board member of the Australian Government's Vocational Education and Training ("VET") Advisory Board under the Assistant Minister for Education and Training's VET Reform Taskforce, is a non-executive director of Australia Post, Chair of Circadian Technologies Limited, Principal of EC Strategies Pty Ltd, and Executive Chairman of CareerLounge Pty Ltd.

Dominique has previously held positions as a non-executive director of Pacific Brands Limited and membership of its Audit and Risk Committee, Chairman of Sky Technologies Pty Ltd, Councillor of the Australia Council of the Arts, and Chairman of its Dance Board, Insurance Australia Group Limited (IAG), member of the Prostate Cancer Foundation Victoria, NRMA, the Malthouse Theatre, Sydney Opera House and member of the ICT Advisory Board, advising the Federal Government on key issues affecting the development of the information technology and communications sector.

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 106 display homes in over 58 locations across Victoria, Queensland and South Australia with plans in place 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 4900 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.
