

NZX and Media release

16 January 2018

Smiths City announces share buyback facility

National furniture and appliance retailer Smiths City today announces it has put in place a share buyback facility as part of its ongoing commitment to ensure shareholders benefit from the group's underlying performance improvements.

The new facility gives Smiths City the option to buy back up to 5% of its shares over the coming 12 months, but actual acquisitions are expected to be considerably lower than that amount.

Smiths City Chairman Craig Boyce said: "Directors have agreed to a limited programme of tactical buybacks aimed at overcoming the short-term share price distortions caused by low-volume trades in the company's shares.

"Smiths City is in a strong financial position. At the end of October 2017, the company had cash and cash equivalents of \$9.9 million on hand and \$55.9 million of borrowings, all of which were held against Smiths City Finance receivables.

"Meanwhile, the transformation programme initiated three and a half years ago is steadily making Smiths City a more resilient business. The share buyback facility gives us another tool to ensure that shareholders benefit from the progress we have made."

Mr Boyce said the programme would be managed to ensure that Smiths City's major shareholders did not inadvertently breach Takeovers Code thresholds.

For more information:

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About Smiths City Group Limited

Smiths City Group (NZX.SCY) was founded in Christchurch in 1918 and has a proud tradition as one of New Zealand's oldest and largest retail chains. The company floated on the stock exchange in 1972 and operates 35 stores (including 3 clearance centres) nationwide. The group comprises Smiths City Retail, Smiths City Finance and Smiths City Commercial. On the web: www.smithscity.co.nz and www.smithcitygroup.co.nz.

Smiths City Group Limited
(Company)

Prior Notice of Share Repurchase

(s 7.6.2 NZX Main Board Rules)

Name of Company: Smiths City Group Limited

Presented by Duncan Cotterill

Solicitors

PO Box 5

Christchurch 8140

To **New Zealand Stock Exchange (Main Board)**

The Company gives notice that pursuant to s65 of the Companies Act 1993 it will acquire its own shares within the following parameters:

1 Timing of purchase

1.1 The purchase of shares outlined below shall be conducted no earlier than 3 business days and no later than 12 months, from the date on which this notice is given.

2 Class of shares to be purchased

2.1 The shares to be purchased shall be ordinary shares.

3 Maximum number of shares to be purchased

3.1 No more than 2,634,407 shares will be acquired in this transaction.

4 Subject to variation and/or cancellation

4.1 Pursuant to rule 7.6.2, the conditions above may be varied by three business days' notice to the New Zealand Stock Exchange, or cancelled at any time.

Dated this 16th day of January 2018.



Craig David Boyce - Director