

ASX ANNOUNCEMENT

13 June 2017

Updated Expression of Interest from ASG Group Limited

SMS Management & Technology Limited (**SMS**) (ASX:SMX), on the evening of Friday, 9 June 2017, received an update from ASG Group Limited (**ASG**, a 100% owned subsidiary of Nomura Research Institute, Ltd (**NRI**)) in relation to ASG's non-binding, confidential, indicative, incomplete and conditional expression of interest to potentially acquire 100% of the shares in SMS (**EOI**).

ASG has notified SMS that it has completed its confirmatory due diligence process to its satisfaction, and is seeking NRI Board approval as expeditiously as possible to proceed with the proposed transaction on the following basis:

- An offer price of \$1.80 per SMS share, payable in cash;
- SMS will have discretion to pay a fully-franked special dividend of up to a maximum of 10.2 cents per share (in that event, the offer price will be reduced by the cash value of the special dividend paid);
- NRI providing a Parent Company Guarantee (**PCG**) that guarantees ASG's payment obligations to SMS shareholders;
- The proposed transaction being effected by a scheme of arrangement through various documents that have been negotiated between ASG and SMS, comprising a Scheme Implementation Agreement (**SIA**), Scheme of Arrangement, Deed Poll, Commitment Letter and PCG; and
- that Foreign Investment Review Board approval is not required.

ASG has indicated that Board approvals are the only outstanding EOI condition not otherwise set out in the ASG SIA and that ASG currently has no reason to believe these approvals will not be forthcoming.

As announced on 29 May 2017, the SMS Board, after receiving advice from its legal and financial advisers, has concluded that the EOI may reasonably be expected to lead to a Superior Proposal (as defined in the Scheme Implementation Agreement entered into on 27 February 2017 between SMS and DWS Limited under which DWS proposes to acquire SMS by scheme of arrangement (**DWS Scheme**)). The update provided from ASG on 9 June 2017 continues to support this conclusion.

There is no certainty that an offer for SMS from ASG will eventuate. The SMS Board is committed to acting in the best interests of SMS shareholders and therefore will continue to engage with ASG.

The Scheme Meeting for shareholders to vote on the DWS Scheme is currently scheduled for Wednesday, 14 June 2017. In light of the abovementioned developments, SMS intends to approach the Court later today and seek an order postponing the Scheme Meeting to a date to be fixed. Once the SMS Board has further information regarding the ASG EOI, it will provide a further update to shareholders including any new meeting date for the DWS Scheme. DWS has been notified of the key terms and conditions of the updated EOI.

SMS will make a further announcement in relation to the proposed postponement of the Scheme Meeting later today after it has approached the Court. SMS shareholders should check the ASX after 4.00pm today to confirm whether the Court has agreed to postpone the Scheme Meeting.

Further announcements will be made by SMS when appropriate. Shareholders do not need to take any action in response to this announcement.

For further information please contact:

Rick Rostolis, Chief Executive Officer
rick.rostolis@smsmt.com
+61 3 9674 3327

Peter Sherar, Chief Financial Officer
peter.sherar@smsmt.com
+61 3 9674 3327

About SMS

SMS is an ASX-listed Australian business specialising in business and IT advisory, technology solutions, managed services and recruitment. SMS cultivates innovation, digital, mobile and design-led business and technology capability to empower organisations across all industry sectors. With over 1,400 staff across Australia, Hong Kong, Singapore and the Philippines, SMS promotes and delivers next-generation customer-centric outcomes for our clients.