

ASX RELEASE

7 December 2017

NOTICE OF UNMARKETABLE PARCELS SHARE BUY-BACK

Spicers Limited (**Spicers** or the **Company**) (ASX: SRS) is pleased to announce today the details of a buy-back offer for holders of less than marketable parcels of shares in Spicers (**Buy-Back**). Under the ASX Listing Rules, holdings of Spicers shares valued at less than \$500 are considered to be less than marketable parcels (**Unmarketable Parcels**).

The Directors of Spicers value all of the Company's shareholders, including recognising that holders of Unmarketable Parcels may find it difficult or costly to dispose of their shares. This Buy-Back will allow holders of Unmarketable Parcels to sell their shares in the Company without incurring brokerage and other expenses. A 'buy-back' approach will also allow eligible holders of Unmarketable Parcels to receive the proceeds from the sale of their shares on a more timely basis than if a 'share sale facility' approach was used to dispose of shares.

The Buy-Back will also assist in reducing share registry and other administrative costs for the Company associated with maintaining a large number of small shareholders. Of the Company's 35,396 current shareholders, 93.2 percent hold Unmarketable Parcels.

Based on the share register of Spicers as at 7pm (Melbourne time) on Monday 4 December 2017 (**Record Date**), and a Buy-Back price of 3.34 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date:

- a) A less than marketable parcel is any shareholding of 14,970 or less;
- b) 32,978 out of 35,396 shareholders hold Unmarketable Parcels, totalling 44,713,547 shares; and
- c) The aggregate value of Spicers shares held by all holders of Unmarketable Parcels, based on the Buy-Back price, is \$1,493,432.

Spicers will pay for all costs related to the Buy-Back (excluding tax consequences from the sale of shares, which remain the responsibility of holders of Unmarketable Parcels).

The shares acquired by the Company under the Buy-Back will be cancelled in accordance with the *Corporations Act 2001* (Cth).

Spicers shareholders who own more than 14,970 shares will not be eligible to participate in the Buy-Back.



A summary of the key dates in relation to the Buy-Back of the Unmarketable Parcels is as follows:

Unmarketable Parcels Record Date	7pm (Melbourne time), 4 December 2017
Letter to holders of Unmarketable Parcels	7 December 2017
Closing Date for receipt of Share Retention Form	5pm (Melbourne time), 22 January 2017
Estimated Unmarketable Parcels payment date	As soon as practical after the Closing Date

Attached is a copy of the shareholder letter and Share Retention Form (including contact details for further information in respect of the Buy-Back), which will be sent out to all holders of Unmarketable Parcels on 7 December 2017.

For further information contact:

Investor and media queries:

David Martin, Chief Executive Officer, Spicers Limited
Tel: +61 3 9768 8300

About Spicers Limited (SRS)

Spicers is a dynamic and solutions-focused distribution business with an extensive network across Australia, New Zealand and Asia. We offer a full suite of products and services to our customers, incorporating commercial print, digital media, label & packaging, industrial packaging, sign & display consumables and hardware, and architectural offerings.

7 December 2017

Spicers Limited
ABN 70 005 146 350
155 Logis Boulevard
Dandenong South
VIC 3175 Australia

Dear Shareholder

Offer to buy-back less than marketable parcels of shares

As announced on 7 December 2017 Spicers Limited (**Spicers** or the **Company**) (ASX:SRS) intends to complete a buy-back of ordinary shares for shareholders that hold less than a marketable parcel of shares as at 7pm (Melbourne time) on Monday 4 December 2017 (**Record Date**).

The Directors of Spicers recognise that holders of Spicers shares valued at less than \$500 (**Unmarketable Parcels**) may find it difficult or costly to dispose of their shares. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the share registry and other administrative costs for the Company, the Directors have resolved to undertake a buy-back of Unmarketable Parcels under the terms set out in this letter of offer, the ASX listing rules and the procedure in the Spicers Constitution (**Buy-Back**).

Shares purchased by Spicers under the Buy-Back will be cancelled in accordance with the *Corporations Act 2001* (Cth).

Based on the buy-back price of 3.34 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date, an Unmarketable Parcel is any shareholding of 14,970 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you as at the Record Date is an Unmarketable Parcel.

Your options:

1. If you would like the Company to purchase your Unmarketable Parcel of shares for 3.34 cents per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must complete the enclosed Share Retention Form and return it to Computershare Investor Services Pty Limited (**Computershare**), GPO Box 52, Melbourne, Victoria 3001, Australia by no later than 5pm (Melbourne time) on 22 January 2018 (**Closing Date**).

You are advised to allow reasonable time for the Share Retention Form to be received by Computershare by the Closing Date. If you hold shares in multiple holdings, some of which are Unmarketable Parcels, then the Company will purchase those Unmarketable Parcels unless a Share Retention Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by Computershare on behalf of the Company as soon as practicable after the Closing Date.

Key Dates

A summary of the key dates in relation to the Buy-Back of the Unmarketable Parcels:

Unmarketable Parcels Record Date	7pm (Melbourne time), 4 December 2017
Letter to shareholders holding Unmarketable Parcels	7 December 2017
Closing Date for receipt of Share Retention Form	5pm (Melbourne time), 22 January 2018
Estimated Unmarketable Parcels payment date	As soon as practical after the Closing Date

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

It is important to note that the market price of Spicers shares will change from time to time. The buy-back price under the Buy-Back may be less than the actual market price at the time of sale and may not be the best price obtainable on the day your Spicers shares are bought back.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of Unmarketable Parcels under this Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of Unmarketable Parcels under the Buy-Back.

If you require further information in respect of the Buy-Back, please contact the Spicers share registry, Computershare on 1300 662 058 (within Australia) or on +61 3 9415 4021 (outside Australia) on business days between the hours of 9am and 5pm (Melbourne time) Monday to Friday.

Yours faithfully,



Jonathan Trollip
Chairman
Spicers Limited

INFORMATION SHEET – SPICERS UNMARKETABLE PARCEL SHARE BUY-BACK

What is an unmarketable parcel of shares?

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be less than a marketable parcel of shares.

As at the close of trade on the Record Date, an unmarketable parcel of Spicer's shares is any shareholding of 14,970 shares or less based on the Buy-Back price of 3.34 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date (the five-day trading period concluding 7pm Monday 4 December 2017).

This represents 44,713,547 shares held by 32,978 affected registered shareholders.

Why is Spicer's focusing on small shareholdings?

While Spicer's welcomes the support of all shareholders, those who hold a small number of shares often find it difficult or costly to dispose of their shares, and may not have access to a broker. There are also administrative costs, which apply regardless of the size of the shareholding. As such, this cost is often disproportionately high and is presently a cost burden for the Company.

What price will I receive for my shares?

The price that you will receive for your shares under the Buy-Back is 3.34 cents per share, being the volume weighted average price in the five trading days prior to the Buy-Back Record Date.

When will I receive the proceeds of the Buy-Back?

If your shareholding is purchased, the sale proceeds will be remitted to you as soon as practicable after the Closing Date. Payment will be made in Australian dollars (AUD) and will be deposited into the bank account noted on your holding on the register, or will be sent to you by cheque at the address recorded in the register of members.

What do I need to do to retain my shares?

You have two options if you wish to keep your shares.

- a) Sign and return your Share Retention Form to:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

Please ensure your completed form is received by 5pm (Melbourne time) on Monday 22 January 2018. If your completed form is received by that time, your shares will not be sold. Written instructions should be mailed to the same address if you wish to withdraw your form after you have lodged it.

- b) Increase the number of Spicer's shares you hold to a marketable parcel, by merging multiple holdings or acquiring additional Spicer's shares on the market such that your registered holding at the Closing Date is 14,971 shares or greater.

What happens if I do not submit a Share Retention Form?

If your shareholding remains as an unmarketable parcel of shares at 5pm (Melbourne time) on Monday 22 January 2018, all shares held under the Securityholder Reference Number (SRN) or Holder Identification Number (HIN) will be bought-back and cancelled by Spicer's.

Where can I get further information?

If you have any further questions concerning your shareholding or how the Buy-Back will work, please contact Spicer's share registry, Computershare by telephone on 1300 662 058 (within Australia) or on +61 3 9415 4021 (outside Australia) on business days between the hours of 9am and 5pm (Melbourne time) Monday to Friday.

Important Notes

Spicers reserves the right to change any of the dates referred to in this letter by notice to the ASX.

This letter and accompanying information sheet do not constitute advice and are not intended as a recommendation to buy, sell, or hold shares, or as a recommendation that the Buy-Back is the best way to sell your shares.

The sale of shares can have tax consequences. If you are in doubt about what to do, you should consult your independent legal, financial or taxation adviser.



Spicers Limited
ABN 70 005 146 350

Return your Form to the Company's share registry:

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

☎ **Phone:**
(within Australia) 1300 662 058
(outside Australia) +61 3 9415 4021

SRS

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Share Retention Form

 **If you wish to retain your shares, your form must be received by 5.00pm (Melbourne Time) Monday 22 January 2018**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Spicers Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Spicers Limited, do not complete or return this form. If you have more than one shareholding on Spicers Limited's register and you do not wish to sell your shares under the Unmarketable Parcel Share Buy-Back, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

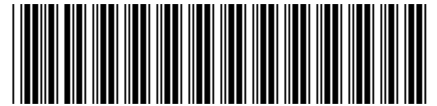
Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 662 058 or +61 3 9415 4021. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



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Share Retention Form

For your security keep your SRN/
HIN confidential.

STEP 1 Shareholding Details

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at Monday 4 December 2017:

STEP 2 Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Unmarketable Parcel Share Buy-Back.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3 Contact Details

Contact Name _____ Contact Daytime Telephone _____ Date / /

Email Address _____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.