

HARVEY NORMAN HOLDINGS LIMITED

A.C.N 003 237 545

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10 May 2018

Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Harvey Norman Holdings Limited ABN 54 003 237 545 (HVN)
Network Consumer Finance Pty Limited ACN 003 644 264 (NCF)
HNM Galaxy Pty Limited ACN 603 096 242 (HNM Galaxy)
Coomboona Holdings Pty Limited (Receivers and Managers Appointed)
(Administrators Appointed) ACN 606 464 788 (CH)

HVN discloses the following:

1. NCF is a wholly owned subsidiary of HVN.
2. HNM Galaxy is a wholly owned subsidiary of HVN.
3. HNM Galaxy is the owner of 49.9% of the issued shares in CH.
4. Gerald Harvey is a director of each of HVN and NCF, HNM Galaxy and CH.
5. On 23 March 2018 the directors of CH appointed Ryan Eagle and Stewart McCallum of Ferrier Hodgson as administrators of CH and subsidiaries of CH (**Administrators**) and National Australia Bank Limited ABN 12 004 044 937 (**NAB**) appointed Peter Anderson, Jamie Harris and Matthew Caddy of McGrath Nicol as receivers and managers of CH and subsidiaries of CH (**Receivers**).
6. CH and subsidiaries of CH are indebted to NAB in an amount of approximately \$36 million (**NAB Debt**).
7. The NAB Debt is secured by various first ranking mortgages and securities granted by CH and subsidiaries of CH to NAB (**NAB Securities**).
8. On 9 May 2018 (**Assignment Date**) NAB assigned the NAB Debt and NAB Securities to NCF for a price of \$36,057,428.56, with the consent of the Administrators.
9. As at the Assignment Date, CH and subsidiaries of CH are indebted to HNM Galaxy in an amount of approximately \$37.9 million (**HNM Galaxy Debt**).
10. The HNM Galaxy Debt is secured by various mortgages and securities granted by CH and subsidiaries of CH to HNM Galaxy (**HNM Galaxy Securities**). The HNM Galaxy Debt and the HNM Galaxy Securities rank subsequent only to the NAB Debt secured by the NAB Securities.
11. As a result of the acquisition by NCF of the NAB Debt and NAB Securities, NCF becomes the first ranking secured creditor of CH. NCF intends, so far as reasonably practicable, to minimise the costs likely to be incurred by CH, as a result of the appointment of the Receivers, execution of the NAB Securities and procedures of the Administrators.

12. HVN does not have any information which would indicate that the respective carrying amount of each of the NAB Debt and the HNM Galaxy Debt, exceeds the recoverable amount of each of those respective assets, as at the Assignment Date.

Yours faithfully

HARVEY NORMAN HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read "Chris Mentis", written in a cursive style.

Chris Mentis
Company Secretary