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19 August 2014

Market Announcements Platform
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ANCHORAGE CAPITAL PARTNERS' SHAREHOLDING IN DICK SMITH

Please find attached a letter from Anchorage Capital Partners in relation to its shareholding in Dick Smith Holdings Limited (Dick Smith), which was received yesterday evening.

Yours faithfully



David Cooke
Company Secretary
Dick Smith Holdings Limited

Enc.

18 August 2014

STRICTLY PRIVATE AND CONFIDENTIAL

Mr Nick Abboud
Managing Director and Chief Executive Officer
Dick Smith Holdings Limited
2 Davidson Street
Chullora, NSW 2190
Australia

By email: nick.abboud@dicksmith.com.au

Dear Nick,

Anchorage Capital Partners' shareholding in Dick Smith

As you are aware, the mandated escrow of Anchorage's shares in Dick Smith Holdings will end following the release of Dick Smith's results for financial year 2014. We understand these results will be released to the market on August 19.

We are writing to inform you that in light of the recent trading results and our positive view of the Company's future prospects, we currently have no intention of selling at the prevailing market price.

We have appointed Macquarie Capital as our financial adviser and broker in relation to our stake. Should Anchorage decide to divest of some or all of our stake, Anchorage intends to instruct Macquarie Capital to sell its shares having regard to recent trading activity and the prevailing share register at that time.

Please do not hesitate to contact me if you have any questions.

Yours sincerely



Daniel Wong
Managing Director

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