



UPDATE TO SHAREHOLDERS

**Dick Smith Holdings Limited (ASX code: DSH)
ACN 166 237 841
and certain subsidiaries
(Receivers and Managers Appointed) (Administrators Appointed)
("the Dick Smith entities")**

We refer to the previous announcements on the Australian Securities Exchange ("ASX") website.

As shareholders may be aware, Jason Preston, Jamie Harris and Matt Caddy, and I were appointed Joint and Several Voluntary Administrators ("Administrators") of DSH and certain subsidiaries by a resolution of directors on 4 January 2016.

Subsequent to our appointment, James Stewart, Jim Sarantinos and Ryan Eagle of Ferrier Hodgson were appointed Receivers and Managers over the parent entity and certain Australian Subsidiaries. The Receivers are responsible for the day to day trading of the business and will be managing the sale process for the Dick Smith Entities.

The first meetings of creditors of the Dick Smith Entities were held on 14 January 2016.

On 25 January 2016, the Administrators filed an application for court orders granting a six month extension of the convening period for the second meetings of creditors for both Australian and New Zealand Dick Smith entities.

Orders were made in both Australian and New Zealand courts granting the requested extension, allowing the second meetings of creditors to be held on or before 9 August 2016.

The statutory financial reporting obligations of the Dick Smith Entities will remain while the Company is in voluntary administration. The Australian Securities Investments Commissions ("ASIC") may however grant relief to the Company from the financial reporting obligations and the requirement to hold an annual general meeting.

As disclosed in the ASIC Information Sheet 43 (<http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders>) I advise the following;

- Shareholders rank behind all classes of creditors, including secured, priority and unsecured creditors;
- Shareholders may realise a capital loss if a liquidator or deed administrator makes a written declaration that they have reasonable grounds to believe there is no likelihood that shareholders will receive any further distribution or the company proceeds into Liquidation and is deregistered; and
- a transfer of shares will not be effective without written consent of the Administrators or the court. In that regard we will not consent to a transfer of shares for individuals unless there are compelling commercial or other reasons to do so.

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For further information regarding the administration please see the ASX website for further announcements.

Dated: 23 February 2016

Joseph Hayes

Joint and Several Voluntary Administrator

For all further enquires please contact: Link Market Services.

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Link Market Services

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ASX Website:

<http://www.asx.com.au/asx/research/company.do#!/DSH>

ASIC Website:

<http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders/>