

4 January 2016

ASX Announcement

Voluntary Administration

It is with considerable regret that the Board of Dick Smith Holdings Limited (ASX: DSH; “**Dick Smith**” or “**the Company**”) has placed the Company into Voluntary Administration.

Sales and cash generation in December were below management expectations, continuing a trend experienced during 2Q2016. The Company explored alternate funding, however the Directors formed the view that any success in obtaining alternative funding would not have been sufficiently timely to support short-term funding requirements and allow the Company to order required inventory during the next four to six weeks.

Whilst confident on the long-term viability of the Company, the Directors have been unsuccessful in obtaining the necessary support of its Banking Syndicate to see it through this period. The Directors are of the view that without this support, there is no option other than to appoint a Voluntary Administrator.

McGrathNicol has been appointed to act as Voluntary Administrator. The Board and senior management intend to work with McGrathNicol to explore all options to allow the Company to continue as a going concern.

The Board believes the appointment of a Voluntary Administrator at this time is the best way to protect the interests of shareholders, creditors, employees, suppliers and other stakeholders.

The Board would like to thank the Company’s many dedicated staff, suppliers and business partners for their ongoing support.

Rob Murray
Chairman
Dick Smith Holdings Limited

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