

Harvey Norman Holdings Limited

A.C.N. 003 237 545

A1 RICHMOND ROAD
HOMEBUSH WEST N.S.W. 2140
LOCKED BAG 2 SILVERWATER BC,
N.S.W 1811

Telephone: (02) 9201 6111
Facsimile: (02) 9201 6250

31 August 2018

HARVEY NORMAN HOLDINGS LIMITED

RENOUNCEABLE PRO RATA ENTITLEMENT OFFER 2018

Harvey Norman Holdings Limited (**Company** or **HVN**) is pleased to announce a renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) to raise approximately \$163.85 million (before costs) (**Entitlement Offer**) with an offer price of \$2.50 per New Share (**Offer Price**).

The Entitlement Offer forms part of the Company's ongoing capital management program. It is intended that the proceeds from the Entitlement Offer will be used to reduce the amount of HVN consolidated entity debt.

Entitlement Offer Overview

The Entitlement Offer consists of an offer to Eligible Shareholders to subscribe for one New Share for every 17 existing ordinary shares held in the Company (**Entitlement**) at 7.00pm (Sydney time) on Wednesday 12 September 2018 (**Record Date**) at the Offer Price of \$2.50 per New Share. Entitlements may be traded (in whole or part) on the ASX between Tuesday 11 September 2018 and Monday 8 October 2018 (inclusive). The Offer will not be underwritten.

Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement¹ at the same issue price of \$2.50 per New Share (**Top Up Shares**) under the Top Up Facility. Participation in the Top Up Facility is subject to compliance with the Corporations Act and other applicable laws.

New Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares in the Company from issue. New Shares will be issued after the Company's 2018 final dividend record date so the New Shares will not be eligible to participate in the Company's 2018 final dividend payment.

Each Director of the Company has indicated that they (and their relevant interests) will take up their full Entitlement and apply for additional New Shares under the Top Up Facility.

Information Booklet

An Information Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your Entitlement, will be mailed to Eligible Shareholders on or around Friday 14 September 2018. Eligible Shareholders should read the Information Booklet carefully and in its entirety before deciding whether to participate in the Entitlement Offer.

¹ There is no guarantee regarding the number of Top Up Shares (if any) that will be available to Eligible Shareholders under the Top Up Facility, in addition to their Entitlement under the Entitlement Offer.

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| Announcement of Entitlement Offer | Friday 31 August 2018 |
| Entitlements trading on ASX begins on deferred settlement basis | Tuesday 11 September 2018 |
| "Ex" date | Tuesday 11 September 2018 |
| Record date for eligibility in the Entitlement Offer | 7.00pm on Wednesday 12 September 2018 |
| Entitlement Offer opens | Friday 14 September 2018 |
| Entitlement Offer and Information Booklet despatched and Entitlements allotted | Friday 14 September 2018 |
| Entitlement trading on ASX on normal settlement basis begins | Monday 17 September 2018 |
| Entitlements trading on ASX ends | Monday 8 October 2018 |
| New Shares under the Entitlement Offer commence trading on ASX on deferred settlement basis | Tuesday 9 October 2018 |
| Record date for 2018 Final Dividend ² | Friday 12 October 2018 |
| Entitlement Offer closes | 5.00pm on Monday 15 October 2018 |
| Determination of allocation under Top-Up Facility | Wednesday 17 October 2018 |
| Notification of Shortfall to ASX | Thursday 18 October 2018 |
| Issue of New Shares under the Entitlement Offer | Monday 22 October 2018 |
| Despatch of holding statements for New Shares under the Entitlement Offer | Monday 22 October 2018 |
| New Shares under the Entitlement Offer commence trading on ASX on a normal settlement basis | Tuesday 23 October 2018 |

Note: Daylight saving time begins in New South Wales on Sunday 7 October 2018

The above timetable is indicative only and subject to change. All time references are to Sydney time. The Company reserves the right to amend any or all of these events, dates and times without notice subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date of the Entitlement Offer (subject to the Corporations Act and Listing Rules), to accept late applications under the Entitlement Offer (either generally or in particular cases), and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue of New Shares.

For further information on the Entitlement Offer, please call the HVN Offer Information Line on 1300 737 760 (within Australia), or +61 2 9290 9600 (outside Australia), from 8.30 am to 5.30 pm (Sydney time) Monday to Friday, and read the Information Booklet when available. If you have any further questions, you should contact your stockbroker, financial adviser, accountant or other professional adviser.



Chris Mentis
Company Secretary

² Any New Shares issued under this Entitlement Offer will be issued after the 2018 Final Dividend record date and therefore will not be eligible to participate in the 2018 Final Dividend payment.