

HARVEY NORMAN HOLDINGS LIMITED

A.C.N 003 237 545

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22 December 2011

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

Dear Sirs

**RE: SYNDICATION FACILITY
HARVEY NORMAN HOLDINGS LIMITED A.C.N. 003 237 545 ("Company")**

The Company, a subsidiary of the Company ("Borrower") and certain other subsidiaries of the Company ("Guarantors"), have entered into arrangements to extend the term of the syndication facility agreement with certain banks ("Financiers" and each a "Financier") in relation to a loan facility of \$610,000,000.00 ("Facility") made available by the Financiers to the Borrower ("Syndicated Facility Agreement"), which was otherwise to be repayable on 3 December 2012.

Under the new terms of the Syndicated Facility Agreement, the Facility is repayable:

- (a) as to \$370 million, on 22 December 2014;
- (b) as to \$240 million, on 22 December 2016;
- (c) otherwise on demand by or on behalf of the Financiers upon the occurrence of any one of a number of events (each a "Relevant Event"), including events which are not within the control of the Company, the Borrower or the Guarantors. Each of the following is a Relevant Event:
 - (i) an event occurs which has or is reasonably likely to have a material adverse effect on the business, operation, property, condition (financial or otherwise) or prospects of the Borrower or the Company and the subsidiaries of the Company;
 - (ii) if any change in law or other event makes it illegal or impractical for a Financier to perform its obligations under the Syndicated Facility Agreement or fund or maintain the amount committed by that Financier to the provision of Facility ("Commitment"), the Financier may by notice to the Borrower, require the Borrower to repay the secured moneys in respect of the Commitment of that Financier, in full on the date which is forty (40) business days after the date of that notice.

Yours faithfully



Chris Mentis
Company Secretary