

Pre-Quotation Disclosure

The following information is required to be provided to ASX Limited for release to the market in connection with the official quotation of the fully paid ordinary shares (**Shares**) in Temple & Webster Group Ltd ACN 608 595 660 (**Temple & Webster** or **the Company**).

Capitalised terms not defined in this document have the meanings given to them in the replacement prospectus lodged by the Company with the Australian Securities and Investments Commission on 12 November 2015 (**Prospectus**).

1 Basis of allocation and procedures for determining allocations

The initial public offering of Shares in the Company (**Offer**) closed on 30 November 2015.

The allocation for each component of the Offer was as follows:

- (1) **Institutional Offer:** In conjunction with the Lead Manager (Bell Potter Securities Limited) the Company invited certain Institutional Investors in Australia, New Zealand and certain overseas jurisdictions to bid for Shares. The Lead Manager advised successful Applicants in the Institutional Offer of their allocations ahead of settlement on 3 December 2015.
- (2) **Broker Firm Offer:** For Broker Firm Offer participants, it was a matter for the Lead Manager as to how they allocated Shares among their clients. Applicants under the Broker Firm Offer may confirm their allocations by phoning Bell Potter.
- (3) **Employee Gift Offer:** The Company offered to staff for nil consideration the nearest number of whole Shares (rounded down based on the Offer Price) up to the value of \$1,000 each. The allocation of shares to staff was determined by the eligibility criteria as set out in the Prospectus and the election of staff to apply.

The Company's share registry, Link Market Services Limited, despatched notices and holding statements to successful Applicants on 7 December 2015. To the extent Applicants have not been advised of their allocations of Shares yet, they can confirm their allocation, or make general enquiries regarding the Offer, by contacting the Temple & Webster Offer Information Line on 1300 666 437 (within Australia) or +61 1300 666 437 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday.

2 Number of Shares issued

The number of shares issued under each component of the Offer is as follows:

Offer component	Number of Shares
Institutional Offer and Broker Firm Offer	55,871,792
Employee Gift Offer	84,537
Shares issued to former shareholders of Temple & Webster Pty Ltd on transfer of shares to the Company (including the existing two subscriber shares in Temple & Webster Group Ltd)	42,517,957

Offer component	Number of Shares
Shares issued to Dean Ramler Trust on acquisition of Milan Direct group of companies	7,306,394
Total Shares on issue on listing	105,780,680

3 Despatch

The Company confirms that the despatch of:

- (1) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
- (2) in relation to all other holdings, issuer sponsored holding statements; and
- (3) any refund money,

occurred on 7 December 2015.

4 Distribution Schedule

A distribution schedule of the numbers of holders is attached as Annexure A.

5 Statement of 20 largest holders

A statement of the 20 largest holders is attached as Annexure B.

6 Voluntary Escrow

The total number of Shares subject to voluntary escrow is 34,079,319 and the escrow period applying to those Shares is until the following dates:

- (1) in relation to all of the Shares held by Macquarie Capital, ArdenPoint Ecommerce, Carol Schwartz and Matthew Campbell (or entities controlled by them) immediately following the Completion of the Offer, the date on which the Company releases its preliminary final report with respect to the full financial year ending 30 June 2016 to ASX;
- (2) in relation to 50% of the Shares held by Brian Shanahan, Adam McWhinney and Dean Ramler (or entities controlled by them) immediately following the Completion of the Offer, the date on which the Company releases its preliminary final report with respect to the full financial year ending 30 June 2016 to ASX; and
- (3) in relation to 50% of the Shares held by Brian Shanahan, Adam McWhinney and Dean Ramler (or entities controlled by them) immediately following the Completion of the Offer, the date on which the Company releases its preliminary final report with respect to the full financial year ending 30 June 2017 to ASX.

However, all of the Escrowed Shareholders will be permitted to an early release from these escrow obligations in certain circumstances including:

- (1) to enable the Escrowed Shareholder to accept an offer under a takeover bid in relation to its Shares if at least half of the holders of the Shares which are the

subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid and the bid becomes unconditional;

- (2) to enable the Shares held by the Escrowed Shareholder to be transferred or cancelled as part of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth);
- (3) in the case of a corporate holder, to allow a corporate restructure or reorganisation to occur, or to allow a transfer to a related entity, provided the transferee of the escrowed Shares executes a voluntary escrow deed in similar form for the remainder of the escrow period;
- (4) in the case of an individual, to allow a transfer on the death, serious disability or incapacity of the Escrowed Shareholder; and
- (5) to allow the Escrowed Shareholder to deal in the Shares to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction).

7 Completion of transfer of shares in Temple & Webster Pty Ltd

In accordance with the terms of a Securityholder Share Sale Deed executed by each shareholder and holder of Tranche 1 and Tranche 2 convertible notes in Temple & Webster Pty Ltd, on 4 December 2015 immediately following completion of the Offer, all shareholders in Temple & Webster Pty Ltd transferred their existing shares (including all shares issued on the automatic conversion of convertible notes on completion of the Offer) to Temple & Webster Group Ltd in consideration for, in aggregate, the issue of 42,517,955 new fully paid ordinary shares in Temple & Webster Group Ltd and the payment of approximately \$21.5 million in cash consideration, in the ratio elected by each shareholder under the Securityholder Share Sale Deed.

8 Completion of acquisition of Milan Direct

- 8.1 Prior to the Offer, the Company entered into a share purchase agreement (**SPA**) to acquire Milan Direct Group Investments Pty Ltd (ACN 608 196 765) and its wholly owned subsidiary Milan Direct Pty Ltd (ACN 125 681 914), and Milan Direct UK Pty Ltd (ACN 139 080 907) (**Milan Direct**), conditional on Completion of the Offer. The terms of the SPA were such that vendors of Milan Direct agreed to sell, and Temple & Webster agreed to buy, all the issued shares in Milan Direct for cash and scrip consideration. On 4 December 2015, following completion of the Offer, the Company completed the acquisition of Milan Direct and, in accordance with the terms of the SPA, paid the relevant cash consideration of \$9,538,236 to the vendors and issued 7,306,394 Shares to Dean Ramler, as trustee for the Dean Ramler Trust.

Annexure A – Distribution Schedule

Number of Shares held	Investors	Securities	% total issued capital
1 – 1,000	95	85,453	0.08
1,001 – 5,000	97	397,578	0.38
5,001 – 10,000	50	413,820	0.39
10,001 – 100,000	128	4,720,586	4.46
100,001 and over	54	100,163,243	94.69
Total	424	105,780,680	100

Annexure B – Top 20 Shareholders

TEMPLE & WEBSTER GROUP LTD

FIRST 20 INVESTORS REPORT FRIDAY 4 DECEMBER 2015

<u>Rank</u>	<u>Investor</u>	<u>Current Balance</u>	<u>% Issued Capital</u>
Sec. Group: TPW - ISSUED CAPITAL			
1	MACQUARIE CORPORATE HOLDINGS PTY LTD	15,217,673	14.39%
2	NATIONAL NOMINEES LIMITED	7,741,103	7.32%
3	DEAN JOSHUA RAMLER <RAMLER TRUST A/C>	7,306,394	6.91%
4	CITICORP NOMINEES PTY LIMITED	7,090,909	6.70%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,618,183	5.31%
6	UBS NOMINEES PTY LTD	5,319,319	5.03%
7	RBC INVESTOR SERVICES AUSTRALIA PTY LIMITED <VFA A/C>	4,756,326	4.50%
8	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	4,673,455	4.42%
9	AP ECOMMERCE PTY LTD <ARDENPOINT E FUND UNIT A/C>	4,277,828	4.04%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <NOM1 A/C>	4,045,454	3.82%
11	BRIAN SHANAHAN + JACQUELINE SHANAHAN <THE SHANAHAN FAM A/C>	3,205,324	3.03%
12	PAN AUSTRALIAN NOMINEES PTY LIMITED	2,727,273	2.58%
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,269,561	2.15%

TEMPLE & WEBSTER GROUP LTD

**FIRST 20 INVESTORS REPORT
FRIDAY 4 DECEMBER 2015**

<u>Rank</u>	<u>Investor</u>	<u>Current Balance</u>	<u>% Issued Capital</u>
14	ADAM RICHARD MCWHINNEY <THE MCWHINNEY FAM A/C>	2,205,389	2.08%
15	RICHESS INVESTMENTS PTY LTD	1,708,593	1.62%
16	NATIONAL NOMINEES LIMITED <KIMA PAN ASIA OFFSHORE FUND - POOL B>	1,676,028	1.58%
17	SUPER PROPERTIES P/L <THE SHAYNE SMYTH A/C>	1,676,028	1.58%
18	JEWELCROSS PROPRIETARY LIMITED <SCHWARTZ CHILDREN'S A/C>	1,643,235	1.55%
19	HINGTAI PTY LIMITED <HINGTAI TRUST A/C>	1,638,792	1.55%
20	UBS NOMINEES PTY LTD	1,564,279	1.48%

TOTAL FOR TOP 20:	86,361,146	Investors 20	81.64%
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TOTAL IN THIS REPORT:	86,361,146	Investors 20	81.64%
TOTAL OTHER INVESTORS:	19,419,534	404	18.36%
GRAND TOTAL:	105,780,680	424	100.00%

end of report