

Ms Kate Kidson  
Principal Adviser, Listings Compliance  
(Melbourne)  
ASX Compliance Pty Limited  
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Melbourne, Victoria 3000  
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17 June 2015

By Email

Dear Kate

### **Adairs Limited - ASX listing conditions**

We refer to the listing conditions provided to us in final form on Wednesday, 10 June 2015 (**Listing Conditions**) in connection with the initial public offering (**Offer**) of fully paid ordinary shares (**Shares**) in Adairs Limited (ACN 147 375 451) (**Adairs**) on the Australian Securities Exchange (**ASX**) under the prospectus lodged with Australian Securities and Investments Commission (**ASIC**) on Friday, 29 May 2015 (**Prospectus**).

Capitalised terms used but not defined in this letter have the meaning given to them in the Prospectus.

We confirm that:

- (a) the basis of allocation to applicants under the Broker Firm Offer has been determined by Brokers who allocated Shares among their respective clients;
- (b) the basis of allocation to applicants under the Priority Offer has been determined by Adairs, and applicants will be able to confirm their holding by contacting Adairs directly or by calling the shareholder information line from Wednesday, 17 June 2015;
- (c) allocations under the institutional offer were determined by the Company and the Joint Lead Managers during the bookbuild, which occurred prior to lodgement of the Prospectus, and institutional investors have been notified of their allocations;
- (d) the number of Shares that have been allotted under the Broker Firm Offer is 22,333,334;
- (e) the number of Shares that have been allotted under the Priority Offer is 10,921,322;
- (f) the number of Shares that have been allotted under the Institutional Offer is 57,624,936;
- (g) holding statements for both the CHESS sub-register and the issuer sponsored sub-register will be despatched on Thursday, 18 June 2015; and
- (h) minor overpayments of application monies will be refunded by the share registry as soon as practicable.

Enclosed are the following documents:

- (a) the Prospectus;
- (b) Adairs' Appendix 1A and Information Form and Checklist;

Adairs Ltd

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2 International Court, Caribbean Business Park  
Scoresby, VIC 3179  
Tel: (03) 8888 4500  
[www.adairs.com.au](http://www.adairs.com.au)

- (c) Adairs' constitution;
- (d) Adairs' securities trading policy;
- (e) Adairs' dividend reinvestment plan rules;
- (f) Adairs' audited accounts for the full years ended 1 July 2012, 30 June 2013 and 29 June 2014 and reviewed accounts for the half year ended 28 December 2014;
- (g) a statement setting out the names of the 20 largest holders of Shares and the number and percentage of Shares held; and
- (h) a distribution schedule of the number of holders of Shares setting out the number of holders in each category specified by ASX in the final listing conditions (which is also evidence of Adairs having met the spread requirements of listing rule 1.1 condition 7(c)).

Adairs confirms that voluntary escrow arrangements are in place in respect of the Shares held by:

- (a) Catalyst Buyout Fund 2A Pty Ltd as trustee for Catalyst Buyout Trust 2A, Catalyst Buyout Fund 2B Pty Ltd as trustee for Catalyst Buyout Trust 2B, and Catalyst General Partner 2 Limited as general partner for Catalyst Buyout Fund 2 LP (together, **Catalyst**);
- (b) BB Retail Capital Pty Ltd as trustee for The Blundy Family Trust (**BBRC**);
- (c) David MacLean Investments Pty Ltd as trustee for the David MacLean ARG Retail Trust;
- (d) Michael Cherubino Investments Pty Ltd as trustee for the Michael Cherubino Investment Trust;
- (e) Mark Ronan;
- (f) Mark Ronan and Emily Black as trustees for the Ronan Black Family Trust;
- (g) Utadi Doi Murphy as trustee for the Murphy Family Trust;
- (h) Paul Randall;
- (i) Jenny Hides as trustee for the Jenny Hides Trust; and
- (j) Hatz (Administration Services) Pty Ltd as trustee for the Hatzis Family Trust, on Completion of the Offer, being 74,809,795 Shares in aggregate.

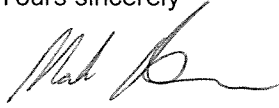
The Shares held by Catalyst and BBRC are escrowed until the date the unaudited financial accounts of Adairs for the financial year ending 3 July 2016 have been released to ASX (with 50% of those Shares being released from escrow after the release of the Company's unaudited financial results for the half year ending 3 January 2016, provided that the volume-weighted average Share price for any 10 consecutive days beginning on the day after the release of those financial results, exceeds the Offer Price by at least 20%).

The Shares held by the other Escrowed Shareholders are escrowed until the date the financial accounts of Adairs for the financial year ending 2 July 2017 have been released to ASX (with 50% of those Shares being released from escrow after the announcement of the Company's financial results for the financial year ending 3 July 2016).

The toll free Shareholder information line administered by Adairs' Share registry, which has been available to Shareholders from the date the Offer opened, will remain open for around 2 weeks after despatch of holding statements in order to deal with Shareholder enquiries in order to ensure that applicants are able to determine their entitlements for the

purposes of deferred settlement trading. We confirm that the number of available lines is expected to be sufficient to meet the anticipated volume of Shareholder calls.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Ronan', with a stylized flourish at the end.

Mark Ronan  
Chief Operating Officer and Company Secretary  
Adairs Limited