



2 July 2015

The Manager  
Market Announcements Office  
ASX Limited  
**By fax 1300 135 638**


Dear Sir/Madam

**Adairs Limited (ABN 50 147 375 475)**

**Notice of initial substantial holder: Form 603**

Please find attached a Form 603 (Notice of initial substantial holder) in relation to shares in Adairs Limited (ABN 50 147 375 475), lodged on behalf of Bennelong Funds Management Group Pty Ltd (ACN 144 676 344) in accordance with section 671B of the Corporations Act 2001.

Yours sincerely

  
**Jeff Phillips**  
Chief Financial Officer  
Encl

**Form 603****Corporations Act 2001****Section 671B****Notice of initial substantial holder**

**To:** Adairs Limited  
**ABN:** 50 147 375 451  
**ASX Code:** ADH

**1. Details of substantial holder**

**Name:** Bennelong Funds Management Group Pty Ltd  
**ACN:** 144 676 344

This notice is given by Bennelong Funds Management Group Pty Limited on behalf of itself and its subsidiaries.

The holder became a substantial shareholder on: 1<sup>st</sup> July 2015

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in on the date the substantial holder became a substantial holder are as follows:

| <b>Class of securities</b> | <b>Number of securities</b> | <b>Person's votes</b> | <b>Voting power</b> |
|----------------------------|-----------------------------|-----------------------|---------------------|
| Ordinary                   | 9,171,635                   | 9,171,635             | 5.5293%             |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| <b>Holder of relevant interest</b>      | <b>Nature of relevant interest</b> | <b>Class and number of securities</b> |
|---|------------------------------------|---------------------------------------|
| Bennelong Fund Management Group Pty Ltd | Investment Manager                 | 9,171,635                             |

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant Interest              | Registered holder of securities | Persons entitled to be registered as holder | Class and number of securities |
|--|---------------------------------|---|--------------------------------|
| Bennelong Funds Management Group Pty Ltd | BNP                             |   | 6,687,0656 Ordinary shares     |
| Bennelong Funds Management Group Pty Ltd | NAB Asset Servicing             |   | 989,652 Ordinary Shares        |
| Bennelong Funds Management Group Pty Ltd | JP Morgan                       |   | 1,459,623 Ordinary Shares      |
| Bennelong Funds Management Group Pty Ltd | CITI                            |   | 35,295 Ordinary Shares         |

The custodians in the table above hold shares in ADH as custodian for companies in the Bennelong Funds Management Group that are either:

- the responsible entity or trustee of pooled investment products such as registered managed investment schemes (Funds); or
- the investment manager of Portfolios held for a number of institutional investors. The institutional investors are generally superannuation funds regulated under the Superannuation Industry Supervision Act 1993.

The holding of shares in ADH were acquired as part of the wide portfolio of Australian shares and units acquired for the Funds and the Portfolios.

The members of the Bennelong Funds Management Group and the Custodians may hold relevant interests due to the capacity of these entities to dispose of the shares ADH.

Each investor in a Fund owns an undivided interest in the Fund's assets and no client directly owns any asset of the Fund. The unitholding of each Fund varies from time to time as clients enter and withdraw from the Funds. The various institutional investors with portfolios delegate the management of the portfolios to the members of the Bennelong Funds Management Group.

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

|  |                     | Consideration |          |                                |
|--|---------------------|---------------|----------|--------------------------------|
| Holder of relevant Interest              | Date of Acquisition | Cash          | Non-cash | Class and number of securities |
| Bennelong Funds Management Group Pty Ltd | Various             |               |          | 9,171,635 Ordinary shares      |

## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| Not Applicable                    |                       |

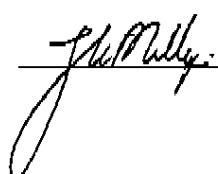
## 7. Addresses

The addresses of persons named in this form are as follows:

| Name                                     | Address  |
|--|--|
| Bennelong Funds Management Group Pty Ltd | Ground Floor, 9 Queen Street, Melbourne VIC 3000 |

## Signature

Print name: JEFF PHILLIPS Capacity: CFO

Sign here:  Date: 2/7/15