

Mr Mark Ronan
Company Secretary
Adairs Limited
2 International Court
Scoresby, Victoria 3179

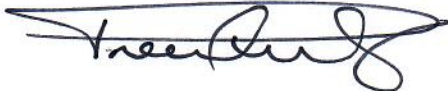
26 August 2015
by email

Dear Sir

Adairs Limited - Update to notice of substantial holding

Further to the initial substantial holder notices lodged on 17 June 2015, enclosed is an updated notice, providing additional detail concerning the interests of Catalyst, its associates and related entities in Adairs Limited (ABN 50 147 375 475).

Yours faithfully



Catalyst Investment Managers

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Adairs Limited

ACN/ARSN 147 375 451

1. Details of substantial holder (1)

Name Catalyst Investment Managers Pty Ltd ACN 118 410 101 (**Catalyst Investment Managers**) (on behalf of itself and its associates listed in Annexure A), and certain shareholders of Catalyst Investment Managers (being Trent Peterson, Jactar Pty Ltd ACN 127 858 888 and Springfield (Vic) Pty Ltd ACN 072 243 684) and their associates

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 17/06/2015

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 (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Catalyst Investment Managers			
Ordinary fully paid shares	52,504,088	52,504,088	31.7%
Trent Peterson			
Ordinary fully paid shares	48,516,890	48,516,890	29.2%
Jactar Pty Ltd			
Ordinary fully paid shares	48,412,723	48,412,723	29.2%
Springfield (Vic) Pty Ltd			
Ordinary fully paid shares	48,412,723	48,412,723	29.2%

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:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Catalyst Investment Managers	Interest in shares held by Buyout Fund 2A, Buyout Fund 2B and General Partner 2 pursuant to section 608(3)(b) Corporations Act	52,504,088 fully paid ordinary shares
Catalyst Buyout Fund 2A Pty Ltd as trustee for Catalyst Buyout Trust 2A (Buyout Fund 2A)	Interest held directly as a shareholder	24,154,278 fully paid ordinary shares
Catalyst Buyout Fund 2B Pty Ltd as trustee for Catalyst Buyout Trust 2B (Buyout Fund 2B)	Interest held directly as a shareholder	24,154,278 fully paid ordinary shares
Catalyst General Partner 2 Limited as general partner of Catalyst Buyout Fund 2 LP (General Partner 2)	Interest held directly as a shareholder	4,195,532 fully paid ordinary shares
Trent Peterson	Interest in Catalyst Investment Managers pursuant to section 608(3)(a) Corporations Act and the interest held by Lazy Investments, being an associate of Trent Peterson	48,516,890 fully paid ordinary shares
Lazy Investments Pty Ltd (Lazy Investments) (associate of Trent Peterson)	Interest held directly as a shareholder	208,334 fully paid ordinary shares

Jactar Pty Ltd as trustee for the Story Family Trust (Jactar)	Interest in Catalyst Investment Managers pursuant to section 608(3)(a) Corporations Act and interest held directly as a shareholder	48,412,723 fully paid ordinary shares
Springfield (Vic) Pty Ltd as trustee for the Simon Dighton Super Fund (Springfield)	Interest in Catalyst Investment Managers pursuant to section 608(3)(a) Corporations Act and interest held directly as a shareholder	48,412,723 fully paid ordinary shares

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	Person entitled to be registered as holder (8)	Class and number of securities
Catalyst Investment Managers	Buyout Fund 2A, Buyout Fund 2B and General Partner 2	Buyout Fund 2A, Buyout Fund 2B and General Partner 2	52,504,088 fully paid ordinary shares
Buyout Fund 2A	Buyout Fund 2A	Buyout Fund 2A	24,154,278 fully paid ordinary shares
Buyout Fund 2B	Buyout Fund 2B	Buyout Fund 2B	24,154,278 fully paid ordinary shares
General Partner 2	General Partner 2	General Partner 2	4,195,532 fully paid ordinary shares
Trent Peterson	Buyout Fund 2A, Buyout Fund 2B and Lazy Investments	Buyout Fund 2A, Buyout Fund 2B and Lazy Investments	48,516,890 fully paid ordinary shares
Lazy Investments	Lazy Investments	Lazy Investments	208,334 fully paid ordinary shares
Jactar	Buyout Fund 2A, Buyout Fund 2B and Jactar	Buyout Fund 2A, Buyout Fund 2B and Jactar	48,412,723 fully paid ordinary shares
Springfield	Buyout Fund 2A, Buyout Fund 2B and Springfield	Buyout Fund 2A, Buyout Fund 2B and Springfield	48,412,723 fully paid ordinary shares

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:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Lazy Investments	17 June 2015	\$500,000		208,334 fully paid ordinary shares
Jactar	17 June 2015	\$250,000		104,167 fully paid ordinary shares
Springfield	17 June 2015	\$250,000		104,167 fully paid 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
Buyout Fund 2A	Associated with Catalyst Investment Managers by virtue of section 12(2)(a) of the Corporations Act
Buyout Fund 2B	Associated with Catalyst Investment Managers by virtue of section 12(2)(a) of the Corporations Act
General Partner 2	Associated with Catalyst Investment Managers by virtue of section 12(2)(a) of the Corporations Act
Lazy Investments	Associated with Trent Peterson by virtue of section 12(2)(c) of the Corporations Act

7. Addresses

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

Name	Address
Adairs Limited	2 International Court, Scoresby VIC 3179
Catalyst Investment Managers	Level 4, 151 Macquarie Street, Sydney NSW 2000
Buyout Fund 2A	Level 4, 151 Macquarie Street, Sydney NSW 2000
Buyout Fund 2B	Level 4, 151 Macquarie Street, Sydney NSW 2000
General Partner 2	Kleinwort Benson House Wests Centre, St Helier Jersey JE48PN, United Kingdom
Lazy Investments	72A Windsor Street, Paddington NSW 2021
Jactar	331 Edgecliff Road Woollahra NSW 2025
Springfield	7 Redan Street, St Kilda VIC 3182

Signature

print name Trent Peterson

capacity Director

sign here



date 26/08/2015

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
 - (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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Annexure A

This is Annexure A of 1 page referred to in Form 603 – Notice of initial substantial holder

Associates of Catalyst Investment Managers

Name	ACN
Catalyst Buyout Fund 2A Pty Ltd	126 936 703
Catalyst Buyout Fund 2B Pty Ltd	126 936 712
Catalyst General Partner 2 Limited	N/A
Catalyst Buyout Fund 1A Pty Ltd	119 113 683
Catalyst Buyout Fund 1B Pty Ltd	119 113 601
BTBI Holdings Pty Ltd	160 663 650
BTBI TCO Pty Ltd	161 190 807
Heat to Eat Holdings Pty Ltd	165 321 237
Heat To Eat Pty Ltd	165 324 210
Dusk Retail Group Holdings Pty Ltd	603 018 131
Dusk Australasia Pty Ltd	090 850 383
Dusk Wholesale & Imports Pty Ltd	106 413 361
Dusk Europe Pty Ltd	097 448 407

Signed:



Name: Trent Peterson

Date: 26 August 2015