



Release to the Australian Securities Exchange

Board and executive changes

Melbourne, Tuesday 6 September 2016: Adairs Limited (ASX: ADH) announces the following changes to its Board and executive team:

- David MacLean retires as Managing Director & CEO effective 18 November 2016 and will commence as a non-executive director at the cessation of his executive responsibilities.
- Mark Ronan (currently Chief Operating Officer) has been appointed Managing Director & CEO to succeed David MacLean upon his retirement.
- Michael Cherubino will continue in his role as Executive Director, but will hand over his Chief Financial Officer responsibilities to focus primarily on growing the store network as Adairs accelerates its store roll out strategy.
- Mandy Drake joins the Company as Chief Financial Officer and Company Secretary effective 17 October 2016.
- Adairs intends to appoint a new Chief Operating Officer.

Managing Director and CEO succession

Adairs' Managing Director & CEO David MacLean today announced his intention to retire from his role, following 27 years of service to the Company. Adairs' Chairman, Michael Butler, announced that current Chief Operating Officer; Mark Ronan, will succeed David as Managing Director & CEO.

Mr Butler said: "David has been a key contributor to the growth of Adairs, and the results speak for themselves. Over the past 27 years, Adairs has grown from a business with 40 staff and 7 stores generating \$10 million revenue, to a business with ~1,300 team members and 147 stores generating \$253 million revenue and \$46 million EBITDA in FY16.

Together with the Board, David developed a succession plan over the last three years. Our plan was for Mark to follow David into the role of MD & CEO, and we are delighted that this will occur. Mark is an excellent retailer and strong leader. He commenced with the business nine years ago in finance and has been the COO since 2014, following roles as Head of Merchandise Planning and GM Retail Operations. With a talented team in place, we are confident of a smooth transition and continued growth".

At the invitation of the Chairman, and with the full support of the in-coming CEO Mark Ronan, David has agreed to continue on the board as a non-executive director. Mr Butler said: "Having consulted with Mark, David, and my board colleagues, we concluded that retaining David's expertise and experience on the Board was in the best interests of the Company."

Commenting on the transition, Mr MacLean said; "Mark and I have a close working relationship built up over the past nine years, and this gives me great confidence in the future of the business. In addition to Mark's experience overseeing finance, merchandise planning, marketing and retail operations, Mark has also led the implementation of a series of key projects that underpin our internal systems and business infrastructure. Mark shares our passion for continuously improving our customer experience, and as such I have no doubt that he will make an outstanding CEO for Adairs."



"It has been my long term plan to spend more time on family investments and personal matters. Having joined Adairs in 1989, and being MD & CEO for the past 14 years, I believe it's time for me to hand the leadership of the company to Mark. Adairs is in a strong position, having delivered record results in FY16, and has a strong team and clear strategy to continue its growth. I look forward to continuing to support the Company as a non-executive director and shareholder, and seeing the business continuing to thrive and grow under Mark's leadership," added Mr MacLean.

Commenting on his appointment to the role of MD & CEO, Mr Ronan said: "I look forward to delivering on our focused growth strategy. We are at a very exciting time in the Company's development, with record results and strong momentum. Having been closely involved in the development and implementation of our proven strategies I see my role as leading the team on the execution and continued evolution of these strategies."

New role Executive Director – Property and Business Development

Michael Cherubino has been a member of the board since 2010, and a key member of the executive team for the past 20 years. Michael's appointment to the newly created role of Executive Director – Property and Business Development will enhance the Company's capacity to pursue its accelerated store rollout programme in Australia and New Zealand.

Commenting on Michael's appointment and continued role as Executive Director, Mr Butler said: "Michael has been managing the dual responsibilities of finance and property, and been a significant contributor to strategy and team leadership. Our objective of this aspect of the management restructure was to enable Michael to focus more fully on managing and growing our store portfolio in Australia and New Zealand. This is an area in which Michael has a high level of expertise and an exceptional track record of success."

Appointment of Chief Financial Officer and Company Secretary

The Company is also pleased to announce that Mandy Drake has been appointed Chief Financial Officer and Company Secretary. For the last 10 years, Mandy has enjoyed a successful career as Group Chief Financial Officer of specialty retailer Forever New. Prior to this, Mandy held finance roles with Moran Furniture Australia, Myer, Coles Myer and Target, and worked in the accounting profession with Horwarth & Horwarth and Deloitte.

Commenting on Mandy's appointment as Chief Financial Officer and Company Secretary, Mr Ronan said: "We're delighted to welcome Mandy to the Adairs' team. She has been a key member of the executive team at Forever New that saw the business grow from start up in 2006 to over 300 stores in 10 countries globally. We are confident that Mandy will further strengthen our executive capabilities and be a valuable member of our leadership team."

Mr Butler commented, "These appointments solidify our new organisational structure. Our succession planning and recruitment process has ensured we have a formidable leadership team in place to steer Adairs through its next exciting phase of growth. We acknowledge that appointing a retiring CEO as a non-executive director is not contemporary Australian practice. However, the Adairs' directors are confident that the personalities involved, and the prospects of the company, will lead to a good outcome for shareholders. In time, we will seek to address the mix of non-executive, and independent directors on the board, in line with the objectives of our Board charter."

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