

Private & Confidential  
Sir Philip Green  
Arcadia  
Colegrave House  
70 Berners St  
London  
W1T 3NL

14 June 2016

Dear Sir Philip

Just to clarify a couple of points following Mike Ashley's appearance at the Select Committee last Tuesday where he stated he wanted to buy the business.

On the evening of Sunday 24 April 2016 I received a call from Dominic Chappell advising that negotiations had failed as a result of concerns from the potential purchaser over clearance for any transaction from tPR/PPF. Mr Chappell advised that the board had resolved to appoint my colleague Ben Wiles and I as joint administrators the following day.

Upon appointment Sports Direct then contacted myself as joint administrator to express an interest in buying the business. I agreed that an early meeting should take place but given the publicity Mike Ashley did not want to attend the offices of BHS or Duff & Phelps as there was a risk that TV cameras would capture the visit.

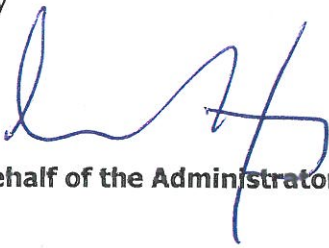
You kindly offered to host the meeting and it was during the meeting that Mike Ashley stated he wanted to buy the business and was prepared to keep all the shops open and jobs in place until Christmas 2016, repay the Grovepoint secured debt and repay the Gordon Brothers secured debt. There was further discussion revolving around the stock in the business. Mr Ashley proffered a figure of £10m which I stated I thought was too low. You on behalf of Arcadia offered to add £5m which given my expectations at that time of turnover plus the realisations made to date appeared to be an offer that should be given further consideration.

I agreed with Mr Ashley to have a meeting the following week solely between Duff & Phelps and Sports Direct to further these discussions. I subsequently received a letter which did not contain an offer capable of completing. In no way were yourself or Arcadia involved in frustrating any potential offer for BHS.

Both yourself and the Arcadia Senior Management team were helpful throughout the administration to assist me in trying to sell BHS as a going concern.

I am happy to discuss further.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Philip Duffy', written over a horizontal line.

**Philip Duffy**  
for and on behalf of the Administrators