

ANNOUNCEMENT

£350,000,000 of 8.750% Senior Secured Notes due 2019 (the **Senior Secured Notes**)

£175,000,000 of 12.250% Senior Notes due 2020 (the **Senior Notes**)

(Collectively referred to as the **Notes**)

(ISIN: XS0794786011 / ISIN: XS0794785633

ISIN: XS0794787415 / ISIN: XS0794787175)

Issued by Elli Finance (UK) plc (in administration) and Elli Investments Limited (in administration) (the "**Issuers**", and together with their subsidiaries the "**Group**")

The Notes are admitted to the Official List of the Irish Stock Exchange, but remain suspended from trading on the Global Exchange Market.

The Issuers refer to previous announcements on the restructuring of the Group and the independent sales process.

The Issuers report that Richard Fleming, Mark Firmin and Richard Beard of Alvarez & Marsal Europe LLP in their capacity as administrators of the Issuers (the "**Joint Administrators**") are pleased to announce the expiry of the marketing and bid phase of the independent sales process, and that a conditional sale and purchase agreement ("**Conditional SPA**") has been entered into with CUU Ltd., for and on behalf of investment funds managed by affiliates of H/2 Credit Manager LLC (the "**Buyer**").

The transaction provides two components of value:

1. The Conditional SPA provides for the sale of certain subsidiaries, businesses and other assets comprising the Group's freehold estate and a number of leasehold homes (the "**Buyer's Estate**"), subject to certain pre-steps and conditions to be fulfilled prior to completion (the "**Initial Sale Component**"). The purchase price for the Initial Sale Component is £350,000,000 subject to adjustments including in relation to working capital and target cash.
2. As part of the sale the Buyer will engage the retained Group to provide transitional service arrangements to the Buyer's Estate, allowing continuity of care both for the Buyer's Estate and for the Group's remaining leasehold estate. This structure also provides the potential for the retained Group to realise value (the "**Retained Group Value Component**") from independent sales processes in respect of the remaining leasehold estate.

The Group has secured an agreement for certain additional funding to the Joint Administrators to facilitate completion of the administrations.

The Joint Administrators are working towards completion of the sale over the coming weeks and will make further announcements in due course.

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For more information on the Issuers' Group, please visit <https://www.fshc.co.uk/investors>.  
This announcement has been given by:

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