

ANNOUNCEMENT

£350,000,000 of 8.750% Senior Secured Notes due 2019

£175,000,000 of 12.250% Senior Notes due 2020

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

(ISIN: XS0794786011 / ISIN: XS0794785633

ISIN: XS0794787415 / ISIN: XS0794787175)

Issued by Elli Finance (UK) Plc and Elli Investments Limited (the “**Note Issuers**”)

The Notes are admitted to the Official list of the Irish Stock Exchange and to trading on the Global Exchange Market thereof.

Additional Information Release

The Group has published certain materials today (the “**Materials**”) which are available on the investor section of the Four Seasons Health Care website and which are enclosed with this announcement.

The Materials contain forward looking statements and speak as of the date to which they were prepared. While the Note Issuers believe that the Materials reflect reasonably held expectations of the Group at the time that they were prepared, they have not been updated to reflect new information, subsequent events or otherwise, as more fully set forth in the Materials. The forward-looking statements reflect various assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Investors in the Notes should not place undue reliance on the forward-looking statements included in the Materials. Except as required by law, the Note Issuers expressly undertake no obligation to publically update or revise any of the Materials or other forward-looking statements.

This notice is given by:

Elli Finance (UK) Plc

Norcliffe House

Station Road

Wilmslow

SK9 1BU

Elli Investments Limited

Old Bank Chambers

La Grande Rue

St Martin’s, Guernsey

GY4 6RT

This announcement has been issued through the Companies Announcement Service of the Irish Stock Exchange.

END

Strictly Private & Confidential

Elli Investments Limited ("Group")

26 January 2018

Information Statement



Disclaimer

This information statement ("**Information Statement**") is comprised of information that has been prepared by Elli Investments Limited (the "**Company**" and together with its consolidated subsidiaries, the "**Group**") for information purposes only. This Information Statement does not constitute financial product, investment, tax, accounting or legal advice, a recommendation to invest in the securities of the Company or its subsidiaries or any other person, or an invitation or an inducement to engage in investment activity with any person. This Information Statement has been prepared without taking into account the objectives, financial situation or needs of any particular recipient of this Information Statement, and consequently the information contained in this Information Statement may not be sufficient or appropriate for the purpose for which a recipient might use it. Any such recipients should conduct their own due diligence, consider the appropriateness of the information in this Information Statement having regard to their own objectives, financial situation and needs, and seek financial, legal, accounting and tax advice appropriate to their particular circumstances. No representation, warranty or undertaking (whether express or implied) is made by the Company or any other Group company as to the completeness, accuracy or fairness of the information contained in this Information Statement or that this Information Statement is suitable for the recipient's purposes.

This Information Statement contains a brief overview of solely the matters to which it relates and does not purport to provide an exhaustive summary of all relevant issues, nor does it constitute a "Prospectus" for the purposes of Directive 2003/71/EC.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Group or any other person in the United States or any other jurisdiction.

This Information Statement includes statements, estimates, opinions and projections with respect to anticipated future performance of the Group ("forward-looking statements") which were prepared in December 2017 and speak as of such date, unless stated otherwise. The forward-looking statements reflect various assumptions concerning anticipated results taken from the Group's current business plan or from public sources which have not been independently verified or assessed by the Group and which may or may not prove to be correct. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "believe," "expect," "anticipate," "intend," "may," "plan," "estimate," "will," "should," "could," "aim" or "might," or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Such forward-looking statements reflect expectations of the Group at the time that they were prepared, they have not been updated to reflect new information, subsequent events or otherwise. The forward-looking statements reflect various assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Although the Group believes that the expectations reflected in the forward-looking statements were reasonable, the Group can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements, as result of, among others: general economic trends and trends in the healthcare industry, the Group's reliance on publicly-funded entities in the United Kingdom for a substantial proportion of its revenue, changes in fee rates, changes in demand for the Group's services, cost increases, capacity increases and declines in occupancy rates, any deficiency in the quality of the Group's services or perception of that quality, changes in health care and social care policies and failure to comply with medical, health and safety and environmental laws and regulations, the Group's involvement in legal proceedings, the high level of competition in the industry in which the Group operates, disruption due to failure of the Group's information systems or other operational risks and factors affecting the Group's leverage and its ability to service debt. The Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. It is up to the recipient of this Information Statement to make its own assessment of the validity of such forward-looking statements and assumptions and no liability is accepted by any Group company, or the directors, officers, employees, agents, partners, affiliates, managers and professional (including financial and legal) advisers of any Group company (together, the "Group Parties") or any other person in respect of the achievement of such forward-looking statements and assumptions.

The information contained in this Information Statement is provided at this time only in order to provide recipients with a snapshot of the Group's current business plan. As stated above, our expectations and the underlying assumptions relating to the information contained in the Information Statement may change. However neither the Company nor any other Group company intends to update the information contained in this Information Statement going forward or provide any further information relating to the future performance of the Group.

The delivery of this Information Statement does not imply that the information herein is correct as at any time subsequent to the date hereof. The Company or any other Group company expressly undertakes no obligation whatsoever to update or revise any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof other than as required by law or regulation.

This Information Statement has not been reviewed or approved by any rating agency, note trustee, the Irish Stock Exchange or any other person. To the fullest extent permitted by law, the Group Parties will have no tortious, contractual or any other liability to any person in connection with the use of this Information Statement. The Group Parties accept no liability whatsoever to any person, regardless of the form of action, including for any lost profits or lost opportunity, or for any indirect, special, consequential, incidental or punitive damages arising from any use of this Information Statement, its contents or preparation or otherwise in connection with it, even if any Group Party has been advised of the possibility of such damages.



Group Historical Results and 2018 Budget

Period Ended	Annual					Quarterly							
	FY14A	FY15A	FY16A	FY17A	FY18B ⁽²⁾	Q117A	Q217A	Q317A	Q417A ⁽⁴⁾	Q118B ⁽³⁾	Q218B ⁽³⁾	Q318B ⁽³⁾	Q418B ⁽³⁾
Effective beds	23,074	22,016	19,843	17,028	16,277	17,831	17,213	16,748	16,369	16,332	16,299	16,238	16,238
Occupancy %	86.8	85.0	87.9	89.4	90.6	89.2	89.1	89.6	89.5	89.2	90.4	91.3	91.5
Revenue (£m)	708.8	684.1	685.2	659.4	645.0	163.6	164.2	161.9	169.7	155.8	161.1	163.6	164.5
Own Staff (£m)	(426.3)	(419.4)	(410.3)	(388.5)	(378.9)	(96.9)	(97.1)	(93.8)	(100.7)	(93.5)	(95.4)	(94.7)	(95.3)
Agency (£m)	(34.9)	(41.8)	(35.6)	(43.5)	(34.0)	(9.7)	(10.4)	(11.8)	(11.6)	(9.0)	(8.1)	(8.6)	(8.2)
Expenses (£m)	(101.4)	(99.0)	(95.8)	(90.3)	(87.8)	(23.7)	(22.2)	(21.1)	(23.3)	(22.8)	(21.6)	(21.0)	(22.3)
Rent (£m)	(51.3)	(51.6)	(52.3)	(50.8)	(52.9)	(12.8)	(12.5)	(12.6)	(12.9)	(13.1)	(13.2)	(13.2)	(13.3)
Central Costs- Payroll (£m)			(30.0)	(31.7)	(33.5)	(8.3)	(8.2)	(7.7)	(7.2)	(8.4)	(8.4)	(8.4)	(8.2)
Central Costs- Non-Payroll (£m)	(35.9)	(38.7)	(10.3)	(7.2)	(7.5)	(1.9)	(1.9)	(1.8)	(1.7)	(1.9)	(1.9)	(1.9)	(1.8)
Reported accounts adjustments	0.2	1.3	3.7	3.4	0.0	1.4	1.3	0.7	0.0	0.0	0.0	0.0	0.0
Other Net Income (£m)	3.9	3.9	0.8	0.8	0.8	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Change in Working Capital (£m)	15.1	0.9	1.0	(6.0)	(7.0)	(0.9)	(5.4)	(3.4)	3.7	(6.5)	0.3	(0.5)	(0.3)
Maintenance Capex (£m)	(29.5)	(27.2)	(27.2)	(23.5)	(23.8)	(4.0)	(4.3)	(7.0)	(8.2)	(5.8)	(6.1)	(6.1)	(5.8)
Central Capex (£m)	(3.3)	(3.3)	(2.7)	(3.0)	(4.5)	(0.5)	(0.7)	(1.1)	(0.7)	(1.0)	(1.0)	(1.2)	(1.3)
Development Capex (£m)	(5.7)	(16.2)	(13.0)	(6.1)	(6.7)	(0.9)	(2.0)	(1.6)	(1.7)	(1.3)	(2.1)	(2.2)	(1.1)
Cash Exceptionals- Restructuring (£m)	0.0	(0.5)	(8.1)	(12.8)	(6.6)	(1.8)	(1.7)	(1.6)	(7.7)	(4.0)	(2.6)	0.0	0.0
Cash Exceptionals- Other (£m)	(15.4)	(10.1)	(11.5)	(7.9)	(7.6)	(1.4)	(1.6)	(1.8)	(3.1)	(3.2)	(1.0)	(2.5)	(0.8)
Disposals (£m)	12.9	43.8	44.0	35.7	3.2	10.8	12.6	4.3	8.0	3.2	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m) ⁽⁵⁾	(1.5)	(2.7)	(8.4)	(3.9)	0.0	(1.5)	(1.6)	(0.8)	0.0	0.0	0.0	0.0	0.0
Closed Homes Costs in Exceptionals (£m) ⁽¹⁾	(2.2)	(1.1)	(5.2)	(6.8)	(2.0)	(1.1)	(1.5)	(1.7)	(2.5)	(0.6)	(0.5)	(0.4)	(0.6)
Memo:													
Closed Homes Rent Cost (£m) ⁽²⁾	(1.0)	(1.7)	(3.6)	(5.7)	(7.9)	(1.1)	(1.3)	(1.5)	(1.7)	(2.0)	(2.0)	(2.0)	(2.0)

n/a = not available

Note:

- 1) In FY14 and FY15 the trading results of closing homes is included in EBITDARM. In FY16 and FY17 the trading results of closing homes are included within 'closed home costs in exceptionals' from the date that closure is announced. In FY18 the amount is not budgeted to be material
- 2) Included within the total rent cost
- 3) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:
 - Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity. Spot occupancy on 21/01/2018 was c1.2ppt below Q1 2018 Budget
 - Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
 - Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.
 - The Group is currently in discussions with its major creditor to address its capital structure. The Group is budgeted to maintain positive cash reserves during 2018. However, in order to ensure sufficient liquidity during the restructuring period to allow for unbudgeted restructuring costs as well as the risk factors noted above, the Group intends to raise up to £30 million of interim funding. The Group is assessing a number of avenues that are open to it, to bring the additional liquidity into the business.
- 4) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments
- 5) The onerous lease provision release for Q4 2017 will be calculated as part of the statutory year end process, as will the onerous lease provision release relating to open homes with onerous leases for FY17



FSHC Historical Results and 2018 Budget

Period Ended	Annual					Quarterly							
	FY14A ⁽⁶⁾	FY15A ⁽⁶⁾	FY16A	FY17A	FY18B ⁽⁷⁾	Q117A	Q217A	Q317A	Q417A ⁽⁴⁾	Q118B ⁽³⁾	Q218B ⁽³⁾	Q318B ⁽³⁾	Q418B ⁽³⁾
Effective beds	18,971	18,067	16,524	13,965	13,380	14,689	14,105	13,709	13,398	13,432	13,404	13,342	13,342
Occupancy %	87.2	85.3	88.5	90.3	91.3	90.2	90.0	90.5	90.3	90.0	91.2	91.9	92.0
Revenue (£m)	496.0	474.6	481.9	450.6	445.2	113.2	112.3	110.0	115.1	107.4	111.7	113.0	113.1
Own Staff (£m)	(299.0)	(293.2)	(288.3)	(264.9)	(259.9)	(66.8)	(65.9)	(63.4)	(68.7)	(64.5)	(65.6)	(64.8)	(65.0)
Agency (£m)	(22.9)	(29.8)	(23.5)	(28.8)	(24.9)	(6.6)	(7.0)	(7.6)	(7.6)	(6.4)	(5.9)	(6.5)	(6.0)
Expenses (£m)	(74.4)	(73.3)	(70.8)	(65.4)	(63.5)	(17.4)	(16.1)	(15.1)	(16.9)	(16.5)	(15.7)	(15.1)	(16.1)
Rent (£m)	(36.8)	(36.5)	(39.3)	(37.7)	(38.9)	(9.4)	(9.3)	(9.4)	(9.6)	(9.7)	(9.7)	(9.7)	(9.8)
Central Costs- Payroll (£m)		(22.4)	(19.6)	(20.3)	(21.3)	(5.6)	(5.5)	(4.9)	(4.3)	(5.3)	(5.4)	(5.4)	(5.2)
Central Costs- Non-Payroll (£m)	(24.8)	(4.0)	(6.8)	(3.9)	(4.3)	(1.1)	(1.1)	(0.9)	(0.8)	(1.1)	(1.1)	(1.1)	(1.0)
Other Net Income (£m)	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(21.8)	(20.4)	(21.4)	(16.7)	(17.9)	(3.2)	(3.2)	(5.0)	(5.3)	(4.5)	(4.5)	(4.5)	(4.5)
Central Capex (£m)	(1.1)	(2.5)	(2.3)	(1.9)	(2.9)	(0.2)	(0.4)	(0.8)	(0.5)	(0.7)	(0.7)	(0.7)	(0.7)
Development Capex (£m)	0.0	(1.6)	(0.1)	0.0	(4.4)	0.0	0.0	0.0	0.0	(1.1)	(1.1)	(1.1)	(1.1)
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	(7.4)	(3.5)	(2.8)	(1.1)	(0.9)	(0.8)	(0.7)	(0.6)	(0.6)	(1.0)	(0.6)
Disposals (£m)	12.9	32.4	31.6	29.1	3.2	10.5	7.7	2.9	8.0	3.2	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m) ⁽⁵⁾	(1.4)	(2.3)	(6.9)	(3.1)	0.0	(1.2)	(1.3)	(0.6)	0.0	0.0	0.0	0.0	0.0
Closed Homes Costs in Exceptionals (£m) ⁽¹⁾	n/a	n/a	(4.7)	(5.2)	(1.5)	(1.0)	(1.5)	(1.3)	(1.5)	(0.4)	(0.4)	(0.3)	(0.4)
Memo:													
Closed Homes Rent Cost (£m) ⁽²⁾	(0.3)	(0.8)	(2.3)	(4.4)	(6.1)	(0.8)	(1.0)	(1.2)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)

n/a = not available

Note:

- 1) In FY14 and FY15 the trading results of closing homes is included in EBITDARM. In FY16 and FY17 the trading results of closing homes are included within 'closed home costs in exceptionals' from the date that closure is announced. In FY18 the amount is not budgeted to be material
- 2) Included within the total rent cost
- 3) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:
 - Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
 - Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
 - Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.
- 4) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments
- 5) The onerous lease provision release for Q4 2017 will be calculated as part of the statutory year end process, as will the onerous lease provision release relating to open homes with onerous leases for FY17
- 6) Prior to 2016, there were 10 homes in brighterkind and 5 homes in THG which were transferred to FSHC on 1 January 2016. In 2015, the turnover, EBITDARM and rent of these homes were £14.5m, £2.1m and £2.7m respectively. In 2014, the turnover, EBITDARM and rent of these sites were £14.8m, £3.0m and £2.8m respectively.



brighterkind Historical Results and 2018 Budget

Period Ended	Annual					Quarterly							
	FY14A ⁽⁶⁾	FY15A ⁽⁶⁾	FY16A	FY17A	FY18B ⁽⁴⁾	Q117A	Q217A	Q317A	Q417A ⁽⁴⁾	Q118B ⁽³⁾	Q218B ⁽³⁾	Q318B ⁽³⁾	Q418B ⁽³⁾
Effective beds	2,676	2,704	2,245	2,208	2,210	2,208	2,208	2,208	2,208	2,210	2,210	2,210	2,210
Occupancy %	90.2	85.0	86.9	86.4	88.1	85.8	85.7	86.8	87.3	86.7	87.3	89.0	89.4
Revenue (£m)	93.4	93.6	90.5	98.5	101.5	23.3	24.0	24.5	26.6	24.5	25.2	25.8	26.0
Own Staff (£m)	(51.4)	(53.8)	(50.5)	(53.7)	(55.9)	(12.9)	(13.4)	(13.1)	(14.4)	(13.7)	(13.9)	(13.9)	(14.3)
Agency (£m)	(2.9)	(2.3)	(2.6)	(2.3)	(1.9)	(0.7)	(0.5)	(0.6)	(0.5)	(0.5)	(0.4)	(0.4)	(0.5)
Expenses (£m)	(12.6)	(12.7)	(12.1)	(12.2)	(12.7)	(3.2)	(3.0)	(2.9)	(3.2)	(3.3)	(3.1)	(3.0)	(3.2)
Rent (£m)	(9.9)	(9.8)	(8.0)	(8.2)	(8.6)	(2.1)	(2.1)	(2.1)	(2.0)	(2.1)	(2.1)	(2.2)	(2.1)
Central Costs- Payroll (£m)			(4.9)	(6.1)	(6.8)	(1.5)	(1.5)	(1.5)	(1.6)	(1.7)	(1.7)	(1.7)	(1.7)
Central Costs- Non-Payroll (£m)	(6.1)	(6.3)	(1.7)	(1.2)	(1.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Other Net Income (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(4.1)	(3.1)	(3.0)	(3.5)	(2.9)	(0.6)	(0.3)	(0.8)	(1.7)	(0.7)	(0.7)	(0.7)	(0.7)
Central Capex (£m)	(1.1)	(0.4)	(0.2)	(0.2)	(0.6)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Development Capex (£m)	(4.7)	(11.0)	(7.2)	(5.6)	(1.8)	(0.5)	(1.9)	(1.6)	(1.6)	0.0	(0.9)	(0.9)	0.0
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	(1.3)	(0.4)	(0.2)	(0.0)	(0.0)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Disposals (£m)	0.0	11.0	8.8	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m) ⁽⁵⁾	(0.1)	(0.1)	(1.0)	(0.1)	0.0	(0.0)	(0.0)	(0.0)	0.0	n/a	n/a	n/a	n/a
Closed Homes Costs in Exceptionals (£m) ⁽¹⁾	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo:													
Closed Homes Rent Cost (£m) ⁽²⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

n/a = not available

Note:

- 1) In FY14 and FY15 the trading results of closing homes is included in EBITDARM. In FY16 and FY17 the trading results of closing homes are included within 'closed home costs in exceptionals' from the date that closure is announced. In FY18 the amount is not budgeted to be material
- 2) Included within the total rent cost
- 3) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:
 - Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
 - Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
 - Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.
- 4) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments
- 5) The onerous lease provision release for Q4 2017 will be calculated as part of the statutory year end process, as will the onerous lease provision release relating to open homes with onerous leases for FY17
- 6) Prior to 2016, brighterkind includes 10 homes which were transferred to FSHC on 1 January 2016. In 2015, the turnover, EBITDARM and rent of these homes were £10.3m, £0.8m and £2.3m respectively. In 2014, the turnover, EBITDARM and rent of these homes were £10.8m, £1.7m and £2.4m respectively.



THG Historical Results and 2018 Budget

Period Ended	Annual					Quarterly							
	FY14A ⁽⁶⁾	FY15A ⁽⁶⁾	FY16A	FY17A	FY18B ⁽²⁾	Q117A	Q217A	Q317A	Q417A ⁽⁴⁾	Q118B ⁽³⁾	Q218B ⁽³⁾	Q318B ⁽³⁾	Q418B ⁽³⁾
Effective beds	1,427	1,245	1,075	855	687	934	900	831	763	690	685	686	686
Occupancy %	75.5	80.5	80.6	81.8	85.9	81.4	82.4	82.3	81.2	83.0	84.9	87.3	88.5
Revenue (£m)	119.4	115.9	112.9	110.3	98.3	27.0	27.9	27.3	28.0	23.9	24.2	24.9	25.4
Own Staff (£m)	(75.9)	(72.4)	(71.5)	(70.0)	(63.1)	(17.3)	(17.8)	(17.3)	(17.6)	(15.4)	(15.8)	(15.9)	(16.0)
Agency (£m)	(9.1)	(9.6)	(9.4)	(12.4)	(7.2)	(2.4)	(3.0)	(3.6)	(3.5)	(2.1)	(1.8)	(1.7)	(1.7)
Expenses (£m)	(14.4)	(13.0)	(12.9)	(12.7)	(11.6)	(3.1)	(3.1)	(3.2)	(3.3)	(2.9)	(2.8)	(2.9)	(3.0)
Rent (£m)	(4.6)	(5.3)	(5.0)	(4.9)	(5.4)	(1.3)	(1.1)	(1.2)	(1.2)	(1.4)	(1.4)	(1.4)	(1.4)
Central Costs- Payroll (£m)	(5.0)	(6.0)	(5.4)	(5.2)	(5.4)	(1.2)	(1.2)	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
Central Costs- Non-Payroll (£m)			(1.9)	(2.1)	(1.8)	(0.5)	(0.5)	(0.5)	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)
Other Net Income (£m)	0.8	0.7	0.7	0.8	0.8	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(3.6)	(3.7)	(2.8)	(3.3)	(3.0)	(0.3)	(0.8)	(1.2)	(1.1)	(0.6)	(0.9)	(0.9)	(0.6)
Central Capex (£m)	(1.1)	(0.4)	(0.2)	(0.9)	(1.1)	(0.2)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)
Development Capex (£m)	(1.0)	(3.6)	(5.7)	(0.5)	(0.5)	(0.4)	(0.1)	(0.0)	(0.1)	(0.2)	(0.1)	(0.2)	0.0
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	(3.1)	(3.5)	(1.6)	(0.2)	(0.7)	(0.8)	(1.8)	(0.8)	(0.2)	(0.5)	(0.2)
Disposals (£m)	0.0	0.4	3.7	6.5	0.0	0.3	4.8	1.4	0.0	0.0	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m) ⁽⁵⁾	0.0	(0.2)	(0.5)	(0.7)	0.0	(0.2)	(0.2)	(0.2)	0.0	0.0	0.0	0.0	0.0
Closed Homes Costs in Exceptionals (£m) ⁽¹⁾	n/a	n/a	(0.4)	(1.6)	(0.5)	(0.0)	(0.1)	(0.4)	(1.1)	(0.1)	(0.1)	(0.1)	(0.1)
Memo:													
Closed Homes Rent Cost (£m) ⁽²⁾	(0.2)	(0.4)	(0.7)	(1.1)	(1.7)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)

n/a = not available

Note:

- 1) In FY14 and FY15 the trading results of closing homes is included in EBITDARM. In FY16 and FY17 the trading results of closing homes are included within 'closed home costs in exceptionals' from the date that closure is announced. In FY18 the amount is not budgeted to be material
- 2) Included within the total rent cost
- 3) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:
 - Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
 - Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
 - Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.
- 4) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments
- 5) The onerous lease provision release for Q4 2017 will be calculated as part of the statutory year end process, as will the onerous lease provision release relating to open homes with onerous leases for FY17
- 6) Prior to 2016, THG includes 5 homes which were transferred to FSHC on 1 January 2016. In 2015, the turnover, EBITDARM and rent of these homes were £4.2m, £1.3m and £0.4m respectively. In 2014, the turnover, EBITDARM and rent of these homes were £4.0m, £1.3m and £0.4m respectively.



Group Historical Results and 2018 Budget – Continuing Operations

Period Ended	Annual					Quarterly							
	FY14A	FY15A	FY16A	FY17A	FY18B ⁽¹⁾	Q117A	Q217A	Q317A	Q417A ⁽²⁾	Q118B ⁽¹⁾	Q218B ⁽¹⁾	Q318B ⁽¹⁾	Q418B ⁽¹⁾
Effective beds	16,424	16,401	16,297	16,248	16,277	16,229	16,251	16,256	16,256	16,332	16,299	16,238	16,238
Occupancy %	89.7	87.7	90.3	89.8	90.6	90.0	89.6	90.0	89.6	89.2	90.4	91.3	91.5
Revenue (£m)	532.8	536.7	583.1	627.0	645.0	149.3	154.7	156.0	167.1	155.8	161.1	163.6	164.5
Own Staff (£m)	(311.5)	(322.3)	(345.2)	(367.7)	(378.9)	(88.2)	(90.9)	(89.7)	(98.9)	(93.5)	(95.4)	(94.7)	(95.3)
Agency (£m)	(21.7)	(27.0)	(27.5)	(38.3)	(34.0)	(8.1)	(8.9)	(10.4)	(10.9)	(9.0)	(8.1)	(8.6)	(8.2)
Expenses (£m)	(72.7)	(73.5)	(79.9)	(85.3)	(87.8)	(21.5)	(20.7)	(20.2)	(22.9)	(22.8)	(21.6)	(21.0)	(22.3)
Rent (£m)	(38.9)	(39.5)	(41.7)	(43.1)	(45.0)	(10.8)	(10.7)	(10.8)	(10.8)	(11.2)	(11.3)	(11.3)	(11.3)
Central Costs- Payroll (£m) ⁽³⁾	(35.9)	(38.7)	(30.0)	(31.7)	(33.5)	(8.3)	(8.2)	(7.7)	(7.2)	(8.4)	(8.4)	(8.4)	(8.2)
Central Costs- Non-Payroll (£m) ⁽³⁾		0.0	(10.3)	(7.2)	(7.5)	(1.9)	(1.9)	(1.8)	(1.7)	(1.9)	(1.9)	(1.9)	(1.8)
Reported accounts adjustments	0.2	1.3	3.7	3.4	0.0	1.4	1.3	0.7	0.0	0.0	0.0	0.0	0.0
Other Net Income (£m)	0.8	0.8	0.8	0.8	0.7	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(21.1)	(20.5)	(24.7)	(22.6)	(23.8)	(3.9)	(4.1)	(6.6)	(8.0)	(5.8)	(6.1)	(6.1)	(5.8)
Central Capex (£m) ⁽³⁾	(3.3)	(3.3)	(2.7)	(3.0)	(4.5)	(0.5)	(0.7)	(1.1)	(0.7)	(1.0)	(1.0)	(1.2)	(1.3)
Development Capex (£m) ⁽³⁾	(5.7)	(16.2)	(13.0)	(6.1)	(6.7)	(0.9)	(2.0)	(1.6)	(1.7)	(1.3)	(2.1)	(2.2)	(1.1)
Cash Exceptionals- Restructuring (£m) ⁽³⁾	0.0	(0.5)	(8.1)	(12.8)	(6.6)	(1.8)	(1.7)	(1.6)	(7.7)	(4.0)	(2.6)	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Disposals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Closed Homes Costs in Exceptionals (£m)	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a
Memo:													
Closed Homes Rent Cost (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
n/a = not available													

Note:

1) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:

- Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
- Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
- Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.

2) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments

3) Assumed to be the same as total historical and Budget costs



FSHC Historical Results and 2018 Budget – Continuing Operations

Period Ended	Annual					Quarterly							
	FY14A	FY15A	FY16A	FY17A	FY18B ⁽¹⁾	Q117A	Q217A	Q317A	Q417A ⁽²⁾	Q118B ⁽¹⁾	Q218B ⁽¹⁾	Q318B ⁽¹⁾	Q418B ⁽¹⁾
Effective beds	13,571	13,519	13,416	13,350	13,380	13,338	13,352	13,354	13,354	13,432	13,404	13,342	13,342
Occupancy %	90.0	88.3	91.3	90.8	91.3	91.3	90.7	90.9	90.4	90.0	91.2	91.9	92.0
Revenue (£m)	372.4	373.7	407.8	434.2	445.2	104.4	107.4	107.7	114.8	107.4	111.7	113.0	113.1
Own Staff (£m)	(219.1)	(225.5)	(240.8)	(254.3)	(259.9)	(61.2)	(62.7)	(61.8)	(68.5)	(64.5)	(65.6)	(64.8)	(65.0)
Agency (£m)	(15.3)	(19.8)	(18.6)	(26.6)	(24.9)	(5.7)	(6.3)	(7.1)	(7.5)	(6.4)	(5.9)	(6.5)	(6.0)
Expenses (£m)	(53.9)	(54.6)	(58.5)	(62.5)	(63.5)	(15.8)	(15.2)	(14.6)	(16.8)	(16.5)	(15.7)	(15.1)	(16.1)
Rent (£m)	(29.1)	(28.7)	(30.7)	(31.7)	(32.8)	(7.9)	(7.8)	(8.0)	(7.9)	(8.1)	(8.2)	(8.2)	(8.2)
Central Costs- Payroll (£m) ⁽³⁾	(24.8)	(22.4)	(19.6)	(20.3)	(21.3)	(5.6)	(5.5)	(4.9)	(4.3)	(5.3)	(5.4)	(5.4)	(5.2)
Central Costs- Non-Payroll (£m) ⁽³⁾		(4.0)	(6.8)	(3.9)	(4.3)	(1.1)	(1.1)	(0.9)	(0.8)	(1.1)	(1.1)	(1.1)	(1.0)
Other Net Income (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(15.7)	(15.2)	(18.0)	(16.4)	(17.9)	(3.1)	(3.1)	(4.8)	(5.3)	(4.5)	(4.5)	(4.5)	(4.5)
Central Capex (£m) ⁽³⁾	(1.1)	(2.5)	(2.3)	(1.9)	(2.9)	(0.2)	(0.4)	(0.8)	(0.5)	(0.7)	(0.7)	(0.7)	(0.7)
Development Capex (£m) ⁽³⁾	0.0	(1.6)	(0.1)	0.0	(4.4)	0.0	0.0	0.0	0.0	(1.1)	(1.1)	(1.1)	(1.1)
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Disposals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Closed Homes Costs in Exceptionals (£m)	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	0.0	0.0	n/a	n/a	n/a
Memo:													
Closed Homes Rent Cost (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

n/a = not available

Note:

1) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:

- Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
- Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
- Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.

2) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments

3) Assumed to be the same as total historical and Budget costs



brighterkind Historical Results and 2018 Budget – Continuing Operations

Period Ended	Annual					Quarterly							
	FY14A	FY15A	FY16A	FY17A	FY18B ⁽¹⁾	Q117A	Q217A	Q317A	Q417A ⁽²⁾	Q118B ⁽¹⁾	Q218B ⁽¹⁾	Q318B ⁽¹⁾	Q418B ⁽¹⁾
Effective beds	2,181	2,209	2,209	2,208	2,210	2,208	2,208	2,208	2,208	2,210	2,210	2,210	2,210
Occupancy %	91.0	86.5	87.2	86.4	88.1	85.8	85.7	86.8	87.3	86.7	87.3	89.0	89.4
Revenue (£m)	80.0	81.1	89.6	98.5	101.5	23.3	24.0	24.5	26.6	24.5	25.2	25.8	26.0
Own Staff (£m)	(43.4)	(45.5)	(50.0)	(53.7)	(55.9)	(12.9)	(13.4)	(13.1)	(14.4)	(13.7)	(13.9)	(13.9)	(14.3)
Agency (£m)	(1.9)	(1.6)	(2.6)	(2.3)	(1.9)	(0.7)	(0.5)	(0.6)	(0.5)	(0.5)	(0.4)	(0.4)	(0.5)
Expenses (£m)	(10.4)	(10.4)	(12.0)	(12.1)	(12.7)	(3.2)	(3.0)	(2.9)	(3.1)	(3.3)	(3.1)	(3.0)	(3.2)
Rent (£m)	(7.4)	(7.5)	(7.9)	(8.2)	(8.6)	(2.1)	(2.1)	(2.1)	(2.0)	(2.1)	(2.1)	(2.2)	(2.1)
Central Costs- Payroll (£m) ⁽³⁾			(4.9)	(6.1)	(6.8)	(1.5)	(1.5)	(1.5)	(1.6)	(1.7)	(1.7)	(1.7)	(1.7)
Central Costs- Non-Payroll (£m) ⁽³⁾	(6.1)	(6.3)	(1.7)	(1.2)	(1.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Other Net Income (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance Capex (£m)	(3.5)	(2.5)	(3.9)	(3.5)	(2.9)	(0.6)	(0.3)	(0.8)	(1.8)	(0.7)	(0.7)	(0.7)	(0.7)
Central Capex (£m) ⁽³⁾	(1.1)	(0.4)	(0.2)	(0.2)	(0.6)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Development Capex (£m) ⁽³⁾	(4.7)	(11.0)	(7.2)	(5.6)	(1.8)	(0.5)	(1.9)	(1.6)	(1.6)	0.0	(0.9)	(0.9)	0.0
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Exceptionals- Other (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Disposals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Onerous Leases Provisions Unwind (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Closed Homes Costs in Exceptionals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memo:													
Closed Homes Rent Cost (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

n/a = not available

Note:

1) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:

- Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
- Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
- Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.

2) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments

3) Assumed to be the same as total historical and Budget costs



THG Historical Results and 2018 Budget – Continuing Operations

Period Ended	Annual					Quarterly								
	FY14A	FY15A	FY16A	FY17A	FY18B ⁽¹⁾	Q117A	Q217A	Q317A	Q417A ⁽²⁾	Q118B ⁽¹⁾	Q218B ⁽¹⁾	Q318B ⁽¹⁾	Q418B ⁽¹⁾	
Effective beds	672	673	673	690	687	683	691	694	694	690	685	686	686	
Occupancy %	79.8	81.0	80.9	81.3	85.9	79.5	81.4	82.5	81.7	83.0	84.9	87.3	88.5	
Revenue (£m)	80.3	82.0	85.6	94.3	98.3	21.6	23.3	23.8	25.6	23.9	24.2	24.9	25.4	
Own Staff (£m)	(49.1)	(51.3)	(54.4)	(59.7)	(63.1)	(14.1)	(14.8)	(14.7)	(16.0)	(15.4)	(15.8)	(15.9)	(16.0)	
Agency (£m)	(4.5)	(5.7)	(6.3)	(9.3)	(7.2)	(1.7)	(2.0)	(2.6)	(2.9)	(2.1)	(1.8)	(1.7)	(1.7)	
Expenses (£m)	(8.4)	(8.6)	(9.4)	(10.7)	(11.6)	(2.5)	(2.5)	(2.7)	(3.0)	(2.9)	(2.8)	(2.9)	(3.0)	
Rent (£m)	(2.4)	(3.3)	(3.1)	(3.2)	(3.7)	(0.8)	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	
Central Costs- Payroll (£m) ⁽³⁾			(5.4)	(5.2)	(5.4)	(1.2)	(1.2)	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	
Central Costs- Non-Payroll (£m) ⁽³⁾	(5.0)	(6.0)	(1.9)	(2.1)	(1.8)	(0.5)	(0.5)	(0.5)	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)	
Other Net Income (£m)	0.8	0.8	0.8	0.8	0.7	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Change in Working Capital (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Maintenance Capex (£m)	(1.9)	(2.7)	(2.8)	(2.8)	(3.0)	(0.2)	(0.7)	(0.9)	(0.9)	(0.6)	(0.9)	(0.9)	(0.6)	
Central Capex (£m) ⁽³⁾	(1.1)	(0.4)	(0.2)	(0.9)	(1.1)	(0.2)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)	
Development Capex (£m) ⁽³⁾	(1.0)	(3.6)	(5.7)	(0.5)	(0.5)	(0.4)	(0.1)	(0.0)	(0.1)	(0.2)	(0.1)	(0.2)	0.0	
Cash Exceptionals- Restructuring (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Exceptionals- Other (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Disposals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Onerous Leases Provisions Unwind (£m)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Closed Homes Costs in Exceptionals (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Memo:														
Closed Homes Rent Cost (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

n/a = not available

Note:

1) The Budget was finalised on 8 December 2017. The following, among others, are the key risk factors to the Budget:

- Occupancy may be negatively impacted by, amongst other things, the following: (i) an above seasonal average death rate arising from severe seasonal illnesses such as the flu virus currently being experienced, (ii) reduced admissions which can be a function of, for example, local authority budget constraints, the inability to tender for new contracts and adverse publicity.
- Agency is a significant cost for the Group driven by underlying sector issues and short-term operational pressure. There continues to be a shortage of nurses in the UK which has been made worse by uncertainty relating to Brexit. This can be exacerbated in the short term by illness and adverse publicity.
- Exceptional costs associated with the Group's ongoing restructuring are material costs for the Group. These costs will increase should the restructuring process either increase in complexity requiring additional advisers or extend beyond the timeframe forecast by the business. The budget does not include restructuring expenses relating to creditors' advisor costs which are currently being incurred. In addition, the increased publicity surrounding the restructuring process may lead to adverse working capital movements.

2) FY17 is managements unaudited preliminary view of FY17 and does not include statutory adjustments

3) Assumed to be the same as total historical and Budget costs



Leasehold Estate Information (FY17)

Leasehold Estate Information (FY17)								
Landlord Group	Tenant # ⁽¹⁾	# Homes	# Leases	2017 EBITDARM (£'000) ⁽²⁾	2017 Rent (£'000) ⁽²⁾	2017 Maintenance Capex (£'000) ⁽²⁾	# Closed homes ⁽³⁾	3 Year Roll, <1.0x EBITDARM / Rent Lease maturity ⁽⁴⁾
1	1	8	8	3,411	1,940	526	-	-
	2	6	6	1,699	1,507	183	2	-
	3	2	2	845	482	106	-	-
	4	5	5	1,665	1,572	200	1	-
	5	7	7	1,164	1,835	276	3	-
	6	1	1	336	294	51	-	-
	7	15	15	2,468	4,155	656	6	-
	8	3	3	816	1,193	228	-	-
	9	1	1	312	381	88	-	-
	10	5	5	1,428	1,851	356	1	(74)
	11	7	7	4,834	2,342	530	-	-
	12	1	1	1,307	148	58	-	-
2	13	1	1	759	289	78	-	-
	14	1	1	214	217	27	-	(3)
	15	48	48	12,152	7,969	3,272	5	-
	16	3	3	229	225	211	-	-
	17	4	4	1,476	1,613	325	1	-
	18	1	1	582	388	60	-	-
	19	2	2	523	491	162	1	-
3	20	1	1	583	435	54	-	-
	21	1	1	295	529	50	-	-
	17	4	4	912	1,516	251	1	(453)
	22	1	1	134	385	117	-	(251)
	23	1	1	(536)	206	186	-	-
	24	1	1	460	354	48	-	-
4	25	10	10	3,423	2,978	857	4	-
5	26	2	2	1,908	948	140	-	-
	27	4	4	1,860	1,244	465	-	-
	28	1	1	612	212	47	-	-
	29	1	1	524	212	46	-	-
	30	1	1	356	188	69	-	-
6	31	2	2	605	566	207	-	-
	32	5	5	2,431	1,608	297	-	-
7	33	2	2	369	545	302	1	-
8	34	2	2	1,791	812	190	-	-
9	35	1	1	1,435	470	49	-	-
	36	1	1	310	583	51	-	-
Total - top 9 landlord groups		162	162	53,692	42,683	10,820	26	(781)
Other	37	1	1	827	370	104	-	-
	38	1	1	227	954	53	-	-
	39	1	1	593	455	71	-	-
	40	7	7	2,457	1,469	345	1	-
	41	9	9	1,973	2,565	513	2	-
	42	1	1	477	341	187	-	-
	43	1	1	-	288	-	1	-
	44	1	1	509	351	55	-	-
	45	1	1	468	308	96	-	-
	46	1	1	478	303	119	-	-
	47	1	1	586	349	44	-	-
Total all landlords		187	187	62,285	50,435	12,406	30	(781)

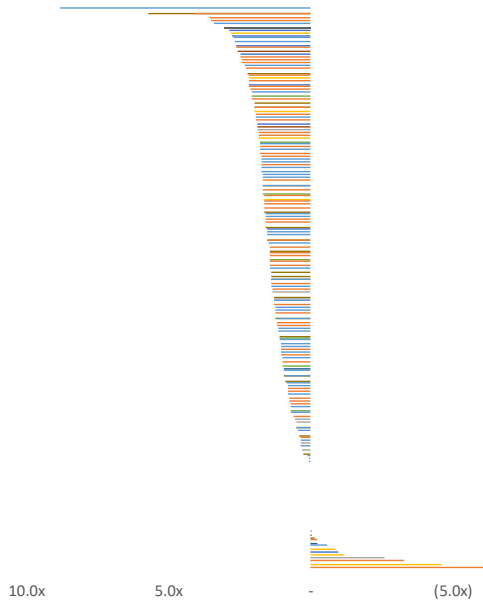
Note:

- 1) Tenants recorded on a beneficial interest basis
- 2) Financial data for FY17 period
- 3) Two homes have closed since FY17 YE to 26-Jan. Not counted in closed homes
- 4) Aggregate EBITDAM of all <1.0x EBITDARM / Rent leases expiring in period from FY18-FY20

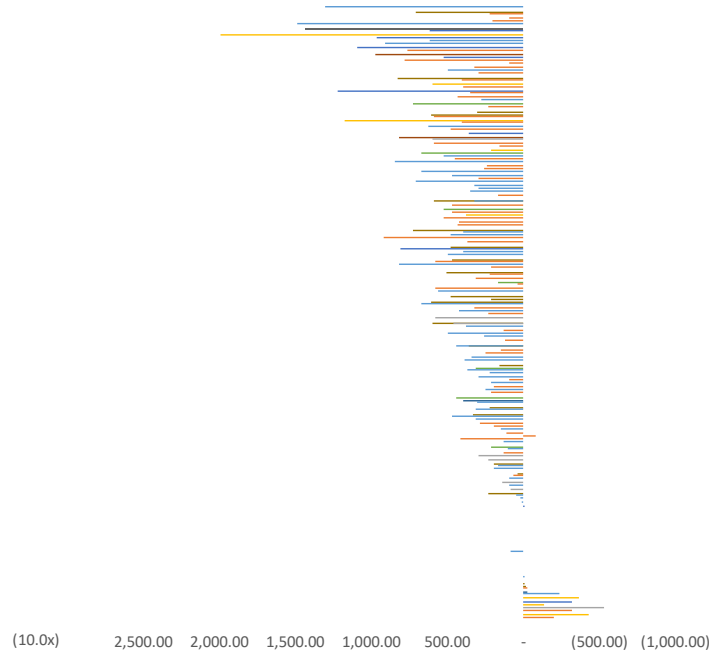


Home-by-Home Performance – Leasehold Estate (FY17)

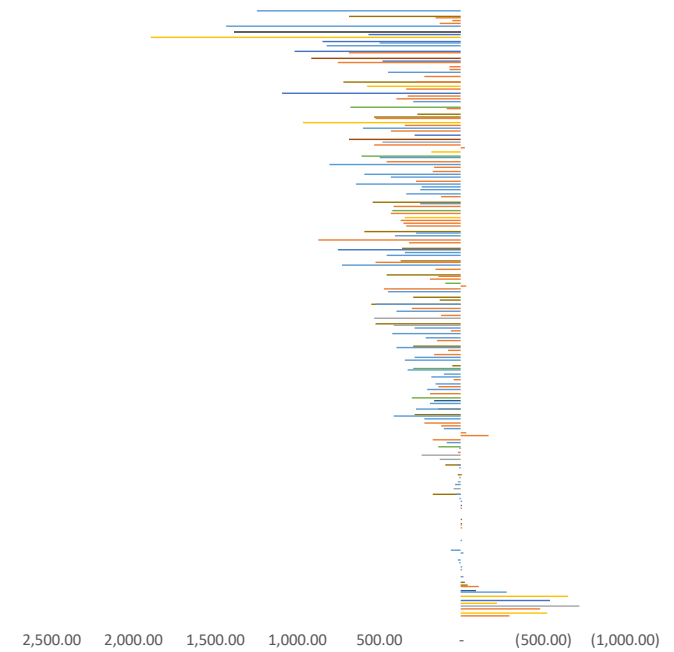
2017 EBITDARM/Rent (x)



2017 EBITDARM (£'000)



2017 EBITDARM LESS MAINTENANCE CAPEX (£'000)

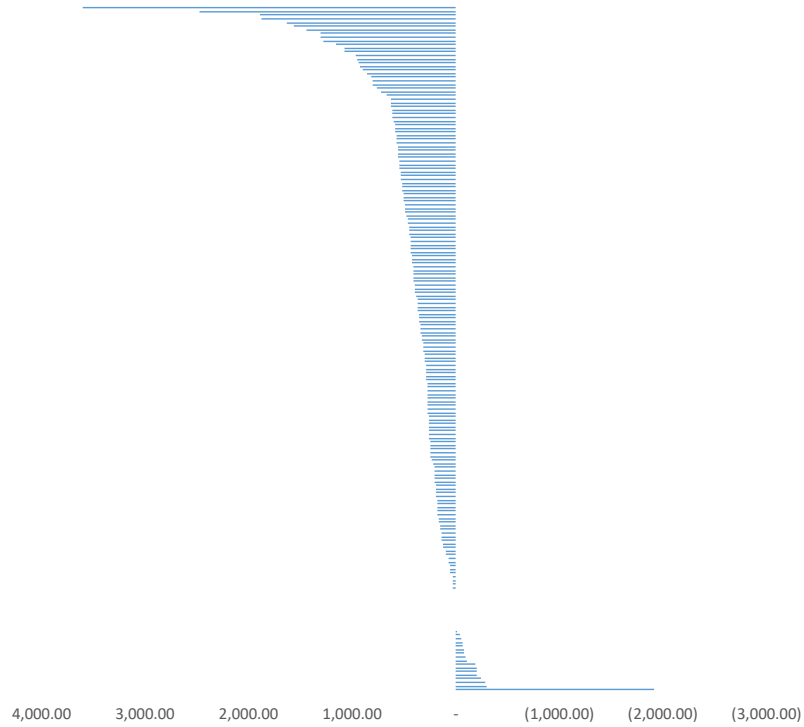


■ Landlord 1
 ■ Landlord 2
 ■ Landlord 3
 ■ Landlord 4
 ■ Landlord 5
 ■ Landlord 6
 ■ Landlord 7
 ■ Landlord 8
 ■ Landlord 9
 ■ Other

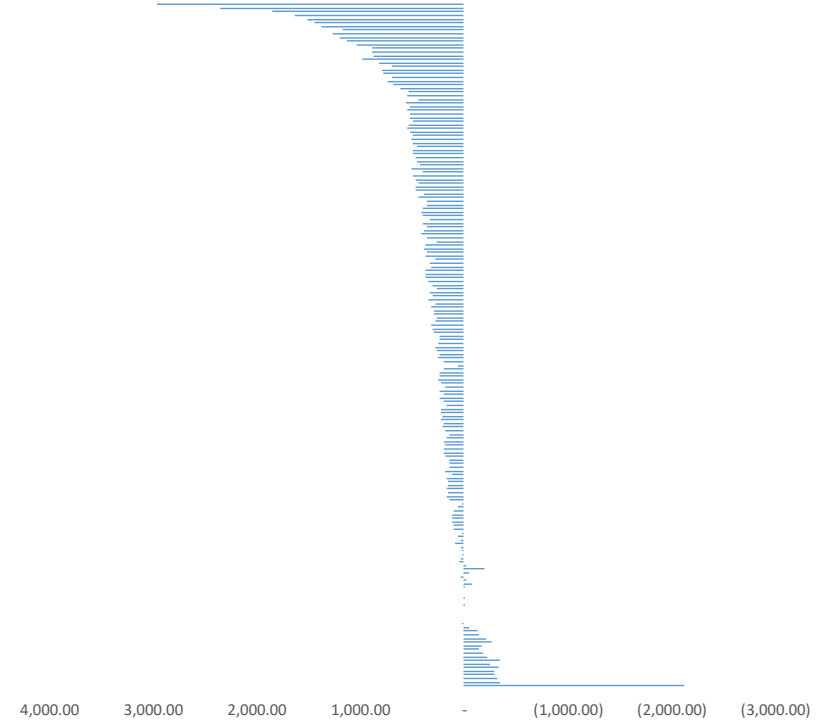


Home-by-Home Performance – Freehold Estate (FY17)

EBITDAM (£'000)



EBITDAM less maintenance capex (£'000)



Receipts and payments – Q4 2017 and 3 Weeks Q1 2018 Actual

£'m, week ending	1-Oct	8-Oct	15-Oct	22-Oct	29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec	10-Dec	17-Dec	24-Dec	31-Dec	7-Jan	14-Jan	21-Jan
Revenue & other net income	9.5	14.8	8.9	21.2	8.3	14.8	8.3	20.6	7.8	17.1	6.4	20.0	14.1	4.8	13.0	7.0	20.8
Disposals	0.0	0.8	0.0	3.3	0.0	0.0	0.0	3.0	0.0	0.0	0.8	0.2	0.0	0.0	0.0	0.0	0.0
Payroll	(10.0)	(4.7)	(6.3)	(3.9)	(9.8)	(4.8)	(6.1)	(4.2)	(9.7)	(4.8)	(6.1)	(3.9)	(14.1)	(0.2)	(5.8)	(3.8)	(10.6)
PAYE	0.0	0.0	0.0	(6.4)	0.0	0.0	0.0	0.0	(6.4)	0.0	0.0	0.0	(7.7)	0.0	0.0	0.0	0.0
Purchase ledger	(3.2)	(5.0)	(1.6)	(2.4)	(5.0)	(3.1)	(5.9)	(0.5)	(4.9)	(3.2)	(5.8)	(1.8)	(3.5)	(2.8)	(4.9)	(3.0)	(1.3)
Rent	(6.8)	(1.4)	0.0	(0.0)	(0.3)	(1.5)	0.0	0.0	0.0	(1.8)	0.1	(0.0)	(0.3)	(2.9)	(5.5)	0.0	(0.0)
Interest	(0.2)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.7)
Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0
Capex	(0.4)	(1.3)	(0.3)	(0.8)	(1.3)	(0.1)	(1.1)	(0.0)	(0.5)	(0.7)	(0.8)	(0.4)	(1.0)	(0.4)	(0.9)	(0.1)	(0.3)
Exceptionals - Restructuring	(0.1)	(0.2)	(0.3)	(1.1)	(0.1)	(0.8)	(0.1)	(0.0)	(0.1)	(0.2)	(0.0)	(0.1)	(0.7)	(0.2)	0.0	(0.3)	(0.0)
Exceptionals - Other	0.0	(0.1)	0.0	0.0	(0.0)	(0.2)	(0.0)	0.0	(0.2)	0.0	(0.1)	(0.0)	(0.2)	(0.1)	(0.2)	0.0	0.0
Net cash flow	(11.1)	2.8	0.4	9.7	(8.1)	4.3	(4.9)	18.9	(10.4)	6.5	(5.5)	13.9	(13.6)	(1.7)	(3.5)	(0.1)	8.0
Opening Cash	24.8	13.7	16.6	17.0	26.7	18.5	22.8	17.9	36.8	26.5	33.0	27.4	41.4	27.8	26.1	22.5	22.4
Closing cash	13.7	16.6	17.0	26.7	18.5	22.8	17.9	36.8	26.5	33.0	27.4	41.4	27.8	26.1	22.5	22.4	30.4

