

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 (“**EFUK**”) and Elli Investments Limited (“**EIL**”, together with EFUK, the “**Issuers**”, and together with their subsidiaries, “**Four Seasons Health Care**”)

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

Four Seasons Health Care (“**Four Seasons**” or the “**Company**”) today announces that it and H/2 Capital Partners on behalf of its affiliated investment funds (“**H/2**”) have agreed an amendment to their existing standstill and deferral agreement (the “**Standstill and Deferral Agreement**”). The amendment principally revises the date for a mutual agreement as to restructuring terms to on or before 15 May 2018. The amendment further extends the forbearance period’s long-stop date to 31 July 2018.

Stakeholders are encouraged to review the amendment to the Standstill and Deferral Agreement, which can be found in its entirety on the “Investor” section of the Four Seasons Health Care website (please click the following link to view the document: <https://www.fshc.co.uk/investors>).

For further enquiries, please contact:

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For more information on Four Seasons Health Care, please visit <https://www.fshc.co.uk/investors>.

This announcement has been given by the Issuers of the Notes:

Elli Finance (UK) Plc

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Elli Investments Limited

Old Bank Chambers

La Grand Rue

St Martin's, Guernsey

GY4 6RT

BY COURIER AND EMAIL

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FAO: The Directors

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London
EC2Y 8HQ
FAO: Bruce Bell, Sarah Mook

13 April 2018

Ladies and Gentlemen,

Standstill and Deferral Agreement dated 14 December 2017, as amended and/or restated from time to time, between, among others, Elli Finance (UK) Plc (as the Senior Secured Notes Issuer), Elli Investments Limited (as the Senior Notes Issuer), and H/2 Credit Manager LLC (“H/2”) for and on behalf of certain investment funds managed by it or its affiliates (the “Standstill Agreement”)

1. Unless otherwise defined, words and expressions used in the Standstill Agreement shall bear the same meaning in this letter and section references in this letter shall reflect the section references in the Standstill Agreement.
2. Pursuant to Section 6.10 (*Amendment*), upon an original copy of this letter being countersigned by the Issuers and the Majority Holders, the Issuers and the Majority Holders agree that the Standstill Agreement shall be amended in accordance with the terms set out in Schedule 1 (*Amendments to the Standstill Agreement*).
3. It is agreed and acknowledged by the Issuers that nothing in this letter shall constitute a waiver, or prejudice, diminish or otherwise adversely affect, any present or future rights or remedies available to H/2 or any other creditor of the Group.
4. The provisions of Section 6 (*Miscellaneous*) shall apply to this letter as if set out in full herein, save that references therein to “this Agreement” shall be read as a reference to this letter.

Yours sincerely,

[REDACTED]

H/2 CREDIT MANAGER LLC

for and on behalf of the Majority Holders

By:

Name:

[REDACTED]

Title: *Authorized Signatory*

Acknowledged and agreed

[REDACTED]

for and on behalf of

ELLI FINANCE (UK) PLC

By:

Name: [REDACTED]

Title: *DIRECTOR*

for and on behalf of

ELLI INVESTMENTS LIMITED

By

Name: [REDACTED]

Title: *DIRECTOR.*

[REDACTED]

SCHEDULE 1

AMENDMENTS TO THE STANDSTILL AGREEMENT

1. Section 5.1(d)(i) (*Forbearance Expiration Date*) shall be amended by deleting “1 June 2018” and replacing it with “31 July 2018”.
2. Section 5.1(d)(ix)(B) (*Forbearance Expiration Date*) shall be amended to read as follows:

“the making of any oral, written or other communication or announcement (whether or not public and including, but not limited to, any press release, media statement or internal communication) by any member of the Group or the Sponsor Group that may: (x) frustrate, impede or interfere with this Agreement, the Consent Solicitation or the restructuring process; or (y) impugn the reputation of, or disparage, any Holder, its Affiliates or its Representatives, or call into question their efforts taken in connection with the restructuring process and/or related matters;”
3. Exhibit D, Part A, section 18b (*Undertakings*) shall be amended to read as follows:

“provide the Holders and the Holder Advisers with co-operation and access to management and/or employees (including any group(s) of management and/or employees specified by the Holders or the Holder Advisers) of the Group at all times including, but not limited to, facilitating meetings and other communications with management and/or employees as the Holders or the Holder Advisers may require;”
4. Exhibit D, Part B, Milestone 5 (*Milestones*) shall be amended by deleting “16 April 2018” in the column entitled “Milestone Date” and replacing it with “15 May 2018”.
5. Exhibit F (*Governance Covenants*) shall be amended by inserting the following new paragraph 4:

“The Group shall adhere to the Expense Protocol and shall provide the Holders and/or the Holder Advisers, upon request, with any information requested by them in relation to the Group’s Expenses or the Group’s compliance with the Expense Protocol, provided that such adherence shall not prevent the directors from obtaining (and paying for) from time to time any reasonably necessary legal advice in relation to their duties and their compliance with applicable law and regulation.”
6. Exhibit F (*Governance Covenants*) shall be amended by inserting the following new definitions:

“Expenses” means the restructuring costs and expenses of the Group, including, but not limited to, costs associated with the Group’s professional advisers.”

“Expense Protocol” means the protocol, led by the Implementation Officer, in relation to Expenses incurred by or to be paid by the Group, which evidences the commitment of the Group to ensure control of Expenses and pursuant to which the Group will: (i) request that its professional advisers co-operate fully with the protocol; and (ii) implement any and all recommendations made by the Implementation Officer in relation to Expenses.”