30 June 2015

LAURA ASHLEY HOLDINGS PLC (the "Company")

Acquisition of Property in Singapore from Ho Bee Realty Pte Ltd
Laura Ashley establishes Asian Headquarters

The Company's wholly owned subsidiary, Laura Ashley (Asia) Pte Ltd ("**Laura Ashley Asia**"), has today exercised the Option to purchase a commercial property in Singapore (the "**Property**") for a cash consideration of Singapore Dollars ("**SGD**") 66 million (approximately £31.1 million at the exchange rate of £1 : SGD 2.119) (collectively referred to as the "**Acquisition**"). The Acquisition will be completed 4 weeks from today's date ("**Completion**").

The Acquisition will be partially funded by a SGD 42.9 million debt facility provided by DBS Bank Limited secured against, inter alia, the Property. The remaining consideration of SGD 23.1 million will be funded out of the Company's cash reserves.

Background to and benefits of the Acquisition

As at 31 January 2015, the Company had 205 stores in its UK property portfolio and 303 franchised stores in 30 territories worldwide. International franchising and licensing has increasingly become an important part of the business as it already accounts for 10.3% of total revenue. In line with the Company's long-term expansion strategy, the Board has identified significant growth prospects for the Group in Asia.

The Company already has strong franchise partners in Malaysia, Taiwan, Japan, South Korea, Hong Kong and Australia. However, in order to take advantage of the opportunities in Asia, in particular China and India, the Company needs to establish a strong regional commercial and operational presence.

The Company is now in a position to invest in an Asian headquarters and believes that Singapore, with its stable political and economic situation, is the ideal location from which to manage its Asian operations. Asia has been experiencing consistently steady and attractive economic growth. It is anticipated that consumption in Asia will likewise increase and over time, the Group's international operations will account for an increasing percentage of its total revenue. With the appropriate regional partners, the Directors believe that it is in the Company's long-term commercial interest to capitalise on this opportunity in Asia.

Description of the Property

The Property is a modern 8-storey office building which comprises net area of 98,254 square feet. It is situated at No 29 New Industrial Road, Singapore, 536213. The Property is located in the North East region of Singapore and is well connected to the rest of the island via the Pan Island Expressway, Central Expressway and Kallang Paya Lebar Expressway. It is also well served by the public transport network and is a 10-minute walk from Tai Seng Mass Rapid Transit Station.

Pursuant to a Property Valuation Report prepared by DTZ Debenham Tie Leung (SEA) Pte Limited, dated 9 March 2015, the Property has been valued at SGD 66 million. The Company will make a copy of this report available on its website at www.lauraashley.com.

The Property is wholly owned by Ho Bee Realty Pte Ltd, a company incorporated in Singapore, unconnected with the Company or its shareholders, that engages in real estate development. The Acquisition will be made by the Company's wholly owned subsidiary, Laura Ashley Asia. A sum of SGD 6.6 million will be paid upon the signing of a Sale and Purchase Agreement, followed by the balance payment of SGD 59.4 million upon Completion of the sale which will be four weeks from the date of the Sale and Purchase Agreement.

Financing of the Acquisition

The Company will finance the costs of the Acquisition by using SGD 23.1 million (£10.9 million) from reserves, combined with a new debt facility of SGD 42.9 million (£20.2 million). This will be settled over a 15 year period in 180 instalments of SGD c297k (£140k). The cost of finance is agreed at 3 month Singapore Interbank Offered Rate ("**SIBOR**") plus 2% per annum. The total acquisition cost to the Company, including Goods and Services Tax ("**GST**") and stamp duty, will be approximately SGD 73.0 million (£34.5 million).

Financial effects of the Proposed Acquisition

Upon Completion, the value of the Company's fixed assets will increase by approximately £32.1 million, cash balances will decrease by approximately £15 million in the first year of purchase and the Company's long-term liabilities will increase by approximately £20.2 million. Over the entire loan period of 15 years, the total cash outflow, in terms of principal and interest payments for the Acquisition, will be approximately £25.2 million. The impact on earnings for the Financial Years 2015/2016 and 2016/2017 will be negative £0.3million and negative £0.6million respectively.

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