

LAURA ASHLEY

27 Bagleys Lane, Fulham, London SW6 2QA
Tel. 020 7880 5100 Fax. 020 7880 5200
www.lauraashley.com

Dear Shareholder

Laura Ashley Holdings plc (the "Company") Explanatory notes on the principal proposed changes to the Company's Articles of Association

Below is a brief summary of the principal proposed changes to the Company's Articles of Association (the "Articles") taking into account changes in company law as a result of the implementation of the Companies Act 2006 (the "2006 Act"). Other proposed changes not mentioned below are generally of a minor and clarifying nature and references to sections of the Companies Act 1985 (the "1985 Act") in the current Articles which have not been retained by the 2006 Act have been updated accordingly in the new Articles. A clean copy of the new Articles showing the proposed changes is enclosed for your information.

Form of resolution

The concept of extraordinary resolutions has not been retained under the 2006 Act and all references to "extraordinary" resolutions have been removed from the Articles. Where an extraordinary resolution was previously required under the current Articles, this has been replaced with a "special resolution".

Convening and length of notice of extraordinary and annual general meetings

The concept of "extraordinary" general meetings no longer applies and as such, all references to "extraordinary general meetings" in the current Articles have been replaced with "general meetings".

Under the current Articles, a general meeting to consider a special resolution must be convened on 21 days notice. Under the 2006 Act, such meetings may be convened with 14 days' notice.

These provisions have been amended to reflect the new provisions under the 2006 Act.

Age of directors on appointment

The current Articles requires a director's age to be disclosed if he has attained 70 years or more in the notice convening a meeting at which a director is proposed to be elected or re-elected. In light of new legislation prohibiting age discrimination, this Article has been amended accordingly in the new Articles.

Variation of class rights

The current Articles on the variation of class rights have been amended to reflect the proceedings and specific quorum requirements for a meeting convened to vary class rights under the 2006 Act.

Votes of members

The 2006 Act allows for members the right to appoint a proxy to attend, speak and vote at meetings on his behalf and for more than one proxy to be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. These provisions have been reflected in the new Articles.



Directors' conflict of interests

The 2006 Act largely codifies directors' general duties with some changes, notably, that a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests.

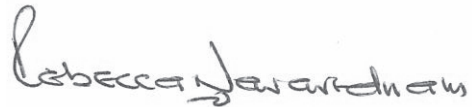
The 2006 Act allows directors to authorise conflicts and potential conflicts, where appropriate, where the articles of association provide to this effect. The new Articles allow directors the authority to approve such situations and to include other provisions to allow conflicts of interests to be dealt with.

The new Articles have been updated to reflect new requirements under the 2006 Act. Only directors who have no interest in the matter being considered will be able to take the relevant decision, and in taking a decision, the directors must act in a way they consider, in good faith, will be most likely to promote the success of the company. Directors will be able to impose limits or conditions when giving authorisation if considered to be appropriate.

Electronic and web communications

The 2006 Act enables companies to communicate with members through electronic and/or website communications. The current Articles have been amended to take advantage of these new provisions.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Navarednam". The signature is written in a cursive style with a large initial 'R'.

Rebecca Navarednam

Chief Financial Officer/Company Secretary

29 April 2009