

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

2 March 2016

**Specialist Investment Properties plc
(the "Company" or "SIPP")**

Completion of Capital Raising and First Acquisitions

Further to its announcement on 23 February 2016, the Company is pleased to announce progress with the implementation of its investing policy. The Capital Raising has now completed and the Company has made its first acquisitions of investment properties.

On 24 February 2016 the 713,142 Open Offer Shares and the 10,000,000 Placing Shares were admitted to trading on AIM. Pursuant to the Capital Raising, the Company raised net proceeds of approximately £2.04 million which will be used, *inter alia*, to acquire properties in specialised care sectors, initially focussed on children's homes and to provide further working capital for the Company.

This use of proceeds is in line with the Company's new Investing Policy which was adopted on 16 September 2015. The Investing Policy is for the Company to become an investment property company, acquiring and holding freehold properties (and, in rare cases, long leasehold properties) in specialised sectors of the property market. The initial and primary focus is to make investments in purpose-built homes for adults with learning difficulties requiring support from carers (for example adults with autism), purpose-built care homes for the elderly and infirm and converted dwellings accommodating young adults/late teens requiring extensive support from social services. The Investing Policy for the Company will also allow it to invest in other specialist areas such as wedding and conference centres, other leisure facilities and, if sufficiently non-mainstream, residential or commercial property.

The Company is pleased to announce that it has now begun to implement this Investment Policy with the completion of the acquisition of its first two properties. Secta Properties Limited ("Secta"), a subsidiary of SIPP, has successfully completed the acquisition and leaseback of two existing children's homes in Heywood and Bury, Greater Manchester. Both homes are leased to Meadows Care Limited, a well-established children's home care operator, with over 10 years' experience, on a 25-year inflation linked FRI lease.

The consideration for the two properties was £507,000 with SIPP funding £188,000 and the balance coming from funds drawn under the Framework Facility Agreement. The properties were purchased from Jonathan Rigg and Niel Shelmerdine, principals of Meadows Care Limited.

In addition to the acquisitions, Secta is in discussions to purchase two more residential properties in Birmingham to be leased to Meadows Care Limited; this would enable Meadows Care Limited to fulfil part of its contract with Birmingham City Council to provide children's accommodation. A selection of further properties in the area are also being identified.

The Company is also in discussions with developers, property owners and care operators in relation to further acquisition opportunities, both in the children's homes sector and supported living sector. Given the number of acquisition opportunities currently in negotiation, the Board expects the net proceeds of the Capital Raising to be fully deployed within the timeframe of three to six months stated in the Circular (defined below).

The initial average gross rental yield from the most advanced acquisition opportunities currently identified and in discussion is expected to exceed 8% per annum.

Capitalised terms used but not defined in this announcement bear the meanings ascribed to them in the circular dated 15 January 2016 (the "Circular"). The Circular is available on the Company's website at www.thehotelcorporation.co.im.

Total Voting Rights

Following Admission, the Company's issued share capital as at today's date consists of 13,204,095 Ordinary Shares, with one voting right per share. The total number of current voting rights in the Company is therefore 13,204,095. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares and voting rights in the Company is 13,204,095.

The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

For further information:

Specialist Investment Properties plc
Derek Short / David Craine
+44 (0) 1624 626586

Sanlam Securities UK Limited (Nomad and Broker to the Company)
Simon Clements / James Thomas
+44 (0) 20 7167 6433

Shore Capital (Financial Adviser and Broker to the Capital Raising)
Patrick Castle
+44 (0) 20 7408 4090

Disclaimer

Sanlam Securities UK Limited, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as Nominated Adviser exclusively for the Company in connection with the Capital Raising and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this announcement or any matter, transaction or arrangement referred to herein. The responsibilities of Sanlam Securities UK Limited as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person.

Shore Capital & Corporate Limited which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as financial adviser exclusively for the Company in connection with the Capital Raising and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this announcement or any matter, transaction or arrangement referred to herein.

Shore Capital Stockbrokers Limited, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as broker to the Company in connection with the Placing and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this announcement or any matter, transaction or arrangement referred to herein.

This announcement has been issued by the Company and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Sanlam Securities UK Limited, Shore Capital & Corporate Limited, Shore Capital Stockbrokers Limited or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.