

2 September 2005

## ASHLEY HOUSE ACQUIRES PRIMARY CARE ASSETS AND NORTHERN OFFICE

Ashley House is pleased to announce that it has signed Heads of Terms with the Oakapple Group which upon completion, will lead to Ashley House acquiring their Primary Healthcare assets, both built and under construction together with their future pipeline of Healthcare projects.

Consideration will be a mixture of cash and Ashley House Units to be issued at a price of 80p per Unit, the average of the mid price last week. Initial consideration for completed and on-site projects will be a maximum of GBP 2.9 million plus associated debt of GBP6.4 million. Further payment will be dependent upon delivery of the pipeline schemes over the 2 years following completion and will be subject to a limit on the number of Units to be issued of 7 million. Over 2 years the acquisition should produce in excess of GBP20million of primary care assets.

The opportunity also fulfils a strategic ambition of Ashley House to strengthen its position in the North and North West by providing a Leeds office base.

The Oakapple Group currently incorporates a highly successful Leeds based residential and commercial property development business and a construction company which are not part of this transaction, as well as the primary care development business. Philip Taylor, the founder of Oakapple with over twenty years of experience in the property industry, is to join the board of Ashley House as a non-executive director upon completion.

Details will be sent out to Ashley House Unit holders for approval in due course and it is the Board's intention to combine this approval with details of the move to AIM announced in the annual results.

The Directors of Ashley House plc and Ashley House Properties Ltd assume responsibility for this announcement.