

ASHLEY HOUSE PROPERTIES LIMITED

FINAL RESULTS FOR YEAR ENDED 30 APRIL 2006

14 JULY 2006

CHAIRMAN'S STATEMENT

RESULTS

The year to 30 April 2006 has shown strong progress for Ashley House Properties Limited, with the portfolio of investment properties growing to over GBP41 million from just under GBP20 million in the year. The significant jump in the net asset value to GBP6.4 million (29p per share) from GBP2.1million (10p per share) last year was a result of the revaluation of properties completed during the year and of those acquired when Ashley House Properties acquired Medical Properties Limited in April 2005. The profit generated from rents during the year of GBP1.4 million was GBP0.2 million post tax, representing 0.9p per share.

CURRENT PORTFOLIO

The portfolio of completed properties is planned to increase from 16 currently to over 30 by the end of 2007, taking into account schemes under construction and with planning consent. This portfolio, when complete should have a gross value in excess of GBP75million.

OUTLOOK

The benefit of the revaluation is clear in the effect on the net asset value of the Company. This is a consequence of a high level of demand for such investment properties which have attractive characteristics of being new, purpose built deriving long term secure income from high quality tenants in Doctors' practices and Primary Care Trusts and some on site pharmacies. Whilst this is welcome for the current portfolio, it does mean that the net asset growth in the future is unlikely to be as dramatic.

FINANCING AND STRUCTURE

The financing for these schemes has been largely funded by debt thus far. Much of it is fixed and the Board was pleased to take advantage of the dip in long term interest rates earlier in 2006 and secured GBP15.2million of long term gilt linked fixed debt at a cost of 5.35% and 5.45% (including margin) over 25 and 20 years respectively.

With the market strengthening, it may be necessary to raise further additional equity to build out the portfolio identified above. To this end, and as set out in a joint statement with Ashley House plc, it is proposed to de-staple the two companies' shares and for Ashley House Properties Limited to raise additional equity capital. Once the detailed proposals have been finalised, shareholders will be sent an explanatory circular with notice of an extraordinary general meeting to give shareholders the opportunity to approve the proposals.

This has been a very good year in terms of building shareholder value for Ashley House Properties and this company is set to embark on a new phase in its growth.

DAVID BURTON CBE

CHAIRMAN

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2006 GBP000	2005 GBP000
Turnover	1,386	5
Cost of sales	-	(3)
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Gross profit	1,386	2
Administrative expenses	(289)	(68)
Other operating income	111	-
	-----	-----
Operating profit/(loss)	1,208	(66)

Net interest	(959)	(4)
	-----	-----
Profit/(loss) on ordinary activities before taxation	249	(70)
Tax on profit/(loss) on ordinary activities	(43)	-
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Profit/(loss) retained and transferred to/from reserves	206	(70)
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Basic earnings/(loss) per share	0.94p	(0.88)p
Diluted earnings/(loss) per share	0.86p	(0.88)p

All of the activities of the group are classed as continuing.

#### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006

#### CONSOLIDATED BALANCE SHEET

	Group 2006 GBP000	Group 2005 GBP000	
Fixed assets			
Tangible assets	41,484	19,851	
Investments	-	-	
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	41,484	19,851	
	-----	-----	Current
assets			
Debtors	1,916	846	
Cash at bank and in hand	402	371	
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	2,318	1,217	
Creditors: amounts falling due within one year	(4,903)	(2,916)	
	-----	-----	
Net current liabilities	(2,585)	(1,699)	
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Total assets less current liabilities	38,899	18,152	
Creditors: amounts falling due after more than one year	(32,511)	(16,006)	

Net assets	6,388	2,146
Capital and reserves		
Called up share capital	2	2
Share premium account	2,165	2,214
Revaluation reserve	4,085	-
Profit and loss account	136	(70)
Shareholders' funds	6,388	2,146
Net asset value per share	28.6p	9.9p

CONSOLIDATED CASHFLOW STATEMENT

	2006	2005
	GBP000	GBP000
Net cash inflow from operating activities	1,711	1,596
Returns on investments and servicing of finance		
Interest paid	(1,142)	(56)
Interest received	17	-
Net cash outflow from returns on investments and servicing of finance	(1,125)	(56)
Taxation	-	-
Capital expenditure and financial investment		
Sale of tangible fixed assets	178	-
Purchase of tangible fixed assets	(17,449)	(5,888)
Net cash outflow from capital expenditure and financial investment	(17,271)	(5,888)
Purchase of subsidiary	194	(1,146)
Net cash from purchase of subsidiary	-	64
Net cash inflow/(outflow) from acquisitions and disposals	194	(1,082)
Financing		
Receipts from borrowing	23,143	4,439
Repayment of borrowing	(6,572)	-
Issue of shares	-	1,362

Expenses paid in connection with share issues	(49)	-
Net cash inflow from financing	16,522	5,801
Increase in cash	31	371

#### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2006 GBP000	2005 GBP000
Profit/(loss) for the financial year	206	(70)
Unrealised surplus on revaluation of fixed asset investments	4,085	-
Total recognised gains/(losses) relating to the year	4,291	(70)

#### NOTES TO THE ACCOUNTS

##### 1 EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of the basic earnings per share is based on the profit/(loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	2006		2005	
	Profit GBP000	Weighted average number of shares	Loss GBP000	Weighted average number of shares
Basic earnings/(loss) per share				
Profit attributable to ordinary shareholders	206	21,900,922	(70)	8,015,845
Dilutive effect of securities				
Options	-	738,410	(0.03)	
Warrants	-	670,116	(0.02)	
Convertible loans	-	767,852	(0.03)	

Diluted earnings per share	206	24,077,300	0.86
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2 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 GBP000	2005 GBP000
Profit/(loss) for the financial year	206	(70)
New shares issued	-	2,216
Revaluation of property	4,085	-
Share issue costs	(49)	-
	-----	-----
Net addition to shareholders' funds	4,242	2,146
Shareholders' funds at 1 May 2005	2,146	-
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Shareholders' funds at 30 April 2006	6,388	2,146
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3 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2006 GBP000	2005 GBP000
Operating profit/(loss)	1,208	(66)
Profit on disposal of leasehold property	(111)	-
Increase in debtors	(1,070)	(465)
Increase in creditors	1,684	2,127
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Net cash inflow from operating activities	1,711	1,596
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4 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006 GBP000	2005 GBP000
Increase in cash in the year	31	371
Cash inflow from change in net debt	(16,570)	(4,439)
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Movement in net debt in the period	(16,539)	(4,068)

Net debt at 1 May 2005	(15,986)	-
Loans acquired with subsidiary	-	(11,918)
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Net debt at 30 April 2006	(32,525)	(15,986)
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#### RELATED PARTY TRANSACTIONS

Ashley House plc and Ashley House Properties Limited, including its subsidiary Medical Properties Limited, are related as a consequence of the share stapling agreement entered into in September 2004. As a result of the agreement the two companies have identical shareholders' registers and a number of common directors. During the period Ashley House plc made sales at an arms length basis to Ashley House Properties Limited of GBP9,915,000 (2005: GBP4,649,000). At 30 April 2006 the balance due to Ashley House plc was GBP2,717,000 (2005:GBP1,909,000).

During the period Ashley House plc made sales on an arms length basis to Medical Properties Limited of GBP4,441,000 (2005:GBP2,221,000). At 30 April 2006 the balance due to Ashley House plc was GBP468,000 (2005: GBP76,000). In addition, Ashley House plc has advanced a loan of GBP563,000 to Medical Properties Limited. At 30 April 2006, the entire balance remained outstanding.

All supplies made to Ashley House Properties Limited and Medical Properties Limited are related to the design and construction of medical centres. In every case, the rent for the building, which drives the value of the scheme, is set by the District Valuer acting for the Primary Care Trust (NHS). Transactions between Ashley House plc and Ashley House Properties Limited are entered into on the basis of market equivalent pricing

#### BASIS OF PREPARATION

The preliminary announcement has been prepared in accordance with applicable UK accounting standards and under the historical cost convention with the exception of the revaluation of land and buildings which are treated as investment properties and are revalued regularly by the directors with the benefit of professional advice.

#### PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 240 of the Companies Act

1985.

The summarised balance sheet at 30 April 2006 and the summarised profit and loss account, summarised cash flow statement and associated notes for the year then ended have been extracted from the Group's 2006 statutory financial statements upon which the auditors opinion is unqualified and does not include any statement under Section 237 of the Companies Act 1985.

The financial statements have not yet been delivered to the Registrar of Companies.

Contact details:

Steve Minion	Joint CEO
Jonathan Holmes	Joint CEO
Bruce Walker	Finance Director
Tel:	01753 891189
Email:	<a href="mailto:bwalker@ashleyhouseplc.com">bwalker@ashleyhouseplc.com</a>