

Ashley House plc

Trading Update

Ashley House plc (“AH” or the “Company”), the primary care infrastructure specialist, is pleased to provide an update on current trading and progress in certain key business areas.

NHS LIFT

AH’s design team has been granted planning consent for its first 3 NHS LIFT schemes. These schemes, with a total design & construction value of approximately £7m, are being delivered through the Strategic Alliance entered into with Babcock & Brown in December 2006.

In addition to the initial 12 schemes identified when the Strategic Alliance was signed, AH’s team is now working on a further 9 schemes with Babcock & Brown which have a total design & construction value in excess of £50m.

Health Parks

Planning consent for the Company’s first Health Park in Scarborough has been granted. This 3.7 acre Health Park will include:

- a Primary Care centre and Pharmacy of approx. 2,000 sq m;
- a 93 bed care home for the elderly;
- 14 x 2-bed sheltered housing units; and
- a 2,500 sq m local hospital serving both NHS and private patients..

The total completed development value of the scheme, which will be built over the next 3 years, is approximately £25m. AH is currently in discussion with a potential joint venture partner for this project.

Clinical Services - Pharmacies

AH has opened its first pharmacy in partnership with a national wholesale pharmacy and retail group at a GP surgery which was designed and delivered by AH. The intention is to roll out this model across the country so that AH can participate in the profits from the pharmacies it builds as part of GP complexes, without the overhead cost and risk of being a pharmacy operator.

Lord Darzi’s Interim Report - “Our NHS Our Future”

The recently published report by Lord Darzi, Parliamentary Under-Secretary, Department of Health, maintains the emphasis aimed at treating more patients at the Primary Care level and identifies the need for “...at least 100 new GP practices...” and “...150 new GP led health centres in easily accessible locations and offering a range of services to all members of the local population.”

AH, with its substantial experience of designing and delivering Primary Care Infrastructure, is well positioned to play a part in the delivery of these elements of this new report's recommendations. The 150 proposed new "polyclinics" referred to in the report could have much in common with AH's recently completed Primary Care facility in Byker in Newcastle upon Tyne. This new £10m scheme incorporates 2 GP surgeries, an urgent care centre, community mental health, physiotherapy, pain management, dental surgery and training, pharmacy and opticians. It is part owned by Newcastle PCT and part owned by our sister property company AH Medical Properties plc and is therefore managed by AH.

Outlook

The market outlook is positive as set out above and anticipated profit remain in line with expectations for the year to 30th April 2008. The benefit of the progress made in the new business areas highlighted above, will be most in evidence in the following financial year to 30th April 09, when the income from the Babcock & Brown strategic alliance in particular is projected to come through in earnest.

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