

29 April 2008

Ashley House plc Pre-Close Trading Update

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

Clinical Services Partnership

Ashley House Clinical Services Ltd (a wholly owned subsidiary providing clinical services management and support) has signed a strategic partnership with Innovations in Primary Care Ltd. (“IPC”), a West Sussex-based GP consortium serving c.300,000 patients in West Sussex. The partnership is designed to facilitate the delivery of a broad range of primary care services, and equip IPC with sufficient scale and expertise to secure NHS contracts for the delivery of these services in that region.

Having reviewed the market at the end of 2007, IPC selected Ashley House as its strategic partner based on a shared vision of innovation; in-depth knowledge of the sector; and its commitment to a genuine partnership approach.

Commenting on the partnership Dr Tim Kimber, a board member and shareholder of IPC, said:

“We reviewed all of the key players in this market but none could compete with the depth of industry knowledge, expertise and quality of Ashley House’s people.”

Health Parks Joint Venture

Ashley House plc has signed a joint venture agreement with AH Medical Properties plc (“AHMP”) to develop the Scarborough Health Park scheme. As announced in the trading update on 10 October 2007, the site has received planning consent for a 2,000 sqm primary care centre and pharmacy, a 93 bed care home, 14 sheltered apartments and a 2,500 sqm treatment facility with space for 2 operating theatres and 25 beds.

Under the terms of the joint venture, the site will be owned 50:50 by Ashley House and AHMP on the basis of a site value of £3.75m and each will share the returns achieved from the scheme. The site has been valued by King Sturge at £3.8m and Lloyds Bank will advance £2.66m to AH Scarborough Health Park Ltd, the joint venture company which is owned 50% by each of Ashley House and AHMP. Ashley House has provided a guarantee for the debt until the build phase of the scheme.

Trading Update

Following the successful establishment of the Scarborough Health Park joint venture and a strong contribution from design activity including NHS LIFT projects, the Board expects Profit Before Tax for the full year to 30 April 2008 to be in line with market expectations. This has been achieved in spite of some delays in schemes getting onto site as highlighted in the interim results.

The Board is increasingly confident about the prospects for growth over the next two years in all of its activities. There is a robust pipeline of schemes in the Company's core Primary Care Infrastructure and NHS LIFT businesses, as evidenced by the strong design fees contribution in the year to 30 April 2008.

Activity in the Health Park division is gathering pace, Clinical Services Management division has a number of exciting opportunities whilst the income from Asset Management continues to grow as new investments are delivered to AH Medical Properties.

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