

09 December 2008

Ashley House plc (the "Company")

Interim Results Date

Current Trading & Outlook

Major Shareholder

Interim results release

The Company is pleased to announce that its interim results for the 6 months to 31st October 2008 will be released on 15th January 2009.

Current Trading

The Company's pipeline is very strong and continues to grow although it has experienced some delays both in reaching financial close on a number of its newly acquired NHS LIFT schemes and in getting certain schemes onto site in the traditional third party developer schemes, resulting in delayed build revenues. As these activities provide a significant part of the Company's income, the interim figures are likely to report a profit before tax of approximately £0.5m (2007: £1.8m). The Board is confident that this revenue is not lost but delayed. The Company is optimistic, particularly given Government's recent commitment to accelerating the spend on public infrastructure projects, that these schemes will be brought to financial close quickly as issues relating to new Dept of Health business case guidance and general caution in the light of difficult financial markets are resolved. We are also further encouraged that the Pre-Budget report identified an expansion of LIFT to allow LIFTCOs to manage entire PCT estates.

In the light of the foregoing, the Board feels it is prudent to guide the market that the anticipated level of profit before tax for the full year to April 09 will show between 10-20% growth on last year's £5.07m. .

The Board has elected not to pay an interim dividend for the half year and the Company remains largely debt free, however expects to pay a full year dividend in line with its increased profits.

Market Outlook

Unlike many other markets the Company is confident in its outlook for the primary and social care infrastructure sector. We are seeing increasing Government spending and demand for premises and community healthcare services. This comes at a time of rapidly falling land values

and construction costs.

It is clear that companies with a substantial exposure to the public sector are likely to be relatively well positioned in the current environment. We are confident of our prospects for organic growth and we are in addition looking at a number of acquisition opportunities in our sector.

Major shareholder

The Board notes that there has been speculation with respect to the Company's largest shareholder, which is a company ultimately owned by Babcock & Brown Limited in Australia. Babcock & Brown's shares have recently resumed trading on the Australian Stock Exchange after a short voluntary suspension.

The Company's relationship with Babcock and Brown ("B&B") arises from the acquisition of NHSLIFT interests by the Company from B&B in June 2008. The Board notes that:

- B&B hold 19.9% of Ashley House. These shares are subject to a contractual restriction which means B&B cannot sell these until June 2009;
- the Company has deferred payments to make to B&B upon achievement of profit targets over the next 3 years;
- the Company has pre-emption rights over B&B's retained investment rights in future LIFT schemes;
- Ashley House plc is not owed any significant sums by B&B;
- B&B personnel remain very active in providing financial and other advice and support to the Company in its NHS LIFT schemes;

Whilst the Company continues to work closely with B&B, it has taken the precaution of drawing up contingency plans to deal with any adverse change in their position.

Enquiries

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Ends

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