

24 October 2011



Ashley House plc

Result of AGM and Statement

All AGM Resolutions Passed

Ashley House plc (the "Company") the health and community care property partner is pleased to announce that at the Company's Annual General Meeting (AGM) held earlier today, all of the resolutions proposed, as set out in the Notice of the AGM, were duly passed.

AGM Statement

At the AGM on Monday 24 October Sir William Wells, Chairman of Ashley House, made the following statement:

The continuing uncertainty over the scope and timing of the Health and Social Care Bill has significantly impacted upon decision making within much of the NHS. Shareholders are only too aware of the difficulties this has caused the Company with continued delays in achieving sign off for the Company's projects. Whilst it is now probable that the Bill will achieve Royal Assent by the Spring of 2012, it will take time for the new management structure within the NHS to be implemented. Although it is anticipated that this will improve the Company's prospects in current markets it is unlikely to be significant until 2013-14. However with new business remaining slow the Company is pleased to be re-shaping and reviving some of those projects subject to a write off in the Company's last financial year.

In order to promote growth in the mid term the Company is investing in the development of new products and services to respond to the need for more cost effective property solutions created by health and social care service change. This change is itself driven by increasing care requirements and the need for substantial cost savings in the NHS.

The Company's new products and services are intended for two markets:

1. The NHS which will be dominated for the foreseeable future by the need to develop innovative solutions to enable significant cost reductions.
2. The social care market and in particular residential accommodation for the care of the most vulnerable, elderly and disabled.

Progress has already been made in both these sectors. In Bracknell, Berkshire the Company is in advanced discussions with commissioners to provide a major town centre facility to be let to a variety of healthcare providers on a flexible mix of lease terms. The services will be provided both directly by NHS bodies and by private providers on behalf of the NHS. The agreed commercial terms ensure occupation of the building but allow the commissioners the ability to change providers in line with their ever shifting service needs thereby maintaining flexibility within a competitive environment whilst at the same time improving local care and saving money. In St Helens, Merseyside the Company is on site developing 27 bungalows, half for people with learning difficulties, half for people with physical difficulties. This provision of specifically designed housing for some of the most needy and vulnerable people in our society is supported by local and central Government. Allowing people the opportunity to live as independently as possible with care services provided in one location is a model designed to improve lives and reduce costs.

In order to further develop new products and services such as those described above we have recently established a new high quality and experienced Business Development team. This has been done with no addition to overall staffing costs following further re-organisation of the Company's overhead.

At Board level, both John Coghlan and Jake Arnold-Forster have signalled their wish to step down from the Board in the near future. John and Jake have given invaluable advice to the Company during their time on the Board and we will update shareholders on John's handover of Audit Committee Chairmanship in due course.

Finally, the Board requires its management to be fully focussed on growth and intends to consider an incentive plan that will only deliver rewards when the business increases substantially in value over the next 3-5 years.

In conclusion, the Board remains positive about the mid-term future for Ashley House and thanks shareholders for their patience and support during the current challenging times.

Sir William Wells

Chairman

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