

Press Release

15 February 2010



Progress Update

Following the interim results announced on 26 January Ashley House is pleased to confirm that two of its delayed projects (East London and Bristol) have now reached financial close releasing accrued revenue into cash. In addition the Company has completed as planned the sales of the minority LIFT investment stakes acquired with Sapphire in November 2009. The total proceeds from these disposals and the release of the accrued revenue has generated £3.34m in cash for Ashley House.

South East Resource Centre (SERC), Hackney East London

This 2,250m² building will accommodate primary and community care teams serving the South East of Hackney. It has a design-and-build value of £5.85m to Ashley House. This income will be recognised over the next 12 months. This resource centre is one of four projects in Hackney arising from the polyclinic programme. The schemes are delivered through the East London NHS LIFT Company in which Ashley House is a shareholder and development partner as well as design and build contractor for this scheme. Whilst the SERC project had been ready to go on site for some time the project was finally approved by NHS London (the Strategic Health Authority) as it announced plans for 100 polyclinics across London. Almost one third of these appear in NHS LIFT areas where Ashley House is the development partner.

South Bristol Community Hospital

This 11,000m² Community Hospital is being delivered through the Bristol LIFT Company where Ashley House is a shareholder and development partner. The project enables NHS Bristol to reconfigure service delivery in South Bristol. As with the East London SERC, the project has achieved financial close behind its first anticipated schedule and whilst bringing the Company a relatively small ongoing fee stream its approval releases the accrued income as cash and allows us to develop future opportunities with the PCT with renewed confidence.

The remaining three projects specifically referred to as having experienced delays in the interim results statement are expected to reach financial close in the coming weeks.

Sale of minority Sapphire LIFT investment interests

As reported in our statement of 26 Jan we had agreed to sell the minority NHS LIFT investment interests acquired with Sapphire to the other existing consortium partners. We are pleased to confirm that these

sales have now completed. Chief Executive Jonathan Holmes commented: "This has been a positive couple of weeks for Ashley House. The approval of delayed schemes following detailed review by a cost conscious NHS underlines the importance that moving care into community settings has in saving money whilst improving service to patients. The plan for 100 polyclinics has been re-affirmed by NHS London and working alongside our partners we have successfully closed our first project of a possible 30 arising from this programme alone."

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