

19 January 2011

**Ashley House response to Recommended Offer
by
Assura Group Limited
for the entire issued and to be issued share capital of
AH Medical Properties plc**

The board of Ashley House plc (“Ashley House” or “the Company”), the health and social care infrastructure specialist, is pleased to note the recommended offer announced today by Assura Group Limited (“Assura”) for the entire issued and to be issued share capital of AH Medical Properties Plc (“AHMP”) Ashley House’s property partner. Subject to the conditions being satisfied, the completion of the offer would see over £4m in funds being paid to Ashley House thereby significantly improving the Company’s capital position as well as providing it with a new larger development partner.

Ashley House, together with certain of its directors and their families owning a total 25.18% of the equity in AHMP, have signed irrevocable commitments to accept the Assura offer. Under the terms of the deal Ashley House’s £1.7m stake in AHMP will convert into Assura shares.

Under the provisions of Rule 16 of the Takeover Code AHMP’s shareholders are to be asked to approve a number of proposed transactions between Assura and Ashley House.

These include:

- Conditional forward funding contracts with Assura to acquire three schemes from the Company’s pipeline. Payment of fees on these projects will generate £1.5m in cash.
- The termination of the Company’s Asset Management contract with AHMP for which the Company will be paid £1.5m on completion.
- An exclusivity period to conduct Due Diligence on the possible acquisition of Assura LIFT Holdings Limited for initial consideration of £0.75m, rising to £1.5m subject to certain performance criteria. Assura would retain the LIFT investments and investment rights in the business.
- Assura will loan the Company’s JV with AHMP the sum of £0.4m to enable it to pay Ashley House a design fee of £0.4m in respect of the project at Scarborough.
- An initial 6 month agreement giving Assura first refusal over the Company’s available pipeline of schemes.

Under a clause not subject to Rule 16 approval, upon completion of the offer, Ashley House will be paid c. £1.25m in outstanding AHMP fees.

Jonathan Holmes, Chief Executive of Ashley House commented: “We are delighted that this transaction between AHMP and Assura has been agreed. The completion of this deal will not only significantly improve the Company’s capital position but also give us a new larger development partner, securing the Company’s funding ability for the foreseeable future. We look to the future with renewed confidence.”

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