



18 October 2010

Ashley House plc (the “Company”)

Completion of Acquisition

The Board of Ashley House plc, the health and social care infrastructure specialist, is pleased to announce that the Company has completed the acquisition of the business of Strategic Property Solutions Limited (“SPSL”) as initially advised on 4 May 2010 (the “Acquisition”). The Acquisition has been paid for by the issue of 2.3m new ordinary shares (the “New Ordinary Shares”) with 2.2m being issued directly to SPSL and 100,000 to Supported Living Options Ltd (SLOL)

The Company has seen an increasing demand, within its growing pipeline of major integrated developments, for the delivery of community mental health and associated infrastructure, in which this business specialises. The Board views the acquisition of the expertise to deliver such schemes together with an existing pipeline of projects as a positive step towards diversifying the business away from its reliance on NHS revenues.

Contracts have now been exchanged for the acquisition of the first scheme to be delivered through this new business. The scheme, for which detailed planning approval has been received, has a value of circa £5m and is for the development of assisted living units for adults with learning disabilities and staff accommodation comprising 28 units in total.

Jonathan Holmes, Chief Executive, commented: “We are delighted to have completed this acquisition. Mental health and assisted living are significant markets and our ability to successfully broaden our client base gives us further confidence for the long term prospects of our business.”

Application has been made for the New Ordinary Shares to be admitted to AIM, with trading expected to commence on 22 October 2010 (“Admission”). Upon Admission, the New Ordinary Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company. SPSL has undertaken with Numis and the Company not to dispose of any of the New Ordinary Shares on or before 31 October 2010 (the “Restricted Period”). Furthermore, SPSL has undertaken with the Company and Numis not to dispose of the New Ordinary Shares for a further six months following the expiration of the Restricted Period otherwise than through Numis (whilst it is broker to the Company) and in such orderly manner as Numis or any subsequent broker may reasonably require with a view to maintaining an orderly market in the share capital of the Company (the “Orderly Market Agreement”). SLOL has entered into a similar Orderly Market Agreement beginning on the date of Admission and expiring on 30 April 2011.

ENDS

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