

1 April 2014



Ashley House plc **Trading Update**

Ashley House plc (“Ashley House” or the “Company”) the health and community care property partner provides a trading update.

Our updates over the last few months have stated that in order to reach market expectations for profits in the financial year ending 30 April 2014, the Company would need to achieve planning and exchange legal contracts on four out of six extra care schemes.

Planning remains likely to be achieved on enough schemes in the required timescale. However, completing legal agreements with prospective tenants and purchasers is proving slower than anticipated. We continue to have very positive discussions around appropriate funding structures with both Registered Provider tenants and funders, but whilst we remain confident that all six schemes will successfully close, we are no longer confident that, without compromising our commercial position in order to accelerate completions, they will do so before our financial year end. It is therefore likely that the Company will not make a profit in the current financial year. The profits attributable to schemes that do not close prior to year end, are accordingly likely to contribute to profitability in 2014/15.

After recent discussions with some significant shareholders, the Board reaffirms its preference to take the necessary time to achieve strong commercial agreements with the right structure rather than press for completion at the expense of longer term shareholder value.

The Board is very positive about the value being created in the extra care market. Over the last few months the Company has opened discussions with a number of institutional funders looking to provide long term capital for the schemes it produces. This has led to receipt of indicative project funding proposals which the Board is now exploring. It is possible that the delay in closing some of these schemes may allow some of them to be funded this way which could enhance value.

The Board will continue to provide updates of progress with trading and the evolving funding strategy as appropriate.

Separately, the Company can confirm that it has agreed to drawdown a further £1.5m development finance from a facility managed by Rockpool Investments LLP in support of Ashley House’s development strategy.

Enquiries:

Ashley House plc

01628 600 340

Jonathan Holmes, Chief Executive

Antony Walters, Finance Director

WH Ireland Ltd.

0207 220 1666

(Nominated Adviser and broker to Ashley House plc)

Adrian Hadden

Nick Field