

1 May 2015



Ashley House plc

Trading Update and Directorate Change

Ashley House plc (“Ashley House” or the “Company”) the health and community care property partner advises of a Directorate change and provides a trading update following its year end.

Directorate Change

Richard Darch, Non-executive Director, retires from the Board today due to his increasing executive commitments with Capita. Richard joined the Board as an Executive Director in March 2013 becoming a Non-executive Director in August 2014. Christopher Lyons, Chairman of Ashley House commented “Richard has provided the Company with invaluable work, advice and support during his time as a Director and leaves with our grateful thanks for his service.”

Trading Update

Good progress has been made in the year with three schemes on site and a further £22m of work under contract and part paid.

The Chairman’s statement in the Interim report 2014, published in January 2015, advised that the Company expects to sell the majority of its Extra Care schemes to AH Supported Living Limited (“AHSL”). This is the investment vehicle which has been established following the announcement of M&G Investment Management Limited’s (“M&G”) agreement to provide long term senior debt to AHSL of up to £100m to acquire and fund the Extra Care schemes being developed by Ashley House.

At the current time, the equity of AHSL is wholly owned by Ashley House. As previously advised until such time that the Ashley House ownership of AHSL drops below 50% it will be consolidated into the group financial results and consequently profits can only be recognised upon completion of construction.

Accordingly, profits will not be recognised on the AHSL Extra Care schemes that have been contracted to the Company in the period. However, work in progress will grow during the construction phases and the value created will be recognised as profits upon completion of schemes.

As a result of this non cash timing difference, reported EBITDA which would otherwise have been in line with market expectations will show a substantial loss. Net debt will be better than expected. The Company continues to make progress on the funding of its Extra Care schemes via equity into AHSL to sit alongside the long term senior debt from M&G as

previously announced. It is also making good progress on development finance and will update on this with the preliminary results.

Pipeline

With schemes now starting under the Company's new model, interest and enquiries have increased. The pipeline of work is likely to show a healthy increase when published with the preliminary results. The Board's focus continues to be on long term financing for this pipeline, securing this will transform the Company's outlook.

Preliminary Announcement

The Company intends to announce preliminary results for the year to 30 April 2015 at the end of July.

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