

Assura Group Limited ("Assura" or the "Company")

Disposal of Pharmacy Division

Assura Group Limited (LSE: AGR), the UK's leading listed primary healthcare property group, is pleased to announce the disposal of its pharmacy division for a total consideration of £39.3 million (the "Disposal"). The Disposal is in line with the Board's stated strategy and completes the Company's transition to a fully focussed primary healthcare property investment and development business.

Assura has entered into a contract for the sale of Assura Pharmacy Limited and its related subsidiaries ("APL") to Gorgemead Limited, a member of The Cohens Group, for a total consideration of £39.3 million, comprising £24.5 million in cash on completion, a vendor loan note, repayable over three years, of £7.0 million and deferred cash consideration of £7.8 million, to be paid as pipeline pharmacy developments are completed.

APL comprises 36 pharmacy stores and a pipeline of five pharmacy store projects that are expected to complete within the next 15 months. The Disposal is expected to complete on 1 August 2011.

The cash proceeds of the Disposal will be used both to invest in substantially-let primary care property developments and investments, and to repay some of the Company's existing debt facilities.

In the year ended 31 March 2011, APL generated £34.1 million of revenues with a trading profit of £2.0 million, including pharmacies which had previously formed part of a joint venture. Profit before tax including one-off items was £2.6 million. APL had gross assets of £38.7 million as at 31 March 2011.

The sale of the pharmacy business allows the Group to fully refocus on medical property development and investment. It follows the acquisition of AH Medical Properties PLC at the beginning of the year, which added 52 high quality medical properties to the portfolio, and the divestment of the Group's majority stake in its complex and cash consuming medical services business to Virgin Healthcare Holdings Limited in March 2010.

Nigel Rawlings, Chief Executive Officer of Assura commented, "The Board is pleased to have secured an excellent buyer for Assura's pharmacy business following a competitive process at a valuation that fully reflects its strong growth, good results and licence pipeline. This disposal completes the return of Assura to its origins as a primary healthcare property company. With a high quality portfolio, a very competitive cost base and a clear focus we are very well positioned to deliver value to our shareholders"

Enquiries

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