Pre-close announcement for the year ending 31 March 2011

Assura Group Limited (LSE: AGR), the UK's leading listed primary healthcare property and pharmacy business, today provides an update on trading for the year ended 31 March 2011. The Company expects to announce its preliminary results on 21 June 2011.

Financial Results

The Company expects to report that, before factoring in the recently acquired AH Medical Properties PLC ("AHMP") and property revaluations (which have yet to be completed) trading results for the year ended 31 March 2011 were ahead of the Board's expectations. The integration of AHMP has now been completed and the AHMP business traded in line with the Board's expectations during the last four weeks of Assura's financial year, following completion.

Property Portfolio

- Since 1 April 2010 the Company has completed 49 rent reviews resulting in an aggregate annualised increase in rent of 5.6%, which equates to an increase in rent receivable of £480,000 per annum.
- The Company is working towards finalising its year end property valuation and expects to see a small increase in value over that set out in the recent prospectus dated 27 January 2011 (the "Prospectus").
- The Company's development pipeline remains strong with one development completed recently, eight developments in progress (of which three were part of the AHMP transaction) with an estimated end value of £43m and several further developments planned to start during the course of 2011.
- The AHMP portfolio of modern, fully-let, purpose-built medical centres is now integrated for management purposes with that of Assura.

Pharmacy Business

- The Company's pharmacy business continues to perform well, with revenue from wholly-owned pharmacies likely to exceed £33m in the year to 31 March 2011 (2010: £31m). However, as previously reported, margins since 30 September 2010 have been affected by NHS price cuts and further cuts have been announced very recently. The Board will look to mitigate as much of the impact of these cuts as possible through further efficiency savings and through the continuing growth and maturation of its existing portfolio.
- The Company has a strong pipeline of future pharmacy opportunities, Assura expects to open several new pharmacies in the next 18 months, and continues to explore other opportunities to maximise value to shareholders from this division.
- On 28 February 2011 Assura acquired the 50% shareholding not previously held by the Company in GP Care Pharmacy Limited, the Company's former joint venture Company that operates seven pharmacies in the South West of England. As Assura had funded the joint venture, this interest was able to be acquired for minimal consideration.

LIFT Business

Assura's LIFT investments continue to grow and the Company remains in discussions regarding the possible divestment of its LIFT consultancy business, which is not considered to be part of the core business in the longer term.

Restructuring and Head Office Costs

- The Company has continued to reduce its head office costs. The fund management contract for the management of AHMP was terminated on 28 February 2011 and its portfolio is now managed internally by Assura.
- The Company has moved its head office following the assignment of the lease at the former head office location resulting in substantially reduced premises costs. Furthermore, the Company is at an advanced stage of assigning the lease for the larger part of the Company's former London office.

Cash and Debt

- The Company's bank facility with National Australia Bank has been reduced to £126m and will be refinanced well ahead of the repayment date of 31 March 2013.
- The negative mark to market value of the Group's financial derivatives, excluding those in the Group's LIFT investments, was £17.3m on 31 March 2011, in line with their negative value at 31 March 2010. Of this negative value, £13.3m relates to the Group's long term SWAP and the Company is monitoring rates with a view to cancelling the SWAP when conditions allow.
- The recent fundraising has significantly increased the Company's cash position, enabling it to fund the pipeline of existing opportunities and provide headroom for further development opportunities.

Strategy

The strategy of the Company remains to focus on medical property investments. The Board intends to:

- dispose of non property activities including its LIFT consultancy operation;
- explore ways of maximising returns from the pharmacy division;
- continue to benefit from overhead cost reductions already made; and
- return to a progressive dividend policy.

Changes to the non-executive Board

- The Company has made significant progress over the last year. In line with the strategy set out above to focus on medical property investments and as referred to in the Prospectus, the Board feels that it is appropriate to strengthen the existing non-executive contingent on the Board by appointing a further individual with relevant property experience.
- As a part of this, Rodney Baker-Bates, Assura's non-executive Chariman, has notified the Board that he wishes to retire once a suitable successor has been identified.
- The Company has begun the process of identifying a new Chairman and a further non-executive director and intends to update the market on progress in respect of both these appointments at the time of the announcement of the preliminary results.

Rodney Baker-Bates, Chairman of Assura said, "Over the last year Assura has made significant progress including the sale of its 75% stake in Assura Medical to Virgin, the substantial overhead reductions achieved and the important acquisition of AHMP. As a result, Assura is a more focused, leaner and financially stronger business capable of paying dividends and well positioned for further growth."

Enquiries:
Assura Group
Nigel Rawlings / Carolyn Jones
Tel: 01925 420 660

Financial Dynamics
Ben Atwell, Ben Brewerton, Stephanie Cuthbert
Tel: 020 7831 3113