

15 August 2012

**Assura Group Limited**  
**Interim Management Statement**  
**For the period 1 April 2012 to 15 August 2012**

**Continued progress through active asset management and development**

Assura Group Limited (“Assura”), the leading investor and developer of primary care properties, today publishes its interim management statement for the period from 1 April to 15 August 2012.

**Introduction**

Assura continues to make progress on driving value from the core primary care portfolio, addressing non-core assets, winning new developments and completing the existing development pipeline on time and on budget.

**Rent Roll**

- Since 31 March 2012 our rent roll has increased by £0.9m to £35.8m, an increase of 2.43%, primarily from asset management and development.
- Our average weighted unexpired lease term is now 16.2 years (August 2011: 16.5 years.)

**Asset Management**

- 2.14% weighted average annual rent increase achieved from 42 rent reviews settled in the period.
  - an uplift in passing rent of £0.34m, 8.96% on the reviewed rent, reflecting mainly three and five year rent review periods.
  - of these increases, 24 relate to rent review dates in the 2012 calendar year, with a weighted average annual increase of 1.71% (comprising open market reviews +0.55% pa, RPI and stepped reviews +3.98% pa.)

**Capital Recycling**

- Process for critically evaluating the core portfolio is established and underway.
- We made a number of disposals during the period of smaller value properties (individually less than £600,000) from both the core and non-core portfolios:
  - one medical centre from the core portfolio was sold at a 26% premium to its 31 March 2012 valuation.
  - over half the non-income producing buildings identified as non-core at 31 March have now been sold or are in solicitors’ hands, raising £2.7m at an average 10% premium to their book value at 31 March 2012.

We continue to seek solutions for the remaining non-core assets, including the former head office and surplus land.

- The capital released through non-core disposals has been reinvested in a 1,100sqm primary care centre in Bilborough, Nottingham, incorporating a pharmacy and dental surgery for £2.7m, adding some £0.2m to annualised rents.

### **Development**

- Three developments, at Wallasey, Gelligaer and Church Gresley, have completed since 1 April 2012 with a combined value of some £6.5m adding £0.4m to annualised rents.
- Appointed preferred development partner by Suffolk Primary Care Trust on a c. £8m development in Sudbury.
- Seven developments, including Sudbury, anticipated to start on site within the next 6 to 12 months, with an estimated end value of £30m.
- Our Wallasey development was opened by Sir David Nicholson, Chief Executive of the NHS on 20 July 2012. This outstanding facility was developed to the exacting requirements of Dr James Kingsland OBE, senior partner of the St Hilary Group Practice and President of the National Association of Primary Care. This is a good example of the benefits from our close cooperation with GPs and the NHS.

### **REIT Conversion**

- The Finance Act 2012 was passed on 17 July 2012, enacting inter alia further legislation helpful to REITs and in particular reducing the conversion charge for new REITs to zero. Work continues on preparing the next steps towards our conversion to REIT status.

Commenting, Graham Roberts, Chief Executive said:

“I am very pleased with our progress in the first quarter. We delivered a solid performance with the Group’s continued focus on asset management and development leading to an increased rent roll and new development opportunities. Primary care property is an attractive asset class and the sector has proven its relative value with economic and political pressures supporting its continued growth. Assura’s reputation as a leading operator in the sector, combined with its skills and record of outperformance, means that the Group is well placed to capitalise on market opportunities as they arise.”

Ends

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