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

Third Quarter Interim Management Statement

Strong progress being made in execution of focussed business plan

Assura is one of the leading healthcare companies in the UK, partnering with GPs to deliver high quality patient care in the community. The Company is today publishing the following Interim Management Statement for the period from 1 October to date.

Highlights:

- Nine of the Company's GPCos have been appointed as Preferred Bidder in the Equitable Access Procurement programme. Total contract values according to PCT forecast activity should amount to over £40m over a five year period commencing during 2009.

- Turnover in wholly owned pharmacies was up 62% compared to the same quarter last year (Oct-Dec), with Assura's 37 pharmacy stores enjoying a record month in December 2008. On a like for like basis, the number of prescription items was up 12% compared to the Q3 figures last year.

- 6 non-core properties sold for £17.6m at a net initial yield of 5.99%.

- Rental growth continues to average 6.04% per annum based on 46 reviews so far this year.

- Restructuring and other cost savings to date have reduced HQ expenses by £2.4m per annum compared with the 30 September 2008 run rate.

- Improved net debt position and banking headroom following the capital raising in October and the recent disposal of non-core properties. Net debt as at 4 February 2009 was £209m compared to £231m as at 30 September 2008. Total facilities amount to £320m including loans totalling £25m in legal hands.

Current Trading

There have been no significant changes to the financial position of the Company since the publication of the Interim Results on 26 November 2008.

On a Group consolidated basis, current trading for the third quarter was slightly ahead of expectations. As previously announced, the Company is expecting to incur a trading loss of between £4m and £6m for the full year to 31 March 2009.

Operating Review

The Company has now received the results for contract tenders submitted by its GPCos in the Equitable Access to Primary Medical Care services (EAPMC) procurement programme. Nine GPCos have been appointed Preferred Bidder for EAPMC schemes, comprising one new GP Practice, seven new GP Led Health Centres and one Urgent Care Centre, with some of these also offering out-of-hours care and additional enhanced services. Our success in the EAPMC programme clearly demonstrates the strength of our GPCo model and shows that it can be applied successfully to win major contracts from PCTs.

Detailed negotiations are underway with a number of PCTs to clarify the final terms of these contracts and we remain focused on ensuring that we can derive sustainable profits once they are mature. Whilst the intention of all PCTs has been to have these new Centres operational by 1 April 2009, it is inevitable that contract negotiations and normal operational issues will lead to a staggered roll out during the remainder of 2009. Total contract values in line with PCT forecast activity amounts to over £40m over five years. The Company is intending to generate the cash required to fund the start up of these contracts in each GPCo from its existing headroom. Further information will be announced in June 2009 once all contracts have been signed.

The strength of our integrated business model is also being demonstrated in the relationship between our GPCos and pharmacy business. Increasingly we are seeing opportunities to provide commissioned services from our pharmacies and we expect the number of opportunities for our GPCos and pharmacies to work together to increase, as PCTs move towards 'World Class Commissioning'. We remain on target to reach a population of 3 million patients covered by 30 GPCos with over 60 services commissioned by the end of this financial year.

The Company is pleased with the trading performance of its 37 pharmacy stores against a backdrop of a difficult economic climate. As most of Assura's pharmacies are situated within its medical centres and the majority of its pharmacy income derives from payments for prescriptions and provision of PCT commissioned services, Assura believes that this revenue stream has defensive characteristics.

The Company is committed to selling approximately 10 investment properties during 2009 and has already completed the sale of the first six at a price representing a discount of 9% to the latest independent valuation of the assets as at 30 September 2008. We are confident of obtaining best value for the remaining four assets and the recent sale price demonstrates that there is liquidity in the primary care property market.

The Company is in the process of selling a number of non-core pharmacy stores and licences and a further announcement will be made once contracts are exchanged.

Financing

In common with many other companies, the mark to market valuation of the Company's £200m interest rate swap is significantly negative and fluctuating widely at the present time notwithstanding the attractive fixed swap rates (pre margin) from which we now benefit - 2.99% in 2009, 3.29% in 2010 and 2011 and 4.59% thereafter for a further 17 years with a mutual option to extend the fixed rate for a further 10 years beyond that.

Chief Executive Richard Burrell commented:

"Assura has made good progress since our capital raising in October 2008. Our Joint Venture GPCos have been appointed preferred bidder on over £40 million of new primary care contracts which are in addition to the existing contracts and services that have already been commissioned. The resilience of our property portfolio is demonstrated by the recent disposal of six non-core properties and some strong rent reviews. In addition, the trading performance of our pharmacy stores which, as with our other operating businesses, reflects the defensive characteristics of the UK healthcare market."

Announcement of Preliminary Results

The Company will publish its 2008/09 Preliminary Results on 17 June 2009.

Ends.

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