Trading Update

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Assura PLC

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Assura plc

Trading Update

For the period to 3 February 2015

Period of significant growth

Assura plc ("Assura"), the UK's leading primary care property investor and developer, today publishes a trading update for the period from 1 October to 3 February 2015.

Balance Sheet strengthened and portfolio expanded

On 15 October 2014 Assura completed an equity raise of £175 million, net of expenses, that has significantly strengthened the balance sheet and enables Assura to increase the scale of the business further.

Since the equity raise Assura has completed the acquisition of 20 properties for a gross consideration of £97.5 million.

The largest of these transactions was the purchase of 11 medical centres through the acquisition of the entire issued share capital of Metro MRI Limited for a gross consideration of approximately £63.1 million, with associated net debt of £44.3 million. The consideration included 18,834,148 Assura shares issued at 50 pence per share and approximately £9.1 million in cash.

Assura has acquired a further 9 medical centres for a gross consideration of £34.4 million, adding £1.9 million to the rent roll. No debt has been assumed with these acquisitions.

In addition Assura agreed the forward funding of four further medical centres to be developed by the vendors of Metro MRI Limited, which are expected to have an approximate value on completion of £21 million. Two of these agreements have now been completed and work has commenced on both sites.

Assura has an immediate pipeline of identified individual asset acquisitions and developments in primary care of £33 million. In addition to this immediate pipeline, Assura has further development opportunities with a value in excess of £50 million, all of which are dependent on NHS authorisations.

Further rental growth achieved

The annualised rent roll is now £55.2 million (September 2014: £49.0 million) with growth driven primarily from acquisitions.

The weighted average annual rent increase was 1.59% on the basis of 98 reviews settled in the financial year to date. Of these, 68 reviews related to 2014 review dates and the annualised increase was 2.22% mostly driven by stepped uplifts in a small number of rent review clauses and RPI based reviews. Included in the 1.59% uplift is the impact of open market rent reviews settled, which on average reflected an annual rental growth of 0.43%.

Market developments

The under investment in primary care infrastructure is widely recognised, and there are clear indications that the NHS is looking to address this. From a policy perspective this is backed by statements by Simon Stevens, Chief Executive NHS England, in which he places a significant emphasis on the key imperative of investing more in primary care and primary care infrastructure. Furthermore, Jeremy Hunt, Secretary of State for Health, announced an additional £1billion of funding specifically linked to primary care infrastructure, while significant pronouncements to date from all major parties appear supportive of the '5 year forward view' published by Simon Stevens in November 2014.

Financing

On 4 November 2014 the £57.4 million facility with Santander was repaid in full and its associated swap cancelled. The swap break cost of £1.8 million was £0.3 million higher than the provision at 30 September 2014.

No long-term loans have been redeemed in the period. Following a detailed review, the net return to shareholders from redeeming long-term loans was considered too low when compared with alternative opportunities for investment in new acquisitions and developments. This reflects high break costs associated with historically low levels of long-term interest rates.

In the period we restructured £177.5 million of Aviva loans resulting in improved interest rates. The weighted average cost of debt on these loans has reduced from 5.54% to 5.12%. The costs associated with this restructuring equate to the level of existing provisions and so there is no impact on the net asset value of Assura.

At 31 December 2014 Assura's loans stood at £518.5 million with a weighted average cost of debt of 5.28% (September 2014 5.31%) and a weighted average debt maturity of 12.0 years. Assura's net loan to value ratio was 48% (September 2014 64%).

Share reorganisation now complete

On 28 January 2015 Assura plc, following shareholder and Guernsey Court approvals, became the holding company for the Group by way of a scheme of arrangement. The new holding company brings our legal domicile into the UK in line with our tax residency and the sole focus of our operations.

Graham Roberts, Chief Executive, commented:

"There has been a renewed emphasis from the NHS and politicians recently on addressing the chronic shortage of primary care space in the UK, and as Assura grows it is well placed to provide the infrastructure that is so necessary."

-ENDS-

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Notes to Editors

Assura is a long-term investor in and developer of primary care property. The company, headquartered in Warrington and listed on the London Stock Exchange, works with GPs, health professionals and the NHS to create innovative property solutions in order to facilitate delivery of high quality patient care in the community. At 30 September 2014, Assura's property portfolio was valued at £809 million.

Further information is available at www.assuraplc.com .

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