

# Interim Results

6 months to 30 September 2009

26 November 2009



## Highlights

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- Group revenues up 20% to £26.8m (H1 2008: £22.3m)
- Group trading profit of £1.7m (H1 2008: £1.9m loss)
- NAV per Share 65.4p
- NAB debt reduction on track in advance of year end
  
- Property business resilient and more focused
- Pharmacy business profitable and producing cash
- GPCo revenues rising rapidly

# A strong first half

	6 months ended 30 Sep 2009 £m	6 months ended 30 Sep 2008 £m	+/-
Revenues (excluding GPCo revenues)	26.8	22.3	+ 20%
Administrative expenses	13.1	14.6	- 10%
Group trading profit	1.7	(1.9)	+ 189%
Revaluations and other items	(0.2)	(32.0)	
SWAP movement	8.6	(4.0)	
Interest cost	(6.1)	(2.9)	
Net profit	4.0	(40.8)	
NAV per share <sup>1</sup>	65.4p	66.7p	

**NHS services won  
or at preferred  
bidder stage<sup>2</sup>**

**68**

**Pharmacy gross  
margin**

**>30%**

**Investment  
portfolio NIY**

**6.27%**

**Annualised rental  
growth over 23  
reviews**

**3.43%**

<sup>1</sup> Adjusted diluted net asset value (excluding the notional mark to market value of interest rate swap and own shares held)

<sup>2</sup> As at 23 November 2009, excludes 10 private services

# Resilient and valuable property

## Investment Property<sup>1</sup>

- Investment portfolio of £306.9m on 117 properties valued at 6.27% NIY
- 23 rent reviews settled showing equivalent increase of 3.4% pa
- 86% of rents reimbursed by NHS
- >17 years average weighted income unexpired term
- 4 non-core disposals achieved in excess of March valuation
- Top quartile performance in new IPD Healthcare Index

## Development Property<sup>1</sup>

- 3 WIP developments on site
- £22m forecast final total cost
- £14m expended to date
- 20 land bank sites valued at £12.8m
- 6 LIFTCo investments
- Aggregate development pipeline of circa £150m in the next 2 years
- Total fee income from LIFTCos £1.1m during the period



Assura Property  
for 2008

- 2.9%

Vs

IPD Healthcare Index  
for 2008

- 4.6%

Vs

IPD All Property Index  
for 2008

- 22.1%

<sup>1</sup> As at 30 September 2009

# Strong performance from pharmacy

## Operating Highlights and Revenues

- Pharmacy revenues £15.2m (H1 2008: £12.1m)
- Branch EBITDA £0.61m (H1 2008: £0.34m)
- > 30% gross margin
- Service revenues from integrated pharmacy model contributes additional income
- Launch of mail order pharmacy [www.treatdiscreet.co.uk](http://www.treatdiscreet.co.uk)
- 7 pharmacies/licences disposed of during the period
- 32 pharmacies trading<sup>1, 2</sup>
- 21 additional licences granted, 4 of which are being sold<sup>1</sup>

YoY LFL increase  
in prescription  
items<sup>3</sup>

**+ 11%**



<sup>1</sup> As at 23 November 2009

<sup>2</sup> Includes 6 pharmacies which form part of the joint venture with GP Care

<sup>3</sup> For stores trading for the whole of the previous 12 months

# GPCOs making good progress

Status <sup>1</sup>	Nov 09	Jun 09	+/-
GPCOs formed	30	30	
GPCOs patients covered	3.1m	3.1m	
NHS services won or at preferred bidder stage <sup>2</sup>	68	55	+ 23%
Live NHS services <sup>2,3</sup>	48	31	+ 55%

- Aggregate gross revenues of £4m at GPCo level compared to £0.7m for the whole of last year
- 8 new Health Centres opened comprising GP practices, NHS walk-in centres and urgent care centres
- Tender pipeline remains robust
- Separation from rest of Group being evaluated

68 NHS services  
mature run rate

**£27m pa**



<sup>1</sup> As at 23 November 2009 / 15 June 2009

<sup>2</sup> Excludes 10 / 9 private services

<sup>3</sup> Excludes contracts which are yet to be operational or are at preferred bidder stage

# Segmental analysis

6 months ended 30 September 2009	Medical (GPCo)	Pharmacy	Property investment	Property development	Eliminations unallocated items	Total	6 months ended 30 Sep 2008
	£m	£m	£m	£m	£m	£m	£m
<b>Revenue</b>	<b>0.4</b>	<b>15.2</b>	<b>11.8</b>	<b>1.0</b>	<b>(1.6)</b>	<b>26.8</b>	22.3
Gross profit	0.4	4.7	10.4	0.9	(1.6)	<b>14.8</b>	12.7
Administrative expenses	(4.2)	(4.8)	(1.9)	(2.1)	(0.1)	<b>(13.1)</b>	(14.6)
<b>Trading profit</b>	<b>(3.8)</b>	<b>(0.1)</b>	<b>8.5</b>	<b>(1.2)</b>	<b>(1.7)</b>	<b>1.7</b>	(1.9)
Trading losses of Joint Ventures	(0.8)	-	-	-	-	<b>(0.8)</b>	(1.0)
<b>Trading profit including JVs</b>	<b>(4.6)</b>	<b>(0.1)</b>	<b>8.5</b>	<b>(1.2)</b>	<b>(1.7)</b>	<b>0.9</b>	(2.9)
Impairments and write-downs	(0.3)	0.6	0.1	(0.1)	0.3	<b>0.6</b>	(31.1)
<b>Operating profit</b>	<b>(4.9)</b>	<b>0.5</b>	<b>8.6</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>1.5</b>	(34.0)
Finance costs						<b>(6.1)</b>	(2.8)
SWAP revaluation						<b>8.6</b>	(4.0)
<b>Profit before Tax</b>						<b>4.0</b>	(40.8)
<b>Net assets</b>	<b>4.8</b>	<b>28.3</b>	<b>327.3</b>	<b>69.9</b>	<b>(252.1)</b>	<b>178.2</b>	

# No short term refinancing needs

- Net debt drawn amounting to £224m
- Total facilities £272m
- Reduction of NAB debt to £160m underway
  - £21.5m repaid on 30 September 2009
  - further £8.5m to be repaid in advance of year end deadline
  - facility expires in 4 years (March 2013) with no pre-payment penalties
- NU facilities increased to £75m
  - long dated facilities, expiring in 13-22 years

Effective headroom at 30 September 2009	£m
Cash in hand at 30 September 2009	25.2
Debt capacity from unmortgaged property assets	10.5
Surplus security held by NAB @ 75% loan to value	2
Headroom to 80% loan to value with NAB facility	11.5
<b>TOTAL</b>	<b>49.2</b>

# Debt facilities – key terms

	Total facility £m	Term	Amount drawn £m	All in cost pa %	Key covenant
NAB	190 <sup>1</sup>	4 yrs from Mar 09	168.5	Between 5.24% and 5.39% until at least 31 Dec 2011 <sup>1</sup>	80% LTV, 65% group gearing, 130% interest cover, > 12.5 yrs weighted average lease length
Norwich Union (Aviva)	75	13 – 22 yrs	74.7	Average 6.13% fixed rates	No LTV covenant
Royal Bank of Scotland	6.8	5 yrs from Mar 08	6.8	6.3%	75% LTV
<b>TOTAL</b>	<b>272</b>		<b>250</b>		

<sup>1</sup> Reduces to £160m on 30 March 2010 and to £130m on 30 March 2011 and is then available until 30 March 2013

- Interest rate swaps amount to £200m
  - 2.99% to 31 December 2009
  - 3.29% to 31 December 2011
  - 4.59% thereafter

# Positive outlook for Assura

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- Good progress has been made and there has been strong improvement in trading performance
- Top performing property portfolio
  - rental growth continuing in an increasingly stable property market
- Pharmacy revenues increasing
  - now profitable and generating cash
- Strong revenue growth in GPCo business
  - many new services commencing and a growing tender pipeline
  - evaluating options to separate the business from the rest of the Group
- Trading since the period end has been in line with our expectations and we look to the future with confidence

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