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This document is being sent to the shareholders of both Assura Group Limited and AH Medical Properties plc. If you have sold or otherwise transferred all of your Assura Shares or AHMP Shares, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded, delivered or transmitted in or into any Restricted Territory or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this document and any accompanying documents in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your holding of Assura Shares or AHMP Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

A copy of this document, which comprises a prospectus relating to the New Assura Shares proposed to be issued pursuant to the Offer and the Placing and Open Offer, prepared in accordance with the Prospectus Rules published by the FSA, has been delivered to the FSA and has been made available to the public in accordance with paragraph 3.2 of the Prospectus Rules.

You should read carefully the whole of this document and any document incorporated herein by reference. In particular, your attention is drawn to the section entitled "Risk Factors" on pages 9 to 16 of this document.

Assura Group Limited

(a limited company incorporated in Guernsey and registered with number 41230)

Proposed issue of up to 55,833,558 New Assura Shares in connection with the recommended offer for AH Medical Properties plc

Proposed Open Offer of 25,397,363 New Assura Shares

Proposed Firm Placing of 26,666,667 New Assura Shares

Application will be made to the FSA and the London Stock Exchange for the New Assura Shares to be admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 17 February 2011 and that dealings in the Consideration Shares and Firm Placed Shares will commence, subject to the satisfaction of certain conditions, at 8.00 a.m. within five Business Days following the day on which the Offer becomes or is declared unconditional in all respects (save only for Admission of the Open Offer Shares and the Consideration Shares).

The Company has received consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, (as amended), insofar as it relates to the issue of the New Assura Shares for a non-cash consideration. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto.

The New Assura Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Assura Shares in issue at the date of this document, including the right to receive all dividends and other distributions declared, made or paid on or after, or by reference to a record date on or after, the date of their issue.

Investors should only rely on the information contained in this document and any documents incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised. Assura will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Cenkos, which is authorised and regulated in the UK by the FSA, is acting exclusively for the Company as financial adviser, sponsor and joint broker in connection with the contents of this document, the Offer and the Placing and Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for providing advice in relation to the matters described in this document. Subject to the responsibilities and liabilities, if any, which may be imposed on Cenkos by the FSMA or the regulatory regime established thereunder, no representation or warranty, express or implied, is made by Cenkos as to any of the contents of this document and no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Board and the Company are solely responsible.

Investec, which is authorised and regulated in the UK by the FSA, is acting exclusively for the Company as joint broker and underwriter in connection with the Placing and Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Investec or for providing advice in relation to the matters described in this document. Subject to the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, no representation or warranty, express or implied, is made by Investec as to any of the contents of this document and no liability whatsoever is accepted by Investec for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Board and the Company are solely responsible.

Altium, which is authorised and regulated in the UK by the FSA, is acting exclusively for AHMP as financial adviser in connection with the Offer and will not be responsible to anyone other than AHMP for providing the protections afforded to clients of AHMP or for providing advice in relation to the matters described in this document. Subject to the responsibilities and liabilities, if any, which may be imposed on Altium by the FSMA or the regulatory regime established thereunder, no representation or warranty, express or implied, is made by Altium as to any of the contents of this document and no liability whatsoever is accepted by Altium for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Board and the Company are solely responsible.

The New Assura Shares have not been, nor will be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States. The New Assura Shares may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered in, into or within the United States. The New Assura Shares and this document have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Assura Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are resident in Hong Kong, you are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The New Assura Shares have not been, nor will be, registered under the relevant laws of any state, province or territory of any Restricted Territory or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Subject to certain limited exceptions the New Assura Shares may not be, directly or indirectly, offered, sold, renounced, transferred, taken up or delivered in, into or within any such jurisdictions.

This document does not constitute an offer to sell or the solicitation of any offer to buy New Assura Shares in any jurisdiction in which such offer or solicitation is unlawful. It is the responsibility of any person receiving a copy of this document outside of the UK to satisfy himself as to the full observance of laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying all other issue, transfer or other taxes due in such territory. Persons receiving this document (including without limitation, nominees and trustees) should not distribute it into any jurisdiction when to do so would, or might, contravene local securities laws and regulations.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THEIR OWN LEGAL ADVISER, FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

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SUMMARY

This summary should be read as an introduction to the full text of this document. Any decision to invest in the New Assura Shares should be based on consideration of the full text of this document as a whole. Where a claim relating to the information contained in this document is brought before a court in an European Economic Area (“EEA”) State, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document into the language of the relevant jurisdiction before any legal proceedings are initiated. Civil liability attaches to the Company and its Directors who are responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the document.

1 Introduction

The Assura Board and the Independent AHMP Directors announced on 19 January 2011 that they had reached agreement on the terms of a recommended offer to be made by Assura for the entire issued and to be issued share capital of AHMP.

The Acquisition will create the UK’s largest listed primary care medical property and pharmacy group with pro forma property assets of £504 million¹, an internally-managed, cost-efficient operating structure and access to an attractive pipeline of future investment opportunities.

In addition, the Board proposes to raise £22.7 million (net of expenses) through the Placing and Open Offer of 52,064,030 new Assura Shares at the Issue Price of 45 pence per share.

2 Background to and reasons for the Proposals

The Board has completed the return of Assura to being a profitable, dividend-paying company focused principally on its primary healthcare property and pharmacy businesses.

Assura is an internally-managed company able to operate and grow its property portfolio in a cost-effective manner and the Directors consider that the management team is capable of managing a larger portfolio of properties at modest incremental cost. The Directors consider that the Enlarged Group will be able to make significant cost savings and that the Acquisition is expected to be earnings per share enhancing in the first full year following completion.²

AHMP has an externally-managed primary healthcare property portfolio with tenants with strong covenants and long lease lengths which the Directors believe is compatible with and enhances the Assura portfolio. The Board considers that investors in the Enlarged Group will benefit from being shareholders in a larger business with an increased presence in the healthcare property marketplace, more cost-effective operations, a more diversified shareholder base and continued access to funding.

The Board also considers that, through the Acquisition and ongoing relationships with Ashley House arising from its history as investment manager of and property developer for AHMP, Assura will benefit from increased access to development opportunities in the primary healthcare property sector.

The Board believes there are substantial acquisition and development opportunities available within the medical property segment beyond the three development projects to be acquired from Ashley House. Accordingly, the Board proposes to raise £22.7 million (net of expenses) through the Placing and Open Offer to take advantage of these opportunities as well as to fund the cash payable to AHMP Shareholders who make valid elections under the Cash Alternative up to a maximum aggregate amount of £10.5 million.

¹ See note 5 to the pro forma financial information relating to the Enlarged Group contained in Part 9 of this document.

² Nothing in this document is intended, or is to be construed, as a profit forecast or should be interpreted to mean that earnings per Assura Share for the current or future financial years will match or exceed the historical earnings per Assura Share.

3 The Offer

Terms of the Offer

The Offer is being made on the following basis:

for each AHMP Share 0.85 new Assura Shares

The Offer values each AHMP Share at 39.2 pence and the entire issued and to be issued ordinary share capital (including the Convertible Loans) of AHMP at approximately £28.3 million based on the value of an Assura Share at the Closing Price of 46.125 pence on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

The Offer represents a premium of approximately 22.5 per cent. over the Closing Price of an AHMP Share of 32 pence on 9 August 2010 (being the last Business Day prior to the commencement of the Offer Period) and approximately 3.2 per cent. over the Closing Price of 38 pence for each AHMP Share on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

Cash Alternative

As an alternative to receiving the consideration for their AHMP Shares in the form of new Assura Shares, AHMP Shareholders who validly accept the Offer may elect in respect of all or part of their holding of AHMP Shares to receive cash under the Cash Alternative, in which case such AHMP Shares shall be acquired on the following basis:

for each AHMP Share 40 pence in cash

The Cash Alternative represents a premium of 25.0 per cent. to the Closing Price of an AHMP Share of 32 pence on 9 August 2010 (being the last Business Day prior to the commencement of the Offer Period) and approximately 5.3 per cent. over the Closing Price of 38 pence for each AHMP Share on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

The aggregate cash available to all AHMP Shareholders who make a valid election under the Cash Alternative is limited to £10.5 million. As AHMP Shareholders holding, in aggregate, 62.5 per cent. of AHMP's existing issued share capital have irrevocably undertaken to accept the Offer and not to elect for the Cash Alternative, the valid elections of all remaining AHMP Shareholders for the Cash Alternative will be satisfied in full.

4 The Placing and Open Offer

Assura is proposing to raise approximately £23.4 million (before expenses) pursuant to the Placing and Open Offer, which has been fully underwritten by Investec. The Open Offer is expected to raise approximately £11.4 million (before expenses) and is not conditional on the success of the Offer. The Firm Placing is expected to raise approximately £12.0 million (before expenses) and is conditional, *inter alia*, on the Offer having become unconditional in all respects (other than in relation to Admission of the Open Offer Shares and the Consideration Shares).

The Open Offer provides Qualifying Assura Shareholders with an opportunity to subscribe for Open Offer Shares pro rata to their current holdings. The Open Offer Shares are being offered to Qualifying Assura Shareholders, subject to the terms and conditions of the Open Offer set out in this document, on the following basis:

2 Open Offer Shares for every 25 Assura Shares

held at the Record Date and so in proportion for any other number of existing Assura Shares then held.

The Issue Price of 45 pence per share for both the Open Offer Shares and the Firm Placed Shares represents a discount of 2.4 per cent. to the Closing Price of 46.125 pence on 18 January 2011, the last Business Day prior to the announcement of the Proposals.

5 Effects of the Proposals on Assura

The Directors believe that the Proposals will enhance earnings per Assura Share in the first full year following completion. This should not be interpreted as a profit forecast or that the future earnings per share of the Enlarged Group will match or exceed Assura's historical published earnings.

6 Selected financial information

Assura

The selected historical financial information set out below has been extracted without material adjustment from the Group's audited report and accounts for the 15 month period ended 31 March 2008, the year ended 30 March 2009 and the year ended 30 March 2010 and from the Group's unaudited half yearly report for the six months ended 30 September 2010. The financial information was prepared in accordance with IFRS.

	15 months ended 31 March 2008 ¹	Year ended 31 March 2009	Year ended 31 March 2009 (restated) ²	Year ended 31 March 2010	6 months ended 30 September 2009 (restated) ²	6 months ended 30 September 2010
	£m	£m	£m	£m	£m	£m
Income statement						
Revenue	40.7	48.3	47.6	55.8	26.4	30.7
Trading profit/(loss)	(4.8)	(1.7)	5.2	13.3	5.4	9.8
Operating profit/(loss)	11.4	(72.8)	(61.1)	9.2	7.5	16.7
Profit/(Loss) before taxation ³	9.0	(79.9)	(68.2)	(4.0)	1.5	9.5
Balance sheet						
	31 March 2008 ¹	31 March 2009	31 March 2009 (restated) ⁴	31 March 2010	31 March 2010 (restated) ⁵	30 September 2010
	£m	£m	£m	£m	£m	£m
Investment property	282.5	278.9	278.9	313.7	313.7	326.4
Development property / assets under construction	57.3	54.8	54.8	27.7	27.7	24.8
Non-current assets ⁶	434.0	426.6	424.9	418.7	416.0	422.6
Net assets	265.4	173.7	172.0	164.2	161.5	149.8
Adjusted net assets ⁷	264.1	204.4	202.9	186.5	186.5	198.6
NAV per share	118.01p	56.69p	56.20p	53.58p	52.69p	48.89p
Adjusted NAV per share ⁷	117.43p	66.71p	66.22p	60.88p	60.88p	64.81p

1 The income statement for the 15 months ended 31 March 2008 and balance sheet at that date include the results, assets and liabilities of the Group's Medical Division, which was disposed of on 2 March 2010.

2 The income statements for the year ended 31 March 2009 and the six months ended 30 September 2009 have been restated to transfer losses incurred in the Group's Medical Division to "Loss for the year from discontinued operations" and to reflect the adoption of a new accounting policy for service concession arrangements within associates. The income statement for the six months ended 30 September 2009 has also been restated to show the effect of the derivative financial instrument of the LIFT associate which was omitted in error. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual and half yearly reports for 2010.

3 Stated prior to revaluation of derivative financial instruments.

4 The balance sheet as at 31 March 2009 has been restated to reflect the correct analysis of loans repayable within one year and those due after more than one year and to reflect the adoption of the new accounting policy for service concession arrangements within associates. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual report for 2010.

5 The balance sheet as at 31 March 2010 has been restated to include the derivative financial instruments of the LIFT associates which were omitted in error. The restated figures have been extracted from the comparatives shown in Assura's half yearly report for the six months ended 30 September 2010 and are unaudited.

6 Excludes non-current assets held for sale and included in disposal groups.

7 These figures have been adjusted to exclude the effect of derivative financial instruments and, in the case of NAV per share, Assura Shares held by the Group.

AHMP

The selected historical financial information set out below has been extracted without material adjustment from the audited financial information on AHMP for the three years ended 30 April 2010 and from the unaudited financial information on AHMP for the six months ended 31 October 2010 set out in Part 5 of this document. The financial information was prepared in accordance with IFRS.

	<i>Year ended 30 April 2008 £m</i>	<i>Year ended 30 April 2009 £m</i>	<i>Year ended 30 April 2010 £m</i>	<i>6 months ended 31 October 2009 £m</i>	<i>6 months ended 31 October 2010 £m</i>
Income statement					
Revenue	5.1	6.0	7.0	3.2	4.0
Operating profit/(loss)	2.1	(4.7)	14.8	8.8	4.4
Profit/(loss) before taxation	(1.4)	(8.8)	10.3	6.7	1.5
	<i>30 April 2008 £m</i>	<i>30 April 2009 £m</i>	<i>30 April 2010 £m</i>	<i>31 October 2009 £m</i>	<i>31 October 2010 £m</i>
Balance sheet					
Investment property	88.6	88.7	118.8	95.2	124.7
Investment property assets under construction	5.0	2.9	5.8	7.0	4.9
Non-current assets	94.3	91.7	124.7	102.4	129.7
Net assets	25.4	15.9	24.3	21.4	25.7
NAV per share	39.5p	24.8p	37.1p	32.6p	39.1p
Adjusted NAV per share ¹	42.5p	27.8p	41.6p	37.5p	44.4p

1 These figures have been adjusted to exclude deferred tax assets and liabilities.

7 Dividend policy

Going forward, the Company intends to pay dividends from its realised earnings and to establish a record of consistent, progressive dividend payments.¹

8 Risk factors

The following risk factors are considered by the Directors to be material in relation to the Assura Group and/or, following the Acquisition, the Enlarged Group:

General risks relating to the Group and the market in which it operates

- The Group is subject to variation in the general economic environment
- The Group's business performance is dependent on key individuals and employees
- The Company's investments in associated undertakings and joint ventures may not prove profitable

Risks relating to real estate investment

- Any weakening of rental yields and valuations could have an adverse impact on the Group's future profits
- Property is inherently difficult to value
- Investments in property are relatively illiquid

¹ Nothing in this document is intended, or is to be construed as a profit forecast or to be interpreted to mean that earnings per Assura Share for the current or future financial years, or those of the Enlarged Group, will necessarily match or exceed the historical earnings per Assura Share.

- Development or redevelopment expenditure may be necessary in the future to preserve rental income
- Rent reviews are not always on an upwards only basis
- The Group may be unable to let a property or re-let a property following the expiry of a tenancy
- Any property in the UK may at any time be compulsorily purchased by Government departments or local authorities
- The Group may become exposed to environmental liabilities
- The Group could suffer uninsured losses

Risks relating to real estate development

- Property development can be high risk and the Group may be exposed to cost overruns, completion delays and financing shortfalls
- Redevelopment and/or expansion potential may be adversely affected by a number of factors

Risks relating to the Group's pharmacy operations

- A change to the NHS Pharmaceutical Services (2005) Regulations could impact negatively on the remuneration currently enjoyed by pharmacy contractors
- The Group operates in highly competitive markets
- The Group has potential exposure to product liability claims
- The Group is exposed to risks arising through dispensing, professional and process error

Risks relating to regulation, Government policy and tax

- Changes in NHS procurement and funding could adversely affect the Group
- Any change in the Company's tax status or in tax legislation could impact investor returns
- Any changes under Guernsey law could affect the Company's ability to pay dividends

Risks relating to financing

- Growth of the Group's business is dependent on the continued availability of funding for new projects
- Access to debt financing in the future will depend on suitable market conditions and the maintenance of suitable long term credit ratings
- Use of gearing increases volatility in net asset value per share
- A fall in asset value or revenues may result in the breach of financial covenants
- Interest rate swaps may lead to cash outflows
- The Group may need to raise extra capital in the longer term

Risks relating to the Acquisition

- Completion of the Acquisition is subject to conditions
- The Enlarged Group's success will be dependent upon its ability to integrate AHMP
- Existing Assura Shareholders will be diluted by the issue of Consideration Shares
- The Group may not be able to obtain complete control of AHMP
- The Group may not be able to procure the cancellation of AHMP to admission to PLUS Markets

Risks relating to the Assura Shares

- The market price of the Assura Shares may fluctuate in response to a number of factors, many of which are outside the Group's control

- Assura Shareholders will be diluted if they do not participate in the Firm Placing and to a greater extent if they do not participate in the Open Offer
- Assura Shareholders in certain jurisdictions may not be able to subscribe for new shares in the Open Offer and accordingly would suffer dilution
- Assura Shareholders may be exposed to fluctuations in currency exchange rates
- The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

RISK FACTORS

The Assura Group's and/or, following the Acquisition, the Enlarged Group's operating results, financial condition and prospects could be materially and adversely affected by any of the risks described below. In that event, the value of Assura Shares could decline and investors could lose all or part of their investment in Assura Shares.

This section describes the risk factors which are considered by the Directors to be material in relation to the Assura Group and/or which will, following the Acquisition, apply to the Enlarged Group. Where risks are described in terms of a risk to an investment in Assura Shares, these apply and are equally relevant to the Consideration Shares, the Firm Placed Shares and to the Open Offer Shares.

These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Assura Group's and/or, following the Acquisition, the Enlarged Group's operating results, financial condition and prospects. The information given is as of the date of this document and, except as required by the FSA, the London Stock Exchange, the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under "Cautionary note regarding forward-looking statements" set out on page 17 of this document ("Important information").

You should consider carefully the risks and uncertainties described below, together with all other information contained in this document and the information incorporated by reference herein, before making any investment decision.

General risks relating to the Group and the market in which it operates

- ***The Group is subject to variation in the general economic environment***

The Group is subject to variation in the general economic environment. However the Group's property is let on long leases, the payment of rent on which is Government backed, and the Group's pharmacy services are not subject to the same consumer spending concerns as other consumer goods such that the Group is protected from recession and indeed represents a defensive stock for investors concerned about inflation or other adverse economic factors. Regardless, should tenants default in a difficult economic environment, the Group's rental income would be diminished.

- ***The Group's business performance is dependent on key individuals and employees***

The Group's business performance is dependent, to a certain extent, on key individuals and employees and their ongoing relationships with, amongst others, developers, suppliers, PCTs, GPs and customers. While the Group seeks to offer its staff competitive remuneration packages, attractive incentives, career development opportunities and a good working environment, there can be no guarantee that the Group will be able to recruit and retain suitable key personnel. The loss of the services of the executive directors, members of the senior management and other key employees could adversely affect the Group's businesses, financial condition and operating results.

- ***The Company's investments in associated undertakings and joint ventures may not prove profitable***

The Company has a number of investments in associated undertakings and joint ventures including its investment in various LIFT companies, its interest in Virgin Healthcare and its interest in GP Care Pharmacy Limited. As the Company does not control these associated undertakings and joint ventures, it is less able to influence the operations of these companies compared with those of its Subsidiaries. There is a risk that the Company's investments in associated undertakings and joint ventures do not prove profitable in the future and that it is not able to recover the capital invested in these companies, in particular, its investment in the share capital and debt of Virgin Healthcare, which is currently loss-making.

Risks relating to real estate investment

- ***Any weakening of rental yields and valuations could have an adverse impact on the Group's future profits***

The Group has reported an increase in the value of its core medical centre investment properties in the six months ended 30 September 2010. While the Board believes that the property valuations are fairly stated and indeed represent robust, defensive investments in the current market due to their long lease length and NHS backed covenant, any weakening of rental yields and valuations could have an adverse impact on the Group's future profits including revaluation surpluses or deficits. In addition, the rent payable by the majority of the Group's investment properties and those of its LIFTCos are not linked to the Retail Prices Index which may lead to a reduction in the real value of the Group's rental income and the valuation of its properties in the event of a sustained period of inflation.

Both rental income and the market value for properties are generally affected by overall conditions in the local economy, employment trends, inflation and changes in interest rates, which may in turn impact upon the demand for properties. Furthermore, movements in interest rates may also affect the cost of financing property.

- ***Property is inherently difficult to value***

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations can be uncertain with valuers having differing opinions and there can be no guarantee that the estimates resulting from the valuation process will reflect actual sale prices that could be realised by the Group in the future.

- ***Investments in property are relatively illiquid***

Investments in property are relatively illiquid and usually more difficult to realise than listed equities or bonds. Disposal of any of the properties could, therefore, take longer than may be commercially desirable or values obtained may be lower than planned.

- ***Development or redevelopment expenditure may be necessary in the future to preserve rental income***

Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as upon changes in its market value. Development or redevelopment expenditure may be necessary in the future to preserve the rental income generated from and/or the value of the property which may affect the Group's profits.

- ***Rent reviews are not always on an upwards only basis***

The rent review provisions for leases of GP practices are often different to other commercial property provisions in that they do not always provide for rents to be reviewed on an upwards only basis. At rent review, therefore, if the rent levels available on the open market for a similar property are lower than the rent payable by the tenant immediately before the rent review, the rent payable may decrease, although not usually to below the level of the initial rent payable under the lease. To date the Group has never suffered a downward rent review.

- ***The Group may be unable to let a property or re-let a property following the expiry of a tenancy***

The ability of the Group to attract new tenants will depend on demand for space at the relevant property and on the regional economy in the relevant catchment area, which can be influenced by a number of factors. Rental levels and the affordability of rents, the size and quality of the building, the amenities and facilities offered, the convenience, location and local environment of the relevant property, the amount of competing space available, the transport infrastructure, the other tenants renting adjacent and nearby properties, the age and facilities of the building in comparison with the alternatives and changing trends in the primary healthcare property market are all examples of factors which influence tenant demand. Similarly, changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which the relevant property depends for its tenant base may adversely affect the demand for such property.

Further, there can be no assurance that the Group's tenants will renew their leases at the end of their current tenancies or, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases. This is particularly the case where a property requires refurbishment or redevelopment following the expiry of a tenancy. Tenants with the benefit of contractual break rights may also exercise these to bring the lease to an end before the contractual termination date. During void periods, the Group will suffer a rental shortfall and incur

additional expenses until the property is re-let. In the UK, this includes liability for empty rates, which has become more onerous following a change to legislation in April 2008 that significantly reduces relief available from business rates in relation to empty property. Even if tenant renewals or replacements are affected, there can be no assurance that such renewals or replacements will be on terms (including rental levels and rent review terms) that are as favourable to the Group as before or that new tenants will be as creditworthy as previous tenants.

The impact on the Group of re-letting risk in the short to medium term is mitigated by the fact that, as at 30 September 2010, 85 per cent. of the Group's rental income derived from PCTs and GP practices and the weighed average unexpired lease term across the portfolio was 16.5 years. In addition and as described in paragraph 6.12 of the valuation report by Savills contained in Section A of Part 6 of this document, vacant space and expansion space represented a small proportion of total space (3.9 per cent. of total estimated rental value). Furthermore, new developments are only commenced where substantially all of the space is pre-let in order to minimise any letting risk.

- ***Any property in the UK may at any time be compulsorily purchased by Government departments or local authorities***

Any property or part of any property in the UK may, at any time, be compulsorily acquired by a Government department or local authority in connection with proposed redevelopment or infrastructure projects. If a compulsory purchase order were made in respect of a property or part of a property, compensation would be payable on the basis of the value of all owners' and tenants' proprietary interests in that property at the time of the related purchase as determined by reference to a statutory compensation code, but the compensation could be less than the Group's assessment of the property's current market value (or the relevant apportionment of such market value where only part of a property is subject to a compulsory purchase order). In the case of an acquisition of the whole or any part of that property, the relevant freehold, heritable or long leasehold estate and any lease would both be acquired. If the amount received from the proceeds of purchase of the relevant freehold, heritable or long leasehold estate were less than the Group's assessment of the property's current market value, the operations, financial position and prospects of the Group may be adversely affected.

There may be a delay between the compulsory purchase of a property or part of any property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value. Should such a delay occur in the case of a property or part of any property of the Group, the operations, financial position and prospects of the Group may be adversely affected. If only part of a property is compulsorily purchased, the Group's financial position and prospects could be materially adversely affected if such part was of strategic importance to a Group development property or investment property.

It should be noted that the average value of the Group's investment properties is under £3 million (as described in paragraph 6.5 of the valuation report by Savills contained in Section A of Part 6 of this document) so the compulsory purchase of a single property is unlikely to have a material impact on the Group. Furthermore, no property owned by the Group has been subject to compulsory purchase order to date.

- ***The Group may become exposed to environmental liabilities***

There is no guarantee that the Group's properties or sites are free from contamination of hazardous waste, asbestos or other toxic substances. There may, in addition, be contamination in respect of the current portfolio of properties. If the Group were to purchase such contaminated properties, or if there are contaminated properties within the current portfolio, the Group may have an obligation, alone or jointly with other parties, to dispose of or otherwise resolve any such environmental hazards to the satisfaction of relevant governmental authorities. There is no basis for estimating the costs and liabilities of such an obligation, but such costs and liabilities could adversely affect returns to shareholders.

- ***The Group could suffer uninsured losses***

The Group's properties could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent) which may not be fully compensated by insurance. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable.

Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, also might result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed.

Under such circumstances, the insurance proceeds may be inadequate to restore the Group's economic position with respect to the affected real estate. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. In addition, whilst the Group will attempt to ensure that all of the Group's properties are adequately insured, changes in the cost, cover or availability of insurance could expose the Group to uninsured losses.

Risks relating to real estate development

- ***Property development can be high risk and the Group may be exposed to cost overruns, completion delays and financing shortfalls***

Property development can be high risk and the Group may be exposed to cost overruns, completion delays, planning difficulties and financing shortfalls, in which case the Group is likely to need to commit more money to the relevant development than it had originally planned from its existing cash resources. Furthermore, a number of the Group's developments may not be fully pre-let. Should no tenants be found for the surplus space, the Group would be left with empty space in buildings which may have limited application to alternative uses.

The Group's policy is to engage in developments that are substantially pre-let with fixed price build contracts (or contracts with a price ceiling) in place at their inception.

- ***Redevelopment and/or expansion potential may be adversely affected by a number of factors***

The potential for the redevelopment and/or expansion of properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to the property.

Risks relating to the Group's pharmacy operations

- ***A change to the NHS Pharmaceutical Services (2005) Regulations could impact negatively on the remuneration currently enjoyed by pharmacy contractors***

A change to the NHS Pharmaceutical Services (2005) Regulations could impact negatively on the remuneration currently enjoyed by pharmacy contractors as it could result in reductions to the current agreed level of payments. In addition the DoH regularly reviews the payments it makes to pharmacy contractors through mechanisms including, but not limited to, Category M and PPRS. Changes to the prices that pharmacy contractors are paid could impact on both turnover and profitability of the Group.

- ***The Group operates in highly competitive markets***

The Group operates in highly competitive markets which, notwithstanding their regulated nature, are subject to competition from a range of direct competitors, including national, regional and local pharmacies and supermarket retailers, and alternative supply sources including importers, domestic suppliers and manufacturers who supply product direct to patients, some of which may have capital and resources in excess of the Group. These could result in adverse pressure on pricing or discounts to customers or the availability of licences.

- ***The Group has potential exposure to product liability claims***

The Group has potential exposure to product liability claims arising from the supply of defective products which could have an adverse effect on the Group's operational results and financial condition. The Group could also suffer reputational and/or financial consequences arising from infiltration of counterfeit products into the supply chain, re-labelling of products and/or contamination or mishandling issues.

- ***The Group is exposed to risks arising through dispensing, professional and process error***

The Group is also exposed to risks arising through dispensing errors, professional and process error in its pharmacies and/or in the professional services each provides. Risk in this area is mitigated through recruitment of appropriately trained and qualified staff; robust service provision protocols; ongoing review of services; effective incident reporting systems; careful management and monitoring of services with early action to address any issues identified; and comprehensive insurance provision.

Risks relating to regulation, Government policy and tax

- ***Changes in NHS procurement and funding could adversely affect the Group***

The Group is operating in the primary healthcare market providing pharmacy, property and LIFT services to the NHS. Cuts in the funding available for rent of medical centres, delays and uncertainty while the recent NHS White Paper “Equity and Excellence: Liberating the NHS” is implemented, or other uncertainties such as future rental reimbursement mechanisms to GPs by the NHS, or changes to the LIFT operating models, may reduce expenditure available to fund services provided by the Group or impact on the covenant strength of the underlying tenants in future. Further changes to the reimbursement for the provision of pharmaceutical goods and services following the recent NHS pharmacy pricing reductions could have an adverse effect on the Group.

- ***Any change in the Company’s tax status or in tax legislation could impact investor returns***

Any change in the tax status of the Company and/or its Subsidiaries or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

- ***Any changes under Guernsey law could affect the Company’s ability to pay dividends***

The Company is incorporated in Guernsey although it is managed and controlled and taxed in the UK. Any changes under Guernsey law to the basis on which Guernsey companies may pay dividends could have an adverse effect on the Company’s ability to pay dividends and any changes to UK law could offset the Company’s ability to trade successfully.

Risks relating to financing

- ***Growth of the Group’s business is dependent on the continued availability of funding for new projects***

The growth of the Group’s business, and in particular any future medical centre property developments, is dependent on the continued availability of funding for new projects and it is not certain that facilities will be able to be secured in the future at levels or on terms acceptable to the Board. There are no unfunded commitments in place for future medical centre property developments.

- ***Access to debt financing in the future will depend on suitable market conditions and the maintenance of suitable long term credit ratings***

Access to debt financing in the future will depend on, amongst other things, suitable market conditions and the maintenance of suitable long term credit ratings. If conditions in credit markets are unfavourable or the Group’s credit rating is downgraded at the time when current sources of financing expire in 2013 or when the Group is looking to refinance them, the Group may not be able to obtain new sources of financing or may only be able to obtain new sources of financing at higher costs.

- ***Use of gearing increases volatility in net asset value per share***

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Assura Shares where the value of the Group’s underlying asset value is rising, it can have the opposite effect if the underlying asset value is falling. In addition, in the event that the rental income of the Group’s property portfolio falls, including as a result of defaults by tenants under the terms of their leases with the Group, the use of borrowings will increase the impact of such falls on the profitability of the Group and, accordingly, this will have an adverse effect on the Group’s profits and ability to pay dividends to shareholders in the future.

- ***A fall in asset value or revenues may result in the breach of financial covenants***

A significant deficit in the Group's published underlying asset value as at 30 September 2010 (of the order of 17.8 per cent. of gross property assets, after including the net proceeds of the Open Offer) would have resulted in the Group breaching one or more of the financial covenants given to its lenders, although the Group's loans from Aviva are not subject to loan to value covenants and the Group's facilities from National Australia Bank, The Royal Bank of Scotland and Santander currently have significant headroom. Since this date, the Group's headroom has increased considerably due to the movement in the mark-to-market valuation of the swap instrument. Additionally, since the inception of the IPD Healthcare Index in 2006, the largest annual fall in the index has been 2.5 per cent.

In the event of a breaching of financial covenants, the Group may be required to repay such borrowings in whole or in part together with any attendant costs. If the Group is required to repay all or part of its borrowings, it may be required to sell assets at less than their market value at a time and in circumstances where the realisation proceeds are reduced because of a downturn in property values generally or because there is limited opportunity to market the property.

- ***Interest rate swaps may lead to cash outflows***

The Group has entered into certain fixed interest rate loans and interest rate swap transactions with the objective of fixing its interest payments on the amount drawn down on its bank facilities. Repayments to National Australia Bank, planned and made ahead of schedule, have caused the amount drawn to fall below the amount hedged. To the extent that the amount drawn on its bank facilities is below the level envisaged in the swap contracts there is a risk of the Group suffering cash outflows. In addition, in periods when the 3 month LIBOR rate is lower than the swap reference rate (as is currently the case), the Group will suffer net cash outflows.

- ***The Group may need to raise extra capital in the longer term***

While the Directors have no plans for raising additional capital following Admission it is possible that the Group may need to raise extra capital in the longer term to develop the Group's business further. If the plans or assumptions set out in the Group's business' long term plans change or prove to be inaccurate, or if the Group makes any incorrect assumptions, the Group may require further financing. Any further equity financing may be dilutive to shareholders and debt finance, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to abandon such development plans or reduce the scope of its operations or anticipated expansion which may adversely affect the Group's business and operating results.

Risks relating to the Acquisition

- ***Completion of the Acquisition is subject to conditions***

Completion of the Acquisition is subject to the satisfaction (or waiver) of a number of conditions including, among others:

- receipt of sufficient acceptances under the Offer from AHMP Shareholders;
- the approval of Assura Shareholders at the Assura EGM; and
- Admission of the Open Offer Shares and the Consideration Shares.

There is no guarantee that these (or other) conditions will be satisfied (or waived) in which case the Acquisition will not be completed.

- ***The Enlarged Group's success will be dependent upon its ability to integrate AHMP***

The Enlarged Group's success will be dependent upon Assura's ability following the Acquisition to integrate AHMP without significant disruption to its business. Although the Directors believe that this is unlikely, issues may come to light during the course of integrating AHMP into the Enlarged Group that may have an adverse effect on the financial condition and results of operations of the Enlarged Group. Assura can offer no assurance that it will realise the potential benefits of the Acquisition including, without limitation, potential synergies and cost savings (to the extent and within the time frame contemplated). If Assura is unable to integrate the Acquisition successfully into the Enlarged Group then this could have a negative impact on the results of operations and/or financial condition of the Enlarged Group.

- ***Existing Assura Shareholders will be diluted by the issue of Consideration Shares***

Pursuant to the Acquisition, existing Assura Shareholders will suffer a reduction in their proportionate ownership of the Enlarged Group and a reduction in their proportionate voting interest in the ordinary share capital of the Company compared to their current ownership and voting interest.

- ***The Group may not be able to obtain complete control of AHMP and procure the cancellation of admission to trading of the AHMP Shares on PLUS Markets***

Unless valid acceptances under the Offer are received for more than 90 per cent. of the issued share capital of AHMP, Assura will not be able to take advantage of the provisions of Part 28 of the Act to compulsorily acquire any remaining AHMP Shares. In the event that the Offer is declared unconditional in all respects under such circumstances, AHMP will not become a wholly-owned subsidiary of Assura and the Directors of Assura will need to have regard to the interests of those AHMP Shareholders who do not accept the Offer as well as the interests of AHMP. There are a number of corporate actions that require the approval of at least 75 per cent. of the votes cast at an AHMP Shareholders' meeting. If Assura acquires less than 75 per cent. of the issued AHMP Shares, Assura may need support from the remaining AHMP Shareholders to carry out these actions. In particular, Assura would not be able to independently procure the cancellation of admission to trading of the AHMP Shares on PLUS Markets. In the event that such cancellation was not to take place, costs would be incurred in relation to maintaining AHMP's status as a publicly quoted company that would otherwise be removed. Other actions requiring 75 per cent. of votes to be cast in favour at a general meeting of AHMP include amending AHMP's articles of association.

Risks relating to the Assura Shares

- ***The market price of the Assura Shares may fluctuate in response to a number of factors, many of which are outside the Group's control***

The market price of the Assura Shares, including the New Assura Shares, may fluctuate significantly due to a change in sentiment in the market regarding the Group's business, financial condition or results of operations. Such fluctuations may be influenced by a number of factors beyond the Group's control, including but not limited to, the market's perception of the likelihood that the Placing and Open Offer will complete, the extent to which the new shares are taken up by Assura Shareholders in the Open Offer, actual or anticipated changes in the Group's performance, the expectations and recommendations of analysts who cover the Group's business and industry, regulatory changes, large sales or purchases of the Ordinary Shares (or the perception that such transactions may occur) and general market and economic conditions.

Stock markets have from time to time experienced, and have recently experienced, significant price and volume fluctuations that have affected the market prices for securities, and these changes in market prices may have been unrelated to the operating performance or prospects of the businesses to which the securities relate. Stock market conditions are affected by many factors, such as the supply and demand of capital, general economic and political conditions, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment and terrorist activity. Any of these factors could influence the market price of the Ordinary Shares.

For all or any of these reasons, the market price of the Assura Shares may go down as well as up. Consequently investors may not recover their original investment and could lose all of it.

- ***Assura Shareholders will be diluted if they do not participate in the Firm Placing and to a greater extent if they do not participate in the Open Offer***

The proportionate ownership and voting interest in the Company of those Assura Shareholders who do not participate in the Firm Placing will be reduced as a result of the Firm Placing. In addition, to the extent that Assura Shareholders do not take up their entitlements to Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their existing Ordinary Shares represent of the enlarged issued share capital will be reduced accordingly.

- ***Assura Shareholders in certain jurisdictions may not be able to subscribe for new shares in the Open Offer and accordingly would suffer dilution***

Assura Shareholders in certain jurisdictions may not be able to subscribe for new shares in the Open Offer or for any future issues of shares as the securities laws of certain jurisdictions may restrict the Company's ability to allow shareholders in those jurisdictions to participate in these offerings. As a result, it is possible that a number of shareholders in those jurisdictions, such as the United States, will not be able to subscribe shares under those offerings. Their ownership and voting interests in the Company's share capital would be diluted accordingly.

- ***Assura Shareholders may be exposed to fluctuations in currency exchange rates***

Assura Shareholders may be exposed to fluctuations in currency exchange rates. The existing Ordinary Shares and the New Assura Shares are priced in sterling, and will be quoted and traded in sterling. In addition, any dividends that the Group may pay will be declared and paid in sterling. Accordingly, shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against sterling, which may reduce the value of the existing Ordinary Shares and the new shares, as well as that of any dividends paid.

- ***The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited***

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited under law. The Company has been formed and registered under the laws of Guernsey. The rights of the Overseas Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction.

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. All but one of the current Directors are residents of the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process on the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. Overseas Shareholders may be unable to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries outside the United Kingdom against the Directors who are residents of the United Kingdom or countries other than those in which a judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

IMPORTANT INFORMATION

Cautionary note regarding forward-looking statements

This document contains forward-looking statements, which are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to the Company's ability to obtain capital/additional finance in the long term; any limitations of the Company's internal financial reporting controls; an increase in competition; an unexpected decline in turnover, rental income or the value of all or part of the Group's property portfolio; legislative, fiscal and regulatory developments, including but not limited to, changes in environmental, safety and healthcare regulations and governmental policy in relation to the delivery of primary healthcare and pharmacies; currency and interest rate fluctuations and the adoption of IFRS. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by the rules of the FSA (and in particular the Prospectus Rules and the Disclosure and Transparency Rules), the London Stock Exchange, the Listing Rules or by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to any person involved in the preparation of this document or to persons acting on Assura's behalf are, subject to the requirements of the Prospectus Rules, expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operation, financial condition, prospects, growth, synergies, strategies and dividend policy and the development of the industries in which they operate may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, prospects, growth, synergies, strategies and the dividend policy of the Group, and the development of the industries in which it operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. These forward-looking statements are further qualified by the risk factors set out on pages 9 to 16 of this document. Prospective investors are urged to read the sections of this document entitled "Risk factors", "Operating and financial review", "Information on the Proposals and the Enlarged Group", "Information on Assura" and "Information on AHMP" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates.

Any forward-looking statement contained in this document based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

Currency exchange rate information

Unless otherwise indicated, all references in this document to:

- "sterling", "pounds sterling", "£", "pence", "penny" or "p" are to the lawful currency of the UK; and
- all references to "Euro" or "€" are to the lawful currency of the member states of the European Union who adopted the Euro in Stage Three of the Treaty establishing Economic and Monetary Union on 1 January 1999.

No incorporation of website information

Neither the contents of Assura's website nor AHMP's website, nor the content of any website accessible from hyperlinks on Assura's website or AHMP's website, is incorporated into, or forms part of, this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisition and the Placing and Open Offer	19 January 2011
Record Date	26 January 2011
Publication of the Offer Document, the Circular and this document	27 January 2011
Ex-entitlement date for the Open Offer	28 January 2011
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	28 January 2011
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 9 February 2011
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 10 February 2011
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 11 February 2011
Latest time and date for receipt of Forms of Proxy/CREST Proxy Instructions	10.00 a.m. on 15 February 2011
Latest time and date for receipt of completed Application Forms and payment in full or settlement of relevant CREST instructions under the Open Offer	11.00 a.m. on 15 February 2011
Admission of the Open Offer Shares effective and dealings expected to commence	8.00 a.m. on 17 February 2011
Assura EGM	10.00 a.m. on 17 February 2011
First closing date of the Offer	3.00 p.m. on 17 February 2011
Admission of the Consideration Shares and the Firm Placed Shares effective and dealings expected to commence*	8.00 a.m. on 22 February 2011
CREST accounts credited with:	
– Open Offer Shares	17 February 2011
– Firm Placed Shares* and Consideration Shares*	22 February 2011
Despatch of definitive share certificates* in respect of:	
– Open Offer Shares	by 3 March 2011
– Firm Placed Shares* and Consideration Shares*	by 3 March 2011

** The indicative timetable in respect of these events assumes that the Offer becomes or is declared unconditional in all respects (save only for the condition relating to Admission of the Open Offer Shares and the Consideration Shares) on 17 February 2011.*

The times and dates set out in the timetable above and mentioned throughout this document in relation to the Offer may be adjusted or extended by agreement between Assura and AHMP, as permitted by the City Code, in which event details of the new times and dates will be publicly announced.

If you have any questions relating to the completion and return of the Application Form, please telephone Computershare between 9.00 a.m. and 5.00 p.m. Monday to Friday (except UK public holidays) on 0870 707 4040 from within the UK or + 44 870 707 4040 if calling from outside the UK. Calls to the helpline number cost approximately 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice in connection with the Open Offer (nor the Offer) nor give any financial, legal or tax advice.

All times are London times and each of the times and dates are subject to change.

STATISTICS OF THE OFFER AND THE PLACING AND OPEN OFFER

Number of existing Assura Shares in issue as at 26 January 2011 (being the latest practicable date prior to the publication of this document)	317,467,036
Issue Price per New Assura Share for the Placing and Open Offer	45 pence
Number of Open Offer Shares to be issued	25,397,363
Percentage of the Company's maximum enlarged issued share capital ⁽ⁱ⁾ represented by the Open Offer Shares:	
– upon completion of the Open Offer	7.4%
– upon completion of the Proposals	6.0%
Number of Firm Placed Shares to be issued	26,666,667
Maximum number of Consideration Shares to be issued	55,833,558 ⁽ⁱ⁾
Percentage of the Company's maximum enlarged issued share capital ⁽ⁱ⁾ upon completion of the Proposals represented by the Open Offer Shares and the Firm Placed Shares	12.2% ⁽ⁱ⁾⁽ⁱⁱ⁾
Maximum percentage of the Company's maximum enlarged issued share capital ⁽ⁱ⁾ upon completion of the Proposals represented by the Consideration Shares	13.1% ⁽ⁱ⁾⁽ⁱⁱ⁾
Maximum percentage of the Company's maximum enlarged issued share capital ⁽ⁱ⁾ upon completion of the Proposals represented by the New Assura Shares	25.4% ⁽ⁱ⁾⁽ⁱⁱ⁾
Maximum number of Assura Shares in issue upon completion of the Proposals	425,364,624 ⁽ⁱ⁾⁽ⁱⁱ⁾
Gross proceeds of the Placing and Open Offer	£23.4 million
Estimated net proceeds of the Placing and Open Offer	£22.7 million

(i) Based on the maximum number of Consideration Shares which may be issued assuming no elections are made under the Cash Alternative and disregarding fractional entitlements.

(ii) Based on the number of Assura Shares in issue as at 26 January 2011, being the latest practicable date prior to the publication of this document.

DIRECTORS, SECRETARY AND ADVISERS TO THE COMPANY

Directors	Rodney Pennington Baker-Bates Nigel Keith Rawlings Clare Margaret Hollingsworth Peter Joseph Pichler	<i>(Non-executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Non-executive)</i> <i>(Non-executive)</i>
Head office, principal place of business and UK branch address	3300 Daresbury Park Warrington Cheshire WA4 4HS	
Registered office	PO Box 327 Isabelle Chambers Route Isabelle St Peter Port Guernsey GY1 3TX Channel Islands	
Secretary	Conor Daly	
Financial adviser, sponsor and joint broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Joint broker	Investec Bank plc 2 Gresham Street London EC2V 7QP	
Auditors	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY	
Reporting accountant	BDO LLP 1 Bridgewater Place Water Lane Leeds LS11 5RU	
Solicitors to the Company	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG	
Solicitors to the Placing and Open Offer	Travers Smith LLP 10 Snow Hill London EC1A 2AL	
Guernsey Advocates to the Company	Ogier Ogier House St Julian's Avenue St Peter Port Guernsey GY1 1WA Channel Islands	
Administrator	Morgan Sharpe Administration Limited Isabelle Chambers Route Isabelle St Peter Port Guernsey GY1 3TX Channel Islands	

**Registrar and CREST service
provider**

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES
Channel Islands

Receiving Agent

Computershare Investor Services PLC
Corporate Actions Projects
Bristol BS99 6AH

PART 1

INFORMATION ON THE PROPOSALS AND THE ENLARGED GROUP

1 Introduction

The Assura Board and the Independent AHMP Directors announced on 19 January 2011 that they had reached agreement on the terms of a recommended offer to be made by Assura for the entire issued and to be issued share capital of AHMP. The Acquisition will create the UK's largest listed primary care medical property and pharmacy group with pro forma property assets of £504 million¹, an internally-managed, cost-efficient operating structure and access to an attractive pipeline of future investment opportunities.

The Offer values each AHMP Share at 39.2 pence and the entire issued and to be issued share capital (including the Convertible Loans) of AHMP at £28.3 million based on the value of an Assura Share at the Closing Price of 46.125 pence on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

Assura is also providing the Cash Alternative, pursuant to which AHMP Shareholders who validly accept the Offer may elect to receive cash in lieu of some or all of the Assura Shares to which they would otherwise be entitled.

In addition, Assura has entered into a number of arrangements with Ashley House whereby, subject to the satisfaction or waiver of certain conditions (including the approval of the Independent AHMP Shareholders as required by the City Code), Assura will acquire three development properties from Ashley House (together with two special purpose vehicles in which the properties are held), grant a period of exclusivity to Ashley House to undertake due diligence into Assura's LIFT operations (but not investments) and, conditional upon the Offer becoming unconditional in all respects, terminate Ashley House's existing asset management agreement with AHMP, receive a right of first refusal to acquire all future projects developed by Ashley House for a period of six months and make a loan to a joint venture special purpose vehicle established by AHMP and Ashley House to develop land at Scarborough.

Finally, the Board proposes to raise £22.7 million (net of expenses) through the Placing and Open Offer of 52,064,030 new Assura Shares at the Issue Price of 45 pence per share. The net proceeds of this issue will be used to fund, among other things, the Cash Alternative, potential new investments within the medical property segment and to strengthen the Company's balance sheet.

2 Background to and reasons for the Proposals

The Board has completed the return of Assura to being a profitable, dividend-paying company focused principally on its primary healthcare property and pharmacy businesses.

Assura's primary healthcare property portfolio has been independently valued at £331 million (as set out in Part 6 of this document). Assura also has a significant presence in the LIFT market and a profitable, growing, medical centre-based pharmacy business. Assura is an internally-managed company and, therefore, has no fund management contract with an external asset manager. It has the in-house expertise and experience to manage the property portfolio, identify investment opportunities and develop new properties. This enables Assura to operate and grow its property portfolio in a cost-effective manner and the Directors consider that the management team is capable of managing a larger portfolio of properties at modest incremental cost. The Directors therefore consider that the Enlarged Group will be able to make significant cost savings and that the Acquisition is expected to be earnings per share enhancing in the first full year following completion.²

AHMP has an externally-managed primary healthcare property portfolio with tenants with strong covenants and long lease lengths, which has been independently valued at £125 million (as set out in Part 7 of this document) and which the Directors believe is compatible with and enhances the Assura portfolio. The Board considers that investors in the Enlarged Group will benefit from being shareholders in a larger business with an increased presence in the healthcare property marketplace, more cost-effective operations, a more diversified shareholder base and continued access to funding. The Enlarged Group will continue to benefit from the support of profitable pharmacy operations and be able to pay sustainable and growing dividends.²

¹ See note 5 to the pro forma financial information relating to the Group contained in Part 9 of this document.

² Nothing in this document is intended, or is to be construed, as a profit forecast or should be interpreted to mean that earnings per Assura Share for the current or future financial years will match or exceed the historical earnings per Assura Share.

The Board also considers that, through the Acquisition and ongoing relationships with Ashley House arising from its history as asset manager of and design and build main contractor for AHMP, Assura will benefit from an increased access to development opportunities in the primary healthcare property sector.

The Board believes there are substantial acquisition and development opportunities available within the medical property segment beyond those in Assura's existing pipeline and the three development projects to be acquired from Ashley House. Accordingly, the Board proposes to raise £22.7 million (net of expenses) through the Placing and Open Offer to take advantage of these opportunities as well as to fund the cash payable to AHMP Shareholders who make valid elections under the Cash Alternative up to a maximum aggregate amount of £10.5 million.

3 The Offer

Terms of the Offer

The Offer is being made on the following basis:

for each AHMP Share 0.85 new Assura Shares.

The Offer values each AHMP Share at 39.2 pence and the entire issued and to be issued (including the Convertible Loans) ordinary share capital of AHMP at approximately £28.3 million based on the value of an Assura Share at the Closing Price of 46.125 pence on 18 January 2011 (being the last Business Day prior to the announcement of the Offer). The Offer represents a premium of approximately 22.5 per cent. over the Closing Price of an AHMP Share of 32 pence on 9 August 2010 (being the last Business Day prior to the commencement of the Offer Period) and approximately 3.2 per cent. over the Closing Price of 38 pence of an AHMP Share on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

Full acceptance of the Offer will result in the issue of up to 55,833,558 Consideration Shares by Assura, representing approximately 13.1 per cent. of Assura's enlarged issued share capital assuming (i) no elections are made by AHMP Shareholders for cash under the Cash Alternative; (ii) the issue of 26,666,667 Firm Placed Shares and 25,397,363 Open Offer Shares pursuant to the Placing and Open Offer; and (iii) the issue of no other Assura Shares or AHMP Shares after 18 January 2011 (being the latest practicable date prior to the announcement of the Offer).

The Consideration Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Assura Shares in issue at the date of this document, and the Open Offer Shares and Firm Placed Shares to be issued pursuant to the Placing and Open Offer, including the right to receive all dividends and other distributions declared, made or paid on or after, or by reference to a record date on or after, the date of their issue.

Fractions of Consideration Shares will not be issued pursuant to the Offer. Entitlements to Consideration Shares pursuant to the Offer will be rounded down to the nearest whole number of Consideration Shares.

Assura intends, following receipt of sufficient acceptances and the Offer becoming unconditional in all respects, to exercise its rights under Part 28 of the Companies Act to acquire compulsorily any remaining AHMP Shares in respect of which acceptances have not been received on the same terms as the Offer. In addition, following the Offer becoming unconditional in all respects and Assura having acquired 75 per cent. or more of the voting rights of AHMP, Assura intends to procure that AHMP makes an application to cancel the admission to trading of the AHMP Shares on PLUS Markets.

In view of its size, the Acquisition constitutes a Class 1 transaction for Assura for the purposes of the Listing Rules and accordingly is subject to, among other things, the approval of Assura Shareholders which will be sought at the Assura EGM, further details of which are described in paragraph 15 below.

The Offer is subject to the conditions and further terms set out in Appendix 1 to the Offer Document and, in the case of AHMP Shares held in certificated form, the Form of Acceptance.

Cash Alternative

As an alternative to receiving the consideration for their AHMP Shares in the form of new Assura Shares, AHMP Shareholders who validly accept the Offer may elect in respect of all or part of their holding of AHMP Shares to receive cash under the Cash Alternative, in which case such AHMP Shares shall be acquired on the following basis:

for each AHMP Share 40 pence in cash

The Cash Alternative represents a premium of 25.0 per cent. to the Closing Price of an AHMP Share of 32 pence on 9 August 2010 (being the last Business Day prior to the commencement of the Offer Period) and approximately 5.3 per cent. over the Closing Price of 38 pence of an AHMP Share on 18 January 2011 (being the last Business Day prior to the announcement of the Offer).

The aggregate cash available to all AHMP Shareholders who make a valid election under the Cash Alternative is limited to £10.5 million. As AHMP Shareholders holding, in aggregate, 62.5 per cent. of AHMP's existing issued share capital have irrevocably undertaken to accept the Offer and not to elect for the Cash Alternative, the valid elections of all remaining AHMP Shareholders for the Cash Alternative will be satisfied in full.

The Cash Alternative is subject to the conditions and further terms set out in Appendix 1 to the Offer Document and, in the case of AHMP Shares held in certificated form, the Form of Acceptance.

4 The Placing and Open Offer

Assura is proposing to raise approximately £23.4 million (before expenses) pursuant to the Placing and Open Offer, which has been fully underwritten by Investec. The Open Offer is expected to raise approximately £11.4 million (before expenses) and is not conditional on the success of the Offer. In the event that the Offer does not become unconditional in all respects, the net proceeds of the Open Offer of approximately £11.0 million will be retained by the Company to fund future property acquisitions and developments within the medical property sector (including those outlined above with Ashley House), as well as to strengthen the Company's balance sheet.

The Firm Placing is expected to raise approximately £12.0 million (before expenses) and is conditional, *inter alia*, on the Offer having become unconditional in all respects (other than in relation to Admission of the Open Offer Shares and the Consideration Shares).

The net proceeds of the Firm Placing will be used to fund the equity component of the funding of the acquisition of three development projects from Ashley House of £1.9 million and the estimated costs of the Acquisition of £1.6 million as well as the £1.5 million fee payable to Ashley House as a result of the termination of the asset management agreement between Ashley House and AHMP. The balance of the net proceeds of the Placing and open Offer (including the amount by which aggregate elections under the Cash Alternative are less than £10.5 million) will be retained by the Company to fund future property acquisitions and developments within the medical property sector, as well as to strengthen the Company's balance sheet.

The Company will also receive £3.0 million pursuant to the EBT Placing (which does not form part of the Placing and Open Offer) as described in paragraph 13 of this Part 1.

The Open Offer

The Open Offer provides Qualifying Assura Shareholders with an opportunity to subscribe for Open Offer Shares pro rata to their current holdings at the Issue Price of 45 pence per share. Cenkos and Investec, as agents for the Company, have conditionally placed the Open Offer Shares with institutional investors at the Issue Price subject to clawback to satisfy valid applications from Qualifying Assura Shareholders under the Open Offer.

The Issue Price represents a discount of 2.4 per cent. to the Closing Price of 46.125 pence on 18 January 2011 (being the last Business Day prior to the announcement of the Proposals).

The Open Offer Shares will be offered to Qualifying Assura Shareholders on the following basis:

2 Open Offer Shares for every 25 Assura Shares

held at the Record Date and so in proportion for any other number of existing Assura Shares then held.

Entitlements to Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares. Any resulting fractions of Open Offer Shares will be aggregated and subscribed for under the Placing for the benefit of the Company.

The Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims. The Application Form is not a document of

title and cannot be traded. In the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Assura Shareholders, but will be taken up under the Placing, with the proceeds retained for the benefit of the Company.

The Open Offer, including the placing of the Open Offer Shares subject to clawback, is conditional, *inter alia*, upon: (i) all conditions relating to the Open Offer in the Placing Agreement having been fulfilled (other than in relation to Admission of the Open Offer Shares); and (ii) Admission of the Open Offer Shares becoming effective on or before the later of (a) the date falling 50 Business Days after the date on which the Prospectus, Circular and Offer Document are published and (b) the first to occur of (x) the date falling 30 Business Days after the Offer becomes wholly unconditional and (y) the date on which the Offer lapses or is withdrawn (or such later date and time as all of the Company, Cenkos and Investec may in their discretion determine).

If the Placing Agreement does not become unconditional in all respects, then no Open Offer Shares will be issued under the Open Offer, all monies received by the Receiving Agent will be returned to applicants without interest and at their risk as soon as possible thereafter and the Acquisition will not proceed.

Further details of the Open Offer, and the terms and conditions on which it is being made, are set out in Part 10 of this document and, where applicable, in the accompanying Application Form.

The Firm Placing

Cenkos and Investec, as agents for the Company, have conditionally placed the Firm Placed Shares with institutional investors at the Issue Price pursuant to the Placing Agreement. The Firm Placed Shares are not subject to clawback and therefore do not form part of the Open Offer.

The Firm Placing is conditional, *inter alia*, upon: (i) the passing of Resolutions 2 and 4 at the Assura EGM (or any valid adjournment thereof); (ii) the Offer having become unconditional in all respects (other than in relation to Admission of the Open Offer Shares and the Consideration Shares); (iii) all other conditions relating to the Firm Placing in the Placing Agreement having been fulfilled or waived (other than in relation to Admission of the Firm Placed Shares); and (iv) Admission of the Firm Placed Shares and the Consideration Shares becoming effective on or before 8.00 a.m. on the day that is 30 Business Days after the day on which the Offer becomes or is declared unconditional in all respects (save only for Admission of the Open Offer Shares and the Consideration Shares) or such later date and/or time as the Company, Cenkos and Investec may in their discretion determine.

General

The Open Offer Shares and the Firm Placed Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Assura Shares in issue at the date of this document, and the Consideration Shares to be issued pursuant to the Offer, including the right to receive all dividends and other distributions declared, made or paid on or after, or by reference to a record date on or after, the date of their issue.

Related party transaction

Somerston currently owns or controls 81,816,736 Assura Shares and 19,689,620 AHMP Shares, representing 25.77 per cent. and 29.98 per cent. respectively of each company's existing issued share capital. Somerston has agreed to subscribe for 6,872,467 Firm Placed Shares. As Somerston is a related party of Assura for the purposes of the Listing Rules as its current shareholding is in excess of 10 per cent. of the Company's existing issued share capital. The participation of Somerston in the Firm Placing is therefore a related party transaction for the purposes of the Listing rules which requires the approval of the independent shareholders of Assura which will be sought at the Assura EGM, further details of which are described in paragraph 15 below.

Somerston will not, and has undertaken to take all reasonable steps to ensure that its respective associates (as defined in the Listing Rules) will not, vote on Resolution 2 concerning Somerston's participation in the Firm Placing to be proposed at the Assura EGM.

Somerston has also agreed to subscribe for up to 10,082,621 Open Offer Shares, subject to clawback, pursuant to sub-underwriting agreements as part of the Placing and a further 16,736,177 Consideration Shares will be issued to Somerston as an AHMP Shareholder pursuant to the Offer, which Somerston has irrevocably undertaken to accept and to make no election under the Cash Alternative in respect of. On completion of the Proposals, assuming AHMP Shareholders in aggregate validly elect for and receive

the maximum amount of cash available under the Cash Alternative in consideration for their AHMP Shares, the largest shareholding that Somerston could hold in the Enlarged Group is 115,508,001 Assura Shares.

5 Ashley House Arrangements

Assura and Ashley House have entered into a number of conditional arrangements and agreements as follows:

Termination of asset management agreement

Ashley House presently provides a range of property development, investment management and property management services to AHMP under an investment management agreement. Assura regards Ashley House as an important partner and wishes to maintain a relationship with Ashley House in the future. As an internally-managed property investor, Assura is able to perform many of the services currently provided by Ashley House to AHMP and therefore Ashley House and Assura have agreed that upon completion of the Acquisition the asset management agreement between Ashley House and AHMP will be terminated with immediate effect and that Ashley House will receive a payment of £1.5 million.

Acquisition of three new developments

Assura has reached agreement with Ashley House in relation to the acquisition and funding by Assura of three development projects currently being undertaken by Ashley House. These developments are at Corfe Castle, Balsall Common and Silsden. The aggregate consideration for these three development properties is £9.2 million.

The purchase of Balsall Common and Silsden will be undertaken through the acquisition of special purpose vehicles in which the properties will be held at completion.

Framework Agreement in relation to development pipeline

Ashley House has granted Assura a right of first refusal for a period of six months from the completion of the Acquisition to acquire all third party primary care property projects (excluding LIFT developments) which are developed by Ashley House on arm's length commercial terms. If Assura were to exercise its right of first refusal to acquire an Ashley House development project, Assura would typically acquire the land relating to the project (or the special purpose vehicle in which it is held) and enter into a design and build contract with Ashley House. Any such design and build contract would be a standard form Joint Contracts Tribunal design and build contract accompanied by usual warranties or in the form of the development agreements being entered into for the development of the above properties. No fee is payable by Assura to Ashley House for the granting of the right of first refusal.

Assura's LIFT operations

Assura and Ashley House have agreed non-binding heads of terms in relation to the potential purchase by Ashley House of Assura's LIFT operations (other than its LIFT investments) and, subject to the approval of the Independent AHMP Shareholders (as described below), Ashley House will be granted a period of exclusivity until 18 April 2011 to undertake due diligence and agree detailed terms for the purchase of those operations. The heads of terms envisage that Ashley House will pay an initial consideration of £0.75 million and deferred consideration of up to £0.75 million depending upon the revenue of that business for the year ending 31 March 2012. Assura's LIFT operations (which are distinct from its LIFT investment business, which is not included in the proposed transaction) provide management services to five of Assura's LIFT companies, generating revenue of £2.6 million in the year to 31 March 2010. The non-binding heads of terms recognise that the parties are yet to agree certain structural aspects of the transaction and it should be emphasised that there is no certainty that any transaction will be entered into.

Investment in AH Scarborough Health Park Limited

Ashley House and AHMP are joint venture partners in a development in Scarborough via AH Scarborough Health Park Limited, their joint venture company. Assura has conditionally agreed to loan £0.4 million to the joint venture company in order to enable certain outstanding design fees to be paid to Ashley House and Ashley House has conditionally agreed to write off £0.4 million of those fees.

Independent AHMP Shareholder approval

As Ashley House is an AHMP Shareholder, the Code requires that each of the above agreements is approved by the Independent AHMP Shareholders by vote on a poll. It should be noted, however, that the Offer is not conditional on the approval of the Ashley House Arrangements by the Independent AHMP Shareholders. Assura and Ashley House have confirmed that there are no other arrangements in relation to the Offer between the parties other than those disclosed in this document. A general meeting of AHMP has been convened to consider the appropriate resolution, notice of which is set out at the end of the Offer Document.

The Independent AHMP Directors, having reviewed the terms and conditions of the Ashley House Agreements and having been so advised by Altium, consider the Ashley House Arrangements, for the purposes of Rule 16 of the Code, to be fair and reasonable as far as the Independent AHMP Shareholders are concerned. In providing advice to the Independent AHMP Directors, Altium has taken into account the commercial assessments of the Independent AHMP Directors.

6 Effects of the Proposals on Assura

Part 9 of this document contains unaudited pro forma financial information which shows the effect of the Proposals on the net assets of the Company had the Proposals been completed on 30 September 2010. The unaudited pro forma financial information shows that the Enlarged Group would have had gross property assets of £504 million in aggregate and net assets of £186 million (based on the net assets of the Assura Group as at 30 September 2010 and the AHMP Group as at 31 October 2010). If only the Open Offer were to proceed, the net assets of the Company would increase by the net proceeds of the Open Offer.

Additionally, had the benefits of the Proposals been available to the Company during the year ended 30 September 2010, the effect would have been to increase earnings through (i) a reduction in interest payments from the net proceeds of the Placing and Open Offer; and (ii) the attribution to the Company of the income generated by AHMP. Should only the Open Offer proceed and had the proceeds been available to the Company during the year ended 30 September 2010, the effect would have been to decrease interest payments, thereby increasing earnings.

The Directors believe that the Proposals will enhance earnings per Assura Share in the first full year following their completion. This should not be interpreted as a profit forecast or that the earnings per Assura Share for the current or future financial years will match or exceed the historical earnings per Assura Share.

7 Strategy of the Enlarged Group

Following completion of the Acquisition, the Enlarged Group will continue the development of the existing medical property schemes of both Assura and AHMP, which the Directors believe will yield development profits, and thereafter expects to undertake further developments, including those within Ashley House's and AHMP's pipelines. In addition, the Enlarged Group will consider acquiring completed medical properties.

Assura's existing properties will continue to be internally managed. Following completion of the Acquisition, Assura will similarly manage internally the properties currently owned by AHMP.

Assura will also continue the development of its profitable pharmacy division. The Directors believe that the division will benefit from: store developments; growth in the number of stores; continued growth in sales volumes from existing stores; and the achievement of further efficiency savings and productivity improvements.

Assura has a small number of non-primary care properties, a small land bank and certain property assets which are not currently revenue generating, such as property held pending expansion of existing GP practices and other tenants as they take on more services. The Enlarged Group will focus on maximising the returns from its land bank some of which will be developed out as primary care schemes as part of its pipeline of developments.

8 Board and management

Assura has undergone a number of changes to the composition of its Board in the last 12 months to reflect the reduced complexity and cost base of the Group following the disposal of the Group's medical business. Following the Acquisition, the Enlarged Group will again review the composition of the Board and, if appropriate, consider whether to make any alterations at that time.

9 Selected financial information

Assura

The selected historical financial information set out below has been extracted without material adjustment from the Group's audited report and accounts for the 15 month period ended 31 March 2008, the year ended 30 March 2009 and the year ended 30 March 2010 and from the Group's unaudited half yearly report for the six months ended 30 September 2010. The financial information was prepared in accordance with IFRS.

	<i>15 months ended 31 March 2008¹</i>	<i>Year ended 31 March 2009</i>	<i>Year ended 31 March 2009 (restated)²</i>	<i>Year ended 31 March 2010</i>	<i>6 months ended 30 September 2009 (restated)²</i>	<i>6 months ended 30 September 2010</i>
Income statement	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Revenue	40.7	48.3	47.6	55.8	26.4	30.7
Trading profit/(loss)	(4.8)	(1.7)	5.2	13.3	5.4	9.8
Operating profit/(loss)	11.4	(72.8)	(61.1)	9.2	7.5	16.7
Profit/(Loss) before taxation ³	9.0	(79.9)	(68.2)	(4.0)	1.5	9.5
	<i>31 March 2008¹</i>	<i>31 March 2009</i>	<i>31 March 2009 (restated)⁴</i>	<i>31 March 2010</i>	<i>31 March 2010 (restated)⁵</i>	<i>30 September 2010</i>
Balance sheet	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Investment property	282.5	278.9	278.9	313.7	313.7	326.4
Development property/assets under construction	57.3	54.8	54.8	27.7	27.7	24.8
Non-current assets ⁶	434.0	426.6	424.9	418.7	416.0	422.6
Net assets	265.4	173.7	172.0	164.2	161.5	149.8
Adjusted net assets ⁷	264.1	204.4	202.9	186.5	186.5	198.6
NAV per share	118.01p	56.69p	56.20p	53.58p	52.69p	48.89p
Adjusted NAV per share ⁷	117.43p	66.71p	66.22p	60.88p	60.88p	64.81p

1 The income statement for the 15 months ended 31 March 2008 and balance sheet at that date include the results, assets and liabilities of the Group's Medical Division, which was disposed of on 2 March 2010.

2 The income statements for the year ended 31 March 2009 and the six months ended 30 September 2009 have been restated to transfer losses incurred in the Group's Medical Division to "Loss for the year from discontinued operations" and to reflect the adoption of a new accounting policy for service concession arrangements within associates. The income statement for the six months ended 30 September 2009 has also been restated to show the effect of the derivative financial instrument of the LIFT associate which was omitted in error. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual and half yearly reports for 2010.

3 Stated prior to revaluation of derivative financial instruments.

4 The balance sheet as at 31 March 2009 has been restated to reflect the correct analysis of loans repayable within one year and those due after more than one year and to reflect the adoption of the new accounting policy for service concession arrangements within associates. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual report for 2010.

5 The balance sheet as at 31 March 2010 has been restated to include the derivative financial instruments of the LIFT associates which were omitted in error. The restated figures have been extracted from the comparatives shown in Assura's half yearly report for the six months ended 30 September 2010 and are unaudited.

6 Excludes non-current assets held for sale and included in disposal groups.

7 These figures have been adjusted to exclude the effect of derivative financial instruments and, in the case of NAV per share, Assura Shares held by the Group.

Additional financial information on Assura is set out in Part 4 of this document or is incorporated by reference.

AHMP

The selected historical financial information set out below has been extracted without material adjustment from the audited financial information on AHMP for the three years ended 30 April 2010 and from the unaudited financial information on AHMP for the six months ended 31 October 2010 set out in Part 5 of this document. The financial information was prepared in accordance with IFRS.

	<i>Year ended 30 April 2008 £m</i>	<i>Year ended 30 April 2009 £m</i>	<i>Year ended 30 April 2010 £m</i>	<i>6 months ended 31 October 2009 £m</i>	<i>6 months ended 31 October 2010 £m</i>
Income statement					
Revenue	5.1	6.0	7.0	3.2	4.0
Operating profit/(loss)	2.1	(4.7)	14.8	8.8	4.4
Profit/(loss) before taxation	(1.4)	(8.8)	10.3	6.7	1.5
	<i>30 April 2008 £m</i>	<i>30 April 2009 £m</i>	<i>30 April 2010 £m</i>	<i>31 October 2009 £m</i>	<i>31 October 2010 £m</i>
Balance sheet					
Investment property	88.6	88.7	118.8	95.2	124.7
Investment property assets under construction	5.0	2.9	5.8	7.0	4.9
Non-current assets	94.3	91.7	124.7	102.4	129.7
Net assets	25.4	15.9	24.3	21.4	25.7
NAV per share	39.5p	24.8p	37.1p	32.6p	39.1p
Adjusted NAV per share ¹	42.5p	27.8p	41.6p	37.5p	44.4p

1 These figures have been adjusted to exclude deferred tax assets and liabilities.

Additional financial information on AHMP is set out in Part 5 of this document.

10 Current trading and prospects of Assura and AHMP

Assura

On 23 November 2010, Assura released its interim results for the six months ended 30 September 2010 in which it said:

“The Group has a growing investment portfolio that continues to perform well in both valuation and rental growth. Profitable developments are adding to the portfolio with two schemes completed in the period and five currently on site in the course of construction.

The Group also benefits from sound LIFT investments that it is adding to steadily with two major schemes under construction.”

“The pharmacy division had a very strong first half and produced an operating profit of £1.4 million on turnover of £16.8 million in its wholly-owned pharmacies. Although recent NHS pricing adjustments threaten to impair margins and reduce profitability in the second half, the Board anticipates that this will be partly mitigated through our focus on generating enhanced buying terms, productivity improvements and further organic growth.”

“The Board believes that the Group is now well positioned for growth and sustainable dividend payments as a result of its high quality portfolio of property and LIFT investments and pharmacies providing continuing growth.”

Since this date Assura has continued to trade in line with the Directors’ expectations.

AHMP

On 19 January 2011, AHMP released its interim results for the six months ended 31 October 2010 in which its chairman said:

“I am pleased to report on another successful operating period for the portfolio with rental revenue showing a 22 per cent. increase to £4.0 million (2009: £3.2 million) and trading profit up 5 per cent. to £0.53 million (2009: £0.50 million). The adjusted net asset value per share has increased to 44.4p (2009: 42.8p).”

AHMP continues to trade comfortably on an operating basis with the rental income having grown from new property acquisitions and from positive rent reviews in the existing portfolio.”

“New primary health properties have been completed at Witham (Essex) and Sutton-in-Ashfield (Nottinghamshire) and an extension to an existing property at Garstang in Lancashire was completed. As at 31 October 2010, the annualised rent roll for the group’s properties was £8.1 million.”

“Construction work has now begun on three new primary care property schemes at Crawcrook (Tyne & Wear), Stanwell (Surrey) and Cowplain (Hampshire). These three schemes have a total acquisition cost of £9.9 million.”

11 Dividend policy

The sale of the Group’s medical business on 2 March 2010 to Virgin Healthcare has helped return the Company to a position of profitability and net cash generation (before investing and financing activities). The Board announced at that time that it intended to resume dividend payments and the Company has subsequently paid an interim dividend of 1 pence per share for the six months ended 30 September 2010. Going forward, the Company intends to pay dividends from its realised earnings and to establish a record of consistent, progressive dividend payments.

12 Banking arrangements

As at 31 December 2010, being the latest practicable date prior to the publication of this document, the Company had banking facilities of £271.5 million in aggregate which were fully drawn down. In addition, the Company had cash balances of £32.4 million as at that date. The Company’s banking facilities are provided by National Australia Bank, Aviva Commercial Finance, Santander and The Royal Bank of Scotland. All of the Company’s existing banking facilities will remain in place following completion of the Proposals. Additionally facilities totalling £7.3 million have been agreed in principle with Aviva Commercial Finance to fund the three new medical centre developments expected to be acquired from Ashley House as described in paragraph 5 above.

In order to hedge interest rate risk on its borrowings, the Company has entered into a number of interest rate swap transactions which, as at 31 December 2010, were in respect of a principal amount of £247.3 million, in aggregate, with a mark to market value of a liability of £24.5 million. In addition, the principal amount and mark to market value of the Group’s share of interest rate swaps within the Group’s associated companies as at this date was £27.8 million and a liability of £4.4 million respectively. The mark to market value of the Group’s largest swap contract with National Australia Bank reduced from a liability of £23.4 million as at 31 December 2010 (£35.9 million as at 30 September 2010) to a liability of £17.4 million as at 14 January 2011, the latest practicable date prior to the publication of this document.

As at 31 October 2010, AHMP had loans outstanding of £94.7 million pursuant to bank facilities provided by Aviva Commercial Finance and secured on specific medical centre investment properties and three new medical centre developments in the course of construction. The interest payable on almost all of these loans is at a fixed rate. Aviva Commercial Finance has confirmed that these facilities will remain in place following completion of the Acquisition.

Further information on the Company’s banking facilities are described in Part 8 and in paragraph 14 of Part 11 of this document.

13 EBT Placing

Concurrent with the Placing and Open Offer, Cenkos and Investec, as agents for Jupiter Trustees Limited which beneficially holds Assura Shares in its capacity as the trustee of the EBT, have placed the 6,666,667 EBT Shares with institutional investors at the Issue Price of 45 pence per EBT Share. The EBT Placing is expected to raise approximately £3.0 million (before expenses) for the EBT and does not form part of the Placing and Open Offer. The net proceeds of the EBT Placing will be paid by the EBT to the Company in settlement of an outstanding loan.

14 Overseas Shareholders

The availability of the Open Offer Shares and the Firm Placed Shares under the terms of the Placing and Open Offer to Assura Shareholders not resident in the UK may be affected by the laws of the relevant jurisdiction where they are resident. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders are contained in Part 10 of this document.

The availability of the Consideration Shares under the terms of the Acquisition to persons not resident in the UK may be affected by the laws of the relevant jurisdiction where they are resident. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to AHMP Shareholders not resident in the UK are contained in the Offer Document.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are resident in Hong Kong, you are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

15 Assura EGM

In view of its size, the Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules and, as a consequence, it will be necessary for Assura Shareholders to approve the Acquisition. For the Firm Placing to be implemented, it is necessary for Assura Shareholders to approve certain other Resolutions of the Company. The Circular is therefore being sent on the date of this document to Assura Shareholders to convene the Assura EGM to seek approval of these and other Resolutions, brief details of which are set out below. Resolutions 1, 2 and 3 will be proposed as ordinary resolutions and Resolutions 4, 5, 6 and 7 will be proposed as special resolutions.

- Resolution 1 approves the Acquisition as a Class 1 transaction under the Listing Rules.
- Resolution 2 approves the issue to Somerston of Firm Placed Shares as a related party transaction (as required by the Listing Rules).
- Resolution 3 grants the Directors an increased general authority to allot Assura Shares following completion of the Proposals.
- Resolution 4 grants the Directors a specific authority to allot the Firm Placed Shares pursuant to the Firm Placing.
- Resolution 5 authorises the Company to make one or more market purchases of Assura Shares.
- Resolution 6 makes an amendment to the articles of incorporation of the Company to include pre-emption rights.
- Resolution 7 disapplies the (newly adopted) pre-emption rights in respect of certain allotments of new Assura Shares.

16 Listing, settlement and dealings

Application will be made to the FSA and the London Stock Exchange respectively for the Open Offer Shares, the Consideration Shares and the Firm Placed Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the Open Offer Shares will become effective and dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 17 February 2011 (and in any event no later than the later of (a) the date falling 50 Business Days after the date on which the Prospectus, Circular and Offer Document are published and (b) the first to occur of (i) the date falling 30 Business Days after the Offer becomes wholly unconditional and (ii) the date on which the Offer lapses or is withdrawn or such later date and/or time as all of the Company, Cenkos and Investec may in their discretion determine).

It is expected that Admission of the Consideration Shares and the Firm Placed Shares will become effective and dealings for normal settlement in the Consideration Shares and the Firm Placed Shares will commence at 8.00 a.m. within five Business Days following the day on which the Offer becomes or is declared unconditional in all respects (save only for Admission of the Open Offer Shares and the Consideration Shares) and in any event no later than the date falling 30 Business Days after the day on which the Offer becomes wholly unconditional (save only for the condition relating to Admission of the Open Offer Shares and the Consideration Shares) or such later date and/or time as the Company, Cenkos and Investec may in their discretion determine.

17 Taxation

Information regarding certain aspects of UK and Guernsey taxation is set out in paragraph 15 of Part 11 of this document. These details are, however, intended only as a general guide to certain aspects of the current tax position under UK and Guernsey taxation law. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK and Guernsey are strongly advised to consult their own independent financial adviser without delay.

18 Assura Employee Share Plans

Participants in the Assura Employee Share Plans will be advised separately of any adjustments to their share award(s) as a consequence of the Placing and Open Offer.

19 Further information

Your attention is drawn to the remaining parts of this document which contain further information on Assura, AHMP and the Placing and Open Offer. In particular, your attention is drawn to the risk factors set out on pages 9 to 16 of this document.

PART 2

INFORMATION ON ASSURA

Introduction

Assura was founded in October 2003 and was admitted to listing on the Official List on 21 November 2003 as a property investment undertaking, raising £140 million (before expenses) from institutional investors for the purpose of investing in primary healthcare facilities in the UK. Since flotation, the Company's investment property portfolio has grown to £331 million as at 31 December 2010 and the Company has expanded into other areas, with the creation of a pharmacy division in 2004 and a medical services division in 2005 (a majority interest in which was subsequently disposed of in March 2010).

As at the date of this document, Assura operates across four core divisions: Property Investment, Property Development, LIFT and Pharmacy.

Through its Property Investment and Property Development divisions, Assura owns and develops primary healthcare properties across the UK to support GP practices and PCTs. The LIFT division invests in primary care and community-based facilities in partnership with public and other bodies and also provides management, property development and health planning services to LIFTCos and PCTs. Through its Pharmacy Division, Assura owns and operates a network of predominantly health centre based pharmacies.

Assura also owns a 24.9 per cent. stake in Virgin Healthcare, which operates a network of GP Provider Organisations (GPCOs) in England.

All valuations in this Part 2 have been sourced from independent valuation reports on Assura's property portfolio by Savills which are contained in Part 6 of this document. The report contained in Section A of Part 6 values the investment property portfolio as at 31 December 2010 at £330.9 million, equivalent to an average net initial yield of 5.98 per cent.

History

Since its flotation, Assura has grown both organically and by acquisition. The key developments and acquisitions over the Company's history are set out below:

November 2003	<ul style="list-style-type: none">• Admission to the Official List as The Medical Property Investment Fund Limited• Institutional placing to raise £140 million
July 2004	<ul style="list-style-type: none">• Acquisition of a 70 per cent. stake in BHE, a company specialising in the management of and investment in LIFTs
July 2004	<ul style="list-style-type: none">• Creation of the Pharmacy Division
May 2005	<ul style="list-style-type: none">• Creation of the Medical Division
May 2006	<ul style="list-style-type: none">• Acquisition of its former fund manager, Berrington Fund Management Limited and the membership interests in Berrington Fund Management LLP• Placing and open offer to raise £110 million to fund the acquisition and to provide additional funds for investment
August 2007	<ul style="list-style-type: none">• Termination of the contract to manage The Westbury Property Fund Limited, which had previously been acquired with the acquisition of Berrington Fund Management Limited
September 2007	<ul style="list-style-type: none">• Acquisition of the remaining 30 per cent. stake in Assura LIFT (formerly BHE)
October 2007	<ul style="list-style-type: none">• Change of name to Assura Group Limited
April 2008	<ul style="list-style-type: none">• Reclassification of the Company from being a property investment company to a trading company approved by the UKLA
October 2008	<ul style="list-style-type: none">• Placing to raise £30 million to fund the expansion of Assura's Medical Division

March 2010

- Disposal of a 75.1 per cent. interest in Assura Medical Limited to Virgin Healthcare

Principal activities

Property Investment

As at 30 September 2010 the Group owned 113 completed medical centre investment properties around the UK. Assura's portfolio is characterised by long leases, with initial lease terms of typically 20-25 years, and, the payment of rent for GP surgeries is generally reimbursed by the NHS. As at 30 September 2010, the weighted average lease length was 16.5 years, approximately 85 per cent. of the rents were receivable from the NHS via PCTs or GP practices whose rent payments are reimbursed by PCTs and the annualised rent roll stood at £23.4 million (including the rental value of own premises of £0.6 million). The balance of rents is receivable from pharmacy companies, including Assura's own pharmacy business, and other tenants including retailers, other health professionals and charities. Historically, the Company has achieved rent increases of 3 to 4 per cent. per annum on three yearly rent reviews.

Property Development

Assura is an active developer of medical centre properties. Demand for large modern, purpose built premises continues to be driven by a shift in services from secondary care (hospitals) towards primary and community care as encouraged by the Government. The Company's policy is to only undertake medical centre developments that are substantially pre-let with fixed price build contracts or those subject to a price ceiling and funding agreed in advance and where the Assura Board is confident of achieving regular development gains going forward.

As at the date of this document, Assura had five development sites under construction which have been valued by Savills as at 31 December 2010 at an end value of £35.1 million as set out in Section B of Part 6 of this document. In addition, the Company has a land bank comprising 13 sites and a number of vacant buildings which have been valued by Savills as at 31 December 2010 at £12.5 million and £2.9 million respectively as set out in Section A of Part 6 of this document. The land bank includes sites earmarked for medical centre developments and sites that are now surplus, where funding or other constraints have prevented the originally planned medical centre development, but where alternative use opportunities may, in the future, exist. These sites are being disposed of as opportunities for sale or change of use arise.

LIFT Investments

As at 30 September 2010 Assura has investments in six LIFT companies. These companies are public/private partnerships which procure and supply capital investment needed by public bodies and other health care providers to deliver health and community services to the public. There are currently 49 LIFTs across England covering approximately 50 per cent. of the PCTs, such that Assura's LIFT interests equate to a 12 per cent. market share. Assura's six LIFT areas are Barnet, Enfield and Haringey; Coventry; Dudley; Liverpool and Sefton; South East Essex; and South West Hampshire.

As at 30 September 2010 Assura has made subordinated debt investments across its LIFT portfolio of £8.3 million in aggregate. These investments comprise 25–30 year fixed income loans yielding on average 12 per cent. interest per annum. Within Assura's LIFT companies, there are 21 completed primary care buildings with an aggregate value of £162 million as at 30 September 2010. The end value of properties under construction at this date is £96 million.

LIFT Operations

Assura provides management services through a central management services agreement to five of its LIFTs. These services include project management, estates and business performance management, centre management and financial management. In addition, Assura's LIFT Division provides health planning services to PCTs.

As described in paragraph 5 of Part 1 of this document, Assura and Ashley House have agreed non-binding heads of terms in relation to the potential purchase by Ashley House of Assura's LIFT operations (other than its LIFT investments), subject to the approval of the Independent AHMP Shareholders.

Pharmacy

As at 30 September 2010, Assura owned and operated a portfolio of 27 pharmacies across the UK which are predominantly located within primary healthcare centres. In addition, Assura has a 50 per cent. interest in seven pharmacies owned in a joint venture with GP Care UK Limited branded 'GP Care Pharmacy' and located in the South West of England, near Bristol.

The Directors believe the Company's pharmacy model puts it in a strong position to take advantage of the trend for Primary Care services to be provided locally in communities and closer to where patients live and the opportunities laid out in the DoH White Papers "Pharmacy in England: Building on strengths – delivering the future" published in 2008 and "Equity and Excellence: Liberating the NHS" published on 12 July 2010. The White Papers generally support the continuing shift in policy for pharmacists to play a greater role in the provision of primary health care services.

The establishment of new pharmacies and the relocation of existing ones is restricted by Regulation in the UK. This has the effect of creating barriers to new entrants, which helps to secure the position of Assura's existing pharmacy stores. The Company expects to continue to be able to add value to the business through the opening of new pharmacies, store developments, growth in existing stores, further efficiency savings and productivity improvements.

Minority interest in Virgin Healthcare

Assura owns a 24.9 per cent. stake in Virgin Healthcare as a result of the sale of its medical services business on 2 March 2010.

At the time of its disposal in March 2010, the business was engaged in forming joint ventures with groups of GP practices (GPCos) around the UK. They provided a range of primary and intermediate community-based NHS services, including outpatient services, diagnostic procedures, day care surgery and GP-led health centres.

PART 3

INFORMATION ON AHMP

Business

AHMP is a property investment company whose principal activity is the purchase and management of property primarily involving medical facilities delivering NHS-led primary care. The company has a growing portfolio of medical centres, some with on-site pharmacies and let, for the most part, to GPs and PCTs. AHMP's properties are almost entirely purpose built and are typically on new 20 or 25 year leases with three yearly rent reviews. The portfolio is 100% let with zero voids and has 93 per cent. of its rent paid directly or indirectly by the NHS. The average unexpired lease term is currently 18.1 years.

The entire AHMP property portfolio is managed by Ashley House, a primary care infrastructure company which provides design and build, project management and asset management services to the primary care sector from eight offices around the UK.

Pursuant to an asset management agreement, Ashley House provides day to day management, rent reviews and rent collection, maintenance and accounting for the AHMP property portfolio. In addition, AHMP has the right, but not the obligation to acquire all new primary care assets which Ashley House brings through the procurement process that have planning consent and are ready for investment commitment with a pre-let in place. This does not cover assets Ashley House works on in the NHS LIFT PPP structure.

Following completion of the Acquisition, Ashley House's role as manager will be terminated as described in paragraph 5 of Part 1 of this document.

As at 31 December 2010, the AHMP property portfolio comprised 52 properties in England and Scotland with an annualised rent roll of £8.1 million. An independent valuation report on the AHMP property portfolio by DTZ is contained in Part 7 of this document. The report values the property portfolio as at 31 December 2010 at £124.7 million, equivalent to an average net initial yield of 5.8 per cent.

History

AHMP was established in September 2004 to purchase properties designed by Ashley House and other primary care facilities. The shares in AHMP were originally stapled to those in Ashley House, which were at the time admitted to trading on Ofex (subsequently renamed PLUS Markets), on a one for one basis such that the shares traded in units comprising one share in Ashley House and one share in AHMP.

The destapling of the two companies' shares was announced on 14 December 2006 and since 15 January 2007, Ashley House's shares have traded on AIM and AHMP's shares have traded separately on PLUS Markets. On 20 November 2009 AHMP acquired the Sapphire portfolio of primary care assets from Lloyds Pharmacy Group for £11.8 million.

PART 4

FINANCIAL INFORMATION ON ASSURA

Information incorporated by reference

The financial statements of Assura, which have been prepared in accordance with IFRS, for the 15 month period ended 31 March 2008, the year ended 31 March 2009 and the year ended 31 March 2010, as set out in the annual report and accounts of Assura for each of these periods and the unaudited financial statements of Assura for the six months ended 30 September 2010 are incorporated by reference into this document. The audit reports for the 15 month period ended 31 March 2008, the year ended 31 March 2009 and the year ended 31 March 2010 were unqualified.

The audited financial statements of Assura for the 15 month period ended 31 March 2008, the year ended 31 March 2009 and the year ended 31 March 2010 and the unaudited financial statements of Assura for the six months ended 30 September 2010 are available online at www.assuragroup.co.uk or in printed form from Assura's registered office at Isabelle Chambers, Route Isabelle, St Peter Port, Guernsey GY1 3TX or from Addleshaw Goddard LLP in accordance with the details set out in paragraph 21 of Part 11 of this document.

Cross reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document. The page numbers below refer to the relevant pages of the respective report and accounts.

<i>Nature of information</i>	<i>Annual report and accounts for the</i>			<i>Interim report</i>
	<i>15 months ended 31 March 2008</i>	<i>year ended 31 March 2009</i>	<i>year ended 31 March 2010</i>	<i>for the 6 months ended 30 September 2010</i>
	<i>Page No(s)</i>	<i>Page No(s)</i>	<i>Page No(s)</i>	<i>Page No(s)</i>
Independent auditors' report	46	32	34	9
Consolidated income statement	47	33	35	10
Consolidated statement of comprehensive income	—	—	36	11
Consolidated balance sheet	48	34	37	12
Consolidated statement of changes in equity	49	35	38	13
Consolidated cash flow statement	50	36	39	14
Notes to the financial statements	51-89	37-76	40-80	15-28

Capitalisation and Indebtedness

The following table shows the capitalisation of the Group as at 30 September 2010 and the total indebtedness of the Group as at 31 October 2010. There has been no material change to the capitalisation figures since 30 September 2010. The figures for capitalisation have been extracted without material adjustment from the Group's consolidated, unaudited financial statements for the six months ended 30 September 2010, which are incorporated by reference into this document as described above.

	<i>As at 31 October 2010 £'000</i>
Total current debt	
Guaranteed	–
Secured	1,460
Unguaranteed/unsecured	929
	<hr/> 2,389
Total non-current debt	
Guaranteed	–
Secured	269,073
Unguaranteed/unsecured	–
	<hr/> 271,462
Total indebtedness	<hr/> <hr/> 271,462

As at 30 September 2010

£'000

Shareholders' Equity	
Share capital	31,747
Own Ordinary Shares held	(5,093)
Share premium account	23,282
Minority interests	3,230
	<hr/> 53,166
	<hr/> <hr/> 53,166

The following table shows the net financial indebtedness of Assura as at 31 October 2010:

£'000

Cash	35,594
Liquidity	<hr/> 35,594
Current portion of non-current debt	(1,460)
Other current financial debt	(929)
	<hr/> (2,389)
Current financial debt	<hr/> (2,389)
Net current financial indebtedness	33,205
Non-current bank loans	(269,073)
	<hr/> (269,073)
Non-current financial indebtedness	<hr/> (269,073)
Net financial indebtedness	<hr/> <hr/> (235,868)

The Group also had derivative financial instruments outstanding as at 31 October 2010 which are not reflected in the analysis above. These instruments are interest rate swaps used for the purposes of hedging interest rate risk on the Group's borrowings. The fair value of the Group's interest rate swaps as at 31 October 2010 was a liability of £28.7 million plus a liability of £5.0 million within associated companies.

There has been no material change in shareholders' equity since 30 September 2010 and, save for the interest rate swaps referred to above, the Group has no indirect or contingent indebtedness.

PART 5

FINANCIAL INFORMATION ON AHMP

SECTION A: ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION ON AHMP



BDO LLP
1 Bridgewater Place
Leeds
LS11 5RU

The Directors
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

27 January 2011

Dear Sirs

AH Medical Properties plc ("AHMP")

Introduction

We report on the financial information set out in Section B of Part 5. This financial information has been prepared for inclusion in the prospectus dated 27 January 2011 of Assura Group Limited (the "Company") (the "Prospectus") on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 20.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the PD Regulation consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of AHMP as at the dates stated and of its consolidated results, cash flows, recognised income and expense for the periods then ended in accordance with the basis of preparation set out in note 2 to the financial information and has been prepared in accordance with IFRS as described in note 2 to the financial information and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B: HISTORICAL FINANCIAL INFORMATION ON AHMP

Consolidated statements of comprehensive income

		Year to 30 April 2008			Year to 30 April 2009			Year to 30 April 2010		
	Note	Revenue	Capital	£000 Total	Revenue	Capital	£000 Total	Revenue	Capital	£000 Total
Revenue	3	5,148	–	5,148	6,040	–	6,040	6,972	–	6,972
Valuation (loss) / profit on investment properties	10	–	(1,907)	(1,907)	–	(9,024)	(9,024)	–	12,222	12,222
Administrative expenses before transaction costs		(1,178)	–	(1,178)	(1,122)	–	(1,122)	(1,331)	(2,515)	(3,846)
Transaction costs		–	–	–	–	–	–	–	(548)	(548)
Total administrative expenses		(1,178)	–	(1,178)	(1,122)	–	(1,122)	(1,331)	(3,063)	(4,394)
Share of profits/(losses) of joint ventures		–	–	–	(545)	–	(545)	–	–	–
Operating profit/(loss)		3,970	(1,907)	2,063	4,373	(9,024)	(4,651)	5,641	9,159	14,800
Finance income	6	345	–	345	217	–	217	5	–	5
Finance costs	7	(3,802)	–	(3,802)	(4,360)	–	(4,360)	(4,464)	–	(4,464)
Profit/(loss) before tax	4	513	(1,907)	(1,394)	230	(9,024)	(8,794)	1,182	9,159	10,341
Income tax (expense)/income	8	59	102	161	–	36	36	–	(987)	(987)
Profit/(loss) after tax and total comprehensive income and expense for the year attributable to shareholders		572	(1,805)	(1,233)	230	(8,988)	(8,758)	1,182	8,172	9,354
Basic earnings/(loss) per share	9	0.9p	(2.8)p	(1.9)p	0.4p	(14.0)p	(13.6)p	1.8p	12.5p	14.3p
Diluted earnings/(loss) per share	9	0.9p	(2.8)p	(1.9)p	0.4p	(14.0)p	(13.6)p	1.8p	12.3p	14.1p

AHMP Group has no items of other comprehensive income.

All of the activities of the group are classed as continuing.

Notes 1 to 24 form part of the financial information.

Consolidated statements of financial position

		<i>At 30 April 2008 £000</i>	<i>At 30 April 2009 £000</i>	<i>At 30 April 2010 £000</i>
	Note			
Non-current assets				
Investment property	10	88,572	88,700	118,752
Investment property assets under construction	10	4,972	2,914	5,845
Investment in joint venture		545	–	–
Deferred tax asset	17	194	109	109
		<u>94,283</u>	<u>91,723</u>	<u>124,706</u>
Current assets				
Trade and other receivables	12	821	500	822
Cash and cash equivalents	13	7,669	6,702	2,182
		<u>8,490</u>	<u>7,202</u>	<u>3,004</u>
Current liabilities				
Trade and other payables	14	(3,334)	(1,889)	(5,788)
		<u>5,156</u>	<u>5,313</u>	<u>(2,784)</u>
Net current assets / (liabilities)				
		<u>99,439</u>	<u>97,036</u>	<u>121,922</u>
Total assets less current liabilities				
Non-current liabilities				
Long term debt	15	(71,889)	(79,009)	(94,503)
Deferred tax liabilities	17	(2,121)	(2,085)	(3,072)
		<u>25,429</u>	<u>15,942</u>	<u>24,347</u>
Net assets				
		<u>25,429</u>	<u>15,942</u>	<u>24,347</u>
Equity				
Called up share capital	18	6	6	7
Share premium account		18,579	18,579	18,579
Share based payment reserve		194	109	109
Retained earnings		6,650	(2,752)	5,652
		<u>25,429</u>	<u>15,942</u>	<u>24,347</u>
Total equity				
		<u>25,429</u>	<u>15,942</u>	<u>24,347</u>
Net asset value:				
Basic net asset value per share	19	39.5p	24.8p	37.1p
Adjusted net asset value per share*	19	42.5p	27.8p	41.6p

* This shows the effect of removing the deferred tax assets and liabilities

Notes 1 to 24 form part of the financial information.

Consolidated statements of changes in equity

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Share based payment reserve £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance at 30 April 2007	6	18,579	227	8,205	27,017
Dividends paid	—	—	—	(322)	(322)
Transactions with owners	—	—	—	(322)	(322)
Loss for the year	—	—	—	(1,233)	(1,233)
Deferred tax asset	—	—	(33)	—	(33)
Total comprehensive income for the year attributable to shareholders	—	—	(33)	(1,233)	(1,266)
Balance at 30 April 2008	6	18,579	194	6,650	25,429

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Share based payment reserve £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance at 30 April 2008	6	18,579	194	6,650	25,429
Dividends paid	—	—	—	(644)	(644)
Transactions with owners	—	—	—	(644)	(644)
Loss for the year	—	—	—	(8,758)	(8,758)
Deferred tax asset	—	—	(85)	—	(85)
Total comprehensive income for the year attributable to shareholders	—	—	(85)	(8,758)	(8,843)
Balance at 30 April 2009	6	18,579	109	(2,752)	15,942

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Share based payment reserve £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
At 30 April 2009	6	18,579	109	(2,752)	15,942
Issue of share capital	1	—	—	—	1
Dividends paid	—	—	—	(950)	(950)
Transactions with owners	1	—	—	(950)	(949)
Profit for the year	—	—	—	9,354	9,354
Total comprehensive income for the period	—	—	—	9,354	9,354
At 30 April 2010	7	18,579	109	5,652	24,347

Notes 1 to 24 form part of the financial information.

Consolidated cash flow statements

	2008 £000	2009 £000	2010 £000
Profit/(loss) before tax	(1,394)	(8,794)	10,341
Adjustments for:			
Net valuation (gain)/loss on property	1,907	9,024	(12,222)
Share of (profits)/losses of joint venture	–	545	–
Finance expense	3,802	4,360	4,464
Interest income	(345)	(217)	(5)
Operating cash flows before movements in working capital	3,970	4,918	2,578
(Increase)/decrease in trade and other receivables	935	321	(150)
Increase in trade and other payables	82	142	3,623
Cash generated by operations	4,987	5,381	6,051
Interest paid	(4,337)	(4,662)	(4,844)
Income taxes paid	(35)	–	–
Net cash from operating activities	615	719	1,207
Investing activities			
Interest received	364	217	5
Purchase of investment property & work in progress	(13,741)	(8,713)	(7,622)
Purchase of subsidiaries	–	–	(12,654)
Purchase of joint venture	(545)	–	–
Net cash used in investing activities	(13,922)	(8,496)	(20,271)
Financing activities			
Repayment of borrowings	(462)	(116)	(825)
Proceeds from long-term borrowings	17,437	7,570	16,318
Dividends paid	(322)	(644)	(950)
Issue of share capital	–	–	1
Net cash from financing activities	16,653	6,810	14,544
Net (decrease)/increase in cash and cash equivalents	3,346	(967)	(4,520)
Cash and cash equivalents at beginning of year	4,323	7,669	6,702
Cash and cash equivalents at end of year	7,669	6,702	2,182

Notes 1 to 24 form part of the financial information.

NOTES TO THE FINANCIAL INFORMATION

1 NATURE OF OPERATIONS AND GENERAL INFORMATION

AH Medical Properties plc and subsidiaries' principal activity is property investment in the United Kingdom. AH Medical Properties plc is the AHMP Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of AH Medical Properties plc's registered office, which is also its principal place of business, is The Priory, Stomp Road, Burnham, Buckinghamshire, SL1 7LW.

The AHMP Group's financial information consolidates the results, asset and liabilities of AHMP and its subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied in the preparation of the financial information are summarised below. The consolidated financial information has been prepared in accordance with IFRS as adopted by the European Union. The accounting policies set out below have been applied consistently to all periods presented in the financial information.

BASIS OF PREPARATION

The financial information has been prepared on the going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments and investment property assets, which are carried at fair value.

The AHMP Board regularly reviews the AHMP Group's resources to ensure they are sufficient to continue trading for the foreseeable future. It is therefore considered appropriate to use the going concern basis to compile the financial information.

The AHMP Group has long term fixed committed debt and no overdraft facility. Operating cash flow is positive with a healthy running surplus. With £2.2m cash at bank at 30 April 2010 and further debt commitments to fund future investments, the AHMP Board has a high degree of comfort as to the AHMP Group's ability to continue to operate.

The financial information is presented in pounds sterling because that is the functional currency of the parent and the presentational currency of the AHMP Group.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial information in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and contingent liabilities. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised.

Estimates

Estimates and assumptions mainly relate to the useful life of non-current assets, the discounted cashflow used in impairment testing, and the establishing of provisions for litigation, taxes, trade receivables provisions and share based payments.

The AHMP Directors assess the value of the investment properties every six months with the benefit of input from valuation professionals. Formal valuations are carried out at least every three years on all investment properties. In assessing the market value of the properties the AHMP Directors take into account current net yields on similar properties, the current rental income being received on the properties as well as other prevailing market conditions.

To compute provisions for taxation, estimates have been applied. These estimates involve assessing the probability that deferred tax assets resulting from deductible temporary differences and the tax losses can be utilised to offset taxable income. Consideration is given to the expected method of recovery of the asset and the proportions of their value that will be recovered in each manner. This requires significant judgement in respect of the investment properties and the AHMP Directors have chosen to adopt a blended rate method, using the remaining period of the lease and the AHMP Group weighted average cost of capital to determine the value in use.

Judgements

The AHMP Directors give consideration to purchases of investments in order to assess whether they are business combinations or asset purchases. The significant judgement with respect to this is to determine whether the investment constitutes a business. The AHMP Directors have taken the view that all previous acquisitions were asset purchases and not business combinations.

The critical accounting policies that the AHMP Directors disclose will not necessarily result in material changes to the financial information in any given period, but rather contain a potential for material change. The main accounting and valuation policies used by the AHMP Group are outlined in the following notes. The AHMP Group considers the following accounting policies should be considered significant accounting policies.

BASIS OF CONSOLIDATION

The consolidated financial information incorporates the financial information of AHMP and entities controlled by AHMP (its subsidiaries) made up to 30 April each year.

Intragroup transactions, balances, income and expenses are eliminated fully on consolidation.

Control is achieved where AHMP has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The financial information of subsidiaries is included in the consolidated financial information from the date that control commences until the date that control ceases. Amounts reported in the financial information of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the AHMP Group.

Business combinations are dealt with by the purchase method on acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

On initial recognition, any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the statement of comprehensive income in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

INVESTMENTS IN JOINT VENTURES

AHMP Group's investment in its joint venture is accounted for under the equity method of accounting. A joint venture is an entity whose economic activities are controlled jointly by the AHMP Group and by other ventures independent of the AHMP Group.

Under the equity method, the investment in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in AHMP Group's share of net assets of the joint venture. After application of the equity method, AHMP Group determines whether it is necessary to recognise any additional impairment loss with respect to AHMP Group's net investment in the joint venture. The Consolidated Statement of Comprehensive Income reflects the share of the results of operations of the joint venture after tax. Where there has been a change recognised directly in the equity of the joint venture, AHMP Group recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity.

The financial information of the joint venture is prepared for the same reporting periods as AHMP Group.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for rental services in the ordinary course of the AHMP Group's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the AHMP Group.

Rental revenue from operating leases is recognised on a straight-line basis in accordance with contractual terms to reflect the time pattern in which the benefit from the leased asset is receivable.

Where a lease incentive is offered to a tenant, this is recognised on a straight-line basis over the period of the lease.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CLASSIFICATION

On the Consolidated Statement of Comprehensive Income, items displayed in the capital column represent those that are primarily affected by changes in the capital value of the AHMP Group's assets including changes in valuation, asset management performance fees and transaction costs which relate to capital transactions including raising finance.

INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date.

DTZ Debenham Tie Leung, an external independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every three years. The AHMP Directors assess the value of the investment properties every six months with the benefit of input from the same valuation professionals. The portfolio was valued by DTZ as at October 2008, April 2009, October 2009 and January 2010. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In accordance with IAS 40 a property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the AHMP Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Acquisitions and disposals are recognised on the date of completion. Any gains or losses arising from a change in fair value, are accounted for in the statement of comprehensive income.

INVESTMENT PROPERTY ASSETS UNDER CONSTRUCTION

In accordance with IAS 40, property that is being constructed or developed for future use as an investment property is stated at its fair value at the balance sheet date.

IMPAIRMENT

At each balance sheet date, the AHMP Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the asset does not generate cash flows that are independent from other assets, the AHMP Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

FINANCIAL INSTRUMENTS

The AHMP Group uses financial instruments, other than derivatives, comprising borrowings, cash and various items, such as trade receivables, trade payables etc, that arise directly from its operations. The

main purpose of these financial instruments is to raise finance and provide working capital for the AHMP Group's operations.

Financial assets and liabilities are recognised on the AHMP Group's balance sheet when the AHMP Group becomes a party to the contractual provisions of the instrument.

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the statement of comprehensive income in the financial period to which it relates.

All are initially recognised at fair value.

Trade receivables

Trade receivables do not carry any interest and are stated at amortised cost using the effective interest method, less provision for impairment. Impairments of trade receivables are recorded when there are indicators that suggest that the debts are not fully recoverable, or the fair value is impaired at the balance sheet date.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the AHMP Group after deducting all of its liabilities.

Trade payables

Trade payables do not carry interest and are initially recognised at fair value less attributable costs. Thereafter the carrying amount is stated at the amortised cost, under the effective interest method.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded initially at fair value, net of direct issue costs.

In subsequent years, the carrying amount is stated at amortised cost obtained using the effective interest rate method.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments

Equity instruments issued by the AHMP Group are recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The AHMP Group has no overdraft facilities.

INCOME TAXES

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax on investment properties relates to the difference between the balance sheet carrying value and the tax base cost of such properties. In calculating such deferred tax assets or liabilities, the AHMP Directors are required to consider the manner in which the value of the properties will be recovered, whether through use or through sale. In assessing this the AHMP Directors have judged it appropriate to consider the element that will be recovered through use first. To calculate this, the AHMP Directors have determined the net present value of the future contracted rental income on an individual property basis, taking into account the remaining life of the current lease, contracted rental increases and the AHMP Group's weighted average cost of capital, which is itself an estimate. There is no applicable tax base cost to this element of the valuation, and therefore there is typically a deferred tax liability equivalent to that element of the valuation multiplied by the expected tax rate on the future income.

The remainder of the valuation is deemed to be the value that will be recovered through sale. The AHMP Directors then consider whether there would be any deductions which could be made against such future sales proceeds. This primarily relates to the initial cost of the properties, which would be deductible against the sales proceeds. The deferred tax asset or liability on this element of the valuation then represents the difference between that element of the valuation and the allowable tax deductions, multiplied by the expected tax rate on that net taxable income. Where this calculation results in a deferred tax asset, it is provided only to the extent that it is deemed recoverable.

In undertaking the above assessments, the AHMP Directors also consider any exemption available under IAS 12 which allows an initial exemption for assets that were acquired outside of a business combination. Under IAS 12 the deferred tax asset or liability at acquisition, based on the same calculation as above carried out at the time of acquisition, is not recognisable and is therefore deducted from the present deferred tax asset or liability. The AHMP Directors therefore exercise significant judgement in determining whether groups of assets or companies that are acquired constitute a business combination or not. As part of this the AHMP Directors have judged that a company acquired whose only significant assets and liabilities are properties, rental agreements and related mortgages does not constitute a business and as such the initial exemption is available on assets acquired through these means.

DIVIDENDS

Dividends are recognised as a liability when the shareholders right to receive payment is established.

SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision-maker. The chief decision-maker has been identified as the executive board, at which level strategic decisions are made.

An operating segment is a component of the AHMP Group:

- (a) that engages in business activities from which it may earn revenues and incur expenses;
- (b) whose operating results are regularly reviewed by the entity's chief decisions maker to make decisions about resources to be allocated to the segment and assess its performance; and
- (c) for which discrete financial information is available.

EQUITY AND DIVIDEND PAYMENTS

Share capital is determined using the nominal value of shares that have been issued. Share premium includes any premiums received on the initial issuing of share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid in capital, net of any related income tax benefits.

The share based payment reserve is the reserve for the cumulative IFRS 2 charge and related deferred tax. Share premium reserve is the surplus of the amount paid over the nominal value of new shares issued.

Retained earnings include all current and prior year profits and losses.

SHARE BASED PAYMENTS

The AHMP Group issues share options to its employees. The AHMP Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 May 2006.

The AHMP Group issues equity-settled share-based payments to employees. Equity-settled share-based payments are measured at their fair value at the date of grant.

Options and warrants are valued using the binomial tree method.

The fair value determined at the grant date of the equity-settled, share-based payments is expensed on a straight-line basis over the vesting period, based on the AHMP Group's estimate of shares that will eventually vest, updated at each balance sheet date.

All equity-settled share based payments are ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to the share based payment reserve.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

The following new standards and interpretations, which are yet to become mandatory, have not yet been applied in the preparation of the AHMP Group's financial information

- IAS 27 Consolidated and Separate Financial Statements (revised 2008) (effective 1 July 2009)
- IFRS 3 Business Combinations (revised 2008) (effective 1 July 2009)
- Amendment to IAS32 Financial Instruments: Presentation and IAS1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation (effective 1 July 2009)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (effective 1 July 2009)
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)
- Revised IFRS 1 First-time Adoption of international Financial Reporting Standards (effective 1 July 2009)
- IFRIC 18 Transfer of Assets from Customers (effective 1 July 2009)
- Improvements to IFRSs (2009) (effective 1 January 2010)
- Group Cash-settled Share-based Payment Transactions (Amendments to IFRS 2) (effective 1 January 2010)
- Additional Exemptions for First-time Adopters (Amendments to IFRS 1) (effective 1 January 2010)
- Classification of Rights Issues (Amendment to IAS 32) (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 July 2010)
- Revised IAS 24 Related Party Disclosures (effective 1 January 2011)
- Amendments to IFRIC 14 IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2011)

The introduction of these standards and interpretations is not expected to have a material effect on the financial information.

NOTES TO THE FINANCIAL INFORMATION

3 REVENUE AND BUSINESS SEGMENTS

	<i>2008</i> £000	<i>2009</i> £000	<i>2010</i> £000
Rent receivable	5,148	6,031	6,955
Other revenue	–	9	17
Total revenue	<u>5,148</u>	<u>6,040</u>	<u>6,972</u>

The AHMP Group operates entirely in property investment in the United Kingdom.

The Chief Operating Decision Maker, which is deemed to be the executive Board, reviews management information which is the same as reported and prepared under IFRS.

Business segments

The AHMP Directors are of the opinion that the AHMP Group operates in one business segment, being investment in medical properties.

There were no customers who represented more than 10% of AHMP Group revenues in 2010 (2009: None 2008: None).

4 PROFIT/(LOSS) BEFORE TAXATION

	<i>2008</i> £000	<i>2009</i> £000	<i>2010</i> £000
Profit/(loss) before taxation is arrived at after charging:			
Auditor remuneration:			
– fees payable to AHMP's auditor for AHMP's annual accounts	20	18	9
– audit of AHMP's subsidiaries pursuant to legislation	10	8	23
– other services pursuant to legislation	46	40	55
– tax services	6	7	6
Total auditor's remuneration	<u>82</u>	<u>73</u>	<u>93</u>
Asset management fee	714	759	809
Performance fee based on excess of Total Shareholder Return over 10%	–	–	2,515
Transaction costs relating to potential offers for the business and acquisition of subsidiaries	–	–	548
Property expenses arising from investment property that generates income	154	154	155
Other	228	136	274
	<u>1,178</u>	<u>1,122</u>	<u>4,394</u>

5 STAFF

There were five directors (2009 and 2008: three directors) who were employed by the AHMP Group who are considered to be the AHMP Group's key management.

	<i>2008</i> £000	<i>2009</i> £000	<i>2010</i> £000
Directors' remuneration	46	55	138
Social security costs	3	5	12
	<u>49</u>	<u>60</u>	<u>150</u>

6 FINANCE INCOME

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Interest received	345	217	5

7 FINANCE COSTS

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Mortgage loan interest	3,935	4,345	4,865
Interest capitalised on assets under construction	(133)	(176)	(401)
Non-recurring finance cost	–	191	–
	<u>3,802</u>	<u>4,360</u>	<u>4,464</u>

The non-recurring finance cost represents the one off net cost of breaking an existing fixed rate loan agreement.

8 TAX ON PROFIT/(LOSS)

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Consolidated income tax			
Current income tax	(59)	–	–
Deferred tax resulting from the origination and reversal of capital allowances	–	1,902	–
Deferred tax resulting from the origination and reversal of temporary differences	(102)	(1,938)	987
	<u>(161)</u>	<u>(36)</u>	<u>987</u>

The differences from the standard rate of tax applied to the profit/(loss) before tax may be analysed as follows:

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Profit/(loss) before tax	(1,394)	(8,794)	10,341
(Loss)/Profit multiplied by standard rate of corporation tax in the UK of 28% (2009: 28% 2008: 20%)	(279)	(2,462)	2,895
Income not taxable	(132)	(66)	(3,548)
Expenses not deductible	381	2,675	76
Utilisation of losses	(79)	(474)	–
Losses carried forward	550	901	577
Excess of capital allowances over depreciation	(441)	(574)	–
Adjustment in respect of prior periods	(59)	–	–
Movement in deferred taxation on investment properties and losses	(102)	(36)	987
Tax (credit)/charge for the year	<u>(161)</u>	<u>(36)</u>	<u>987</u>

9 EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of the basic earnings per share is based on the profit/(loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. For the years ended 30 April 2009 and 2008, the options and warrants were considered anti-dilutive as they would decrease the loss per share.

	<i>2008</i>		<i>2008</i>	<i>Per share</i>	<i>2009</i>		<i>2009</i>	<i>Per share</i>	<i>2010</i>		<i>2010</i>	<i>Per share</i>
	<i>Loss</i>	<i>Weighted</i>	<i>average</i>	<i>amount</i>	<i>Loss</i>	<i>Weighted</i>	<i>average</i>	<i>amount</i>	<i>Profit</i>	<i>Weighted</i>	<i>average</i>	<i>amount</i>
	<i>£000</i>	<i>number of</i>	<i>shares</i>	<i>pence</i>	<i>£000</i>	<i>number of</i>	<i>shares</i>	<i>pence</i>	<i>£000</i>	<i>number of</i>	<i>shares</i>	<i>pence</i>
Basic earnings/(loss) per share												
Profit/(loss) attributable to ordinary shareholders	(1,233)	64,406,544		(1.9)	(8,758)	64,406,544		(13.6)	9,354	65,349,065		14.3
Dilutive effect of securities												
Options	–	–		–	–	–		–	–	956,394		(0.2)
Warrants	–	–		–	–	–		–	–	179,324		(0.0)
Diluted earnings/(loss) per share	(1,233)	64,406,544		(1.9)	(8,758)	64,406,544		(13.6)	9,354	66,484,783		14.1

10 NON-CURRENT TANGIBLE ASSETS

	<i>Investment properties</i>	<i>Assets under construction</i>
	<i>£000</i>	<i>£000</i>
Cost/valuation and net book amount		
At 30 April 2007	78,505	5,600
Additions	769	10,577
Transfers	11,205	(11,205)
Unrealised deficit on revaluation	(1,907)	–
At 30 April 2008	88,572	4,972

	<i>Investment properties</i>	<i>Assets under construction</i>
	<i>£000</i>	<i>£000</i>
Cost/valuation and net book amount		
At 30 April 2008	88,572	4,972
Additions	2,649	4,445
Transfers	6,503	(6,503)
Unrealised deficit on revaluation	(9,024)	–
At 30 April 2009	88,700	2,914

	<i>Investment properties</i>	<i>Assets under construction</i>
	<i>£000</i>	<i>£000</i>
Cost/valuation and net book amount		
At 30 April 2009	88,700	2,914
Additions	12,463	8,298
Transfers	5,367	(5,367)
Unrealised surplus on revaluation	12,222	–
At 30 April 2010	118,752	5,845

All of the investment properties were income generating during the period.

During the year ended 30 April 2010, AHMP Group acquired £12.4m of investment properties from Sapphire Primary Care Developments Limited by acquiring the entire issued share capital of the special purpose vehicles that owned these investment properties. As these entities did not trade nor had any other assets or liabilities, the AHMP Directors have accounted for these as asset purchases rather than business combinations.

Valuations of the investment properties, which were all held by the AHMP Group at that time, were performed in January 2010 and April 2009 by DTZ Debenham Tie Leung, in accordance with accounting policies.

In accordance with IAS 40, the carrying value of investment properties is the fair value of the property as determined by DTZ Debenham Tie Leung. The valuations have been conducted by them as external valuers and have been prepared as at 31 January 2010 and 30 April 2009 in accordance with the Appraisal & Valuation Standards of the Royal Institute of Chartered Surveyors, on the basis of market value. These values have been incorporated into the financial information.

The AHMP Directors reviewed the valuation at January 2010 and believed the fair value of these properties as 30 April 2010 was not materially different. Properties acquired between January 2010 and 30 April 2010 were valued using the same assumptions.

The AHMP Directors performed a valuation of the investment properties held by the Group at 30 April 2008 in accordance with accounting policies.

The independent valuation of all the property assets includes assumptions regarding income expectations and yields that investors would expect to achieve on those assets over time. Many external economic and market factors, such as interest rate expectations, bond yields, the availability and cost of finance and the relative attraction of property against other asset classes, could lead to a reappraisal of the assumptions used to arrive at current valuations. In adverse conditions, this appraisal can lead to a reduction in property values and a loss in net asset value.

The amount of finance costs capitalised by the AHMP Group during the year to 30 April 2010 was £401,000 (2009: £176,000 2008: £133,000) during the period, which related to interest cost incurred during construction. The aggregate amount of finance costs included in investment properties and assets under construction at 30 April 2010 was £1,404,000 (2009 £1,003,000 2008: £827,000).

The AHMP Group's future minimum operating lease receivables are as follows:

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Less than one year	5,547	6,365	7,712
Between one and five years	22,305	25,320	30,497
Five years or more	81,570	89,664	103,467
	<u>109,422</u>	<u>121,349</u>	<u>141,676</u>

All of the investment properties were income generating.

11 JOINTLY CONTROLLED ENTITIES

The AHMP Group owns 50% of the ordinary share capital of AH Scarborough Health Park Limited, which is incorporated in the UK.

AHMP Group's share of the assets and liabilities of AH Scarborough Health Park Limited is as follows:

	2008 £000	2009 £000	2010 £000
Long term assets			
Investment property under construction	1,875	1,100	1,100
Current assets			
Cash and cash equivalents	–	–	1
Recoverable VAT	–	–	2
	<u>–</u>	<u>–</u>	<u>3</u>
Share of total assets	<u>1,875</u>	<u>1,100</u>	<u>1,103</u>
Current liabilities			
Trade payables	–	(26)	(25)
Other payables	–	(486)	(571)
Bank borrowings	(1,330)	(1,330)	(1,330)
Share of current and total liabilities	<u>(1,330)</u>	<u>(1,842)</u>	<u>(1,926)</u>
Cumulative unrecognised share of losses	–	742	823
Investment in joint venture/share of equity shareholders' funds in joint venture	545	–	–

AHMP Group has no liability to make further contributions to the joint venture so therefore does not recognise losses which reduce its investment below £nil.

AHMP Group's results for the year to 30 April 2010 include a loss of £nil (2009 £545,000 2008: £nil) in respect of its share of the joint venture loss for the year.

The bank borrowings are secured by a first legal charge over the land at Scalby Road, Scarborough and a guarantee from Ashley House plc, the other 50% owner of AH Scarborough Health Park Limited.

On 29 April 2008 AHMP Group acquired 50% of the share capital of AH Scarborough Health Park Limited for total consideration of £545,000. The consideration comprised entirely cash.

The book values and fair values of the assets and liabilities of AH Scarborough Health Park Limited at that date were:

	Book Value £000	Fair value adjustments £000	Fair value £000
Investment property under construction	1,260	615	1,875
Bank borrowings	(1,330)	–	(1,330)
Shareholders equity	<u>(70)</u>	<u>615</u>	<u>545</u>

The adjustment in respect of investment property under construction was to reflect the land at its open market value at the date of acquisition.

12 TRADE AND OTHER RECEIVABLES

	2008 £000	2009 £000	2010 £000
Trade receivables	289	93	61
Recoverable VAT	403	–	48
Prepayments and other receivables	129	407	713
	<u>821</u>	<u>500</u>	<u>822</u>

Due to the short term and non-interest-bearing nature of trade receivables, the AHMP Directors believe that the fair value approximates to the carrying value at the balance sheet dates of 30 April 2010, 2009 and 2008. In the normal course of business the majority of these assets are settled within one month.

No impairment has occurred on trade and other receivables, and no impairment provision has been recognised.

The following table provides analysis of trade and other receivables that were past due at 30 April 2010, 2009 and 2008 but not impaired. The AHMP Group believe that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Past due up to 30 days	79	14	30
Past due 31 – 90 days	–	72	22
Past due over 90 days	20	7	9
Loans and receivables past due and not impaired	<u>99</u>	<u>93</u>	<u>61</u>

13 CASH AND CASH EQUIVALENTS

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Bank balances	<u>7,669</u>	<u>6,702</u>	<u>2,182</u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash held by the AHMP Group and short-term bank deposits with an original maturity of three months or less.

The carrying amount of these assets approximates to their fair value.

The cash balances held by the AHMP Group at the bank are either held within current accounts and earn interest of 0.25% under base rate (2009: 0.25% under base rate 2008: 0.25% under base rate) from Lloyds Banking Group plc or on deposit with Aviva Commercial Finance.

14 TRADE AND OTHER PAYABLES

	<i>2008</i> <i>£000</i>	<i>2009</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Loans	134	468	752
Trade payables	2,007	102	894
Corporation tax	14	14	14
Accrued expenses and deferred income	1,179	1,305	4,128
	<u>3,334</u>	<u>1,889</u>	<u>5,788</u>

Of trade payables at 30 April 2010, £356,000 (2009: £nil 2008: £1,929,000) is related to construction contracts on buildings included in non current assets under construction, all of which have committed funding in place.

Due to the short term and non-interest-bearing nature of trade payables, the AHMP Directors believe that the fair value approximates the carrying value in the balance sheet.

Ashley House plc is a significant supplier to the AHMP Group. During the year ended 31 March 2010 Ashley House plc supplied £9,532,000 of supplies in the way of property services and recharged fees (2009: £4,333,000 2008: £10,827,000).

15 LONG TERM DEBT

	2008 £000	2009 £000	2010 £000
Loans	71,889	79,009	94,503

The loans are secured by first mortgages over freehold properties owned by the AHMP Group and bear annual interest at between 4.87% and 6.89% (2009: 4.87% and 6.89% 2008: 5.76% and 7.75%). The weighted average fixed rate is 5.75% (2009: 5.69% and 2008: 5.68%).

Having compared the weighted average fixed interest rate with the current available rates in the market, the AHMP Directors believe that the fair value of the AHMP Group's loans as at 30 April 2010 was the current carrying value due to the favourable rates at which the finance has been secured (2009: equal 2008: lower by £558,000). Were the debt to be repaid then the early repayment fee would be £747,575 (2009: £4,634,000).

Borrowings are repayable as follows:

	2008 £000	2009 £000	2010 £000
After one and within two years	161	493	862
After two and within five years	505	1,953	17,944
After five years	71,223	76,563	75,697
	71,889	79,009	94,503

16 FINANCIAL RISK MANAGEMENT

There is no exchange rate risk, and the fair values of the assets and liabilities of the AHMP Group are not materially different from their net book values. The AHMP Group's financial instruments comprise cash resources, and various items such as trade receivables and trade payables, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the AHMP Group's operations. The main risks arising from the AHMP Group's financial instruments are credit risk, liquidity risk and interest fluctuation risks. Financial assets and liabilities included in the balance sheet relate to the following IAS 39 categories.

	Loans & receivables 2008 £000	Non financial assets 2008 £000	Total for balance sheet heading 2008 £000	Loans & receivables 2009 £000	Non financial assets 2009 £000	Total for balance sheet heading 2009 £000	Loans & receivables 2010 £000	Non financial assets 2010 £000	Total for balance sheet heading 2010 £000
Balance sheet headings - assets									
Cash and cash equivalents	7,669	—	7,669	6,702	—	6,702	2,182	—	2,182
Trade receivables - current	289	—	289	93	—	93	61	—	61
VAT and other taxation recoverable	—	403	403	—	—	—	—	48	48
Other receivables - current	—	—	—	164	—	164	574	—	574
Prepayments	—	129	129	—	243	243	—	139	139
Total	7,958	532	8,490	6,959	243	7,202	2,817	187	3,004

	Other financial liabilities 2008 £000	Non financial liabilities 2008 £000	Total for balance sheet heading 2008 £000	Other financial liabilities 2009 £000	Non financial liabilities 2009 £000	Total for balance sheet heading 2009 £000	Other financial liabilities 2010 £000	Non financial liabilities 2010 £000	Total for balance sheet heading 2010 £000
Balance sheet headings - liabilities									
Trade payables	2,007	—	2,007	102	—	102	894	—	894
Loans payable - current	134	—	134	468	—	468	752	—	752
Loans payable - non current	71,889	—	71,889	79,009	—	79,009	94,503	—	94,503
Accruals and deferred income	358	821	1,179	313	942	1,255	3,024	1,104	4,128
VAT and taxation payables	—	14	14	—	64	64	—	14	14
Total	74,388	835	75,223	79,892	1,006	80,898	99,173	1,118	100,291

The AHMP board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have been consistently applied.

Interest rate risk

The AHMP Group finances its operations through borrowings. The AHMP Group's exposure to interest rate fluctuations on its borrowings is managed by the use of predominantly fixed rate facilities.

The interest rate profile of the financial assets and liabilities of the AHMP Group is as follows:

	<i>Fixed rate financial liabilities £000</i>	<i>Floating rate financial liabilities £000</i>	<i>Fixed rate financial assets £000</i>	<i>Floating rate financial assets £000</i>
30 April 2008	63,703	9,650	–	–
30 April 2009	79,477	1,330	–	–
30 April 2010	92,586	3,999	–	–

The £58,500,000 facility, fixed at 5.76% over 20 years, is interest only for six years from 30 October 2007. Thereafter, capital repayment is over the remaining 14 years of the loan.

	<i>GBP 3 Month Libor/Aviva Base Rate +/- 1% 2010</i>	<i>GBP 3 Month Libor +/- 1% 2009</i>	<i>GBP 3 Month Aviva Base Rate +/- 1% 2008</i>
Sensitivity analysis			
Effect on statement of comprehensive income gain/(loss)	+/- £39,991	+/- £13,300	+/- £96,900
Effect on equity gain/(loss)	–	–	–

Credit risk

Credit risk is the risk that the counterparty will fail to discharge their obligation.

The AHMP Group's principal financial assets are bank balances and cash and trade and other receivables, which represent the AHMP Group's maximum exposure to credit risk in relation to financial assets.

The AHMP Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables of £nil (2009: £nil 2008: £nil), estimated by the AHMP Group's management based on prior experience and their assessment of the current economic environment.

The AHMP Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The AHMP Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

The use of instant access deposits ensures sufficient working capital is available at all times.

As regards liquidity, the AHMP Group's policy has been that, to ensure continuity of funding, its borrowings should be repaid over several years. At 30 April 2010 98% (2009: 98% 2008: 98%) of the AHMP Group's borrowings were due to mature in more than one year.

The AHMP Group assures a sufficient liquidity at all times by efficient cash management.

There was no undrawn committed facility.

Maturity analysis for financial liabilities as at 30 April 2008:

	<i>1 to 12 months £000</i>	<i>1 to 2 years £000</i>	<i>2 to 5 years £000</i>	<i>> 5 years £000</i>
Trade payables	2,009	–	–	–
Loans – including future interest payable	3,132	4,301	13,385	74,710
	5,141	4,301	13,385	74,710

Maturity analysis for financial liabilities as at 30 April 2009:

	<i>1 to 12 months £000</i>	<i>1 to 2 years £000</i>	<i>2 to 5 years £000</i>	<i>> 5 years £000</i>
Trade payables	102	–	–	–
Loans – including future interest payable	2,459	2,459	8,477	78,857
	2,561	2,459	8,477	78,857

Maturity analysis for financial liabilities as at 30 April 2010:

	<i>1 to 12 months £000</i>	<i>1 to 2 years £000</i>	<i>2 to 5 years £000</i>	<i>> 5 years £000</i>
Trade payables	894	–	–	–
Loans – including future interest payable	4,833	6,228	32,598	150,113
	5,727	6,228	32,598	150,113

17 DEFERRED TAXATION

The movement on the net deferred tax liability is as shown below:

	<i>2008 £000</i>	<i>2009 £000</i>	<i>2010 £000</i>
As at 1 May	(1,996)	(1,927)	(1,976)
Credited to income	102	36	(987)
Charged to equity	(33)	(85)	–
As at 30 April	(1,927)	(1,976)	(2,963)

Deferred tax assets and liabilities have been calculated using the expected future tax rate of (2009: 28% 2008: 20%). Any changes in the future would affect these amounts proportionately.

The movements in deferred tax assets and liabilities during the period are shown below.

Deferred tax liabilities	Investment properties and accumulated losses		
	<i>2008 £000</i>	<i>2009 £000</i>	<i>2010 £000</i>
As at 1 May	(2,223)	(2,121)	(2,085)
Credited to income	102	36	(987)
As at 30 April	(2,121)	(2,085)	(3,072)

Deferred tax assets**Share based payments**

	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
As at 1 May	227	194	109
Share options taken directly to equity	(33)	(85)	–
As at 30 April	194	109	109
Net deferred tax liability			
As at 30 April	(1,927)	(1,976)	(2,963)
As at 1 May	(1,996)	(1,927)	(1,976)

As at 30 April 2010 there were losses available to offset against future profits of approximately £5.2m (2009: £6.8m 2008: £5.2m).

A deferred tax asset in respect of such losses has been recognised at 30 April 2010 of £1.46m (2009 £1.9m 2008: £nil) in arriving at the deferred tax liability in the balance sheet. Losses have been offset against the deferred tax liability on investment properties as the group has the right and expects to realise these at the same time. No deferred tax asset was recognised at 30 April 2008 on these losses due to the uncertainty of their recovery.

18 SHARE CAPITAL

	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Authorised:			
2010: 50,000 redeemable shares of £1 each			
2009: 50,000 redeemable shares of £1 each			
2008: 50,000 redeemable shares of £1 each	50	50	50
2010: 82,000,000 Ordinary shares of 0.01p each			
2009: 82,000,000 Ordinary shares of 0.01p each			
2008: 82,000,000 Ordinary shares of 0.01p each	8	8	8
Allotted, called up and fully paid:			
2010: 65,686,544 Ordinary shares of 0.01p each			
2009: 64,406,544 Ordinary shares of 0.01p each			
2008: 64,406,544 Ordinary shares of 0.01p each	6	6	7

During the period 1,280,000 shares were issued at 0.01p each (2009: Nil 2008: 200,000), pursuant to the exercise of options and warrants.

Options	Exercise price (pence)	2007	Issued	2008	Lapsed	2009	Exercised	2010
Issued 2004 expire 2014	0.01	1,060,000	–	1,060,000	–	1,060,000	(350,000)	710,000
Issued 2005 exercisable from 2008 expire 2015	0.01	100,000	–	100,000	–	100,000	–	100,000
Issued 2005 exercisable from 2008 expire 2015	0.01	105,000	–	105,000	(25,000)	80,000	(20,000)	60,000
Issued 2005 exercisable from 2008 expire 2015	0.01	210,000	–	210,000	(30,000)	180,000	(100,000)	80,000
Issued 2007 exercisable from 2009 expire 2017	0.42	–	100,000	100,000	–	100,000	–	100,000
Issued 2007 exercisable from 2009 expire 2017	0.42	–	50,000	50,000	–	50,000	–	50,000
Issued 2008 exercisable from 2010 expire 2018	0.42	–	50,000	50,000	–	50,000	–	50,000
Total options		1,475,000	200,000	1,675,000	(55,000)	1,620,000	(470,000)	1,150,000

Warrants	Exercise price (pence)	2008	2009	Exercised	2010
Issued 2004 expire 2009	0.01	810,000	810,000	810,000	–
Issued 2004 expire 2010	0.01	180,000	180,000	–	180,000
Total warrants		<u>990,000</u>	<u>990,000</u>	<u>810,000</u>	<u>180,000</u>

At 30 April 2010 options and warrants over unissued ordinary 0.01p shares were as follows:

Date of grant	Number	Exercise price per share (pence)	Options, warrant periods ending	Closing share price at grant (pence)	Exercise price (pence)	Expected volatility %	Risk free interest rate %	Dividend yield %	Fair value per share (pence)
2004	710,000	0.01	2014	0.01	0.01	19.97	5.25	7.2	–
2004	* 180,000	0.01	2010	0.01	0.01	19.97	5.25	7.2	–
2005	100,000	0.01	2015	0.01	0.01	19.97	5.25	7.2	–
2005	60,000	0.01	2015	0.01	0.01	19.97	5.25	7.2	–
2005	80,000	0.01	2015	0.01	0.01	19.97	5.25	7.2	–
2007	100,000	42.00	2017	42.00	0.01	12.12	5.25	7.2	4
2007	50,000	42.00	2017	42.00	0.01	12.12	5.25	7.2	5
2008	50,000	42.00	2018	31.00	0.01	12.12	5.25	7.2	5

* These are warrants, all others are options

The market price of AHMP's shares at 30 April 2010 was 36.5p (2009: 16.75p 2008: 30.00p) and the range during the year was between 16.75p and 36.50p (2009: 16.50p and 30.00p 2008: 28.50p and 39.75p). The weighted average exercise price of the options and warrants is 0.03 pence.

The vesting period of an option is assumed to be commensurate with the exercise period and this varies between being immediately exercisable and ten years. Expected volatility is a measure of the amount by which a share price is expected to fluctuate during a period. The volatility of AHMP's share price was calculated using the basic Hull-White Model.

The risk free rate is the yield on deposits held by AHMP. The dividend yield of 7.2% (2009: 7.2% 2008: 3.5%) is based on the dividends paid and proposed during the period.

Options and warrants are valued using the binomial tree method. The charge during the year was £nil (2009: £nil 2008: £nil).

19 NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets at the balance sheet date divided by the number of shares in issue at that date.

20 CAPITAL COMMITMENTS

The AHMP Group had no capital commitments at 30 April 2010, 30 April 2009 or 30 April 2008 other than the projects which had been contracted for at 30 April 2010 at a value of £1,127,000 (2009: £16,083,000 2008: £7,446,000).

21 CONTINGENT LIABILITIES

The AHMP Group had no contingent liabilities at 30 April 2010 or 30 April 2009 or 30 April 2008.

22 CAPITAL MANAGEMENT

The AHMP Group raises capital to fund development and acquisition of property assets. All debt funding is fixed over the long term in order to match it with the long term income from the leases on the properties.

23 RELATED PARTY TRANSACTIONS

During the year Layland Walker Ltd, a company controlled by B. Walker was paid fees of £40,250 (2009: £Nil 2008: £Nil) in respect of services and resources provided to the AHMP Group.

24 DIVIDENDS

Year to 30 April 2008

The AHMP Directors approved on 12 December 2007 the payment of an interim dividend of 0.5 pence per share on 28 January 2008. Subsequent to the year end but prior to the approval of the financial

statements, the AHMP Directors recommended the payment of a dividend of 0.5 pence per share, totalling £322,000.

Year to 30 April 2009

An interim dividend of 0.5 pence per share was paid on 19 January 2009. Subsequent to the year end but prior to the approval of the financial statements, the AHMP Directors recommended the payment of a dividend of 0.7 pence per share, totalling £451,000.

Year to 30 April 2010

An interim dividend of 0.75p per share was paid on 4 February 2010. Subsequent to the year end but prior to the approval of the financial statements, the AHMP Directors have recommended the payment of a dividend of 0.75p per share, totalling £492,645.

SECTION C: UNAUDITED INTERIM FINANCIAL INFORMATION OF AHMP FOR THE SIX MONTHS ENDED 31 OCTOBER 2010

Condensed consolidated interim income statement

Note	Unaudited 6 months to 31 October 2010			Unaudited 6 months to 31 October 2009			Audited Year to 30 April 2010		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Revenue	3,954	–	3,954	3,238	–	3,238	6,972	–	6,972
Rental income	3,954	–	3,954	3,238	–	3,238	6,972	–	6,972
Valuation surplus on properties	–	1,196	1,196	–	6,189	6,189	–	12,222	12,222
Valuation surplus on property portfolio	–	1,196	1,196	–	6,189	6,189	–	12,222	12,222
Administrative expenses	(751)	–	(751)	(619)	–	(619)	(1,341)	(2,515)	(3,856)
Operating profit before net financing costs	3,203	1,196	4,399	2,619	6,189	8,808	5,631	9,707	15,338
Finance income	2	–	2	3	–	3	5	–	5
Finance expense	(2,694)	–	(2,694)	(2,122)	–	(2,122)	(4,464)	–	(4,464)
Abortive transaction costs	–	(180)	(180)	–	–	–	–	(270)	(270)
Net financing costs	(2,692)	(180)	(2,872)	(2,119)	–	(2,119)	(4,459)	(270)	(4,729)
Profit before tax	511	1,016	1,527	500	6,189	6,689	1,172	9,437	10,609
Income tax credit/ (expense)	7 15	(482)	(467)	–	(1,273)	(1,273)	–	(987)	(987)
Profit and total comprehensive income for the period	526	534	1,060	500	4,916	5,416	1,172	8,450	9,622
Earnings per share	3								
Basic earnings per share (pence)	0.8	0.8	1.6	0.8	7.5	8.2	1.8	12.9	14.7
Diluted earnings per share (pence)	0.8	0.7	1.5	0.8	7.4	8.1	1.8	12.7	14.5

The additional information in the above format provides analysis of the revenue and capital items within the income statement

Condensed consolidated interim balance sheet

		Unaudited 31 October 2010 £000	Unaudited 31 October 2009 £000	Audited 30 April 2010 £000
	Note			
ASSETS				
Non-current assets				
Investment properties	4	124,705	95,210	118,752
Assets under construction	4	4,904	7,045	5,845
Deferred tax asset		109	109	109
		<u>129,718</u>	<u>102,364</u>	<u>124,706</u>
Current assets				
Work in progress	4	1,642	2,417	2,444
Trade and other receivables		905	648	1,152
Cash and cash equivalents		358	2,075	2,183
		<u>2,905</u>	<u>5,140</u>	<u>5,779</u>
Total assets		<u><u>132,623</u></u>	<u><u>107,504</u></u>	<u><u>130,485</u></u>
LIABILITIES				
Current liabilities				
Bank overdraft		(1,330)	–	–
Trade and other payables		(5,299)	(3,948)	(7,764)
		<u>(6,629)</u>	<u>(3,948)</u>	<u>(7,764)</u>
Non-current liabilities				
Long term debt		(94,711)	(78,766)	(94,503)
Other financial liabilities		(2,016)	–	–
Deferred tax liabilities		(3,553)	(3,358)	(3,072)
Total non-current liabilities		<u>(100,280)</u>	<u>(82,124)</u>	<u>(97,575)</u>
Total liabilities		<u>(106,909)</u>	<u>(86,072)</u>	<u>(105,339)</u>
Net assets		<u><u>25,714</u></u>	<u><u>21,432</u></u>	<u><u>25,146</u></u>
EQUITY				
Called up share capital		7	6	7
Share premium account		18,579	18,579	18,579
Share based payment reserve		109	109	109
Retained earnings		7,019	2,738	6,451
Total equity		<u><u>25,714</u></u>	<u><u>21,432</u></u>	<u><u>25,146</u></u>
Net asset value	5			
Basic net asset value per share (pence)		39.1	32.6	38.3
* Adjusted net asset value per share (pence)		44.4	37.5	42.8

* This shows the effect of removing the deferred tax assets and liabilities

Condensed consolidated interim statement of changes in equity

	Called up share capital £000	Share premium account £000	Share- based payment reserve £000	Retained earnings £000	Total £000
Balance at 30 April 2010 (audited)	7	18,579	109	6,451	25,146
Dividends	—	—	—	(492)	(492)
Transactions with owners	—	—	—	(492)	(492)
Profit for the period	—	—	—	1,060	1,060
Total comprehensive income for the period	—	—	—	1,060	1,060
Balance at 31 October 2010 (unaudited)	7	18,579	109	7,019	25,714
Balance at 30 April 2009 (audited)	6	18,579	109	(2,221)	16,473
Issue of share capital	1	—	—	—	1
Dividends paid	—	—	—	(950)	(950)
Transactions with owners	1	—	—	(950)	(949)
Profit for the period	—	—	—	9,622	9,622
Total comprehensive income for the period	—	—	—	9,622	9,622
Balance at 30 April 2010 (audited)	7	18,579	109	6,451	25,146
Balance at 30 April 2009 (audited)	6	18,579	109	(2,221)	16,473
Dividends paid	—	—	—	(457)	(457)
Transactions with owners	—	—	—	(457)	(457)
Profit for the period	—	—	—	5,416	5,416
Total comprehensive income for the period	—	—	—	5,416	5,416
Balance at 31 October 2009 (unaudited)	6	18,579	109	2,738	21,432

Condensed consolidated interim cash flow statement

	Unaudited 6 months to 31 October 2010 £000	Unaudited 6 months to 31 October 2009 £000	Audited Year to 30 April 2010 £000
Cash flows from operating activities			
Profit before taxation	1,527	6,689	10,609
Adjustments for:			
Net valuation gain on property	(1,196)	(6,189)	(12,222)
Finance expense	2,694	2,122	4,464
Interest receivable	(2)	(3)	(5)
Operating cashflows before movements in working capital	3,023	2,619	2,846
Increase in trade and other receivables	(111)	(148)	(480)
Increase in work in progress	(23)	(44)	(71)
Increase/(decrease) in trade and other payables	(638)	218	3,758
Cash generated from operations	2,251	2,645	6,053
Interest paid	(2,758)	(2,262)	(4,844)
Income taxes paid	—	—	—
Net cash from operating activities	(507)	383	1,209
Cash flows from investing activities			
Purchase of investment property	(2,314)	(4,313)	(7,622)
Purchase of subsidiaries	(794)	—	(12,654)
Interest received	2	3	5
Net cash used in investing activities	(3,106)	(4,310)	(20,271)
Cash flows from financing activities			
Repayment of borrowings	(374)	(243)	(825)
Proceeds from long-term borrowings	654	—	16,318
Issue of convertible loan notes	2,000	—	—
Dividend paid	(492)	(457)	(950)
Net cash from/(used in) financing activities	1,788	(700)	14,543
Net (decrease) in cash and cash equivalents	(1,825)	(4,627)	(4,519)
Cash and cash equivalents at beginning of period	2,183	6,702	6,702
Cash and cash equivalents at end of period	358	2,075	2,183

Notes to the condensed consolidated interim financial statements

1 Nature of operations and general information

AH Medical Properties plc and subsidiaries' ('the Group') principal activity is property investment in the United Kingdom.

AH Medical Properties plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of AH Medical Properties plc's registered office, which is also its principal place of business, is The Priory, Stomp Road, Burnham, Buckinghamshire.

AH Medical Properties plc's consolidated interim unaudited financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

2 Basis of preparation

These consolidated condensed interim financial statements have been approved for issue by the Board of Directors on 18 January 2011.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 394 of the Companies Act 2006. The Group's statutory financial statements for the year ended 30 April 2010, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 475 of the Companies Act 2006.

These interim condensed consolidated financial statements are for the six months ended 31 October 2010. They have been prepared following the recognition and measurement principles of IFRS. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 April 2010.

These financial statements have been prepared on the going concern basis, under the historical cost convention, except for the revaluation of investment property assets.

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 April 2010.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

3 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

6 months to 31 October 2010

	Earnings £000	Weighted average number of shares	Per share amount Pence
Profit after tax	1,060		
Weighted average number of shares (used for basic earnings per share)		65,686,539	
Dilutive effect of securities		1,136,766	
Diluted weighted average number of shares (used for diluted earnings per share)		66,823,305	
Basic earnings per share			1.6
Diluted earnings per share			1.6

Year to 30 April 2010

	Earnings £000	Weighted average number of shares	Per share amount Pence
Profit after tax	9,622		
Weighted average number of shares (used for basic earnings per share)		65,349,065	
Dilutive effect of securities		1,135,718	
Diluted weighted average number of shares (used for diluted earnings per share)		66,484,783	
Basic earnings per share			14.7
Diluted earnings per share			14.5

6 months to 31 October 2009

	Earnings £000	Weighted average number of shares	Per share amount Pence
Profit after tax	5,416		
Weighted average number of shares (used for basic earnings per share)		65,017,082	
Dilutive effect of securities		934,973	
Diluted weighted average number of shares (used for diluted earnings per share)		65,952,055	
Basic earnings per share			8.2
Diluted earnings per share			8.1

4 Tangible assets

	Investment properties £000	Assets under construction £000	Work in progress £000
Cost/valuation and net book amount			
At 30 April 2010	118,752	5,845	2,444
Additions	–	4,060	23
Surplus/(Deficit) on revaluation	1,821	–	(625)
Transfers	4,132	(4,132)	–
Disposals	–	(869)	(200)
At 31 October 2010	124,705	4,904	1,642
	Investment properties £000	Assets under construction £000	Work in progress £000
Cost/valuation and net book amount			
At 30 April 2009	88,700	2,914	2,373
Additions	12,463	8,298	71
Transfers	5,367	(5,367)	–
Surplus on revaluation	12,222	–	–
At 30 April 2010	118,752	5,845	2,444

	Investment properties £000	Assets under construction £000	Work in progress £000
Cost/valuation and net book amount			
At 30 April 2009	88,700	2,914	2,373
Additions	321	4,131	44
Surplus on revaluation	6,189	—	—
At 31 October 2009	95,210	7,045	2,417

5 Net asset value

The calculation of net asset value per share is based on the net assets at the balance sheet date divided by the number of shares in issue at that date

	31 October 2010 £000	31 October 2009 £000	30 April 2010 £000
Net assets per balance sheet	25,714	21,432	25,146
Add – net deferred tax provision	3,444	3,249	2,963
Adjusted net assets	29,158	24,681	28,109
	No of shares	No of shares	No of shares
Ordinary shares	65,686,539	65,686,539	65,686,539
Net asset value per share (pence)	39.1	32.6	38.3
Adjusted net asset value per share (pence)	44.4	37.5	42.8

6 Dividends

A final dividend of 0.75p per share was paid by AH Medical Properties plc to its equity shareholders during the first six months of the year to April 2010 (first six months of year to April 2009: 0.7p).

7 Income tax expense

	31 October 2010 £000	31 October 2009 £000	30 April 2010 £000
Group			
Current Tax			
Current Tax on profits for the period	—	—	—
Adjustments in respect of prior years	15	—	—
Total Current Tax	15	—	—
Deferred Tax			
Origination and reversal of temporary differences	(482)	(1,273)	(987)
Total Deferred Tax	(482)	(1,273)	(987)
Income Tax Expense	(467)	(1,273)	(987)

SECTION D: UNAUDITED RECONCILIATION OF THE UNAUDITED INTERIM FINANCIAL INFORMATION OF AHMP FOR THE SIX MONTHS ENDED 31 OCTOBER 2010 TO ASSURA'S ACCOUNTING POLICIES

The following unaudited reconciliation summarises the material adjustments which reconcile AHMP's unaudited consolidated results for the six months ended 31 October 2010, as previously reported by AHMP, to estimates of those that would have been reported had AHMP applied the accounting policies applied by Assura in the preparation of its audited consolidated financial statements for the year ended 31 March 2010.

	<i>Note</i>	£000
Profit after tax for the six months ended 31 October 2010 as reported by AHMP		1,060
Differences from Assura's accounting policies increasing profits for the period		
Joint venture	2	629
Profit after tax for the six months ended 31 October 2010 under Assura's accounting policies		1,689

Net assets at 31 October

	Net assets of AHMP at 31 October 2010 as reported £000 <i>Note 1</i>	Accounting policy alignment £000 <i>Note 2</i>	Net assets of AHMP at 31 October 2010 under Assura's accounting policies £000
Non-current assets			
Investment property	124,705	–	124,705
Investment property under construction	4,904	–	4,904
Deferred tax asset	109	–	109
	129,718	–	129,718
Current assets			
Cash and cash equivalents	358	–	358
Debtors	905	(1)	904
Property work in progress	1,642	(1,642)	–
	2,905	(1,643)	1,264
Total assets	132,623	(1,643)	130,980
Current liabilities			
Creditors	(5,299)	421	(4,878)
Short term loans	(1,330)	1,330	–
	(6,629)	1,721	(4,878)
Non current liabilities			
Long term loan	(94,711)	–	(94,711)
Convertible loan	(2,016)	–	(2,016)
Deferred tax liabilities	(3,553)	–	(3,553)
	(100,280)	–	(100,280)
Total liabilities	(106,909)	1,721	(105,158)
Net assets	25,714	(108)	25,822

Notes:

- 1 The balance sheet of AHMP as at 31 October 2010 has been extracted without material adjustment from AHMP's interim accounts for the six months ended 31 October 2010 prepared in accordance with AHMP's accounting policy as set out in Section C of this Part 5.
- 2 IAS 31 'Joint Ventures' allows an entity to account for joint ventures using either proportionate consolidation or equity accounting. AHMP has adopted proportionate consolidation; Assura has adopted equity accounting. The table above sets out the differences between these approaches for AHMP's joint venture investment in AH Scarborough Health Park Limited. In the six months ended 31 October 2010, net profits would have been £629,000 higher and as at 31 October 2010, the net assets reported would have been £108,000 higher under the policy adopted by Assura.

SECTION E: ACCOUNTANT'S REPORT ON THE UNAUDITED RECONCILIATION OF THE UNAUDITED INTERIM FINANCIAL INFORMATION OF AHMP FOR THE SIX MONTHS ENDED 31 OCTOBER 2010 TO ASSURA'S ACCOUNTING POLICIES



BDO LLP
1 Bridgewater Place
Leeds
LS11 5RU

The Directors
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

27 January 2011

Dear Sirs

AH Medical Properties plc ("AHMP")

We report on the reconciliation of the unaudited condensed consolidated income statement for the six months ended 31 October 2010 and of the unaudited condensed consolidated balance sheet as at 31 October 2010 (together, the "interim financial information"), as previously reported in the interim financial statements of AHMP, prepared under International Financial Reporting Standards as adopted by the European Union, showing the adjustments necessary to restate it on the basis of the accounting policies of Assura Group Limited (the "Company") used in preparing its financial statements for the year ended 31 March 2010 ("the Reconciliation"). The Reconciliation is set out in Section D of Part 5 of the prospectus of the Company dated 27 January 2011 (the "Prospectus").

This report is required by Listing Rule 13.5.30R(2) of the United Kingdom Listing Authority and is given for the purpose of complying with that Listing Rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Reconciliation in accordance with Listing Rule 13.5.30R(2).

It is our responsibility to form an opinion, as required by Listing Rule 13.5.30R(2), as to whether:

- (a) the Reconciliation has been properly prepared on the basis stated; and
- (b) the adjustments are appropriate for the purpose of presenting the interim financial information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") consenting to its inclusion in the Prospectus.

The Reconciliation is based on the unaudited condensed consolidated balance sheet as at 31 October 2010 and the unaudited condensed consolidated income statement for the six months then ended of AHMP which were the responsibility of the directors of AHMP. We do not accept responsibility for any of the historical financial statements of AHMP, nor do we express an opinion on those financial statements.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information,

consisted primarily of checking whether the unadjusted interim financial information of AHMP has been accurately extracted from an appropriate source, assessing whether all adjustments necessary for the purpose of presenting the interim financial information on a basis consistent in all material respects with the Company's accounting policies have been made, examination of evidence supporting the adjustments in the Reconciliation and checking the arithmetical accuracy of the calculations within the Reconciliation.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Reconciliation has been properly compiled on the basis stated and that the adjustments are appropriate for the purpose of presenting the interim financial information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Reconciliation has been properly compiled on the basis stated; and
- (b) the adjustments made are appropriate for the purpose of presenting the interim financial information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART 6

VALUATION OF ASSURA'S PROPERTY PORTFOLIO

SECTION A: VALUATION OF ASSURA'S MAIN PROPERTY PORTFOLIO

The Directors and Shareholders
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

The Savills logo consists of the word "savills" in a lowercase, sans-serif font, colored red. It is positioned on a yellow rectangular background.

27 January 2011

Dear Sirs

DESK TOP VALUATION AS AT 31 DECEMBER 2010

1.0 INSTRUCTIONS

- 1.1 We refer to standing instructions received from Assura Group Limited (the "Company") to provide periodic valuation reviews on a desktop basis, and as confirmed in our terms of engagement letter dated 15 December 2010, we have been requested to provide an updated opinion of the aggregate Market Value (as defined below) of the freehold and leasehold interests in each of the Properties held by the Company, subject to and with the benefit of the various occupational leases to which the Properties may be subject, as at 31 December 2010.
- 1.2 This Report has been prepared for the purpose of inclusion in an approved prospectus (the "Prospectus") to be published by the Company in connection with the proposed acquisition of AH Medical Properties plc and an offering of new shares by the Company pursuant to a proposed firm placing and placing and open offer (the "Proposals") and for inclusion in a circular ("Circular") to be sent to the Company's shareholders in connection with the Proposals and an offer document to be sent to the shareholders of AH Medical Properties plc (the "Offer Document").

2.0 COMPLIANCE WITH APPRAISAL AND VALUATION STANDARDS

- 2.1 We confirm that the valuations have been carried out on a desk top basis in accordance with the RICS Valuation Standards 6th Edition ("the RICS Red Book") published in November 2007 and effective from 1 January 2008 as amended. We further confirm that our Valuations and Report have been prepared in accordance with the relevant provisions of the Listing Rules and the City Code on Takeovers and Mergers, Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 and EU Directive 2003/71/EC. We also confirm that unless otherwise defined, terms have the meaning given to them in the above sources.

3.0 STATUS OF VALUER

- 3.1 We confirm that we have undertaken the Valuation acting as an External Valuer (as defined in the RICS Red Book) for the purposes of valuing the Properties pursuant to the terms of the engagement letter.

4.0 DISCLOSURES REQUIRED UNDER THE PROVISIONS OF UKPS 5.3

- 4.1 Andrew Surgenor BSc (Hons) MRICS has been the signatory of Valuation Reports provided to the Company for the purposes described in paragraph 1.1 above since 2003 and Colin Rees Smith BSc (Hons) MRICS since 2010.
- 4.2 Savills Commercial Limited is a wholly owned subsidiary of Savills plc (the "Group"). In the Group's financial year to 31 December 2009, the proportion of total fees payable by Assura to the total fee income of the Group was less than 5%. It is not anticipated that this situation will vary in terms of our financial year to 31 December 2010.

5.0 INFORMATION

- 5.1 In preparing this Desk Top Valuation we have relied on the following information supplied to us and unless otherwise stated, have assumed all are valid for the purposes of our report but should any information prove to be incorrect or inadequate, then this could affect the accuracy of the valuations:-
- (a) Our files relating to each of the properties we have inspected previously.
 - (b) Copy leases and floor plans, where available.
 - (c) Updating information regarding any material changes to the properties, their terms of occupation or rent reviews.
- 5.2 The properties have not been re-inspected since September - December 2008 with various sites, new acquisitions and developments in 2009 and 2010.

6.0 THE PORTFOLIO

- 6.1 The properties we have valued comprise 112 investments and an additional 13 land bank sites and 11 vacant buildings which are held on a mix of freehold, heritable, part freehold/leasehold and leasehold basis, subject to and with the benefit of various occupational leases and agreements but otherwise with full vacant possession.
- 6.2 The properties we have valued are summarised in the Schedule attached to this Desk Top Valuation but we have not repeated the descriptive detail which is contained in the various full valuations where these have previously been prepared.
- 6.3 The investment properties comprise 112 units that are located across a wide geographic area throughout England and Wales with clusters in London, the North West and Yorkshire.
- 6.4 There are 87 freehold/feuhold (78%), 1 mixed freehold and long leasehold, 20 long leaseholds (18%), the latter of which are mainly held for terms in excess of 100 years at peppercorn rents and are effective virtual freeholds. Four of the long leases have between 51 to 85 years unexpired but these are relatively low value. Further, Stapenhill has a ground rent of £33,000 pa. There are also 4 short leasehold hospital malls with circa 8 - 23 years unexpired.
- 6.5 The investment properties have values ranging from £0.100m to £19.590m with an average value of approximately £2.955m.
- 6.6 There are 12 investments over £5.000m and a further 5 in excess of £10.000m and these 17 units total some £171.910m representing 51.9% of the combined investment values.
- 6.7 The overall valuation of the investments shows a net initial yield of 5.98% which reflects there are outstanding reviews on various units, vacant space and the current income is partly reversionary. Once the current outstanding reviews are settled, the yield will reflect 6.05%. The equivalent yield is 6.33% and the reversionary yield is 6.67% in 2020.
- 6.8 The medical centres are well let and comprise a mix of small conversions and modern purpose built centres. The properties are predominantly fully let (96.1%) on relatively new leases where the averaged unexpired term across the portfolio is circa 14.5 years which partly reflects a number of short term letting and break clauses. We have also adjusted for various smaller units held on short terms pending relocation to new developments or where these are under discussion.
- 6.9 The leases are on a mix of full repairing and insuring terms or with effective full recovery through service charges although where these are internal repairing, our valuations have been adjusted for this. St Stephens in Ashford has a separate facilities management contract to cover all repairs which we are advised is cash neutral.
- 6.10 The portfolio has a gross rent of £21,975,682 pa and a current net rent receivable of £20,867,034 pa (95.0%), which is stated before settlement of ongoing reviews. This compares with our opinion of the gross estimated rental value of circa £23,692,600 pa before deduction of repairing contributions, rent frees and head rents. There is therefore a potential reversionary uplift although this may take an extended period to achieve due to the review patterns, geared increases, the need to let vacant space and the prevailing attitude of the District Valuer in review negotiations.
- 6.11 Covenant strength is regarded as strong with the surgeries let direct to a mix of GP practices, PCT's and councils which represent some 83.7% of current net income and therefore improves the overall

attraction to investors and the yield profile. Whilst there are various Tenant break clauses these are limited and mainly relate to the older stock where re-provision is proposed into new facilities.

- 6.12 In addition is third party income from a mix of pharmacies representing 6.8% and various dentists and retail tenants which equates to some 9.5% of net income. There is vacant space and expansion space in 17 locations of varying sizes. This has a gross ERV of £0.933m (3.9% of total ERV) and includes circa £0.133m in the retail malls.
- 6.13 From our knowledge of the medical sector, rent defaults are rare and therefore the market perception is essentially that of a well secured government funded income stream with the PCT's being effectively underpinned by the Secretary of State for Health. However, a proportion of the income is from third parties to include pharmacies that is less secure.
- 6.14 Rent reviews typically are three or five yearly by reference to market value but the majority are subject to the "Red Book" requiring rents to be agreed with the District Valuer. These can potentially be downward although the incidence of this occurring is rare and historically rents in this sector have shown growth at review although in the current climate the rate may slow in the short term.

7.0 VALUATION METHODOLOGY

- 7.1 We have adopted a term and reversion approach with base term yields on net rent receivable for the prime units generally at 5.80% - 6.0% on leases let to PCT/Councils and high quality GP practices receiving rent reimbursement with second tier units at up to 6.25%. Older surgeries and those with shorter periods to expiry are in the range of 6.25% to 7.5%.
- 7.2 Third party income falls within a range of 6.0% - 6.50% for well let pharmacies and between 6.25% - 9.0% for other occupiers including dentists, shops and offices depending on perceived strength of tenant covenant. Where there are vacancies, we have reflected extended void periods of up to 36 months and risk adjusted yields together with fit out costs as appropriate.
- 7.3 The non investment stock comprises 24 freehold and leasehold properties which are a mix of 11 former surgeries where the tenants have relocated into new Assura developments together with 13 sites acquired for future development although these may not all be progressed. We have based our views on information provided to us to include Agents sales details and ongoing planning and sales discussions given by Assura. These total £15,320,000 in value but with scope for enhancements in several locations depending on achieving more beneficial planning consent.
- 7.4 The site at Scarborough has been valued at £5.500m and represents a substantial proportion of the value attributed to non income producing assets. It is presently under offer to a supermarket operator at £10.000m on a subject to planning basis and Assura received an unconditional offer from an alternative operator at £5.000m. Accordingly, assuming consent is achieved there will be a further uplift although in the unlikely event of a retail scheme failing at this location, the alternative use values would be at a discounted level. However, the proposed development is being promoted jointly with the Council who strongly support the retail scheme.
- 7.5 The properties have been valued individually and do not reflect the potential for a premium if disposed of as a single lot although in the present market a premium is unlikely. We have assumed that there would be a reasoned disposal programme so as not to flood the market with this niche product and having regard to lotting, as appropriate, to achieve the best price.
- 7.6 Due to the current instability and uncertainty our opinions of value should be kept under constant review. The opinions expressed herein should not be relied upon for a period of more than three months from the date of valuation without reference to ourselves, or earlier if the economic environment significantly deteriorates in the intervening period.

8.0 CURRENT MARKET CONDITIONS

- 8.1 There is considered to be good interest in, and demand for, medical properties from a number of specialist medical investment companies and wider investors seeking to diversify into long term secure income streams. The lack of stock in the marketplace is driving yields downwards although this may prove to be a temporary bubble.
- 8.2 The market for medical centre investments is currently affected by the poor availability of finance, the impact of the recession and prevailing weakened market conditions. However, the primary care sector is differentiated from general property investment as highlighted by the IPD Healthcare

Index. Whereas All Property in 2008 had a negative return of over -22%, primary care was only -2.5% and for 2009 the return was +8.8% compared to All Property at +3.5%. The attraction of the sector remains positive, particularly for those investors taking a longer term view and seeking secure, long term income streams.

- 8.3 With regard to yields, the market evidence showed prime quality surgery investments achieving 5.0% - 5.25% and in a few instances, single acquisitions at sub 5% yields at their peak in 2007. There has been limited market activity in the last 2 - 18 months but demand remains from a wide range of investors and institutions who perceive the health sector as a 'safe haven' in the current economic turmoil.
- 8.4 We refer you to the following which give a broad overview of recent transactions:-
- Moorgate, Bury completed in August 2009 by MedicX after competitive bidding and a purchaser withdrawal, at circa 6.15% and which demonstrates the continuing market appetite for long term secure income streams.
 - Sales in September 2009 at yields of between 6.36% for a conversion part let to a PCT and 6.76% for mixed quality medical centres.
 - Auction sale in October 2009 of a small 3 GP practice in Norfolk at 5.3% to a private investor and which is regarded as reversionary and with development potential.
 - November 2009. 4 units acquired by Ashley House from Sapphire as part of a larger transaction analyzed at 6.0% reflecting reversionary rent reviews in 2010. The wider transaction also included a small number of Lloyds Pharmacies.
 - November 2009. Long leasehold in East London acquired by a private investor at 5.95%.
 - February 2010. Acquisition of 14 units by PHP from CareCapital for £23.500m reported to reflect 5.98%.
 - March 2010. PHP acquired 2 units in Leigh at a yield of circa 5.85% reflecting reversionary rent reviews.
 - June 2010. PHP acquired 14 units from Health Investments on a debt and cash deal timed to avoid changes in CGT for circa £38.9m and a reported net initial yield of 6.1%. Our analysis based on the rent roll is circa 5.85% reflecting standard costs.
 - December 2010. Acquisition by PHP of a medical centre in Edinburgh at a reported 5.75% yield.
 - December 2010. Confidential sale of a large 6 year old medical centre located in the North under contract at c. 5.9%.
- 8.5 MedicX results for the year end September 2008 reported net initial yield of 5.90% and in 2009 this was 6.06%. A revaluation as at March 2010 showed an improvement to 5.83% and their June 2010 interim statement indicated a yield of 5.87% and was broadly unchanged at September 2010 at 5.88%. Their portfolio averages 3.6 years old with 18.6 years averaged unexpired and is fully let, primarily to GP's/PCT's.
- 8.6 PHP results as at December 2008 reported a net initial yield on their portfolio of circa 5.97% and in December 2009 this rose slightly to 6.0% with an equivalent yield of 6.25%. Their half year statement at June 2010 reported an improved net initial yield of 5.80%. The portfolio is fully let with an average 17.3 years unexpired and 90% of income is from GP's/PCT's.
- 8.7 We would consider that these portfolios support the valuation assumptions we have made allowing for the time differentials and reflecting that your portfolio has a shorter average unexpired lease and a greater percentage of third party income and also non income producing vacant floor space.
- 8.8 Prime yields have clearly been improving over the last year and are now considered to be at or around 5.80% - 6.0% for modern units with long term secure income and recent market activity suggests a slight hardening in yields to below this for quality schemes on long leases with RPI reviews.
- 8.9 We would expect that if the current low base rate improves the availability and pricing of debt finance and the ongoing credit crunch and economic turbulence stabilises and lessens, then the

sector will be increasingly attractive to general property investors seeking an alternative product with secure income streams at cash positive yields.

- 8.10 The above summary evidence, has regard to properties across the country and although there have been limited market transactions in the last 12 months, the general consensus is that whilst yields had moved out perhaps 20% from their 2007 peak, these have started to recover. It is interesting to note that most long term investors are holding their stock unless there is a strategic reason to sell units which do not meet their portfolio criteria.
- 8.11 However, the recent Health and Social Care Bill is likely to create some uncertainty until there is a firm outline of new structures for primary care delivery and funding, as well as how the Government intend to underwrite current PCT, NHS and GP lease commitments. This may take time but there is no current market evidence which shows a negative affect on sales or values at the present time.

Ongoing Impact of the Credit Crisis

- 8.12 The well publicised credit squeeze and sub prime mortgage default in the USA has resulted in a worldwide financial crisis with the UK economy going into recession early in 2009 and experiencing a slow recovery in 2010.
- 8.13 Generally Banks continue to take a much more cautious approach to financing with many effectively withdrawing from the market. Others are willing to fund those applicants with a track record on modest sized transactions but appear nervous to support the larger property backed transactions which were being funded previously.
- 8.14 In light of the weakened property sector and general illiquidity in the finance markets, the valuation of any property asset presents particular challenges at present. Bank finance is vitally important in the overall picture as this has become restricted. Notwithstanding this wider uncertainty in the financial markets, we necessarily assume debt finance is available in the market on reasonable and acceptable commercial terms.
- 8.15 The opinion of value stated above represents our best attempt, on a reasoned and rational basis, to estimate the current Market Value based on reasonable inputs and fundamentals. Despite the substantive lack of recent open market transactions, we consider our valuations are supported by reference to the limited evidence available.
- 8.16 The definition of Market Value assumes both a willing buyer and seller, even if this might not always be the case in practice. Accordingly, we would expect a wider than normal divergence in opinions as to the value of this asset at the present time and Banks would take the prevailing market conditions into account in any lending decision. In addition, given the continuing volatility in the global financial markets, property owners must be prepared for the potential for values to fall further over the short to medium term until markets stabilise and improve.
- 8.17 Notwithstanding the above and general conditions in the property sector, the primary care market remains buoyant and is perceived by many as one of the safer investment opportunities available in today's economic climate due to the reimbursed rent and limited risk of tenant default. The affect of the Health and Social Care Bill cannot yet be quantified.

9.0 TENURE

- 9.1 The properties are held on a mixed freehold, heritable, long and short leasehold basis, subject to various leases and otherwise free from encumbrance and we have not been advised of any outstanding notices or disputes affecting them.

10.0 BASIS OF VALUATION

- 10.1 Our Valuations have been prepared on an individual basis in accordance with the RICS Valuation Standards 6th Edition ("the Red Book" as published by the Royal Institution of Chartered Surveyors January 2008. Practice Statement 3.2 of RICS Valuation Standards 6th Edition ("the Red Book") states Market Value as:

"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion."

- 10.2 Our valuations are exclusive of any Value Added Tax (VAT) and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of a property. Our valuations are, however, net of the usual acquisition costs payable by a buyer of a property based on 5.7625% adopting 17.5% VAT on fees.

11.0 ASSUMPTIONS AND SOURCES OF INFORMATION

Floor Areas

- 11.1 We have relied upon the floor areas provided to us by the Company where we have not had sufficient access to buildings or scale floor plans. In certain instances check measurements have been taken on site, and the floor area figures provided have proved to be accurate. We assume that all floor area figures provided are complete and correct and calculated in accordance with the Code of Measuring Practice, 5th Edition issued by the RICS and agreed with the District Valuer.

Environmental Investigations and Ground Conditions

- 11.2 We were not instructed to undertake an Environmental Audit, and are therefore unable to warrant that the properties will not be adversely affected by the provisions and implementation of the Environmental Protection Act 1990 and Environment Act 1995. We have not investigated whether the sites are, or have been in the past, contaminated and are therefore unable to warrant that the properties are free from any defect or risk in this respect. We have not however been advised of any contamination affecting these properties or, of any neighbours, or other investigation or soil survey which may have been carried on the properties which may draw attention to contamination or the possibility of such contamination.
- 11.3 We have assumed that, except to the extent disclosed to us by yourselves, that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the properties.

Inspections

- 11.4 The majority of the properties have not been inspected in the last 12 months but we have been advised by the Company that there have been no material changes to any of the properties since our inspections other than stated and reflected in our valuations.

Town Planning and Statutory Requirements

- 11.5 We have not made town planning enquiries for the purposes of this Desk Top update and assume that there are no adverse town planning or highway issues nor other schemes or proposals. Further, that all relevant planning consents exist for the properties and their respective present uses.

Tenure and Tenancies

- 11.6 We have previously inspected the Reports on Title (including summaries) prepared by your Solicitors, where available, on the majority of properties but have not reviewed any updated versions, and confirm as follows:
- (a) where we have relied upon information provided to us by the Company, such information is not inconsistent with the Reports on Title;
 - (b) we have assumed that, save as may be disclosed by the Reports on Title, the properties possess good marketable titles free from any unusual encumbrances, restrictions or obligations;
 - (c) we have assumed that, save as may be disclosed by the Reports on Title, nothing would be revealed by any local search or replies to usual enquiries of the seller which would materially adversely affect the respective values of the properties;
 - (d) in respect of the short and long leasehold interests, we have assumed that consent to assign would not be withheld or delayed by the Landlord if required and that there are no outstanding arrears or breaches of covenant; and
 - (e) where leases are in the process of finalisation or tenants are in occupation prior to lease signing, that these will be completed.
- 11.7 No account has been taken of any mortgages, debentures or other security which may now or in the future exist over any of the properties.

Tenants' Covenants

11.8 We have not conducted credit enquiries into the financial status of any of the Tenants. However, in undertaking our valuations we have reflected our understanding of the market's perception of the financial status of the Tenants and the rent reimbursement process. We have also assumed that each Tenant is capable of meeting its lease obligations, and that there are no material undisclosed breaches of covenant.

12.0 VALUATION

12.1 We are of the opinion that the aggregate Market Value of the 112 mixed freehold, heritable, part freehold/long leasehold and leasehold medical centre and retail mall investments, subject to the various existing and proposed leases, together with the 24 vacant properties and development sites, in their current condition and as briefly described in our report, net of acquisition costs, can be fairly stated at **£346,175,000 (Three Hundred and Forty Six Million, One Hundred and Seventy Five Thousand Pounds)**.

12.2 This is apportioned between the 112 investments and the 24 vacant properties as follows which we have also shown split between freehold and leasehold tenure:-

(a) 112 Investments

Freehold	£ 257,135,000
Freehold/Long Lease	£ 1,780,000
Leasehold	£ 64,275,000
Short Leasehold	£ 7,665,000

(b) 13 Land Bank Sites

Freehold	£ 12,450,000
Leasehold	£Nil

(c) 11 Vacant Buildings

Freehold	£ 2,285,000
Leasehold	£ 585,000

12.3 The combined values of the investments and other property reduced by £1,430,000 overall from the half year valuation undertaken for the Company as at 30th September 2010 of £347,605,000. This is mainly a result of 3 vacant properties being sold and a further medical centre being vacated for relocation although the investment portfolio showed a modest uplift overall following rent review settlements.

13.0 CONFLICT OF INTEREST

13.1 We would confirm that we do not have a conflict of interest in advising on these properties in our role as External Valuer to the Company.

14.0 GENERAL ASSUMPTIONS

14.1 Exclusions

Our valuations are on an individual Desk Top basis and no allowance has been made for either a quantum discount or potential premium in the event that the properties were to be disposed of as a single Portfolio or in lots. Further, we have assumed that any disposal would be phased to prevent a flooding effect on the market.

The Valuations do not make any allowance or take into account any legal fees, costs or other expenses, which would be incurred on the sale or purchase of the properties, other than usual purchaser's costs.

We have excluded from our consideration any special purchaser who, due to special interest or circumstances, may wish to purchase the property or the business.

Whilst we have had regard to the general effects of taxation on market value, we have not taken into account any liability for tax which may arise on a disposal, whether actual or national, and neither have we made any deduction for Capital Gains Tax, Value Added Tax or any other tax liability.

The Valuation figures in this report are exclusive of VAT. We have not undertaken any enquiries to ascertain whether or not a sale of the properties would attract VAT.

The Valuations are based on the technical, legal and financial information given to us and we have relied on this information in formulating our opinions of value.

14.2 Structural and Decorative Condition

This Valuation and Report is prepared on a Desk Top basis and is not a structural survey and we therefore value on the assumption that each property is of sound design and construction, and free from any inherent defect. We have not inspected any covered or inaccessible areas, nor were any detailed inspections carried out of woodwork or structural members.

We did not carry out any investigation to determine whether or not high alumina cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials have been used in the construction of the property or have since been incorporated in the property.

14.3 Services, Plant and Equipment

No detailed inspection or tests have been carried out by us on any of the services or items of equipment, therefore no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We have assumed all services, plant and machinery are in full working order and comply with all statutory requirements and standards.

14.4 Compliance with Statutory Matters

In the absence of contrary statements we have assumed that the buildings fully comply with all statutory requirements to include Fire Office approval, environmental health and health and safety etc without any conditions or onerous costs to the owner.

14.5 Confidentiality and Publication

This Valuation Report has been prepared for inclusion in the Prospectus, the Circular and the Offer Document. The contents of this Valuation Report may be used only for the specific purpose to which they refer. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the Valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed where it relates to the Proposals.

For the avoidance of doubt such approval is required whether or not Savills is referred to by name and whether or not the contents of our Valuation Report are combined with others.

We confirm that we have issued a letter consenting to the inclusion of the Valuation Report in the Prospectus, the Circular and the Offer Document.

14.6 Responsibility Statement

Save for any responsibility arising under the Listing Rules, the City Code on Takeovers and Mergers or Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with the Listing Rules, the City Code on Takeovers and Mergers and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus, the Circular and the Offer Document.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

For and on behalf of Savills Commercial Limited

ANDREW SURGENOR BSc (Hons) MRICS
Director – Healthcare

COLIN REES SMITH BSc (Hons) MRICS
Director – Healthcare

SCHEDULE OF INVESTMENT PROPERTIES

<i>Unit</i>	<i>Tenure</i>	<i>Unit Type</i>	<i>Market Value 31 December 2010</i>	<i>Net Rent Receivable</i>	<i>Gross ERV</i>	<i>Net Initial Yield</i>	<i>Equivalent Yield</i>	<i>Reversionary Yield</i>
St Stephens, Ashford	LLH	Surgery & Pharmacy	£4,465,000	£232,265	£308,800	4.92%	6.09%	6.25%
Aylesham Medical Centre, Kent	FH	Surgery & Pharmacy	£4,125,000	£250,100	£282,600	5.74%	6.05%	6.19%
Willows Medical Centre, Bradford	FH	Surgery & Pharmacy	£2,245,000	£149,996	£155,100	6.32%	6.46%	6.53%
Orchards Medical Centre, Barking	LLH	Surgery	£2,645,000	£175,000	£183,500	6.26%	6.43%	6.56%
Victoria Medical Centre, Barnsley	FH	Surgery	£1,820,000	£125,000	£125,300	6.50%	6.43%	6.52%
Elizabeth Street Surgery, Blackpool	FH	Surgery	£840,000	£57,850	£58,300	6.50%	6.45%	6.54%
Victoria Medical Centre, Summer Lane, Barnsley	FH	Vacant offices, Nursery & Hoardings	£615,000	£52,500	£52,000	8.10%	8.13%	8.02%
Glenholme Surgery, Bradford	FH	Surgery, Pharmacy & new space	£2,070,000	£139,029	£142,100	6.36%	6.41%	6.48%
Houghton Close Surgery, Ampthill	FH	Surgery & Ambulance Station	£2,000,000	£131,750	£135,900	6.22%	6.36%	6.42%
Bonnyrigg Health Centre, Scotland	FH	Surgery & Pharmacy	£9,990,000	£638,761	£703,800	5.65%	6.02%	6.34%
Heartlands Retail Mall, Birmingham	SLH	Retail Mall	£3,560,000	£399,504	£404,100	10.58%	8.43%	10.74%
Crompton Way, Bolton	FH	Surgery, PCT & Pharmacy	£8,470,000	£476,747	£595,100	5.30%	6.13%	6.27%
Walderslade Hoyland Centre, Hoyland	FH	Surgery & Pharmacy	£2,975,000	£201,725	£193,000	6.41%	6.09%	6.13%
South Bar, Banbury	FH	Surgery, Pharmacy, PCT and vacant	£8,730,000	£532,354	£666,800	5.44%	6.23%	6.46%
Branston Surgery, Burton-on-Trent	FH	Surgery, Pharmacy & vacant	£3,290,000	£174,625	£242,000	5.00%	6.39%	6.58%
Wand Centre, Birmingham	FH	Surgery	£2,740,000	£179,550	£189,000	6.20%	6.14%	6.20%
Dickson House, Crown Heights, Basingstoke	LLH	Surgery, Private Clinic & Pharmacy	£7,285,000	£467,435	£453,500	6.04%	6.57%	6.08%
Laird Street, Birkenhead	FH	Surgery, Pharmacy & Expansion	£7,215,000	£354,500	£475,600	4.64%	6.13%	6.00%
Bromley Common, Bromley	FH	Surgery	£250,000	£19,700	£18,000	7.80%	7.25%	7.80%
Bispham Road Surgery, Blackpool	FH	Surgery	£170,000	£10,355	£10,355	6.01%	7.50%	6.01%
North Shore Surgery, Blackpool	FH	Surgery & flats	£325,000	£23,500	£25,000	9.60%	7.50%	9.60%
Glenroyd, Blackpool	FH	Surgery & Pharmacy	£1,310,000	£87,950	£79,100	6.34%	6.72%	5.70%
St Pauls, Blackpool	FH	Surgery & Pharmacy	£1,210,000	£100,068	£86,500	8.49%	6.99%	7.32%
Devonshire Road, Blackpool	FH	Surgery	£365,000	£20,425	£23,500	8.35%	7.50%	9.61%
Market Street, Hoyland	LLH	Pharmacy	£330,000	£43,050	£22,300	12.43%	9.52%	12.42%
Apollo Court, Dodsworth	FH	Surgery, Pharmacy & Shop	£3,100,000	£210,588	£200,480	6.42%	6.42%	6.12%
Red Bank Surgery, Blackpool	FH	Surgery	£200,000	£15,000	£15,000	7.53%	8.00%	7.53%
Eagle Bridge Centre, Crewe	FH	Surgery, Pharmacy & Expansion	£17,450,000	£994,627	£1,183,475	5.74%	5.99%	6.10%

<i>Unit</i>	<i>Tenure</i>	<i>Unit Type</i>	<i>Market Value 31 December 2010</i>	<i>Net Rent Receivable</i>	<i>Gross ERV</i>	<i>Net Initial Yield</i>	<i>Equivalent Yield</i>	<i>Reversionary Yield</i>
Merritt Medical Centre, Chessington	LLH	Surgery	£2,815,000	£194,999	£265,700	6.55%	7.00%	7.14%
Turners Hill Medical Centre, Cheshunt	FH	Surgery	£1,875,000	£111,200	£120,300	5.61%	6.00%	6.07%
Gresley Dale Health Centre, Church Gresley	FH	Surgery & Pharmacy	£2,370,000	£155,549	£149,100	6.21%	6.13%	5.72%
Garden Lane, Chester	FH	Surgery & Pharmacy	£1,545,000	£115,160	£109,400	7.04%	6.55%	6.69%
Chellaston Neighbourhood Centre	FH	Retail and Residential	£2,250,000	£52,500	£77,900	6.93%	9.51%	10.29%
Chesterfield Primary Care Centre	FH	Surgery & Pharmacy	£3,705,000	£217,412	£252,100	5.54%	6.18%	6.14%
Rossington Medical Centre, Rossington, Doncaster	FH	Surgery	£1,390,000	£92,000	£94,800	6.26%	6.36%	6.45%
Major Oak Medical Practice, Edwinstowe	FH	Surgery	£2,015,000	£130,000	£132,600	6.10%	6.15%	6.23%
Apollo Centre for Health, Eastbourne	FH	Diagnostics	£1,375,000	£90,000	£95,500	6.20%	6.50%	6.58%
Gnossal Health Centre, Staffs	FH	Surgery, Dentist & Pharmacy	£4,670,000	£301,550	£303,300	6.11%	6.07%	6.14%
Freshney Green Health Centre, Grimsby	FH	Surgery, Pharmacy, Dentist and Expansion	£14,210,000	£726,376	£994,880	4.82%	6.07%	6.30%
Gilberdyke, Hull	FH	Surgery	£550,000	£42,350	£45,900	7.28%	6.50%	7.90%
Beechwood Medical Centre, Halifax	FH	Surgery & Offices	£1,455,000	£94,500	£101,500	6.15%	6.52%	6.61%
Beechwood Community Centre, Halifax	FH	Offices	£1,080,000	£74,500	£74,500	6.51%	6.39%	6.51%
Castlemead, Hincley	FH	Surgery	£1,065,000	£71,450	£74,200	6.76%	6.68%	6.76%
Hessle Health Centre, Hull	FH	Surgery & PCT	£5,770,000	£369,038	£380,600	6.05%	6.07%	6.24%
McKenzie House, Hartlepool	FH	Surgery	£1,415,000	£110,652	£110,660	6.72%	6.65%	6.72%
Chanterlands, Hull	FH	Surgery	£375,000	£30,000	£32,500	8.22%	7.50%	8.91%
Ling House Medical Centre and Pharmacy, Keighley	FH	Surgery, Pharmacy & Offices	£3,230,000	£213,800	£216,600	6.26%	6.26%	6.35%
Kingskerswell	FH	Surgery & Pharmacy	£2,475,000	£163,370	£170,300	6.15%	6.27%	6.51%
Moss Grove, Kingswinford	FH	Surgery & Pharmacy	£1,410,000	£93,850	£100,400	6.29%	6.53%	6.41%
Craven Road Medical Centre, Leeds	FH	Surgery	£2,040,000	£131,500	£140,000	6.09%	6.39%	6.48%
Queensbridge Practice, Hackney	FH	Surgery	£2,045,000	£139,000	£139,600	6.42%	6.29%	6.45%
Long Lane Surgery, Coalville	FH	Surgery & Pharmacy	£2,250,000	£150,397	£154,800	6.32%	6.37%	6.51%
Kensington Park Health Centre, Kensington	LLH	Surgery & Offices	£2,560,000	£166,799	£169,400	5.95%	6.00%	6.04%
Ropewalks, Liverpool	LLH	Surgery, Pharmacy, Dentist & Vacant	£4,500,000	£213,249	£337,900	4.46%	7.32%	7.07%
Cassidy Medical Centre, Fulham	FH	Surgery	£1,485,000	£112,000	£103,800	7.13%	6.49%	6.61%
Park Edge Practice, Leeds	FH	Surgery, PCT & Pharmacy	£2,400,000	£156,275	£158,400	6.16%	6.24%	6.24%
Ewen Henderson, New Cross	LLH	Clinic	£2,485,000	£129,467	£230,000	4.50%	6.25%	7.99%
Yew Tree Medical Centre, Liverpool	FH	Surgery & Pharmacy	£2,850,000	£186,165	£206,701	6.17%	6.38%	6.51%
Brook Mill Medical Centre, Leigh	LLH	Surgery	£805,000	£62,320	£73,510	7.32%	6.50%	8.40%
St James Hospital, Lees - Chancellor & Oncology	SLH	Retail Mall	£945,000	£89,910	£116,000	9.00%	9.63%	15.23%
Arthington, Leeds	FH	Surgery	£670,000	£49,700	£49,700	6.76%	6.96%	7.03%
Tinshill, Leeds	FH	Surgery	£380,000	£41,750	£41,900	10.47%	7.50%	10.47%

<i>Unit</i>	<i>Tenure</i>	<i>Unit Type</i>	<i>Market Value 31 December 2010</i>	<i>Net Rent Receivable</i>	<i>Gross ERV</i>	<i>Net Initial Yield</i>	<i>Equivalent Yield</i>	<i>Reversionary Yield</i>
St James Hospital, Lees - Gledhow	SLH	Retail Mall	£1,445,000	£149,218	£446,800	9.71%	14.33%	17.67%
Wide Way Clinic, Mitcham	FH	Surgery, PCT & Dentist	£2,520,000	£160,700	£170,000	6.03%	6.29%	6.38%
Collegiate, Cheetham Hill	LLH	Surgery	£2,730,000	£182,483	£182,600	6.32%	6.24%	6.33%
Meden Vale, Nottingham	LLH	Surgery	£575,000	£48,999	£49,700	8.07%	7.89%	8.19%
Waters Green, Macclesfield	FH	Multi Use incl. vacant	£15,565,000	£925,106	£1,070,500	5.61%	6.04%	6.17%
Robert Street Surgery, Milford Haven	FH	Surgery	£295,000	£36,000	£36,000	11.62%	7.50%	11.62%
Whitley Road, Manchester	LLH	Surgery	£305,000	£28,300	£28,400	8.35%	6.50%	8.38%
Whitley Road, Manchester	LLH	Pharmacy	£200,000	£21,036	£17,700	9.48%	6.51%	9.48%
Trinity Crescent Complex, North Ormesby	LLH	Multi Use incl. vacant	£19,590,000	£1,087,203	£1,265,890	5.23%	6.26%	6.09%
Castleford Road, Normanton	FH	Surgery	£265,000	£17,350	£19,800	6.27%	7.00%	7.16%
Oakwood Medical Centre, Barnton	FH	Surgery, Pharmacy & Shop	£3,590,000	£230,500	£236,200	6.07%	6.14%	6.22%
Newbiggin Hall Surgery, Newcastle	LLH	Surgery	£395,000	£32,549	£33,000	7.85%	6.75%	7.94%
Witton Street, Northwich	LLH	Surgery	£330,000	£25,220	£28,400	7.25%	6.99%	7.02%
Nantwich Health Park	FH	Surgery & Pharmacy	£8,470,000	£505,525	£570,400	5.65%	6.10%	6.37%
Saville Medical Group, Newcastle	FH	Surgery	£1,495,000	£120,000	£113,500	7.59%	7.35%	7.18%
Thomas Walker Medical Centre, Peterborough	FH	Surgery, Pharmacy, PCT & Dentist	£6,180,000	£404,575	£411,600	6.08%	6.29%	6.42%
Northgate Surgery, Pontefract	FH	Surgery	£2,380,000	£159,006	£168,100	6.32%	6.26%	6.34%
Garndiffaith, Wales	FH	Surgery	£320,000	£25,000	£25,300	7.45%	7.44%	7.54%
Abersychan, Wales	FH	Surgery	£385,000	£42,500	£42,500	10.49%	9.92%	10.49%
Bridge Street, Redditch	FH	Surgery	£265,000	£23,400	£23,400	8.38%	7.99%	8.38%
St Stephens, Redditch	FH	Surgery	£800,000	£77,500	£77,500	9.18%	8.72%	9.18%
Hillview, Redditch	FH	Surgery	£480,000	£46,000	£46,000	9.18%	8.72%	9.18%
Ashby Turn Medical Centre, Scunthorpe	FH	Surgery & Pharmacy	£2,325,000	£156,500	£159,500	6.36%	6.40%	6.48%
Ashfields Health Centre, Sandbach	FH	Surgery & Pharmacy	£8,315,000	£543,250	£543,250	6.18%	6.10%	6.18%
Weston Lane Centre, Southampton	FH	Surgery, PCT, Pharmacy & vacant	£4,115,000	£228,959	£292,600	5.14%	6.07%	6.26%
Parkside Festival Park, Stoke	LLH	Offices	£1,060,000	£45,874	£93,800	4.11%	7.99%	8.40%
South Woodham Ferrers, Essex	LLH	Surgery & Vacant	£1,075,000	£69,039	£74,400	6.07%	6.43%	6.54%
Priory Road Medical Centre, Swindon	FH	Surgery	£2,280,000	£152,670	£162,600	6.34%	6.33%	6.41%
Hill Street Medical Centre, Burton On Trent	LLH	Surgery & Vacant	£3,230,000	£176,560	£262,800	5.15%	6.05%	6.33%
Fulwell Medical, Sunderland	FH	Surgery	£605,000	£42,231	£45,700	6.58%	6.99%	7.12%
Shinfield Medical, Shinfield	FH	Surgery, Pharmacy & Vacant	£2,710,000	£155,109	£187,200	5.42%	6.34%	6.54%
Rockleigh Surgery , Shenfield	FH	Surgery, Pharmacy & Shop	£835,000	£61,809	£58,400	7.00%	7.14%	6.91%
Queens Park, Stockton	FH	Surgery	£1,410,000	£129,165	£129,165	8.65%	6.75%	8.65%
Woodlands, Stockton on Tees	FH	Surgery & Pharmacy	£1,170,000	£99,050	£108,350	7.99%	6.75%	7.99%

Unit	Tenure	Unit Type	Market Value 31 December 2010	Net Rent Receivable	Gross ERV	Net Initial Yield	Equivalent Yield	Reversionary Yield
Todmorden Health Centre, Lancashire	FH	Surgery, PCT, Pharmacy & vacant	£11,090,000	£688,845	£724,000	5.95%	5.95%	5.96%
Upton Practice, Upton	FH	Surgery	£735,000	£55,000	£55,000	7.07%	6.99%	7.07%
Greenbank Surgery, Warrington	FH/LLH	Surgery & Pharmacy	£1,780,000	£110,791	£119,600	5.89%	6.28%	6.36%
Middlestown Medical Centre, Wakefield	FH	Surgery	£2,075,000	£131,500	£146,000	5.99%	6.31%	6.65%
Outwood Park Medical Centre, Wakefield	FH	Surgery & Pharmacy	£2,700,000	£175,463	£183,800	6.15%	6.30%	6.44%
St Hilary Brow, 169 Wallasey Road, Wallasey	FH	Surgery	£100,000	£12,550	£9,900	12.52%	8.42%	12.52%
St Hilary Practice, 204 Wallasey Road, Wallasey	FH	Surgery	£170,000	£19,250	£17,100	11.04%	8.22%	11.04%
Weaverham, Cheshire	FH	Surgery	£605,000	£48,563	£52,500	7.59%	7.46%	7.59%
Priory Health Centre, Wells	FH	Surgery, PCT, Pharmacy, vacant	£9,130,000	£611,954	£661,290	6.30%	6.55%	6.74%
West Byfleet, Surrey	LLH	Surgery, PCT, Pharmacy & vacant	£6,895,000	£417,550	£478,200	5.70%	6.40%	6.53%
Waltham Abbey Health Centre	FH	Surgery/ Flats	£4,270,000	£199,755	£261,785	4.34%	6.36%	6.96%
Abbey Road, Waltham Cross	FH	Surgery	£505,000	£32,012	£44,200	6.07%	6.77%	7.84%
Gold Street, Wellingborough	FH	Surgery	£660,000	£114,000	£114,000	16.31%	7.50%	16.31%
Dene Drive, Winsford	FH	Surgery & Pharmacy	£7,550,000	£407,525	£509,200	5.06%	6.02%	6.09%
York Hospital Retail Mall, York	SLH	Retail Mall	£1,710,000	£211,448	£258,400	11.64%	7.99%	11.57%
Market Weighton, York	FH	Surgery	£920,000	£79,700	£79,700	8.16%	6.50%	8.16%
TOTAL			£330,855,000	£20,867,034	£23,692,606	5.98%	6.33%	6.67%

Freehold	£ 257,140,000
Freehold / Long Leasehold	£ 1,780,000
Long Leasehold	£ 64,275,000
Short Leasehold	£ 7,660,000
TOTAL	£330,855,000

Notes:

Net Rent stated before outstanding review settlements

Trinity Crescent includes the vacant retail units

Bonnyrigg shown after deduction of £40,000 pa Landlord's rent discount

Assumed VP after relocation of Bispham, Red Bank, Devonshire Rd, Gold St, North Shore, St Hilary Brow & Practice and Tinshill

Whitley Road assumed long lease extended by 125 years

Abbey Road reduction for VAT issue

South Bar Banbury includes fit out costs allowance of £0.600m

SCHEDULE OF SITES AND VACANT BUILDINGS

<i>Unit</i>	<i>Tenure</i>	<i>Unit Type</i>	<i>Market Value 31 December 2010</i>
SITES			
Moor Park, Blackpool	FH	Vacant Industrial Building	£600,000
St Thomas Drive, Boston	FH	Site with D1 consent	£425,000
Bartle Lane, Bradford	FH	Site and Buildings	£750,000
Church Gresley site	FH	Retail/residential site	£150,000
Chellaston Residential	FH	Land with C3 consent	£750,000
West Hill, Dartford	FH	Site with D1 consent	£1,000,000
Griffin Wharf, Ipswich	FH	Site with D1 consent	£400,000
Slackbuie, Inverness	FH	Site for development	£1,400,000
Milford Haven	FH	Vacant retail warehouse	£600,000
Dean Road, Scarborough	FH	Site with D1 consent	£5,500,000
Greenbank, Tewkesbury	FH	Bungalow and grounds	£625,000
Dene Drive land, Winsford	FH	Expansion site	£50,000
Broadway Site, Wallasey	FH	Site with Residential consent	£200,000
Sub Total			£12,450,000
Freehold			£12,450,000
Long Leasehold			£0
VACANT BUILDINGS			
Derby House, Blackpool	FH	Offices	£60,000
Horsefair, Banbury	FH	Vacant former Medical Centre	£475,000
Dickson House, Crown Heights, Basingstoke	LLH	Vacant Retail Unit	£585,000
Miriam Medical Centre, Birkenhead	FH	Vacant former Medical Centre	£250,000
Earnswood Centre, Crewe	FH	Vacant former Medical Centre	£275,000
Field House, Grimsby	FH	Vacant former Medical Centre	£450,000
Littlefield Lane, Grimsby	FH	Vacant former Medical Centre	£225,000
Chantry Lane, Grimsby	FH	Vacant former Medical Centre	£225,000
Cromwell Road, Grimsby	FH	Vacant former Medical Centre	£65,000
White House, Southampton	FH	Vacant former Medical Centre	£185,000
Tod House, Todmorden	FH	Vacant house	£75,000
Sub Total			£2,870,000
Freehold			£2,285,000
Long Leasehold			£585,000
TOTAL			£15,320,000

SECTION B: VALUATION OF ASSURA'S DEVELOPMENT PORTFOLIO

The Directors and Shareholders
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

The Savills logo, consisting of the word "savills" in a red, lowercase, sans-serif font, positioned on a yellow rectangular background.

27 January 2011

Dear Sirs

DESK TOP VALUATION OF 5 DEVELOPMENTS AS AT 31 DECEMBER 2010

1 INSTRUCTIONS

- 1.1 We refer to standing instructions received from Assura Group Limited (the "Company") to provide periodic valuation reviews on a desktop basis, and as confirmed in our terms of engagement letter dated 15 December 2010, we have been requested to provide an updated opinion of the aggregate Projected Market Value (as defined below) of the freehold and leasehold interests in each of the 5 investments in the course of development (the "Properties") held by the Company, subject to and with the benefit of the various agreements to lease and occupational leases to which the Properties may be subject, as at 31 December 2010.
- 1.2 This Report has been prepared for the purpose of inclusion in an approved prospectus (the "Prospectus") to be published by the Company in connection with the proposed acquisition of AH Medical Properties plc and an offering of new shares by the Company pursuant to a proposed firm placing and placing and open offer (the "Proposals") and for inclusion in a circular ("Circular") to be sent to the Company's shareholders in connection with the Proposals and an offer document to be sent to the shareholders of AH Medical Properties plc (the "Offer Document").

2 COMPLIANCE WITH APPRAISAL AND VALUATION STANDARDS

- 2.1 We confirm that the valuations have been carried out on a desk top basis in accordance with the RICS Valuation Standards 6th Edition ("the RICS Red Book") published in November 2007 and effective from 1 January 2008 as amended. We further confirm that our Valuations and Report have been prepared in accordance with the relevant provisions of the Listing Rules and the City Code on Takeovers and Mergers, Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 and EU Directive 2003/71/EC. We also confirm that unless otherwise defined, terms have the meaning given to them in the above sources.

3 STATUS OF VALUER

- 3.1 We confirm that we have undertaken the Valuation acting as an External Valuer (as defined in the RICS Red Book) for the purposes of valuing the Properties pursuant to the terms of the engagement letter.

4 DISCLOSURES REQUIRED UNDER THE PROVISIONS OF UKPS 5.3

- 4.1 Andrew Surgenor BSc (Hons) MRICS has been the signatory of Valuation Reports provided to the Company for the purposes described in paragraph 1.1 above since 2003 and Colin Rees Smith BSc (Hons) MRICS since 2010.
- 4.2 Savills Commercial Limited is a wholly owned subsidiary of Savills plc (the "Group"). In the Group's financial year to 31 December 2009, the proportion of total fees payable by Assura to the total fee income of the Group was less than 5%. It is not anticipated that this situation will vary in terms of our financial year to 31 December 2010.

5 INFORMATION

- 5.1 In preparing this Desk Top Valuation we have relied on the following information supplied to us and unless otherwise stated, have assumed all are valid for the purposes of our report but should any information prove to be incorrect or inadequate, then this could affect the accuracy of the valuations:-
- (a) Our files relating to each of the developments we have inspected previously.
 - (b) Copy leases and floor plans, where available.
 - (c) Updating information regarding any material changes to the developments including layout, and proposed terms of occupation.
- 5.2 The properties have not been re-inspected as part of this desk top review since our original valuations which were mainly between August 2009 and February 2010.

6 THE PROPERTIES

- 6.1 The properties we have valued are summarised in the Schedule attached to this Desk Top Valuation but we have not repeated the descriptive detail which is contained in the various full valuations where these have previously been prepared.
- 6.2 They comprise 5 medical centre developments in various stages of construction located across a wide geographic area to include Kent and the Midlands together with the North West and Yorkshire.
- 6.3 There are 3 freehold and 2 long leaseholds, the latter being for terms of 125 years and at nominal ground rents. All will be new purpose built medical centres with the exception of Abbey Court which is an office conversion and was already substantially let at the date of valuation.
- 6.4 The projected values of the investment properties range from £2.990m to £14.280m with an average value of approximately £7.017m.
- 6.5 The overall projected valuation of the investments on completion shows a net initial yield of 5.35% which reflects reversionary rents, expansion areas and vacant space which are not yet subject to agreements to lease. The equivalent yield is 6.05%.
- 6.6 The medical centres will provide modern purpose built centres with Abbey Court being a high quality conversion of an office building. Based on the current agreements to lease the properties on completion will be 92.2% let on new leases of generally 21 years with Wellingborough at 25 years and Tinsill at 30 years for the medical space. The leases will be on internal repairing terms and our projected valuations have been adjusted for this. Also, we have reflected the break clauses applicable to Abbey Court.
- 6.7 The 5 schemes will generate a gross rent of £2,091,103 pa and a net rent receivable of £1,992,106 pa (95.3%), which excludes the vacant space. There is therefore a potential reversionary uplift of some 9.2% as many of the initial rents were agreed over 2 years ago although this may take an extended period to achieve due to the review patterns, geared increases, the need to let vacant space and the prevailing attitude of the District Valuer in review negotiations.
- 6.8 Covenant strength is regarded as strong with the surgeries to be let direct to a mix of GP practices, PCT's and Councils which represent some 86.7% of commencing net income. In addition is third party income from a mix of pharmacies representing 7.7% and other occupiers to include a foundation trust which equates to some 5.6% of net income. There is vacant space and expansion space in 4 of the units of varying sizes with a gross rental value of £0.177m (7.8% of ERV).
- 6.9 From our knowledge of the medical sector, rent defaults are rare and therefore the market perception is essentially that of a well secured government funded income stream with the PCT's being effectively underpinned by the Secretary of State for Health. However, a proportion of the income is from third parties to include pharmacies that is less secure.
- 6.10 Rent reviews typically are three or five yearly by reference to market value but the majority are subject to the "Red Book" requiring rents to be agreed with the District Valuer. These can potentially be downward although the incidence of this occurring is rare and historically rents in this sector have shown growth at review although in the current climate the rate may slow in the short term.

7 VALUATION METHODOLOGY

- 7.1 We have adopted a term and reversion approach to the projected valuations on completion of the works and entering into the various leases with base term yields on net rent receivable for the prime units generally at 5.80% - 6.0% on leases let to PCT/Councils and high quality GP practices receiving rent reimbursement.
- 7.2 Third party income falls within a range of 6.25% - 6.50% for well let pharmacies and between 6.2% - 8.0% for other occupiers depending on perceived strength of tenant covenant. Where there are vacancies, we have reflected extended void periods of up to 36 months and risk adjusted yields together with fit out costs as appropriate.
- 7.3 The properties have been valued individually and do not reflect the potential for a premium if disposed of as a single lot although in the present market a premium is unlikely. We have assumed that there would be a reasoned disposal programme so as not to flood the market with this niche product and having regard to lotting, as appropriate, to achieve the best price.
- 7.4 Due to the current instability and uncertainty our opinions of value should be kept under constant review. The opinions expressed herein should not be relied upon for a period of more than three months from the date of valuation without reference to ourselves, or earlier if the economic environment significantly deteriorates in the intervening period.

8 CURRENT MARKET CONDITIONS

- 8.1 There is considered to be good interest in, and demand for, medical properties from a number of specialist medical investment companies and wider investors seeking to diversify into long term secure income streams. The lack of stock in the marketplace is driving yields downwards although this may prove to be a temporary bubble.
- 8.2 The market for medical centre investments is currently affected by the poor availability of finance, the impact of the recession and prevailing weakened market conditions. However, the primary care sector is differentiated from general property investment as highlighted by the IPD Healthcare Index. Whereas All Property in 2008 had a negative return of over -22%, primary care was only -2.5% and for 2009 the return was +8.8% compared to All Property at +3.5%. The attraction of the sector remains positive, particularly for those investors taking a longer term view and seeking secure, long term income streams.
- 8.3 With regard to yields, the market evidence showed prime quality surgery investments achieving 5.0% - 5.25% and in a few instances, single acquisitions at sub 5% yields at their peak in 2007. There has been limited market activity in the last 2 - 18 months but demand remains from a wide range of investors and institutions who perceive the health sector as a 'safe haven' in the current economic turmoil.
- 8.4 We refer you to the following which give a broad overview of recent transactions:-
 - Moorgate, Bury completed in August 2009 by MedicX after competitive bidding and a purchaser withdrawal, at circa 6.15% and which demonstrates the continuing market appetite for long term secure income streams.
 - Sales in September 2009 at yields of between 6.36% for a conversion part let to a PCT and 6.76% for mixed quality medical centres.
 - Auction sale in October 2009 of a small 3 GP practice in Norfolk at 5.3% to a private investor and which is regarded as reversionary and with development potential.
 - November 2009. 4 units acquired by Ashley House from Sapphire as part of a larger transaction analyzed at 6.0% reflecting reversionary rent reviews in 2010. The wider transaction also included a small number of Lloyds Pharmacies.
 - November 2009. Long leasehold in East London acquired by a private investor at 5.95%.
 - February 2010. Acquisition of 14 units by PHP from CareCapital for £23.500m reported to reflect 5.98%.
 - March 2010. PHP acquired 2 units in Leigh at a yield of circa 5.85% reflecting reversionary rent reviews.

- June 2010. PHP acquired 14 units from Health Investments on a debt and cash deal timed to avoid changes in CGT for circa £38.9m and a reported net initial yield of 6.1%. Our analysis based on the rent roll is circa 5.85% reflecting standard costs.
 - December 2010. Acquisition by PHP of a medical centre in Edinburgh at a reported 5.75% yield.
 - December 2010. Confidential sale of a large 6 year old medical centre located in the North under contract at c. 5.9%.
- 8.5 MedicX results for the year end September 2008 reported net initial yield of 5.90% and in 2009 this was 6.06%. A revaluation as at March 2010 showed an improvement to 5.83% and their June 2010 interim statement indicated a yield of 5.87% and was broadly unchanged at September 2010 at 5.88%. Their portfolio averages 3.6 years old with 18.6 years averaged unexpired and is fully let, primarily to GP's/PCT's.
- 8.6 PHP results as at December 2008 reported a net initial yield on their portfolio of circa 5.97% and in December 2009 this rose slightly to 6.0% with an equivalent yield of 6.25%. Their half year statement at June 2010 reported an improved net initial yield of 5.8%. The portfolio is fully let with an average 17.3 years unexpired and 90% of income is from GP's/PCT's.
- 8.7 We would consider that these portfolios support the valuation assumptions we have made allowing for the time differentials and reflecting that these 5 units will be primarily new builds with 21 year leases and limited vacant areas.
- 8.8 Prime yields have clearly been improving over the last year and are now considered to be at or around 5.80% - 6.0% for modern units with long term secure income and recent market activity suggests a slight hardening in yields to below this for quality schemes on long leases with RPI reviews.
- 8.9 We would expect that if the current low base rate improves the availability and pricing of debt finance and the ongoing credit crunch and economic turbulence stabilises and lessens, then the sector will be increasingly attractive to general property investors seeking an alternative product with secure income streams at cash positive yields.
- 8.10 The above summary evidence, has regard to properties across the country and although there have been limited market transactions in the last 12 months, the general consensus is that whilst yields had moved out perhaps 20% from their 2007 peak, these have started to recover. It is interesting to note that most long term investors are holding their stock unless there is a strategic reason to sell units which do not meet their portfolio criteria.
- 8.11 However, the recent Health and Social Care Bill is likely to create some uncertainty until there is a firm outline of new structures for primary care delivery and funding, as well as how the Government intend to underwrite current PCT, NHS and GP lease commitments. This may take time but there is no current market evidence which shows a negative affect on sales or values at the present time.

Ongoing Impact of the Credit Crisis

- 8.12 The well publicised credit squeeze and sub prime mortgage default in the USA has resulted in a worldwide financial crisis with the UK economy going into recession early in 2009 and experiencing a slow recovery in 2010.
- 8.13 Generally Banks continue to take a much more cautious approach to financing with many effectively withdrawing from the market. Others are willing to fund those applicants with a track record on modest sized transactions but appear nervous to support the larger property backed transactions which were being funded previously.
- 8.14 In light of the weakened property sector and general illiquidity in the finance markets, the valuation of any property asset presents particular challenges at present. Bank finance is vitally important in the overall picture as this has become restricted. Notwithstanding this wider uncertainty in the financial markets, we necessarily assume debt finance is available in the market on reasonable and acceptable commercial terms.
- 8.15 The opinion of value stated in our report represents our best attempt, on a reasoned and rational basis, to estimate the current Projected Market Value based on reasonable inputs and fundamentals. Despite the substantive lack of recent open market transactions, we consider our valuations are supported by reference to the limited evidence available.

- 8.16 The definition of Market Value assumes both a willing buyer and seller, even if this might not always be the case in practice. Accordingly, we would expect a wider than normal divergence in opinions as to the value of this asset at the present time and Banks would take the prevailing market conditions into account in any lending decision. In addition, given the continuing volatility in the global financial markets, property owners must be prepared for the potential for values to fall further over the short to medium term until markets stabilise and improve.
- 8.17 Notwithstanding the above and general conditions in the property sector, the primary care market remains buoyant and is perceived by many as one of the safer investment opportunities available in today's economic climate due to the reimbursed rent and limited risk of tenant default. The affect of the Health and Social Care Bill cannot yet be quantified.

9 TENURE

- 9.1 The properties are held on a mixed freehold and long leasehold basis and are assumed to be completed and subject to various leases and otherwise free from encumbrance and we have not been advised of any outstanding notices or disputes affecting them.

10 BASIS OF VALUATION

- 10.1 Our Valuations have been prepared on an individual desk top basis in accordance with the RICS Valuation Standards 6th Edition ("the Red Book" as published by the Royal Institution of Chartered Surveyors January 2008. Practice Statement 3.2 of RICS Valuation Standards 6th Edition ("the Red Book") states Market Value as:

"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion."

- 10.2 Our projected valuations are exclusive of any Value Added Tax (VAT) and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of a property. Our valuations are, however, net of the usual acquisition costs payable by a buyer of a property based on 5.7625% adopting 17.5% VAT on fees.

11 ASSUMPTIONS AND SOURCES OF INFORMATION

Floor Areas

- 11.1 We have relied upon the floor areas provided to us by the Company or scale floor plans as the units are in the course of development. We assume that all floor area figures provided are complete and correct and calculated in accordance with the Code of Measuring Practice, 5th Edition issued by the RICS and agreed with the District Valuer.

Environmental Investigations and Ground Conditions

- 11.2 We were not instructed to undertake an Environmental Audit, and are therefore unable to warrant that the properties will not be adversely affected by the provisions and implementation of the Environmental Protection Act 1990 and Environment Act 1995. We have not investigated whether the sites are, or have been in the past, contaminated and are therefore unable to warrant that the properties are free from any defect or risk in this respect. We have not however been advised of any contamination effecting these properties or, of any neighbours, or other investigation or soil survey which may have been carried on the properties which may draw attention to contamination or the possibility of such contamination.
- 11.3 We have assumed that, except to the extent disclosed to us by yourselves, that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the properties.

Inspections

- 11.4 The majority of the properties have not been inspected in the last 12 months but we have been advised by the Company that there have been no material changes to any of the developments or proposed lettings since our inspections other than stated and reflected in our valuations.

Town Planning and Statutory Requirements

- 11.5 We have not made town planning enquiries for the purposes of this Desk Top update and assume that there are no adverse town planning or highway issues nor other schemes or proposals. Further, that all relevant planning consents exist for the properties and their respective present uses.

Tenure and Tenancies

- 11.6 We have previously inspected the Reports on Title (including summaries) prepared by your Solicitors, where available, on the majority of properties but have not reviewed any updated versions, and confirm as follows:
- (a) where we have relied upon information provided to us by the Company, such information is not inconsistent with the Reports on Title;
 - (b) we have assumed that, save as may be disclosed by the Reports on Title, the properties possess good marketable titles free from any unusual encumbrances, restrictions or obligations;
 - (c) we have assumed that, save as may be disclosed by the Reports on Title, nothing would be revealed by any local search or replies to usual enquiries of the seller which would materially adversely affect the respective values of the properties;
 - (d) in respect of the long leasehold interests, we have assumed that consent to assign would not be withheld or delayed by the Landlord if required and that there are no outstanding arrears or breaches of covenant; and
 - (e) All agreements to lease have been entered into on the terms previously advised to us.
- 11.7 No account has been taken of any mortgages, debentures or other security which may now or in the future exist over any of the properties.

Tenants' Covenants

- 11.8 We have not conducted credit enquiries into the financial status of any of the proposed Tenants. However, in undertaking our valuations we have reflected our understanding of the market's perception of the financial status of the Tenants and the rent reimbursement process. We have also assumed that each Tenant is capable of meeting its lease obligations, and that there are no material undisclosed breaches of covenant.

12 VALUATION

- 12.1 We are of the opinion that the aggregate Projected Market Values of the 5 mixed freehold and long leasehold medical centre investments, on the assumption that the developments are completed to a high standard and the various existing and proposed leases are entered into on the terms advised to us, net of acquisition costs, can be fairly stated at **£35,085,000 (Thirty Five Million and Eighty Five Thousand Pounds)**.
- 12.2 This is apportioned between the properties split between freehold and leasehold tenure as follows:-
- | | |
|-----------|-------------|
| Freehold | £14,610,000 |
| Leasehold | £20,475,000 |
- 12.3 The projected values are largely unchanged from the half year valuation undertaken for the Company as at 30th September 2010 other than a nominal increase in Abbey Court.

13 CONFLICT OF INTEREST

- 13.1 We would confirm that we do not have a conflict of interest in advising on these properties in our role as External Valuer to the Company.

14 GENERAL ASSUMPTIONS

14.1 Exclusions

Our projected valuations are on an individual Desk Top basis and no allowance has been made for either a quantum discount or potential premium in the event that the properties were to be disposed of as a single Portfolio or in lots. Further, we have assumed that any disposal would be phased to prevent a flooding effect on the market.

The Projected Valuations do not make any allowance or take into account any legal fees, costs or other expenses, which would be incurred on the sale or purchase of the properties, other than usual purchaser's costs.

We have excluded from our consideration any special purchaser who, due to special interest or circumstances, may wish to purchase the property or the business.

Whilst we have had regard to the general effects of taxation on market value, we have not taken into account any liability for tax which may arise on a disposal, whether actual or national, and neither have we made any deduction for Capital Gains Tax, Value Added Tax or any other tax liability.

The Valuation figures in this report are exclusive of VAT. We have not undertaken any enquiries to ascertain whether or not a sale of the properties would attract VAT.

The Valuations are based on the technical, legal and financial information given to us and we have relied on this information in formulating our opinions of value.

14.2 Structural and Decorative Condition

This Valuation and Report is prepared on a Desk Top basis and is not a structural survey and we therefore value on the assumption that each property will be developed of sound design and construction, and free from any inherent defect. We have not inspected any covered or inaccessible areas, nor were any detailed inspections carried out of woodwork or structural members.

We did not carry out any investigation to determine whether or not high alumina cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials will have been used in the construction of the property or have since been incorporated in the property.

14.3 Services, Plant and Equipment

No detailed inspection or tests have been carried out by us on any of the services or items of equipment, therefore no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We have assumed all services, plant and machinery are or will be in full working order and comply with all statutory requirements and standards.

14.4 Compliance with Statutory Matters

In the absence of contrary statements we have assumed that the buildings will fully comply with all statutory requirements to include Fire Office approval, environmental health and health and safety etc without any conditions or onerous costs to the owner.

14.5 Confidentiality and Publication

This Valuation Report has been prepared for inclusion in the Prospectus, the Circular and the Offer Document. The contents of this Valuation Report may be used only for the specific purpose to which they refer. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the Valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed where it relates to the Proposals.

For the avoidance of doubt such approval is required whether or not Savills is referred to by name and whether or not the contents of our Valuation Report are combined with others.

We confirm that we have issued a letter consenting to the inclusion of the Valuation Report in the Prospectus, the Circular and the Offer Document.

14.6 Responsibility Statement

Save for any responsibility arising under the Listing Rules, the City Code on Takeovers and Mergers or Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with the Listing Rules, the City Code on Takeovers and Mergers and Annex

I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus, the Circular and the Offer Document.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

For and on behalf of Savills Commercial Limited

ANDREW SURGENOR BSc (Hons) MRICS

Director – Healthcare

COLIN REES SMITH BSc (Hons) MRICS

Director – Healthcare

SCHEDULE OF DEVELOPMENTS

<i>Property</i>	<i>Tenure</i>	<i>Property Type</i>	<i>Projected Market Value 31 December 2010 assuming completion</i>
Moor Park, Blackpool	LLH	Surgery, Pharmaclafe & Expansion	£14,280,000
Chellaston, Derby	FH	Surgery, Pharmacy & Expansion	£2,990,000
Tinshill, Leeds	FH	Surgery, Pharmacy & Expansion	£3,845,000
Abbey Court, Tunbridge Wells	FH	Surgery, PCT & Pharmacy	£7,775,000
Irthlington, Wellingborough	LLH	Surgery, Pharmacy & Expansion	£6,195,000
TOTAL			£35,085,000
Freehold			£14,610,000
Long Leasehold			£20,475,000
TOTAL			£35,085,000

PART 7

VALUATION OF AHMP'S PROPERTY PORTFOLIO



The Directors and Shareholders of
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

27 January 2011

Dear Sirs

AH Medical Properties plc ("AHMP") valuation as at 31 December 2010

1 Introduction

In accordance with instructions received from Assura Group Limited (the **Company**), as confirmed by our letter of 17 January 2011, we have inspected the properties listed in the Appendix (the **Properties** and each a **Property**) held by AHMP, and made all relevant enquiries in order to provide our opinion of the Market Value (as defined below) as at 31 December 2010 (the **Valuation Date**) of the freehold and leasehold interests in the Properties (the **Valuations**). The Valuation Date is the effective date of the Valuations.

2 Purpose of the Valuation

We confirm that the Valuations have been prepared for a Regulated Purpose as defined in the Red Book (as defined in paragraph 3 below). We understand that our valuation report and schedule (the **Valuation Report**) is required for the purpose of publication by the Company of an approved prospectus (the **Prospectus**) in connection with the proposed acquisition of AHMP and an offering of new shares by the Company pursuant to a proposed placing and open offer (the **Proposals**) and for inclusion in a circular (the **Circular**) to be sent to the Company's shareholders in connection with the Proposals and an offer document to be sent to the shareholders of AHMP.

3 Compliance with valuation standards and prospectus rules

We confirm that the Valuations of the Properties have been undertaken by us, acting as External Valuers, in accordance with the Valuation Standards, Sixth Edition published by the Royal Institution of Chartered Surveyors (the **Red Book**), as well as in accordance with Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of the Committee of European Securities Regulators (**CESR**) recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 and EU Directive 2003/71/EC and the relevant provisions of the Listing Rules and the City Code on Takeovers and Mergers. We also confirm that unless otherwise defined, terms have the meaning given to them in the above sources.

4 Status of valuer and conflicts of interest

We confirm that we have the knowledge, skills and understanding to undertake these Valuations competently and that we have undertaken the Valuations acting as External Valuer (as defined in the Red Book), and have met the required criteria of PS1.7 of the Red Book as 'Independent Expert', for the purpose of the Valuations.

We confirm that DTZ is instructed to provide regular periodic valuations of the Properties on behalf of AHMP.

We confirm that in 2006 we undertook a valuation of the Properties on behalf of Ashley House Properties Ltd (now AHMP) in relation to the destapling from Ashley House Plc and acquisition of Ashley House Investments. Subsequently we have undertaken valuations for accounts purposes and on behalf of lenders to AHMP. Additionally, in May 2009, we undertook a draft valuation of the Properties for inclusion in the share listing circular in connection with a cash share offer.

DTZ also acted as selling agents with regard to the sale of Bodey Medical Centre, Manchester which AHMP acquired in 2008. In this connection AHMP received a third party valuation upon acquisition and DTZ did not advise Ashley House as acquisition agents. We have also been instructed to undertake a valuation for lending purposes for Norwich Union in respect of the Properties at Manchester, Portsmouth, New Malden, Brighton and Stoke Poges.

We do not consider that a conflict of interest arises for us preparing the advice requested by the Company.

We note in light of the above that you have no objection to DTZ proceeding with the current valuation for the Company.

5 Inspections

We have inspected all of the Properties within the last 24 months. Since our inspection of the Properties, we have received no further information on any material changes to the physical attributes of the Properties except where partial development or redevelopment is taking place where information has been provided by AHMP. With the exception of these, the Valuations are therefore based on the assumption that there have been no such material changes.

6 Disclosures Required Under The Provisions Of Ukps 5.4

6.1 Gavin Spreyer BSc (Hons) MRICS has been the signatory of valuation reports for accounting purposes provided to AHMP for a continuous period since 2006.

6.2 DTZ is a wholly owned subsidiary of DTZ Holdings plc (the "Group"). In the Group's financial year to 30 April 2010, the proportion of total fees payable by AHMP to the total fee income of the Group was less than 5%. This position is not anticipated to change for the current financial year.

7 Report Format

The total Market Value detailed within this Valuation Report comprises the aggregate of the Market Value of each Property held by AHMP.

Included within Appendix 1 is a schedule of the Properties.

8 Basis of valuation

Market Value

The value of each Property has been assessed in accordance with the relevant parts of the current RICS Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

9 Taxation and Costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery company that may arise on disposal.

We have made deductions to reflect a purchaser's acquisition costs.

10 VAT

The Company has not advised us as to whether they have exercised its option to tax.

The capital valuation and rentals included in this Report are net of value added tax at the prevailing rate.

11 Assumptions and sources of information

In undertaking our Valuations, we have made a number of Assumptions and have relied on certain sources of information. An Assumption is stated in the Glossary to the Red Book as a “supposition taken to be true” (“Assumption”). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. Where appropriate, AHMP has confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect then our Valuations should be reviewed.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book, and the requirements of the Prospectus Rules, Listing Rules and CESR’s recommendations.

The Assumptions we have made for the purposes of our valuations are referred to below:

11.1 Title

We have not had access to the title deeds of the properties and have assumed that The Company is possessed of good and marketable freehold/leasehold title and that each property is free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. We have also assumed that the properties are free from mortgages, charges or other encumbrances.

It should be noted that in a number of cases, rent reviews are to the higher of the initial rent and the rent agreed at review following the review being initiated by the Landlord. As the initial rent is the rent initially set at the outset of the lease, in the future, this could give rise to a rent review being on the basis of upwards and downwards. However, as the review is only instigated if and when the Landlord serves notice on the tenant, care will need to be taken in the assessment of the likely rent before any notice is served.

11.2 Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of each of the properties as identified upon inspection, however a condition survey has not been undertaken by DTZ, nor have woodwork or other parts of the structure which are covered, unexposed or inaccessible, been inspected. Therefore, we are unable to report that the properties are structurally sound or free from any defect. We have made an Assumption that the properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects other than such as may have been mentioned in the body of our Report.

We have not arranged for investigations to be made to determine whether High Alumina Cement concrete, calcium chloride additive or any other deleterious material have been used in the construction or any alterations, and therefore, we cannot confirm that the properties are free from risk in this regard. For the purposes of the valuations, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

No mining, geological or other investigations have been undertaken to certify that the sites are free from any defect as to foundations. We have made an Assumption that the load bearing qualities of the site of each property are sufficient to support the buildings constructed thereon. We have also made an Assumption that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of the properties.

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. Therefore, we have made an Assumption that all services within the properties are functioning satisfactorily.

No allowance has been made in the valuations for any items of plant or machinery not forming part of the service installations of the buildings. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuations of any goodwill that may arise from the present occupation of the properties.

It is a condition of DTZ Debenham Tie Leung Limited or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the valuation report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

11.3 Environmental Matters

We have made verbal enquiries of the Environmental Health Officer, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the sites and any adjoining sites.

Upon making our enquiries there is no evidence that there is a significant risk of contamination in respect of the properties. Accordingly, we have made the Assumption that no contamination or other adverse environmental matters exist in relation to the properties sufficient to affect value. Other than as referred to above, we have not made any investigations to establish whether there is any contamination or potential for contamination to the properties.

A purchaser in the market might, in practice, undertake further investigations than those undertaken by us. If it is subsequently established that contamination exists at any of the properties or on any neighbouring land, or that the premises have been or are being put to any contaminative use then this might reduce the values now reported.

Within, or close to some of the Properties, there is high voltage electrical supply equipment. The possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (NRPB), an independent body with responsibility for advising on electromagnetic fields, has advised that, following studies in 2000 and 2001, there may be a risk in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties.

In order to assess the likelihood of flooding in the area of each property in England we have referred to the Environment Agency's on-line Flood Map facility. The Flood Map provides an indication of the likelihood of flooding based on a national flood risk assessment completed in 2005, which used ground levels, predicted flood levels, information on flood defences, and local knowledge. The likelihood is described in one of three categories, low, moderate or significant, as used by the insurance industry.

The majority of properties in the Portfolio are in areas that fall outside the extent of the extreme flood at the time of the Environment Agency's assessment of the likelihood of flooding. Generally this means that the chance of flooding each year from rivers or the sea is 0.1% (1 in 1000) or less.

Exceptions to the above are:

Walton Court, Aylesbury, which is classed as '**Low**: the chance of flooding in any year is 0.5% (1 in 200) or less'.

Richmond Lock Surgery, Twickenham, which is classed as '**Low**: the chance of flooding in any year is 0.5% (1 in 200) or less'.

We do not consider that these classifications would have a significant impact on our valuation. However, a purchaser in the market might, in practice, undertake further investigations than those undertaken. If it is subsequently established that a higher potential for flooding exists at any of the properties or on any neighbouring land, then this might reduce the values now reported and our valuations would need to be reviewed.

11.4 Areas

We have either undertaken a measured survey of each property or undertaken check measurements on site and scaled the remaining areas from scale drawings. Measurements

are calculated in accordance with the Code of Measuring Practice as prepared by the Royal Institution of Chartered Surveyors (the "Code"). For the properties to be developed or in the course of development, we have scaled and calculated the areas in accordance with the Code from plans provided by Ashley House.

Our valuations have however, been adjusted to reflect recent lettings and rent review settlements where the floor areas agreed for that purpose differ from our original measured surveys. We have made an Assumption that where new lettings and rent review settlements have been agreed that the floor areas provided by AHMP have been calculated in accordance with the Code of Measuring Practice, prepared by the Royal Institution of Chartered Surveyors.

11.5 Statutory Requirements and Planning

Enquiries have been made of the relevant planning authority in whose area the properties lie as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. The results of our enquiries, where replies have been received, have been reflected upon undertaking our valuations.

We have made an Assumption that the buildings have or will be constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have/ will have the benefit of a current Fire Certificate, and that the properties are not subject to any outstanding statutory notices as to its construction, use or occupation. Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing use of each property is duly authorised or established and that no adverse planning condition or restriction applies.

No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and we have made an Assumption that each property complies with all relevant statutory requirements.

We would draw your attention to the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. We assume that, if you should need to rely upon the information given about town planning matters, your solicitors would be instructed to institute such formal searches.

11.6 Leasing

We have relied upon the tenancy documents supplied by The Company. We have made an Assumption that the information supplied to us is complete and up to date.

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise advised, we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, current or anticipated tenant disputes.

However, our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also made an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

11.7 Information

We have made an Assumption that the information The Company and its professional advisers have supplied to us in respect of the properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Where details of proposed developments are supplied, we have made an Assumption that the information provided by Ashley House is full and correct. We have also made an Assumption that leases granted on the completion of any development will be on acceptable market terms.

11.8 Portfolio Value

Our opinion of Market Value relates to an individual sale of each of the Properties separately. No adjustment has been made to reflect any changes in value, which might occur if the Properties were to be sold in lots or as one portfolio.

12. Valuation

We are of the opinion that the aggregate of the Market Values as at 31 December 2010 of the freehold and leasehold properties detailed in the Appendices, subject to the Assumptions and comments in this Report and in the Appendices is as follows:

Portfolio Total	£124,705,000
(52 properties)	(One Hundred and Twenty Four Million, Seven Hundred and Five Thousand Pounds)

The total aggregate Market Value is summarised further as follows:

<i>Tenure</i>	<i>Market Value</i>
Freehold	£87,440,000
Long Leasehold	£35,640,000
Short Leasehold	£115,000
Part Freehold and Leasehold	£1,510,000

The Market Value above has increased by £9,820,000 since the year end accounts valuation, dated 31 January 2010, due to the inclusion of Wellsbourne Centre, Brighton; Ashfield Medical Centre, Sutton in Ashfield and Douglas Grove Medical Centre, Witham, with a collective value of £6,600,000, and also due to a marginal hardening of the investment yields.

All the Properties are located in the United Kingdom. We are unaware of any situation where any of the Properties are occupied by a related party to AHMP or where the employer, AHMP manager or any related party has an interest in any of the Properties.

13. Confidentiality and Disclosure

This Valuation Report has been prepared for inclusion in the Prospectus, the Circular and the Offer Document. The contents of this Valuation Report may be used only for the specific purpose to which they refer. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed where it relates to the Proposals. For the avoidance of doubt such approval is required whether or not DTZ is referred to by name and whether or not the contents of our Valuation Report are combined with others. We confirm that we have agreed to give a letter consenting to the inclusion of the Valuation Report in the Prospectus, the Circular and the Offer Document as set out in our Engagement Letter.

Save for any responsibility arising under the Listing Rules, the City Code on Takeovers and Mergers or Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with the Listing Rules, the City Code on Takeovers and Mergers and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus, the Circular and the Offer Document.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with

the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Gavin Spreyer BSc (Hons) MRICS
Director

For and on Behalf of
DTZ Debenham Tie Leung

APPENDIX 1

Schedule of Properties held for Investment

<i>Property</i>	<i>Tenure</i>	<i>Market Value</i>
Aylesbury – Elmhurst Surgery, Walton Court, Hannon Road, Bucks, HP21 8TR	Freehold	£1,650,000
Aylesbury - Hampden Health Centre, 65 Kingsgate, Fairford Leys, Bucks, HP19 8WB	Leasehold	£1,200,000
Ayr – Bankfield Medical Practice, Dalmellington Road, Kincaidston, Ayr, KA7 3PR	Freehold	£1,360,000
Balham - Balham Park Surgery, 236 Balham High Road, London, SW17 7AW	Freehold	£3,130,000
Bedhampton – Park Lane Medical Centre, Havant, Hants, PO9 3HN	Freehold	£700,000
Beverley – New Medical Centre, Manor Road, HU17 7BZ	Freehold	£4,660,000
Birmingham – Ley Hill Surgery, Holloway Road, Northfield, B31 1TR	Leasehold	£1,220,000
Bolsover - Welbeck Surgery, Welbeck Road, Derbyshire, S44 6DE	Freehold	£4,300,000
Bootle - North Park Medical Centre, 290 & 291 Knowsley Road, L20 5DQ	Freehold	£1,170,000
Braintree - Blyth's Meadow Surgery, Trinovantian Way, CM7 3JN	Freehold	£2,750,000
Brighton - County Oak Medical Centre, Carden Hill, BN1 8DD	Leasehold	£4,340,000
Brighton - 3 Old Steine, BN1 1EJ	Leasehold	£3,660,000
Brighton - 4 Old Steine, BN1 1EJ	Freehold	£920,000
Brighton – Wellsbourne Centre, Whitehawk Road, BN2 5FL	Leasehold	£2,750,000
Brill – Trinity Health Centre, Thame Road, HP18 9SA	Freehold	£940,000
Bristol - The Blackhorse Medical Centre, St Lukes Close, Emersons Green, BS16 7AL	Freehold	£1,500,000
Brixworth - Pytchley Court Health Centre, 5 Northampton Road, Northamptonshire, NN6 9DX	Freehold	£830,000
Chalgrove – The Brook Surgery, High Street, Oxfordshire, OX44 7AF	Freehold	£800,000
Chelmsford - Baddow Surgery, Longmead Avenue, Great Baddow, Essex, CM7 3JN	Freehold	£2,450,000
Chelsea – Good Practice Surgery, 407-411 Kings Road, London, SW10 0LR	Held on two short term leases	£115,000
Chinnor - Wellington House Surgery, Oxfordshire, OX39 4PX	Freehold	£990,000
Colchester - Mill Road Surgery, Mill Road, Mile End, Essex, CO4 5LE	Leasehold	£2,130,000
Cropredy - Surgery Premises, Claydon Road, Oxfordshire, OX17 1PP	Freehold	£750,000
Danby - Danby Surgery, Brier Hill, North Yorkshire, YO21 2LZ	Leasehold	£1,410,000
Didcot – Didcot Health Centre, Britwell Road, Didcot, OX11 7JH	Freehold	£4,120,000
Fallowfield - Bodey Medical Centre 28 Ladybarn Lane, M14 6WP	Leasehold	£2,720,000
Garstang - Garstang Primary Healthcare Centre, Kepple Lane, PR3 1PB	Freehold	£7,160,000
Great Bookham - Fairfield Medical Centre, Lower Road, Surrey, KT23 4DF	Freehold	£2,270,000
Haverhill - St Clements Surgery, Greenfield Way, Suffolk, CB9 8LU	Leasehold	£1,530,000
Higham Ferrers – Higham Ferrers Surgery, Saffron Road, Northamptonshire, NN10 8ED	Leasehold	£2,050,000
Lowestoft - Andaman Surgery, 303 Long Road, Suffolk, NR33 9DF	Freehold	£1,390,000
Maidenhead - The Somerstons Surgery, 8 Cookham Rd, Berks, SL6 8AJ	Freehold	£2,120,000
Manchester – Davyhulme Medical Centre, Broadway, Davyhulme, Manchester, M41 7NP	Freehold	£2,360,000
Melksham - Giffords Primary Care Centre, Spa Road, SN12 7EA	Freehold	£2,110,000
Milton Keynes - Westcroft Health Centre, 1 Savill Lane, Westcroft, MK4 4EN	Freehold	£3,150,000
New Malden - The Groves Surgery, Clarence Avenue, Surrey, KT3 3TU	Leasehold	£5,080,000
New Malden - Kensington House, 134 Malden Road, Surrey, KT3 6DR	Freehold	£2,390,000

<i>Property</i>	<i>Tenure</i>	<i>Market Value</i>
Newcastle upon Tyne - Molineux Street Medical Centre, Molineux Street, Byker, NE6 1EJ	Leasehold	£5,670,000
Portsmouth - Carlisle Road, Southsea, PO15 1AT	Freehold	£1,850,000
Princes Risborough - Wellington House Surgery, Stratton Road, Bucks, HP27 9AX	Leasehold	£1,130,000
Rugeley – Rugeley Medical Centre, Sands Lane, Rugeley, WS15 2LB	Freehold	£4,680,000
Scarborough - Eastfield Medical Centre, Street West, North Yorkshire, YO11 3LS	Freehold	£2,700,000
Scarborough - Trafalgar House, Trafalgar Street West, North Yorkshire YO12 7AS	Freehold	£2,100,000
Southfields - Southfields Group Practice, 492 Merton Road, London, SW18 5AE	Freehold	£3,350,000
Stoke Poges - Three Ways Surgery, Pennylets Green, SL2 4AZ	Freehold	£1,840,000
Stone Cross – Stonecross Medical Centre, Mimran Road, Pevensey, West Sussex, BN24 5DZ	Freehold	£2,350,000
Sutton-in-Ashfield – Ashfield Medical Centre, 1-9 Kings Road, Nottinghamshire, NG17 1AT	Freehold	£2,340,000
Twickenham - Richmond Lock Surgery, St Margaret's Road, Richmond Upon Thames, TW1 1PS	Freehold	£1,960,000
Wantage - The Health Centre, Mably Way, Oxfordshire, OX12 9BN	Freehold	£7,310,000
Watford - Garston Medical Centre, 6a North Western Avenue, WD25 9GP	Leasehold	£750,000
Whitchurch - Whitchurch Surgery, 49 Oving Road, Bucks, HP22 4JF	Freehold	£990,000
Witham – Douglas Grove Surgery, Douglas Grove, Witham, Essex, CM8 1TE	Freehold and Leasehold	£1,510,000
Total		£124,705,000

PART 8

OPERATING AND FINANCIAL REVIEW

Investors should read the whole of this document and should not just rely on the summary information contained in this Operating and Financial Review.

The selected historical financial information discussed in this Operating and Financial Review has been extracted without material adjustment from the audited consolidated financial information of the Group for the 15 month period ended 31 March 2008, the year ended 30 March 2009 and the year ended 30 March 2010 and the unaudited financial statements of Assura for the six months ended 30 September 2010. All such financial information was prepared in accordance with IFRS.

Principal activity and operating review

Further to the sale of a majority share in its cash-consuming medical service business on 3 March 2010, Assura is a business focused on the core activities of primary healthcare property and LIFT investments enhanced by profits from the pharmacy division. The Company has implemented significant cost reductions and, as an internally managed property company, benefits from a very competitive cost base.

Despite a slow economy and the expected cutbacks in the public sector, Assura has a good pipeline of current and future primary care developments to facilitate continued growth. This has been reinforced by its strong start to the current financial year, through which the Company has benefited from higher than expected increases in rental income from rent reviews conducted up to the date of release of its interim results for the six months ended 30 September 2010 on 23 November 2010.

Assura's property assets have performed within the top quartile of the IPD Healthcare Index, with strong, long-term covenants and more than 85 per cent. of its rental income reimbursed by the NHS. Assura will continue to run these businesses to maximise their value and create secure and long-term rental streams from NHS sources.

The Divisions

Property Investment

The following table summarises key information relating to the Group's portfolio of completed medical centre investment properties at the end of each of the financial periods covered by this Operating and Financial Review:

	31 March 2008	31 March 2009	31 March 2010	30 September 2010
Number of investment properties	98	118	117	113
Valuation	£290m	£279m	£314m	£331m
Net initial yield	5.78%	6.27%	6.02%	5.94%
Rent roll ¹	£19.2m	£20.7m	£22.5m	£23.4m
Average annualised increase achieved on rent reviews in the preceding financial period	4.9%	6.0%	3.5%	5.5%

The value of the medical centre investment portfolio has increased steadily over the period as a result of completed developments, a tightening of yields over the last 18 months and favourable rent reviews. The decline in the value of the portfolio in the year ended 31 March 2009 reflects the adverse property conditions prevailing at this time. The change in the number of investment properties reflects completed developments, disposal of a number of non-core investments and a number of lease surrenders from tenants moving from existing properties into new medical centres developed by the Group. Assura has not suffered tenant defaults or tenant voids but currently has some planned development voids in the portfolio as a result of developing expansion space for future growth and future proofing of its investments. This space also facilitates the shift of services from secondary to the primary care environment in line with NHS objectives.

Assura's portfolio is characterised by long leases, the payment of rent on which is Government backed. The weighted average lease length as at 30 September 2010 is 16.5 years and 85 per cent. of the rents

¹ Including the rental value of own premises which amounted to £0.6 million as at 30 September 2010.

are receivable from PCTs or GP practices whose rent payments are reimbursed by PCTs. The balance of rents are receivable from pharmacy companies, including the pharmacy business, and other tenants including retailers, other health professionals and charities.

Assura's portfolio has consistently been an above average performer in the IPD UK Primary Healthcare Index which itself out-performed the IPD UK All Property Index.

Assura will continue to grow rental income through active management, filling of largely planned voids, maximising rental growth on three yearly rent reviews and continued development completions.

Property development

The Group has remained active in medical centre property development over the period notwithstanding difficult commercial property market conditions. Seven medical centres were completed in the financial year to 31 March 2010 (2009: 4, 2008: 7) and as at 30 September 2010 the Group has a further five developments on site.

Pharmacy

Assura's Pharmacy Division has demonstrated consistent growth over the period. Turnover for the twelve months to 31 March 2010 increased by 16.9% to £31.2 million (2009: £26.7 million, 2008: £17.9 million). These figures exclude sales from Assura's interest in its joint venture with GP Care UK Limited branded 'GP Care Pharmacy' which reported a gross turnover of £5.6 million in the year to 31 March 2010.

The pharmacy business achieved a maiden annual profit of £3.9 million in the year to 31 March 2010 (including a £1.3 million reversal of pharmacy licence impairments and £1.1 million profit on disposal of pharmacies). Further revenue growth is expected to derive from prescription volume growth within the existing stores profile and the opening of selected new stores.

Gross margins were 29.8% in the year to 31 March 2010 and although recent NHS pricing adjustments threaten to impair margins, Assura continues to look to achieve productivity improvements in order to minimise any impact these changes might have.

In the six months ended 30 September 2010, the pharmacy division had a very strong first half, producing an operating profit of £1.4 million (2009: £0.1 million) on turnover of £16.8 million (2009: £15.2 million) in its wholly-owned pharmacies. During the period one new store was opened, two pharmacies were refurbished, and one was relocated into the heart of a medical centre.

LIFT

Assura's six LIFTCos, five of which are managed by the Group, are regarded as 'associated companies' even where the Group's beneficial interest is more than 50% of the equity. This is due to standard restrictions in LIFTCo shareholders agreements. Furthermore the assets are not treated in the same way as property investments given that, in common with other LIFTCos, the leases include the provision of facility management services and an option to purchase the freehold in favour of the Primary Care Trust tenants at the end of the 25 year lease term.

The following table summarises Group's LIFT investments over the period:

	31 March 2008	31 March 2009	31 March 2010	30 September 2010
Number of primary care buildings fully developed by the Group's LIFTCos	14	17	19	21
The Group's loan stock investments in LIFTCos	£5.1m	£4.9m	£6.5m	£8.3m

The table demonstrates that the Group's investment in LIFTCos has grown consistently throughout the period. As at 30 September 2010, the book value of primary care buildings fully developed by the Group's LIFTCos was £162 million with properties under construction with an end value of £96 million. The Group's weighted average interest in its LIFTCos was 31.4 per cent. as at this date.

Assura also provides management services, through a Central Management Services Agreement, to five of its LIFTCos generating revenue, excluding investment income of £2.6 million in the year to 31 March 2010 (2009: £1.4 million, 2008: £0.4 million).

Discontinued operations

Assura's medical services business was engaged in forming joint ventures with groups of GP practices around the UK to provide outpatient, urgent care and diagnostic services, and primary care walk in centres, to NHS patients.

During the 11 months prior to its sale on 2 March 2010, the business had 30 joint ventures with combined revenues, in those joint ventures, amounting to £10.5 million. However the joint ventures incurred losses of £1.8 million in the 11 months to 28 February 2010, of which 50% or £0.9 million was attributable to Assura Group. In addition Assura's medical services division incurred central costs of over £6 million pa supporting this business.

Following an extensive strategic review the Medical Division was sold to Virgin Healthcare for £4 million on 2 March 2010, with the £4 million proceeds simultaneously reinvested in Virgin Healthcare in return for a 24.9% equity stake and a loan note of £4 million which carries no interest but does benefit from priority repayment out of future profits ahead of dividend payments.

Assura also ceased its diagnostic rental business in the year to 31 March 2010 and closed its three Health & Wellness centres which were serviced medical consulting rooms available for medical service provision by the joint ventures and other parties.

Immediately following the sale of the Medical Division, the decision was taken to close down the majority of the London office and half of the Daresbury office space and reduce the administrative staff by a further 17 people over and above those transferred to the Medical Division ahead of its sale.

The net impact on the Group's results was an operating loss from discontinued activities in the twelve months to 31 March 2010 of £6.9 million and a loss on disposal of the medical services division itself amounting to £7.1 million, giving a net loss from discontinued activities of £14.0 million.

In addition, Assura recorded a write down in the value of its Health & Wellness centres amounting to £2.2 million, made office premises lease provisions of £2.0 million to cover the anticipated rental shortfall pending new tenants for the space being found, and incurred other redundancy and restructuring costs amounting to £2.5 million.

The Group's resultant administrative cost base was, therefore, substantially reduced and is now very competitive. The Group intends to maintain property management costs below 3 per cent. of rents and property development costs below 3 per cent. of development expenditure and intends to maintain central overheads, including the equivalent of fund and asset management and all the costs of administering the Group other than depreciation and amortisation, below 0.5 per cent. of total assets.

Financial review

The Company raised £140 million of equity in November 2003 and a further £110 million of equity in 2006. This was supplemented with a three year revolving credit facility of £100 million, arranged with National Australia Bank in July 2005, which was repaid in full in March 2008. The Company raised a further £30 million of equity in November 2008.

The Company has a term loan with National Australia Bank for three years from 30 March 2009 with an option to extend for a fourth year. The facility was initially for £190 million but two scheduled repayments of £30 million each have since been made ahead of schedule. The balance as at 31 December 2010 stands at £130 million. The loan facility with National Australia Bank is subject to the following financial covenants:

- (i) Loan to value ratio – the aggregate outstanding loan to current valuation of investment properties should not exceed 80%.
- (ii) Projected net rental income receivable during the following 12 month period must cover 130% of projected finance costs.
- (iii) Group financial indebtedness must be below 65% of gross asset value.
- (iv) Average weighted lease length must exceed 12.5 years.

Interest is charged at a rate of 2.25% above three month LIBOR while the balance is above £160m, 2.1% above LIBOR while the balance is above £130 million and then reduces to 1.95% above LIBOR. If the loan to value ratio for properties charged to the bank is above 75%, then a 0.5% additional margin is charged. An interest rate swap on a principal sum of £200 million at a rate of 3.29% (4.59% from 1 January 2012) has been taken out to hedge the interest on the loan. This loan is secured by way of a

debenture over several of the wholly owned property assets of the Group and a fixed charge over shares held in certain subsidiary companies.

The Company has a term loan facility of £8.25 million arranged with Royal Bank of Scotland plc secured on the Group's head office building and investment property in Daresbury. The balance on this loan was £6.4 million at 31 March 2010 (2009: £7.9 million). This loan was entered into in March 2008 for a five year period and is secured on one property, and is subject to a margin of 1.2% over LIBOR. An interest rate swap at a rate of 5.1% has been taken out to hedge the interest on the loan.

The Company has long term loan facilities of approximately £95 million in aggregate agreed with Aviva Commercial Finance. These loans are partially amortised by way of quarterly instalments and partially repaid by way of bullet repayments falling due between 2021 and 2032. £1.2 million is due before 31 March 2011. These loans are secured by way of charges over specific medical centre investment properties with cross collateralisation between the loans and security. The loans are subject to fixed all in interest rates ranging between 5.85% and 6.49%, and do not have loan to value covenants, and interest cover is required of 1.03 times.

On 2 March 2010 the Group entered into a new loan amounting to £30 million from Santander secured on certain medical centre investments owned by the Group. The loan from Santander is available until March 2015 and carries interest at 1.8% above LIBOR. Surplus rental income from the property is used to partially amortise the loan. An interest rate swap at a rate of 2.995% has been taken out to hedge the interest on the loan. The loan must not exceed 75% of the value of the security and interest cover must be above 1.4 times (rising to 1.5 times). On 12 August 2010 the Group entered into a further loan of £10 million from Santander at a hedged rate of 2.15% plus a margin of 1.8% above LIBOR.

The Group has been in compliance with all financial covenants on all of the above loans as applicable in the financial year to 31 March 2010 and the six month period to 30 September 2010.

The Group believes that its property portfolio, characterised by both geographical and lot size diversity, a weighted average lease length of 16.5 years and rents which are largely directly rebated to its tenants by the NHS, continues to be attractive to banks notwithstanding the current banking climate. The Group, going forward, will primarily derive its income from rental income from its portfolio of primary care premises let on long term leases to GPs and PCTs.

Financial information relating to the Group

The selected historical financial information set out below has been extracted without material adjustment from the Group's audited report and accounts for the 15 month period ended 31 March 2008, the year ended 30 March 2009 and the year ended 30 March 2010 and from the Group's unaudited half yearly report for the six months ended 30 September 2010. All such financial information was prepared in accordance with IFRS.

	<i>15 months ended 31 March 2008¹</i>	<i>year ended 31 March 2009</i>	<i>year ended 31 March 2009 (restated)²</i>	<i>year ended 31 March 2010</i>	<i>6 months ended 30 September 2009 (restated)²</i>	<i>6 months ended 30 September 2010</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<i>Summary income statement for the</i>						
Revenue	40.7	48.3	47.6	55.8	26.4	30.7
Trading profit/(loss)	(4.8)	(1.7)	5.2	13.3	5.4	9.8
Operating profit/(loss)	11.4	(72.8)	(61.1)	9.2	7.5	16.7
Profit before revaluation of derivative financial instrument and taxation	9.0	(79.9)	(68.2)	(4.0)	1.5	9.5
Profit/(Loss) before taxation	12.8	(111.4)	(99.7)	4.4	10.1	(11.3)
Tax	1.0	0.6	0.6	2.4	(0.2)	(0.4)
Profit/(Loss) after tax	13.8	(110.8)	(99.1)	6.8	9.9	(11.7)

Summary balance sheet as at	31 March 2008 ¹ £m	31 March 2009 £m	31 March 2009 (restated) ³ £m	31 March 2010 (restated) ⁴ £m	30 September 2010 £m
Non-current assets					
Investment property	282.5	278.9	278.9	313.7	326.4
Investment property under construction /					
Development property	57.3	54.8	54.8	27.7	24.8
Investments in associates	8.8	7.5	5.8	11.2	8.9
Investments in joint ventures	8.6	10.8	10.8	7.6	7.2
Intangible assets	37.9	41.8	41.8	39.4	39.9
Tangible fixed assets	23.9	26.8	26.8	14.9	14.3
Other investments	9.1	6.0	6.0	–	–
Derivative financial instruments at fair value	5.9	–	–	–	–
Deferred tax assets	–	–	–	1.5	1.1
	434.0	426.6	424.9	416.0	422.6
Current assets					
Cash and cash equivalents	20.5	24.8	24.8	24.6	35.3
Debtors	14.3	9.7	9.7	10.3	10.5
Pharmacy inventories	1.3	1.6	1.6	1.7	1.7
Property work in progress	1.0	1.1	1.1	–	0.1
	37.1	37.2	37.2	36.6	47.6
Non-current assets held for sale and included in disposal groups	–	0.5	0.5	6.7	12.6
Total assets	471.1	464.3	462.6	459.3	482.8
Current liabilities					
Creditors	16.1	26.3	56.3	21.8	22.6
Short term loans	–	–	–	6.5	1.4
	16.1	26.3	56.3	28.3	24.0
Non current liabilities					
Long term loans	188.4	236.7	206.7	249.3	268.0
Payments due under finance leases	1.2	1.1	1.1	1.0	0.9
Derivative financial instruments at fair value	–	25.6	25.6	17.3	38.1
Provisions	–	–	–	2.0	2.0
Deferred tax liabilities	–	0.9	0.9	–	–
	189.6	264.3	234.3	269.5	309.0
Total liabilities	205.7	290.6	290.6	297.8	333.0
Net assets	265.4	173.7	172.0	161.5	149.8
Adjusted net assets⁵	264.1	204.4	202.9	186.5	198.6
NAV per share	118.01p	56.69p	56.20p	52.69p	48.89p
Adjusted NAV per share ⁵	117.43p	66.71p	66.22p	60.88p	64.81p

1. The income statement for the 15 months ended 31 March 2008 and balance sheet at that date include the results, assets and liabilities of the Group's Medical Division, which was disposed of in March 2010.
2. The income statements for the year ended 31 March 2009 and the six months ended 30 September 2009 have been restated to transfer losses incurred in the Group's Medical Division to "Loss for the year from discontinued operations" and to reflect the adoption of a new accounting policy for service concession arrangements within associates. The income statement for the six months ended 30 September 2009 has also been restated to show the effect of the derivative financial instrument of the LIFT associate which was omitted in error. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual and half yearly reports for 2010.
3. The balance sheet as at 31 March 2009 has been restated to reflect the correct analysis of loans repayable within one year and those due after more than one year and to reflect the adoption of the new accounting policy for service concession arrangements within associates. The restated figures for 2009 have been extracted from the comparatives shown in Assura's annual report for 2010.
4. The balance sheet as at 31 March 2010 has been restated to include the derivative financial instruments of the LIFT associates which were omitted in error.
5. These figures have been adjusted to exclude the effect of derivative financial instruments and, in the case of NAV per share, Assura Shares held by the Group.

Taxation status

At an extraordinary general meeting of the Company held on 3 April 2008, Assura Shareholders approved the change in status of the Company from Chapter 15 (investment) to Chapter 6 (trading) of the Listing Rules and the Group's management and control was moved to the UK immediately thereafter to reflect the change in nature of business of the Group.

As a result the Group's trading profits are now subject to taxation in the UK although corporation tax will only be paid in respect of property gains when these are actually realised. All property was transferred from an offshore subsidiary in Guernsey to new UK property investment companies based on independent valuations undertaken at the time of the transfers at the end of 2007.

PART 9

PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of net assets of the Enlarged Group in this Part 9 is based on the net assets of Assura as at 30 September 2010 and the net assets of AHMP as at 31 October 2010 and has been prepared in accordance with Annex II of the Prospectus Directive Regulation and on the basis of the notes set out below. The unaudited pro forma financial information has been prepared to illustrate the effect on the consolidated net assets of the Assura Group of the Proposals as if they had been completed on 30 September 2010. As indicated above, the unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, the pro forma statement addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position following the Proposals.

The unaudited pro forma net asset statement has been prepared in accordance with IFRS and in a manner consistent with the accounting policies to be adopted by Assura in its financial statements for the year ending 31 March 2011.

	<i>Adjustments</i>				
	<i>Net assets of Assura at 30 September 2010 £m Note 1</i>	<i>Net assets of AHMP at 31 October 2010 £m Note 2</i>	<i>Net proceeds of the Placing and Open Offer £m Note 3</i>	<i>Acquisition accounting £m Note 4</i>	<i>Pro forma net assets of the Enlarged Group £m</i>
Non-current assets					
Investment property	326.4	124.7	–	–	451.1
Investment property under construction	24.8	4.9	–	–	29.7
Investments in associates and joint ventures	16.1	–	–	–	16.1
Intangible assets and goodwill	39.9	–	–	0.1	40.0
Tangible fixed assets	14.3	–	–	–	14.3
Deferred tax asset	1.1	0.1	–	–	1.2
	<u>422.6</u>	<u>129.7</u>	<u>–</u>	<u>0.1</u>	<u>552.4</u>
Current assets					
Cash and cash equivalents	35.3	0.4	22.7	(12.1)	46.3
Debtors	10.5	0.9	–	–	11.4
Pharmacy inventories	1.7	–	–	–	1.7
Property work in progress	0.1	–	–	–	0.1
	<u>47.6</u>	<u>1.3</u>	<u>22.7</u>	<u>(12.1)</u>	<u>59.5</u>
Non-current assets held for sale and included in disposal groups	12.6	–	–	–	12.6
Total assets	<u>482.8</u>	<u>131.0</u>	<u>22.7</u>	<u>(12.0)</u>	<u>624.5</u>
Current liabilities					
Creditors	22.6	4.9	–	–	27.5
Short term loans	1.4	–	–	–	1.4
	<u>24.0</u>	<u>4.9</u>	<u>–</u>	<u>–</u>	<u>28.9</u>
Non current liabilities					
Long term loan	268.0	94.7	–	–	362.7
Payments due under finance leases	0.9	–	–	–	0.9
Convertible loan	–	2.0	–	–	2.0
Derivative financial instruments at fair value	38.1	–	–	–	38.1
Provisions	2.0	–	–	–	2.0
Deferred tax liabilities	–	3.6	–	–	3.6
	<u>309.0</u>	<u>100.3</u>	<u>–</u>	<u>–</u>	<u>409.3</u>
Total liabilities	<u>333.0</u>	<u>105.2</u>	<u>–</u>	<u>–</u>	<u>438.2</u>
Net assets	<u>149.8</u>	<u>25.8</u>	<u>22.7</u>	<u>(12.0)</u>	<u>186.3</u>

Notes:

- 1 The consolidated net assets of Assura Group at 30 September 2010 have been extracted without material adjustment from the unaudited interim financial statements of Assura for the six months ended 30 September 2010.
- 2 The consolidated net assets of AHMP as at 31 October 2010 have been extracted from Section D of Part 5 (Unaudited reconciliation of the unaudited interim financial information of AHMP for the six months ended 31 October 2010 to Assura's accounting policies) of this document and reflect the unaudited net assets of AHMP as at 31 October 2010 as included in its unaudited interim financial statements adjusted for material differences between the accounting policies of Assura and AHMP for joint ventures in order to present the information on a basis consistent with the accounting policies of the Assura.
- 3 The adjustment for the net proceeds of the Placing and Open Offer reflects the estimated funds to be raised of £22.7 million (gross proceeds of £12.0 million from the Firm Placing plus gross proceeds of £11.4 million from the Open Offer less expenses of £0.7 million). In the event that the Open Offer completes but that the Offer and the Firm Placing do not complete, the pro forma net assets of Assura as enlarged by the Open Offer would have been £160.8 million (net assets of Assura of £149.8 million plus net proceeds of the Open Offer of £11.0 million).
- 4 The acquisition accounting adjustments reflect goodwill and other intangible assets of £0.1 million which are expected to arise on the Acquisition as a result of the value of the Acquisition of £25.9 million (comprising cash consideration of £10.5 million payable under the Cash Alternative (assuming it is taken up to the full extent available) and the value of the share consideration of £15.4 million based on the issue of 33,500,129 Consideration Shares at the Closing Price of an Assura Share of 46.125 pence on 18 January 2010, being the last Business Day prior to the announcement of the Offer) exceeding the value of net assets acquired of £25.8 million. The cash outflows of £12.1 million comprise cash consideration of £10.5 million payable under the Cash Alternative (assuming it is taken up to the full extent available) and estimated acquisition expenses of £1.6 million.

The acquisition accounting adjustments do not reflect any fair value adjustments which may ultimately be required since these cannot be accurately determined as at the date of this document. The gross difference between the net assets of AHMP as stated at their book value at 31 October 2010 (as adjusted for the alignment of accounting policies) and the estimated consideration has been presented as a single value in "goodwill and other intangible assets". The net assets of AHMP will be subject to a fair value restatement as at the date of completion of the Acquisition. Also, in accordance with IAS 36 – "Impairment of Assets", the Company will assess the need for an impairment of intangible fixed assets and goodwill at the next reporting date, unless there is an indication of the need for an impairment at an earlier point. Actual intangible fixed assets and goodwill included in the Group's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

- 5 Pro forma property assets of the Enlarged Group amount to £504.2 million and comprise investment property of £451.1 million, investment property under construction of £29.7 million, non-current assets held for sale and included in disposal groups of £12.6 million and £10.8 of property assets contained within tangible fixed assets (comprising £8.1 million of space occupied by Assura Pharmacy in the Group's investment properties and £2.7 million relating to the proportion of the Group's property at Daresbury occupied by the Group's head office).
- 6 No account has been taken of the EBT Placing pursuant to which Assura will receive £3.0 million through the sale by the EBT of 6,666,667 Assura Shares at the Issue Price of 45p per share, the proceeds of which will be paid to Spruce in settlement of an outstanding loan.
- 7 No account has been taken of consideration payable to holders of options, warrants and convertible loans in AHMP pursuant to the proposals to be made to them once the Offer becomes unconditional in all respects. It is expected that the aggregate consideration to these parties will amount to £561,000 and will be settled in cash post completion of the Acquisition.
- 9 No account has been taken of a payment of £1.5 million to Ashley House in relation to the termination of the asset management agreement between Ashley House and AHMP, severance payments to the AHMP Directors expected to amount to £0.4 million nor any deferred tax asset

which Assura expects to be able to recognise in respect of its existing capital losses which may be offset against AHMP's deferred tax liabilities on unrealised capital gains.

- 10 No account has been taken of the financial performance of Assura since 30 September 2010 or of AHMP since 31 October 2010, nor of any other event save as disclosed above.



BDO LLP
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Leeds
LS11 5RU

The Directors
Assura Group Limited
Isabelle Chambers
Route Isabelle
St Peter Port
Guernsey
GY1 3TX

27 January 2011

Dear Sirs

Assura Group Limited

Pro forma financial information

We report on the unaudited pro forma financial information (the “Pro Forma Financial Information”) set out in Part 9 of the prospectus dated 27 January 2011 of Assura Group Limited (the “Prospectus”), which has been prepared on the basis described in the notes thereto for illustrative purposes only, to provide information about how the proposed acquisition of AH Medical Properties plc, placing and open offer (“the Proposals”) might have affected the financial information presented on the basis of the accounting policies to be adopted by Assura Group Limited in preparing the financial statements for the year ending 31 March 2011. This report is required by item 20.2 of Annex I of the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation), consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of Assura Group Limited to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents,

considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of Assura Group Limited.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Assura Group Limited.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of Assura Group Limited.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART 10

TERMS AND CONDITIONS OF THE OPEN OFFER

1 Introduction

The Company is inviting, through this document, Qualifying Assura Shareholders to apply to subscribe for Open Offer Shares, subject to the terms and conditions below, at a price of 45 pence each on the following basis:

2 Open Offer Shares for every 25 Assura Shares

registered in the names of Qualifying Assura Shareholders at the Record Date, and so in proportion for any other number of existing Ordinary Shares then registered. Qualifying Assura Shareholders may apply for any whole number of Open Offer Shares up to their maximum entitlement. Entitlements of Qualifying Assura Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractions representing Open Offer Shares which would otherwise have arisen will not be allotted to Qualifying Assura Shareholders, but will be aggregated and subscribed under the Placing for the Company's benefit.

An Application Form for Qualifying Certificated Shareholders to participate in the Open Offer is included with this document.

The terms of the Open Offer provide that a Qualifying Assura Shareholder may make a valid application for any number of Open Offer Shares up to and including his pro rata entitlement which, in the case of Qualifying Certificated Shareholders, is equal to the number of Open Offer Shares shown on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of his stock account in CREST. No application in excess of a Qualifying Assura Shareholder's pro rata entitlement will be met under the Open Offer and any Qualifying Assura Shareholder so applying will be deemed to have applied for the maximum entitlement as specified on the Application Form in the case of a Qualifying Certificated Shareholder, or standing to the credit of his CREST stock account in the case of a Qualifying CREST Shareholder or as otherwise notified to him (and any monies received in excess of the amount due will be returned to the Qualifying Assura Shareholder, without interest, at the Qualifying Assura Shareholder's sole risk).

Not all shareholders will be Qualifying Assura Shareholders. Shareholders who are located or resident in, or who are citizens of, or who have a registered address in a Restricted Territory (regardless of the number of existing Ordinary Shares that they hold) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 7 of this Part 10.

Holdings of existing Ordinary Shares traded on the London Stock Exchange in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

The Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims. The Application Form is not a document of title and cannot be traded. In the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Assura Shareholders, but will be taken up under the Placing, with the proceeds retained for the benefit of the Company.

No temporary documents of title will be issued. Definitive certificates in respect of Open Offer Shares are expected to be posted to each Qualifying Assura Shareholder who has validly elected to hold his Open Offer Shares in certificated form by 3 March 2011. In respect of a Qualifying Assura Shareholder who has validly elected to hold his Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to his CREST stock account by 17 February 2011. The attention of a shareholder who wishes to receive his Open Offer Shares in uncertificated form pursuant to the Open Offer is drawn to paragraph 3 below.

The Open Offer is conditional on:

- (i) all conditions relating to the Open Offer in the Placing Agreement having been fulfilled (other than in relation to Admission of the Open Offer Shares); and

- (ii) Admission of the Open Offer Shares becoming effective on or before the later of (a) the date falling 50 Business Days after the date on which this document, the Circular and the Offer Document are published and (b) the first to occur of (x) the date falling 30 Business Days after the Offer becomes wholly unconditional and (y) the date on which the Offer lapses or is withdrawn (or such later date and/or times as the Company, Cenkos and Investec may in their discretion determine).

Paragraph 2 below contains further details of the application and payment procedure for Qualifying Certificated Shareholders and paragraph 3 below contains further details of the application and payment procedure for Qualifying CREST Shareholders.

2 Procedure for application and payment for holders of certificated shares

(a) Introduction

Each Application Form shows the number of Ordinary Shares registered in the relevant Qualifying Certificated Shareholder's name on the Record Date, and also shows the maximum number of Open Offer Shares for which such Qualifying Certificated Shareholder is entitled to apply under the Open Offer. The Application Form incorporates further terms of the Open Offer. A Qualifying Certificated Shareholder may apply for fewer Open Offer Shares than his entitlement should he so wish. Valid applications up to the relevant Qualifying Certificated Shareholder's pro rata entitlement will be accepted in full.

(b) Market claims

Applications for Open Offer Shares under the Open Offer may only be made using an Application Form. Each Application Form is personal to the Qualifying Certificated Shareholder(s) named on it and may not be assigned, transferred or split except to satisfy bona fide market claims in relation to purchases of existing Ordinary Shares through the market prior to 28 January 2011, being the date on which the existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange. Application Forms may be split up to 3.00 p.m. on 11 February 2011. The Application Form only represents a right to apply for Open Offer Shares. It is not a document of title and cannot be traded.

Any Qualifying Assura Shareholder who has sold or transferred all or part of his registered holding(s) of existing Ordinary Shares prior to the close of business on 26 January 2011, should consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to subscribe for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by purchasers under the rules of the London Stock Exchange.

A Qualifying Certificated Shareholder who has sold or transferred all of his registered holding should, if the market claim is to be settled outside CREST, complete box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transferred in or into any of the Restricted Territories.

If a Qualifying Certificated Shareholder has sold or transferred part of his registered holding of existing Ordinary Shares prior to the date on which the existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, he should complete box 8 on the enclosed Application Form and immediately send it by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or (during normal business hours only) by hand to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE accompanied by a letter stating the number of Open Offer Shares to be included in each split Application Form.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures in paragraph (b) headed "Market Claims" in paragraph 3 of this Part 10.

(c) Application procedures

Any Qualifying Certificated Shareholder who wishes to apply for all or any of the Open Offer Shares to which he is entitled must complete the Application Form in accordance with its instructions and return it by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or (during normal business hours only) by hand to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE with a cheque or banker's draft for the full amount payable on application so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 15 February 2011, at which time the Open Offer will close. A

reply-paid envelope is enclosed for use by Qualifying Certificated Shareholders in connection with the Open Offer.

Any Qualifying Certificated Shareholder who does not wish to apply for any of the Open Offer Shares to which he is entitled should not complete or return an Application Form.

Applications made under the Open Offer will not be acknowledged and receipts will not be issued for amounts paid on application. The Company reserves the right, in consultation with Investec, to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. If a Qualifying Certificated Shareholder posts his Application Form within the UK by first class post, he should allow at least two Business Days for delivery. In the event of industrial action by postal workers, a Qualifying Certificated Shareholder should consider allowing a longer period of time for his application to be delivered. Applications may only be made on the accompanying Application Form, which is personal to the Qualifying Certificated Shareholder(s) named on it and may not be transferred or split except in the circumstances described above.

(d) Payments

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch of a bank or building society in the United Kingdom. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Computershare A/C "Assura Group Limited". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the Application Form.

The Company reserves the right to have cheques and banker's drafts presented for payment on receipt and to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. Any person returning an Application Form with a remittance in the form of a cheque warrants that the cheque will be honoured on first presentation. Post dated cheques will not be accepted. The Company may elect at its sole discretion to treat as invalid any acceptance in respect of which remittance is notified to it as not having been so honoured.

If cheques or banker's drafts are presented before the conditions of the Open Offer are fulfilled, the application monies will be held in a separate account, with any interest being retained for the Company's benefit, until all conditions are met. If the conditions of the Open Offer are not fulfilled by 8.00 a.m. on the later of (a) the date falling 50 Business Days after the date on which the Prospectus, Circular and Offer Document are published and (b) the first to occur of (i) the date falling 30 Business Days after the Offer becomes wholly unconditional and (ii) the date on which the Offer lapses or is withdrawn (or such later date and time as all of the Company, Cenkos and Investec may in their discretion determine), the Open Offer will lapse and application monies will be returned, without interest, by crossed cheque in favour of the applicant through the post at his own risk as soon as practicable after the lapse of the Open Offer.

The Company reserves the right to treat as invalid an application where there is insufficient verification of identity satisfactory to the receiving agents to ensure that the Money Laundering Regulations 2007 and any other applicable rules and regulations will not be breached by acceptance of the payment submitted in connection with such application.

For all enquiries in connection with the procedure for application and completion of the Application Form please refer to page 18 of this document.

For Qualifying Certificated Shareholders who have applied using an Application Form, definitive certificates in respect of the Open Offer Shares are expected to be despatched by 3 March 2011. All documents or remittances sent by or to any applicant, or as he may direct, will be sent through the post at his own risk. The Open Offer Shares will be issued in dematerialised or registered form as required by individual shareholders on their Application Forms.

(e) Incorrect sums

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Certificated Shareholder in question; or

- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Certificated Shareholder in question, save that any sums of less than 25 pence will be retained for the Company's benefit; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Certificated Shareholder in question, save that any sums of less than 25 pence will be retained for the Company's benefit.

(f) Effect of valid application

A Qualifying Certificated Shareholder by completing and delivering the Application Form will thereby:

- (i) request that the Open Offer Shares to which he will become entitled be issued to him on the terms in this document, subject to the Company's Articles;
- (ii) agree that all applications, contracts and non-contractual obligations resulting from it under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) represent and warrant that he is not, nor is he applying on behalf of any shareholder who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any of the Restricted Territories and he is not applying with a view to reoffering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any of the Restricted Territories;
- (iv) represent and warrant that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (v) confirm that in making such application he is not relying on any information or representation other than that contained in this document and, accordingly, he agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation of it, shall have any liability for any information or representation not contained in this document and further agrees that having had the opportunity to read this document, he will be deemed to have had notice of all information contained in this document; and
- (vi) represent and warrant that he is the Qualifying Certificated Shareholder originally entitled to the Open Offer Entitlement or he has received such Open Offer Entitlement by virtue of a bona fide market claim.

3 Procedure for application and payment for holders of uncertificated shares

(a) Introduction

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participating ID and member account ID that apply to the existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 5.00 p.m. on the later of (a) the date falling 50 Business Days after the date on which the Prospectus, Circular and Offer Document are published and (b) the first to occur of (i) the date falling 30 Business Days after the Offer becomes wholly unconditional and (ii) the date on which the Offer lapses or is withdrawn (or such later date and time as all of the Company, Cenkos and Investec may in their discretion determine), an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances, the expected timetable in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Certificated Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

A Qualifying CREST Shareholder who wishes to apply for some or all of his pro rata entitlements to Open Offer Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should a Qualifying CREST Shareholder need advice with regard to these procedures, please refer to page 18 of this document. If a Qualifying CREST Shareholder is a CREST sponsored member he should consult his CREST sponsor if he wishes to apply for some or all of his pro rata entitlement to Open Offer Shares as only his CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will afterwards be transferred accordingly.

(c) USE instructions

A Qualifying CREST Shareholder who wishes to apply for Open Offer Shares in respect of all or some of his Open Offer Entitlements in CREST must send (or, if he is a CREST sponsored member, procure that his CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Computershare under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Computershare in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) immediately above.

(d) Content of USE instructions

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares comprised in the relevant pro rata entitlement for which application is being made (and hence that part of the pro rata entitlement to Open Offer Shares being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement, being GG00B3T7CG21;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as CREST receiving agent, being 3RA29;
- (vi) the member account ID of Computershare, in its capacity as CREST receiving agent, being ASSURA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction; this must be the full amount payable on application for the number of Open Offer Shares referred to in (i) immediately above;
- (viii) the intended settlement date; this must be on or before 11.00 a.m. on 15 February 2011; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by reviewing the relevant corporate action details in CREST.

In order for an application under the Open Offer by a Qualifying CREST Shareholder for all or part of his entitlement to Open Offer Shares to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 February 2011.

In order to assist prompt settlement of the USE instruction a CREST member (or his sponsor, where applicable) may consider adding the following non-mandatory fields to his USE instruction:

- (1) contact name and telephone number (in the free format shared note field); and
- (2) a priority of at least 80.

The last time at which a USE instruction may settle on 15 February 2011 is 11.00 a.m. on that date.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 February 2011 or such later time, being the later of (a) the date falling 50 Business Days after the date on which the Prospectus, Circular and Offer Document are published and (b) the first to occur of (i) the date falling 30 Business Days after the Offer becomes wholly unconditional and (ii) the date on which the Offer lapses or is withdrawn (or such later date and time as all of the Company, Cenkos and Investec may in their discretion determine), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the receiving agents will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days afterwards. Any interest earned on such monies will be retained for the Company's benefit.

Open Offer Entitlements held in CREST are expected to be disabled after the close of business on 15 February 2011 (the latest date for applications under the Open Offer). If the conditions to the Open Offer are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 8.00 a.m. on 17 February 2011). On this day Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding this or any other provision of this document or the Application Form, the Company reserves the right to send an Application Form to a Qualifying CREST Shareholder instead of crediting the relevant stock account with Open Offer Entitlements or to issue any Open Offer Shares in certificated form for any reason. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or the facilities and/or systems operated by Computershare in connection with CREST. This right may be exercised if CREST member account details held by Computershare on behalf of shareholders are incorrect or if Computershare is unable for any reason to credit the CREST member account.

(e) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 February 2011 will constitute a valid application under the Open Offer.

(f) CREST procedures and timings

Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as is necessary to ensure that a valid application is made through the CREST system as stated above by 11.00 a.m. on 15 February 2011.

(g) Incorrect sums

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (with any interest retained for the Company's benefit);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, save that any sums of less than 25 pence will be retained for the Company's benefit; or

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the USE instruction, refunding any unutilised sums to the CREST member in question, save that any sums of less than 25 pence will be retained for the Company's benefit.

(h) Effect of valid application

A Qualifying CREST Shareholder who makes or is treated as making a valid application for some or all of his pro rata entitlement to Open Offer Shares in accordance with the procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms in this document, subject to the Articles;
- (iii) agree that all applications and contracts resulting from it under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) represent and warrant that he is not, nor is he applying on behalf of any shareholder who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any of the Restricted Territories and he is not applying with a view to reoffering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any of the Restricted Territories;
- (v) represent and warrant that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation other than that contained in this document and, accordingly, he agrees that no person responsible solely or jointly for this document or any part of it or involved in the preparation of it, shall have any liability for such information or representation not contained in this document and further agrees that having had the opportunity to read this document, he will be deemed to have had notice of all the information contained in this document; and
- (vii) represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlement or that he has received such Open Offer Entitlement by virtue of a bona fide market claim.

(i) Company's discretion as to rejection and validity of applications

The Company may in consultation with its brokers:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 10;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or afterwards, either the Company or Computershare have received actual notice from Euroclear of any of the matters specified in regulation 35(5)(a) of the Uncertificated Security Regulations in relation to the first instruction. The matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or a CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE

instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) the CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

4 Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Certificated Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements in the Application Form may be deposited into CREST (either into the account of the Qualifying Certificated Shareholder named in the Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form should ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 February 2011.

The recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 10 February 2011, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting the withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 9 February 2011, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 15 February 2011.

Delivery of an Application Form with the CREST deposit form duly completed either in respect of a deposit into the account of the Qualifying Certificated Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Computershare by the relevant CREST member that he is not in breach of the provisions of the section headed "Instructions for Transfer and Splitting" on page 3 of the Application Form, and a declaration to the Company and Computershare from the relevant CREST member that he is not a citizen or resident of a Restricted Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of the bona fide market claim.

5 Withdrawal rights

Qualifying holders wishing to exercise statutory withdrawal rights after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (which shall include a notice sent by fax but not any other form of electronic communication), which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such a person is a CREST member, the participant ID and the member account ID of such CREST member, with Computershare at Corporate Actions Projects, Bristol BS99 6AH or by fax to 0870 703 6112, so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by Computershare after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Assura Shareholder of his subscription in full and the allotment of Open Offer Shares to such Qualifying Assura Shareholder becoming unconditional. In such an event shareholders should seek independent legal advice.

6 Money Laundering Regulations 2007

Computershare may be required, pursuant to the Money Laundering Regulations 2007 and other applicable rules and regulations, to check the identity of persons who subscribe for Open Offer Shares in

excess of the sterling equivalent of €15,000. Computershare may therefore undertake electronic searches for the purposes of verifying identity of the person by whom or on whose behalf the Application Form is lodged with payment. To do so Computershare may verify the details against the applicant's identity, but also may request further proof of identity. Computershare reserve the right to withhold any entitlement (including any refund cheque) until verification of the applicant's identity is completed to its satisfaction. If an Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations 2007, any verification of identity requirements are the responsibility of such broker or intermediary and not of the receiving agents. In such case, the lodging agent's stamp should be inserted on the Application Form.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch of a bank or building society in the United Kingdom. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Computershare A/C "Assura Group Limited". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the Application Form.

The person ("the acceptor") who, by lodging the Application Form with payment and in accordance with the other terms as described above, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to in it ("the relevant Open Offer Shares") will be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it, the Company, in consultation with Investec, may treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

- (a) the acceptor is an organisation required to comply with the Third Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist activity - no. 2005/60/EC);
- (b) the acceptor (not being an acceptor who delivers his acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- (c) the aggregate subscription price for the relevant Open Offer Shares is less than the sterling equivalent of €15,000.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by bank or building society cheque (not being a cheque drawn on an account of the acceptor) or banker's draft, by the building society or bank endorsing on the cheque or draft the acceptor's full name and the number of an account held in the acceptor's name at such bank or building society, such endorsement being validated by a stamp and an authorised signature; and
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Luxembourg, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form(s) and written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority.

In order to confirm the acceptability of any written assurance referred to in paragraph (b) above, or in any other case, the acceptor should contact the Receiving Agent on the contact details referred to at page 18 of this document.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of the sterling equivalent of €15,000 or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his original passport) and separate evidence of his address (such as an original utility bill).

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 15 February 2011, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

7 Overseas shareholders

The distribution of this document and the making of the Open Offer to persons located or resident in, or who are citizens of, or which are corporations, partnerships or other entities created or organised under the laws of, or who have a registered address in, countries outside the UK or to persons who are nominees of, or custodians, trustees or guardians for, citizens or residents in countries outside the UK may be restricted by the law or regulatory requirements of the relevant jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Any shareholder who is in any doubt as to his position should consult an appropriate professional adviser without delay.

The Open Offer Shares have not been, and will not be, registered under the US Securities Act and are being offered only outside the United States in offshore transactions in accordance with Regulation S of the US Securities Act.

Receipt of this document and/or the Application Form will not constitute an invitation to subscribe for Open Offer Shares in those jurisdictions in which it would be illegal to make such an invitation or any related offer and/or acceptance and, in those circumstances, this document and/or the Application Form will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or the Application Form in any territory outside the UK may treat it as constituting an invitation or offer to him, or use the Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him and such an Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons receiving a copy of this document and/or the Application Form should not, in connection with the Open Offer or otherwise, distribute or send it to any person in, or citizen or resident of, or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or the Application Form is received by any person in any such territory, or by his agent or nominee in any such territory, he must not seek to apply for Open Offer Shares. Any person who does forward this document and/or the Application Form into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

Any person (including, for example, custodians, nominees and trustees) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments in this paragraph are intended as a general guide only and any Qualifying Assura Shareholder who is in any doubt as to his position should consult his appropriately authorised professional adviser without delay.

Due to restrictions under the securities laws of the Restricted Territories, subject to certain exceptions, no Application Forms will be sent to, and no Open Offer Entitlements will be credited to a CREST stock account of Overseas Shareholders with registered addresses in, and the Open Offer Shares may not be transferred or sold to or into or delivered in, any of the Restricted Territories. Accordingly, no offer of

Open Offer Shares is being made by virtue of this document into any of the Restricted Territories. This document is being sent to shareholders in the Restricted Territories for information only.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company believes or its agents believe that it may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST to a CREST member whose registered address would be, in a Restricted Territory or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or shares.

Any Qualifying Assura Shareholder in jurisdictions outside the UK other than the Restricted Territories may, subject to the laws of his relevant jurisdiction, take up Open Offer Shares in accordance with the instructions in this document and, where applicable, the Application Form. Such a Qualifying Assura Shareholder who has a registered address in, or who is resident in, or who is a citizen of, any country outside the UK should, however, consult his appropriate professional advisers as to whether he requires any governmental or other consents or needs to observe any other formalities to enable him to take up his Open Offer Shares.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Assura Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied at any time prior to 11.00 a.m. on 15 February 2011 that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

If a Qualifying Assura Shareholder is in any doubt as to his eligibility to take up Open Offer Shares, he should contact an appropriate professional adviser immediately.

8 Assura Employee Share Plans

In accordance with the rules of the Assura Employee Share Plans, the Directors (or a duly authorised committee of the Directors) and/or, if appropriate, the trustees of the EBT may make adjustments to the terms of outstanding options and share awards to take account of the Placing and Open Offer. Such adjustments will, for any Assura Employee Share Plan which is approved by HM Revenue & Customs, be subject to the prior approval of HM Revenue & Customs. The Company will notify participants in the Assura Employee Share Plans of any such adjustments in due course.

9 Taxation

Your attention is drawn to paragraph 15 of Part 11 of this document. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

10 Times and dates

The times and dates in the expected timetable of principal events at the beginning of this document may be adjusted by agreement between the Company and Investec, in which event details of the new times and dates will be notified to a regulatory information service and, where appropriate, to Qualifying Assura Shareholders.

11 Governing law

The terms and conditions of the Open Offer in this document or (where applicable) the Application Form, and all non-contractual obligations of any person arising out of or in connection with any contract to which such terms apply, shall be governed by, and construed in accordance with, English law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute (including any non-contractual claims and disputes) which may arise out of or in connection with the Open Offer, this document and the Application Form. By taking up any part of his entitlement under the Open Offer in accordance with the instructions in this document and the Application Form, a Qualifying Assura Shareholder irrevocably submits to the jurisdiction of the Courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

12 Admission to trading and dealing arrangements

Applications will be made to the UK Listing Authority for the Open Offer Shares to be admitted to the Official List and to the London Stock Exchange's main market for listed securities for such shares to be admitted to trading. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence by 8.00 a.m. on 17 February 2011.

Subject to the satisfaction of the conditions of the Placing and Open Offer, the Open Offer Shares will be registered in the names of the persons to whom they are issued, either:

- (a) in certificated form, with the relevant share certificate expected to be despatched by post, at the applicant's risk, by 3 March 2011; or
- (b) in CREST, with delivery (to the designated CREST account) of the Open Offer Shares applied for expected to take place on 17 February 2011 unless the Company exercises its right to issue such Open Offer Shares in certificated form.

The result of the Open Offer will be announced on a Regulatory Information Service. No temporary documents of title will be issued. All documents or remittances sent by or to an applicant, or as he may direct, will be sent through the post at his own risk.

PART 11

ADDITIONAL INFORMATION

1 Responsibility

Assura and its directors, whose names and functions are set out in paragraph 2(a) below, accept responsibility for the information contained in this document. To the best of the knowledge of Assura and its directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors

- (a) The Directors and their respective functions are:

Name	Function
Rodney Baker-Bates	Non-executive Chairman
Nigel Rawlings	Chief Executive Officer
Clare Hollingsworth	Non-executive Director
Peter Pichler	Non-executive director

- (b) The Directors' business address is 3300 Daresbury Business Park, Warrington, Cheshire WA4 4HS. Their brief biographies are:

Rodney Baker-Bates (age 67 and appointed in April 2008) is a fellow of the Institute of Chartered Accountants and the Institute of Bankers and an associate of the Institute of Management Consultants. He qualified with Arthur Andersen and was Managing Director of UK Banking at Midland Bank and Chief Executive of Prudential Financial Services. In 1993, he joined the management committee of the BBC responsible for finance and technology. He holds a number of Chairman and Non-Executive Director positions with Stobart Group Limited, Bedlam Asset Management plc, EG Solutions Limited, Co-Operative Financial Services Limited, G's Group Holdings Limited and AtlasFram Group Limited.

Nigel Rawlings (age 54 and appointed in April 2008) qualified as a chartered accountant with Price Waterhouse in 1980. Nigel was Finance Director and Company Secretary of Rowlinson Securities plc, a listed property and contracting group from 1987 to 1994 and was Chief Financial Officer and Company Secretary of Barlows plc, a formerly listed property development and investment company from 1996 to 2003. Between 2002 and 2007 he was Chief Financial Officer of the Westbury Property Fund Limited, a listed commercial property and property related venture fund. He was the Chief Financial Officer of Assura from its formation until his appointment as Chief Executive Office of the Company on 15 March 2010. He is also a Non-Executive Director of Mobilizer Limited.

Clare Hollingsworth (age 50 and appointed July 2008) is the Non-Executive Deputy Chairman and former Chief Executive of Spire Healthcare Limited and a Non-Executive Director of Eurostar International Limited. She sat on the board of Ambea AB (a Scandinavian healthcare business) between July 2009 and March 2010. She was Managing Director of BUPA Hospitals from 1999 to 2007 and Managing Director of Caledonian Airways between 1990 and 1997, was subsequently a Non-Executive Director of Caledonian Airways from 1997 to 1999 and is a Fellow of the Royal Society of Arts. She also represents the Company's interest on the board of Virgin Healthcare Holdings Limited.

Peter Pichler (age 61 and appointed April 2005) qualified as a chartered accountant with Ernst & Young. He left public practice in 1979 and took positions in treasury, banking and financial services with Midland Bank, HSBC and Deutsche Bank. He moved with Midland Bank to Jersey in 1988 and retired from Deutsche Bank's Offshore Group as Chief Executive in 2005 before joining Maurant, a legal and financial services businesses, initially as a strategic business consultant and subsequently as Group Chief Operating Officer. On 9 September 2010 he became the Company's Senior Independent Director.

- (c) The table below sets out the details of all companies and partnerships of which the Directors are or have been directors or partners in the period of five years immediately preceding the date of this document:

<i>director</i>	<i>company / partnership</i>	<i>position</i>	<i>still held:</i>
Rodney Baker-Bates	AtlasFram Group Limited	Director	Yes
	Bedlam Asset Management plc	Director	Yes
	EG Solutions plc	Director	Yes
	G's Group Holdings Limited	Director	Yes
	The Co-operative Bank plc	Director	Yes
	Co-operative Financial Services Limited	Director	Yes
	Co-operative Insurance Society Limited	Director	Yes
	Dolphin Square Trust Limited	Director	Yes
	Stobart Group plc	Director	Yes
	The Royal National Pension Fund for Nurses	Director	Yes
	Xtaq Limited	Director	Yes
	Cabot Financial Holdings Group Limited	Director	No
	C. Hoare & Co.	Director	No
	Firstassist Group Holdings Limited	Director	No
	Firstassist Services Holdings Limited	Director	No
	Helphire Group plc	Director	No
	Lloyd's Register of Shipping Trust Corporation Limited	Director	No
	Lloyd's Register Superannuation Trustees Limited	Director	No
	Playphone Europe Limited	Director	No
	Strategic Investments Group Limited	Director	No
	The Burdett Trust for Nursing	Director	No
Nigel Rawlings	Dudley Infracare Lift Limited	Director	Yes
	Hemvale (6) Limited	Director	Yes
	Hybrid Combustion Limited	Director	Yes
	Infracare Dudley Limited	Director	Yes
	Infracare Midlands Limited	Director	Yes
	Mobilizer Limited	Director	Yes
	Barlows Eastbourne Ventures Limited	Director	No
	Barlows L.P. (No.1) Limited	Director	No
	Eddie Stobart Limited	Director	No
	Inhoco 3185 Limited	Director	No
	Private Investment Exchange Limited	Director	No
	Stobart Group Limited	Director	No
	Westbury (Yorkshire) Limited	Director	No
	Westlink Group Limited	Director	No
Peter Pichler	Weston Point Studios Limited	Director	No
	Berrington Capital LLP	Designated Member	Yes
	BHI Jersey Limited	Director	Yes
	Mourant Ozannes 1 Limited	Director	Yes
	Mourant Ozannes 2 Limited	Director	Yes
	Mourant Ozannes Corporate Services (Jersey) Limited	Director	Yes
	Mourant Ozannes (GP) Limited	Director	Yes
	Mourant Ozannes Services (Guernsey) Limited	Director	Yes
	Mourant Ozannes Services Limited	Director	Yes
	Mourant Cayman Limited	Director	Yes
	Mourant Ozannes Property Holdings (Jersey) Limited	Director	Yes
	Smart Store Limited (now Mourant Ozannes Services Limited)	Director	Yes
	Deutsche Asset Management Holdings BV	Director	No
	Deutsche Bank (Cayman) Limited	Director	No
	Deutsche Bank (Mauritius) Limited	Director	No
	Deutsche Bank Custodial Services (C.I.) Limited	Director	No
	Deutsche Bank International Limited	Director	No

<i>director</i>	<i>company / partnership</i>	<i>position</i>	<i>still held:</i>
	Deutsche Bank International Trust Co (Cayman) Limited	Director	No
	Deutsche Bank International Trust Co (Jersey) Limited	Director	No
	Deutsche Bank International Trust Co Limited	Director	No
	Deutsche Bank Investments (Jersey) Limited	Director	No
	Deutsche Bank Nominees (Jersey) Limited	Director	No
	Deutsche Bank Services (Jersey) Limited	Director	No
	Deutsche International Custodial Services (Ireland) Limited	Director	No
	Deutsche International Custodial Services Limited	Director	No
	Deutsche International Financial Services (Ireland) Limited	Director	No
	Deutsche International Holdings B.Y.	Director	No
	Deutsche International Trust Co. (Mauritius) Limited	Director	No
	Deutsche Overseas Holdings (Netherlands) B.V.	Director	No
	Dumaresq Investment Holding Co Limited	Director	No
	Dumaresq Street Nominees Limited	Director	No
	Mourant UK Limited (formerly Mourant Services (London) Limited)	Director	No
	Mourant & Co. Secretaries Limited	Director	No
	Mourant Cayman Holdings (BVI) Limited	Director	No
	Mourant Client Treasury Services Limited	Director	No
	Mourant Holdings Limited	Director	No
	Mourant Services Limited	Director	No
	Mourant Services (London) Limited	Director	No
	Mourant Services (Guernsey) Limited	Director	No
	Morgan Grenfell Overseas Insurance Limited	Director	No
	Morstapen Investments Limited	Director	No
	State Street Services (UK) Limited	Director	No
	St Paul's Gate Property Limited	Director	No
	Stralo Limited	Director	No
	Pitt Street Nominees Limited	Director	No
Clare Hollingsworth	Eurostar International Limited	Director	Yes
	Spire Healthcare Holdings Limited	Director	Yes
	Virgin Healthcare Holdings Limited	Director	Yes
	BHS Leasing (1992) Limited	Director	No
	BHS Leasing (1994) Limited	Director	No
	BHSL Properties Limited	Director	No
	Bupa Power & Leasing Limited	Director	No
	Bupa Purchasing Limited	Director	No
	Dolphyn Court Properties Limited	Director	No
	Hospitals Leasing (One) Limited	Director	No
	Hospitals Leasing (Two) Limited	Director	No
	Independent Healthcare Forum Limited	Director	No
	Indexscreen Limited	Director	No
	Personal Effectiveness Centre Limited	Director	No
	SHC Holdings Limited	Director	No
	SHC Medical Supplies Limited	Director	No
	Spire Healthcare Limited	Director	No
	Spire Healthcare Group Limited	Director	No
	Spire Healthcare (Holdings) Limited	Director	No
	Spire Healthcare Medical Supplies Limited	Director	No
	Spire Healthcare Properties Limited	Director	No
	Spire Healthcare Property Holdings Limited	Director	No
	Spire Property Trustee Limited	Director	No

<i>director</i>	<i>company / partnership</i>	<i>position</i>	<i>still held:</i>
	Spire Property 1 Limited	Director	No
	Spire Property 1A Limited	Director	No
	Spire Property 2 Limited	Director	No
	Spire Property 3 Limited	Director	No
	Spire Property 4 Limited	Director	No
	Spire Property 5 Limited	Director	No
	Spire Property 6 Limited	Director	No
	Spire Property 7 Limited	Director	No
	Spire Property 8 Limited	Director	No
	Spire Property 9 Limited	Director	No
	Spire Property 10 Limited	Director	No
	Spire Property 11 Limited	Director	No
	Spire Property 12 Limited	Director	No
	Spire Property 13 Limited	Director	No
	Spire Property 14 Limited	Director	No
	Spire Property 15 Limited	Director	No
	Spire Property 16 Limited	Director	No
	Spire Property 17 Limited	Director	No
	Spire Property 18 Limited	Director	No
	Spire Property 19 Limited	Director	No
	Spire Property 20 Limited	Director	No
	Spire Property 21 Limited	Director	No
	Spire Property 22 Limited	Director	No
	Spire Property 23 Limited	Director	No
	Spire Property 24 Limited	Director	No
	Spire Property 25 Limited	Director	No
	Spire Redwood Hospital Limited	Director	No
	Spire UK Holdco 1A Limited	Director	No
	Spire UK Finance Limited	Director	No
	Spire Washington Hospital Limited	Director	No
	Teddies Childcare Provision Limited	Director	No
	Teddies Nurseries Limited	Director	No
	Teddies Sports Limited	Director	No
	The Richard Villar Practice Limited	Director	No
	Tunbridge Wells Independent Hospital Limited	Director	No
	Rozier No 1 Limited Partnership	Partner	Yes

- (d) During the five years immediately prior to the date of this document no director has:
- (i) been convicted in relation to fraudulent offences;
 - (ii) been associated with any bankruptcies, receiverships or liquidations whilst acting in their capacity as a member of an administrative, management or supervisory body of a company or partnership or as a senior manager of a company or partnership; or
 - (iii) received an official public incrimination and/or sanction by a statutory or regulatory authority (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- (e) As at the date of this document there are no potential conflicts of interests between the duties of any Director of the Company and his private interests or other duties.

3 Incorporation and status

- (a) The Company was incorporated and registered in Guernsey on 7 October 2003 under the Companies (Guernsey) Laws, 1994 to 1996 (as amended) as a limited company under the name "The Medical Property Investment Fund Limited" and with registered number 41230. Assura's name was changed to "Assura Group Limited" on 27 October 2006.
- (b) Assura is domiciled in Guernsey with its registered address at PO Box 327, Isabelle Chambers, Route Isabelle, St Peter Port, Guernsey GY1 3TX. Its telephone number is 01481 735540.

Assura's principal place of business is in the UK at 3300 Daresbury Business Park, Warrington, Cheshire WA4 4HS. Its telephone number is 01928 737000.

- (c) The Companies (Guernsey) Law, 2008 (as amended) comprises the principal legislation under which Assura operates and under which any Ordinary Shares created since 1 July 2008 have been created. Ordinary Shares created before 1 July 2008 were created under the Companies (Guernsey) Laws, 1994 to 1996 (as amended). The liability of the members of the Company is limited.

4 Share capital

- (a) On 1 April 2007 the Company's authorised share capital was £32,000,000, divided into 300,000,000 Ordinary Shares of 10 pence each and 20,000,000 preference shares of 10 pence each. Its fully paid share capital was £23,399,847.10 consisting of 233,998,471 Ordinary Shares.
- (b) Since 1 April 2007 the Company has issued shares as follows:
 - (i) an ordinary resolution was passed on 6 August 2008 increasing the authorised share capital from £32,000,000 comprising 300,000,000 Ordinary Shares and 20,000,000 Preference Shares to £302,000,000 by the creation of 2,700,000,000 new Ordinary Shares;
 - (ii) on 14 September 2007 the Company issued 464,644 Ordinary Shares pursuant to the settlement of deferred consideration in relation to the acquisition of Assura LIFT Holdings Limited in 2006;
 - (iii) on 12 October 2007 the Company issued 750,000 Ordinary Shares pursuant to the acquisition of Urosonics Limited and Cystocope Hire Limited;
 - (ii) on 14 August 2008 the Company issued 731,665 Ordinary Shares pursuant to the scrip dividend approved by the Company in general meeting on 6 August 2008; and
 - (iii) on 18 November 2008 the Company issued 81,081,080 Ordinary Shares under a placing at a subscription price of 37 pence each.
- (c) On 1 April 2009 there were 317,467,036 fully paid Ordinary Shares in issue. On 31 March 2010 there were 317,467,036 fully paid Ordinary Shares in issue.
- (d) The Consideration Shares and the Open Offer Shares will be issued pursuant to an ordinary resolution that was passed at the annual general meeting of Assura held on 9 September 2010 that granted the Assura Directors the authority to allot up to an aggregate amount of 105,820,000 Ordinary Shares of 10 pence each for the period up to the date of the next annual general meeting of Assura after the passing of the resolution. The Firm Placed Shares will be issued pursuant to the authority, if granted, under Resolution 4, details of which are set out in the notice of the Assura EGM at the end of the Circular.
- (e) Application has been made to the London Stock Exchange for the New Assura Shares to be admitted to listing on the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that dealings in the Open Offer Shares will commence at 8.00 a.m. on 17 February 2011, and that dealings in the Consideration Shares and Firm Placed Shares will commence, subject to the satisfaction of certain conditions, at 8.00 a.m. within five Business Days following the day on which the Offer becomes or is declared unconditional in all respects (save only for the condition relating to Admission of the Open Offer Shares and the Consideration Shares).
- (f) As at 26 January 2011 (the latest practicable date prior to the publication of this document) 317,467,036 fully paid Ordinary Shares were in issue. It is expected that on Admission, assuming all AHMP Shareholders, other than those who have given irrevocable undertakings to make no election under the Cash Alternative, validly elect for and receive the maximum amount of cash available under the Cash Alternative in consideration for their AHMP Shares, 34,876,984 fully paid Ordinary Shares (including all the New Assura Shares) will be in issue and that the New Assura Shares will represent 21.5 per cent. of the enlarged share capital.
- (g) All of the new Ordinary Shares will be in registered form and, subject to the new Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertified form. No temporary document of title will be issued. The ISIN of the existing issued Ordinary Shares is GB0033732602. The existing Ordinary Shares are traded on the London Stock Exchange and are not traded on any other regulated or equivalent market.

- (h) The New Assura Shares will be subject to the rules concerning mandatory takeover bids and sell-out rules under the City Code.

5 Directors' interests in shares

- (a) As at 26 January 2011 (the latest practicable date prior to the publication of this document) the Directors' interests in the Company's issued shares were:

<i>director</i>	<i>number of Ordinary Shares</i>	<i>percentage of current issued shares</i>
Rodney Baker-Bates	213,827	0.07%
Nigel Rawlings	1,512,839	0.48%
Peter Pichler	123,844	0.04%
Clare Hollingsworth	135,135	0.04%

- (b) As at 26 January 2011 the Directors held the following rights to subscribe for Ordinary Shares under the Incentive Plan:

<i>director</i>	<i>date of grant</i>	<i>interests in grants under the Incentive Plan</i>	<i>expiry date</i>
Nigel Rawlings	15 January 2009	500,000	31 March 2013
	30 June 2007	500,000	31 March 2011

6 Directors' service agreements and letters of appointment

- (a) Particulars of Nigel Rawlings' (as the current sole executive director of the Company) current service agreement with Assura are:

<i>director</i>	<i>date</i>	<i>notice period from either party</i>	<i>salary (£)</i>	<i>bonus</i>	<i>benefits</i>
Nigel Rawlings	27 March 2010	6 months	192,000	as per agreed bonus plan (maximum 50% of salary)	company car, private medical, life assurance, pension

- (b) The service agreement provides that six months' notice shall be given (by the Company or by the employee) to terminate the agreement. During such notice period, the employee may be placed on garden leave (at the Company's discretion) and will continue to receive salary and benefits. Alternatively, the Company may (at its discretion) terminate the employee's employment forthwith by making a payment in lieu of salary and contractual benefits in respect of the notice period, or any unexpired part of it.
- (c) There are no provisions in the executive Director's service agreement for compensation to be payable in the event of early termination of their respective service agreements, other than payment in lieu of notice.
- (d) Particulars of the current letters of appointment between the non-executive Directors and the Company are:

<i>director</i>	<i>date</i>	<i>notice period from either party</i>	<i>annual fee (£)</i>
Rodney Baker-Bates	7 January 2011	3 months	60,000
Peter Pichler	7 January 2011	3 months	50,000
Clare Hollingsworth	7 January 2011	3 months	58,000

- (e) Each non-executive Director is entitled to have the costs of independent legal advice required in connection with the performance of their duties met by the Company. The non-executive Directors are also entitled to be reimbursed for all reasonable expenses incurred in the proper performance of their duties. There are no provisions in the non-executive Directors' letters of appointments for compensation to be payable in the event of early termination of their letters of appointment.

- (f) During the financial year ended 31 March 2010, the amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to each director by the Group members for services in all capacities to the Group were:

<i>director</i>	<i>salary/fee</i> (£)	<i>bonus (£)</i>	<i>benefits in kind (£)</i>	<i>total (£)</i>
Rodney Baker-Bates	89	0	0	89
Nigel Rawlings	242	0	0	242
Peter Pichler	64	0	0	64
Clare Hollingsworth	49	0	0	49

- (g) During the financial year ended 31 March 2010 the total amount set aside by the Group to provide pension, retirement or similar benefits to the Directors was £38,400.

7 Major shareholders

- (a) As at 26 January 2011 (the latest practicable date prior to the publication of this document) the Company has been notified that the following persons were, directly or indirectly, interested in three per cent. or more of the Company's issued Ordinary Shares:

<i>person</i>	<i>number of Ordinary Shares</i>	<i>percentage of current issued shares (%)</i>
Somerston Investments Limited	81,816,736	25.77%
Invesco Limited	62,402,596	19.65%
Aviva PLC	30,199,895	9.51%
Artemis Investment Management LLP	26,749,727	8.43%
RH Moore LP	14,616,936	4.60%
Legal & General Investment Management Limited	12,002,742	3.78%

- (b) None of the persons referred to in paragraph 7(a) above (or their nominees) has or will have different voting rights in relation to their shareholdings in the Company.

8 Group structure and principal subsidiaries

The Company is the holding company of the Group. The Company has the following significant subsidiaries:

<i>name</i>	<i>holding (%)</i>	<i>country of incorporation</i>
Assura Property Limited	100	Guernsey
Assura Properties Limited	100	UK
Assura Properties UK Limited	100	UK
Assura LIFT Holdings Limited	100	UK
Assura Pharmacy Limited	100	UK
Assura Pharmacy Holdings Limited	100	Guernsey
Assura Medical Centres Limited	100	UK
Assura Health Investments Limited	100	UK

9 Corporate governance

The Board is firmly committed to high standards of corporate governance. The Company is not currently subject to the requirements of the Combined Code on Corporate Governance published by the Financial Reporting Council in 2008 (the **Combined Code**) by virtue of being incorporated outside the UK. Nevertheless, Assura considers that as at the date of this document and throughout the previous financial year the Company is and was in compliance with the provisions of the Combined Code. Guernsey, being the Company's place of incorporation, does not have a corporate governance code that is applicable to the Company as at the date of this document.

Currently, the Board is composed of four members, consisting of the Non-executive Chairman and the Chief Executive, together with two Non-executive Directors. The roles of the Non-executive Chairman and Chief Executive are distinct and separate, with a clear division of responsibilities.

The Board has established Audit, Remuneration, Nominations and Disclosure Committees, with formally delegated duties and responsibilities with written terms of reference.

(a) Audit Committee

The Audit Committee comprises Peter Pichler (who the Company considers to have sufficient experience to be suitably qualified) as its Chairman with Clare Hollingsworth and Rodney Baker-Bates as its other members.

The terms of reference of the Audit Committee require it to meet at least three times a year as required or requested by any of its members or the Company's auditors.

At least once a year, the Audit Committee must meet in private with the auditors without the presence of any of the executive management.

The Audit Committee is required, amongst other matters, to consider the integrity of the Group's and the Company's financial statements, critical accounting policies and practices and changes to them, review and challenge significant financial actions and judgments of management in relation to the Financial and Interim Statements and consider compliance with relevant accounting, UKLA and legal standards and requirements. It is also required to review and monitor the policies and processes for internal controls and systems and the identification of risks and the strategies for risk mitigation.

(b) Remuneration Committee

The Remuneration Committee is comprised of Clare Hollingsworth as Chairman, Peter Pichler and Rodney Baker-Bates. Although established to meet at least once a year, it is anticipated that it will meet on three occasions annually.

The Remuneration Committee is responsible for determining the pay and benefits and contractual arrangements for the senior management team (Chief Executive and other PDMRs). It has no authority in relation to the remuneration of the Non-Executive members of the Board. It aims to develop and recommend remuneration strategies that drive performance and reward it appropriately. The Committee is required to pay regard to the principles and provisions of good governance contained in the Combined Code.

10 Property

The material tangible fixed assets of the Group as at 31 March 2010 were as set out in the Annual Report and Accounts of the Company for the year ended 31 March 2010. The Company has invested approximately £1 million in tangible fixed assets since 31 March 2010.

As far as the Directors are aware there are no environmental issues affecting the Company's utilisation of its fixed assets.

11 Employees

The total number of the Group's employees at 31 March 2010 was 396. This number includes a total of 58 employees who are employed in a joint venture with GP Care UK Limited branded 'GP Care Pharmacy'.

12 Memorandum and articles of incorporation

The memorandum of incorporation of the Company was amended on 3 April 2008 by the removal of the restriction on the Company from carrying on a trade. The memorandum of incorporation of the Company now provides that the Company's principal object is to carry on business as a general commercial company. The objects of the Company are set out in full in clause 3 of its memorandum of incorporation, which is available for inspection at the address specified at paragraph 21 of this Part 11.

The Articles were adopted by written resolution on 17 November 2003 and amended by special resolutions dated 12 May 2006 and 6 August 2008 and include provisions to the following effect:

(a) *Issues of shares*

Subject to the relevant statutes and the provisions of the Articles, the Board may allot, grant options over, or otherwise dispose of, shares to such persons, at such times and on such terms as they think proper subject to any special rights attached to any class of shares.

(b) *Preference shares*

(i) *Dividends*

The holder or holders of Preference Shares are entitled to, in priority to the holders of any other class of share, a fixed cumulative preferential net cash dividend at the rate of 6p per Preference Share per annum (**Preference Dividend**).

The Preference Dividend shall be deemed to be declared on 31 March and 30 September in each year (**Dividend Date**). If any Preference Shares are issued otherwise than on a Dividend Date such Preference Shares shall be entitled to a Preference Dividend in respect of the full period since the last Dividend Date.

The Preference Shares confer no other right to participate in the profits of the Company.

(ii) *Capital*

On a return of capital on liquidation or capital reduction or otherwise (other than a redemption or conversion of shares in accordance with the Articles), the surplus assets of the Company remaining after the payment of its liabilities and available for distribution among the members shall be applied:

- (A) in paying to each member holding Preference Shares, in priority to the holders of any other class of share; and then
- (B) in distributing the balance of the assets amongst the members holding Preference Shares and Ordinary Shares (*pari passu* as if they constituted one class of share) in proportion to the numbers of Preference Shares and Ordinary Shares held by them respectively.

The Preference Shares confer no other right to participate on a return of capital by the Company.

(iii) *Conversion*

Subject to the provisions in the Articles, each holder of Preference Shares shall be entitled at the time and in the manner set out in the Articles to convert all or (subject as provided below) some of his Preference Shares into fully-paid Ordinary Shares on the basis set out in the Articles.

The right to convert shall be exercisable on 1 October or 1 April in each year up to and including 1 April 2009 (**Conversion Date**) by completing the notice of conversion endorsed on the share certificate relating to the Preference Shares to be converted and/or a notice in such other form as may from time to time be prescribed by the Board.

Save for adjustment in certain circumstances, each Preference Share shall convert into one Ordinary Share (**Conversion Rate**).

The Board may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing in general meeting of the resolution creating the Preference Shares.

(iv) *Redemption*

Subject to the provisions of the relevant statutes, the Company may at any time upon giving not less than 14 and not more than 90 clear days' notice in writing to the members holding Preference Shares, redeem Preference Shares either in their entirety or in part.

The Company shall pay on each Preference Share redeemed the sum of £1.00 per share together with the amount of arrears of the Preference Dividend due up to the redemption date.

The Preference Dividend on the relevant Preference Shares shall cease to accrue from the date of their redemption unless payment of the redemption money is not made.

(v) *Voting*

The members holding Preference Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company. They shall only be entitled to vote on any resolution at any general meeting of the Company in respect of their holdings of Preference Shares if at the date of the relevant meeting the Preference Dividend (or any part of it) is more than 90 days in arrears (irrespective of whether such dividend is prohibited by the relevant statutes) when the Preference Shares shall carry the voting rights described below.

On each resolution on which the voting rights attaching to Preference Shares are exercisable those members holding Preference Shares who (being individuals) are present in person or by proxy or (being corporations) are present by a duly authorised representative or by proxy shall, on a show of hands, each have one vote.

(vi) *Transfer*

Any holder of Preference Shares who is an individual may at any time during his lifetime transfer Preference Shares to family members or trustees to be held under a family trust, subject to certain provisos.

Any holder of Preference Shares which is a company may transfer shares to any group company save that if any such transferee company ceases to be a group company of the original holder then such shares shall be transferred back to the original holder or any group company of it.

(vii) *Limit on Preference Shares*

The number of Preference Shares in issue shall not exceed 10% of the total number of Ordinary Shares in issue at any time save in circumstances where such percentage is exceeded due to the fact that the Company has purchased shares in its capital (whether out of profits available for the purpose, capital or otherwise).

(c) *Alteration of share capital*

The Company may, from time to time, by ordinary resolution:

- (i) increase its share capital;
- (ii) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
- (iii) cancel any shares which, at the date of the resolution, have not been taken, or agreed to be taken, by any person and reduce its share capital by the amount of the shares so cancelled; and
- (iv) subject to Guernsey law, sub-divide its shares or any of them into shares of a smaller nominal amount, and as between the holders of the shares resulting from the sub-division, one or more of the shares may, as compared with the others, have preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

(d) *Purchase of own shares*

The Company may purchase its own shares of any class, including any redeemable shares, subject to the provisions of Guernsey law and the Articles.

(e) *Reduction of capital*

Subject to the provisions of Guernsey law and the Articles and to any rights conferred on the holders of any class of shares for the time being, the Company may, by special resolution, reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

(f) *Capitalisation of profits and reserves*

The Board may, subject to the Articles, with the authority of an ordinary resolution but subject to any rights attaching to any shares, capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available or standing to the credit of the share premium account or capital redemption reserve or other undistributable reserve by appropriating such sum to the holders of Ordinary Shares in proportion to the nominal amounts of the shares, and applying such sum on their behalf either in paying up in full any shares held by them or in paying up in full unissued shares or debentures and allotting them to such shareholders.

(g) *Variation of rights*

If at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any class may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held.

(h) *Transfer of shares*

The Preference Shares may only be transferred in accordance with the provisions referred to in paragraph 12(b)(vi) above. There are currently no Preference Shares in issue.

All transfers of shares that are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The transfer instrument must be executed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The transferor will remain the holder of the shares until the transferee's name is entered in the register in respect of them. All transfers of Ordinary Shares that are in uncertificated form may be effected by means of CREST.

The Board may, in its absolute discretion, decline to register any transfer of shares unless it is in respect of only one class of share, it is in respect of a share which is fully paid up, it is in favour of a single transferee or not more than four joint transferees and (if it is a certificated share) it is delivered for registration to the office or such other place as the Board may from time to time determine accompanied by the certificate for shares and such other evidence as the Board may reasonably require to prove title of the transferor.

The Board may, in its absolute discretion, refuse to register any transfer of shares which are admitted to the London Stock Exchange that are not fully paid, provided that the exercise of such discretion would not prevent dealings in such shares from taking place on an open and proper basis.

The Board may implement such arrangements, as it in its absolute discretion thinks fit, in order for any class of shares to be admitted to settlement by means of CREST.

Where any class of shares is for the time being admitted to settlement by means of CREST, such securities may be issued in uncertificated form in accordance with and subject to the provisions of the CREST Guernsey Requirements. Unless the Board otherwise determines, such securities held by the same holder or joint holder in both uncertificated form and certificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of CREST and as provided in the CREST Guernsey Requirements.

The Board may determine to register any transfer of shares to a person where such transfer would be in breach of any law or requirement of any country or regulatory authority.

(i) *Voting*

Voting rights relating to the Preference Shares are described in paragraph 12(b)(v) above. Subject to the provisions of Guernsey law, and to any special voting rights or restrictions attached to any class of shares, at a general meeting every holder of Ordinary Shares who is present in person or

(in accordance with Guernsey law) by proxy will have one vote on a show of hands, and on a poll every holder of Ordinary Shares who is present or by proxy will have one vote for every share he holds. An annual general meeting shall be held at such time and place as the Board may determine.

(j) *Untraced shareholders*

Subject to the provisions of the Articles, the Company shall be entitled (subject to certain conditions) to sell shares held by untraceable members at the best price reasonably obtainable.

(k) *Failure to disclose interests in shares*

The Articles provide that the Board shall have power by notice in writing to require any member to disclose to the Company the identity of any person (other than the member) who has any interest in the shares held by that member.

(l) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of Guernsey law and any other relevant statutes, to create and issue debenture and other loan stock and securities whether outright or as collateral security, for any debt, liability or obligations of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of subsidiary undertakings, so as to procure (as far as it can in relation to its subsidiary undertakings) that the aggregate principal amount outstanding in respect of monies borrowed by the Group (exclusive of monies borrowed by one group company from another and after deducting cash deposited) does not at any time, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to three times the nominal amount of the share capital of the Company issued and paid up or credited as paid up and the consolidated reserves of the Group.

(m) *Board*

The Articles provide that, unless otherwise determined by ordinary resolution, the Board (other than any alternate director) will consist of not fewer than two Directors but shall not be subject to a maximum.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including a fixing or varying the terms of his appointment or its termination) as the holder of any office or place or profit with the Company or any company in which the Company is interested.

No person will be disqualified from being appointed or re-appointed a Director, and no Director will be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age nor will it be necessary by reason of his age to give special notice of any resolution for his appointment or re-appointment.

The maximum aggregate annual fees payable to the Directors for services in the office of director shall, unless the Company determines otherwise by ordinary resolution, be £700,000.

Subject to Guernsey law, current and former directors of the Company and alternate directors appointed by them shall be entitled to be indemnified by the Company in respect of liabilities incurred by them in carrying out their duties.

(n) *Directors' interests*

Subject to the provisions of Guernsey law, and provided that he has disclosed to the Board the nature and extent of any interest, a Director:

- (i) may be party to, or otherwise interested in, any contract, arrangement or transaction with the Company or in which the Company is otherwise interested;
- (ii) may act in a professional capacity for the Company, other than as auditor of the Company or a subsidiary undertaking, and be appropriately remunerated;

- (iii) may be a director or other officer of, or be employed by, or be a party to any transaction or arrangement with, or otherwise interested in, any company promoted by or in which the Company is otherwise interested in; and
- (iv) will not, except as otherwise agreed by him, be accountable to the Company for any benefit that he derives from any contract, transaction or arrangement

and no such contract, transaction or arrangement will be voidable because of any interest or benefit disclosed to the Board.

Except as provided below, a Director will not vote at meetings of the Board in respect of any contract, arrangement or proposal in which he has any interest which is material, other than by virtue of an interest in shares, debentures or other securities of the Company. A Director will not be counted in the quorum at a board meeting in relation to any resolution on which he is not entitled to vote at board meetings. Subject to the provisions of Guernsey law, a Director generally will be entitled to vote at board meetings, and generally will be entitled to vote and be counted in the quorum at board meetings in respect of any resolution concerning:

- (i) the giving to him of any guarantee, security or indemnity in respect of (1) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (2) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving security;
- (ii) any proposal concerning an offer of shares, debentures or other securities by the Company or any of its subsidiary undertakings in which he is or may be entitled to participate as a holder of securities or as a underwriter or sub-underwriter;
- (iii) any proposal concerning any other body corporate in which he does not have an interest in 1% or more of the issued equity share capital of any class of that body corporate or of the voting rights available to shareholders of the relevant body corporate;
- (iv) any proposal relating to an arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
- (v) any proposal concerning the purchase or maintenance of insurance for the benefit of directors and/ or officers of the Company.

(o) Dividends

Subject to the provisions of Guernsey law and any other relevant statutes and the Articles, the Company may by ordinary resolution, declare dividends to be paid to members (or any class thereof). No dividend shall exceed the amount recommended by the Board.

No dividend will be paid other than out of the income of the Company as recognised for the purposes of the IFRS or such other standards as may from time to time be adopted by the Board.

Any dividend that is unclaimed for 6 years from the date on which it was declared or became due for payment will be forfeited and will revert to the Company.

The Board may offer holders of Ordinary Shares the right to receive Ordinary Shares, credited as fully paid, in place of all or part of any dividend.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 21 of this Part 11.

(p) General meetings

Every member present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands and to one vote for every share of which he is the holder on a resolution put to the meeting on a poll. The vote of the senior of joint holders who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the holders appear in the Company's register of members in respect of the joint holding.

The Board may convene a general meeting which is not an annual general meeting whenever it thinks fit. The Company is required to give notice of a general meeting to each member other than a

person who, under these Articles or any restrictions imposed on any shares, is not entitled to receive such a notice. An annual general meeting shall be convened on at least 21 clear days' written notice. All other general meetings shall be convened on not less than 14 clear days' written notice.

A member who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.

A corporation which is a member may, by resolution of its directors or other governing body, authorise one or more persons as it thinks fit to act as a representative for it at any general meeting of the Company. The Company may require such a representative to produce a certified copy of the authorising resolution or such other reasonable evidence of his authority before permitting him to exercise any powers on the corporation's behalf at the meeting.

(q) Interests in shares not disclosed to the Company

If the Company gives notice in relation to any shares to a member or another person appearing to be interested in them and the recipient fails to give the Company the information required within a reasonable time as determined by the Board, the holder of such shares is not entitled to attend or vote at a general meeting or exercise any other rights in respect of them in relation to a general meeting or a poll. Where such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (i) the Company may withhold payment of any dividend on them, (ii) the member is not entitled to elect to receive shares instead of a dividend, and (iii) the Board may refuse to register the transfer of any such shares unless the member is not himself in default in supplying the information required and proves to the satisfaction of the Board that no person in default of supplying the information required is interested in any shares which are the subject of the transfer.

13 Share based incentives

The following share incentive arrangements will remain in place following the Placing and Open Offer:

- the Incentive Plan;
- the Sharesave Plan; and
- the EBT.

(a) Incentive Plan

(i) Operation

The Incentive Plan was approved and adopted by Assura Shareholders on 12 May 2006. The Remuneration Committee will supervise the operation of the Incentive Plan.

(ii) Eligibility

Any employee (including an executive Director) of the Group, will be eligible to participate in the Incentive Plan (**Participants**) at the discretion of the Remuneration Committee.

(iii) Grant of units

The Remuneration Committee and/or the trustee of the EBT may grant units under the Incentive Plan, with each unit representing one Ordinary Share.

Units may only be granted under the Incentive Plan within the period of 42 days following:

- the days after the announcement by the Company of its results;
- any day on which changes to the legislation affecting employee share plans is proposed or made;
- the date of commencement of an eligible employee's employment with a company in the Group, but only in respect of that eligible employee; or
- any day on which the Remuneration Committee determines that exceptional circumstances exist which justify the grant of units.

No units may be granted more than ten years after the adoption of the Incentive Plan.

Units granted under the Incentive Plan may not be transferred (other than on death), without the prior consent of the Remuneration Committee or the trustee of the EBT (**Trustee**).

No consideration will be required for the grant of a unit.

(iv) Individual limits

The Remuneration Committee has resolved that no award of units in excess of 100% of base salary, by reference to the share price at the time of the award, should be made in any financial year

(v) Performance conditions

The vesting of units will be subject to performance conditions set by the Remuneration Committee.

The performance conditions applying to existing units may not be waived or amended by the grantor unless in accordance with their terms or an event occurs which causes the grantor to reasonably consider that either a change to the conditions would be a fairer measure of performance and are not materially more or less difficult than the original conditions would have been but for the event in question or the performance condition should be waived (in whole or in part).

(vi) Vesting of Units

Units will only normally vest to the extent that the applicable performance conditions have been satisfied and the Participant remains employed within the Group at the time of vesting.

(vii) Leaving employment

As a general rule, units lapse upon the Participant ceasing to hold employment or be a Director with the Group.

However, in the event of a Participant's death or involuntary cessation of employment such as injury, disability, retirement or in other circumstances at the discretion of the Remuneration Committee, then the Remuneration Committee shall, in its absolute discretion, determine the number of units that shall vest, having regard to the extent to which the relevant performance period has elapsed and the performance condition has been satisfied.

(viii) Corporate events

In the event of a takeover, reconstruction or winding up of the Company, units will vest as determined by the Remuneration Committee in its absolute discretion, taking into account satisfaction of the performance condition over the curtailed performance period.

(ix) Dividend equivalents

The Trustee, after consultation with the Remuneration Committee may after vesting of the units make a cash award to Participants, which shall not exceed the aggregate sum of the dividends payable on the Ordinary Shares subject to units held by the Participant throughout the duration of the performance period.

(x) Rights attaching to Ordinary Shares

All Ordinary Shares transferred under the Incentive Plan will rank *pari passu* with all other Ordinary Shares of the Company for the time being in issue (save as regards any rights attaching to such Ordinary Shares by reference to a record date prior to the date of vesting).

(xi) Variation in share capital

In the event of any variation of the Company's share capital the grantor may make such adjustments to the number of units which, in the reasonable opinion of the grantor, justifies such an adjustment.

(xii) Alterations to the Incentive Plan

The Remuneration Committee may amend the provisions of the Incentive Plan in any respect provided that the prior approval of shareholders in general meeting is obtained for amendments or additions which are to the advantage of Participants, to provisions relating

to eligibility, the time or circumstances in which units may be granted or vest, limits on participation, the basis for determining a Participant's entitlement, and the terms of, the Ordinary Shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply in relation to any minor amendment made to benefit the administration of the Incentive Plan, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any of its subsidiaries or for participants.

(xiii) Termination

The Incentive Plan will terminate on the tenth anniversary of its adoption, or such earlier time as the Board may determine, but the rights of existing Participants will not thereby be affected. In the event of termination, no further units may be granted.

(xiv) Benefits non-pensionable

Benefits under the Incentive Plan are non-pensionable.

(b) *Savesave Plan*

(i) General

The Savesave Plan is a savings-related share option plan designed to be approved by HM Revenue & Customs in accordance with the Income Tax (Earnings & Pensions) Act 2003. The Savesave Plan was approved and adopted by Assura Shareholders on 6 August 2008.

The Savesave Plan will be administered by the Board.

(ii) Eligibility

All UK employees and full-time Directors of the Company and participating companies within the Group with at least 5 years' service are entitled to participate. The Board may also permit executive Directors and employees with a shorter period of service to participate.

It is intended that invitations to apply for options over Ordinary Shares under the Savesave Plan will be made to all eligible employees and executive Directors who are employed on the date invitations under the Savesave Plan are issued. The Board will determine the basis upon which any invitations to apply for options are made.

(iii) The savings contract

To participate in the Savesave Plan, an eligible employee must enter into a Save- As-You-Earn contract (**Savings Contract**) with an appropriate savings carrier approved by the Company, agreeing to make monthly contributions of between £5 and £250 for a specified savings period of three or five years. The Board has discretion to determine which of the Savings Contracts will be available in respect of any invitation to apply for options.

A bonus determined by HM Treasury is payable after the expiration of the savings period.

Applications to participate in the Savesave Plan may be scaled down by the Board, if applications exceed the number of Ordinary Shares available for the grant of options. Such scaling down may include:

- (A) the exclusion of bonuses;
- (B) reducing monthly contributions above a certain level pro-rata; or
- (C) treating elections for a five-year savings plan as elections for a three-year savings plan.

(iv) Option price

Options granted to acquire Ordinary Shares under the Savesave Plan will have an option price determined by the Board, which will not be less than the higher of:

- (A) 80% of the middle market quotation for such Ordinary Shares as derived from the Official List for the dealing day (or, if so determined by the Board, the average of such quotations for the five dealing days) immediately preceding the date on which invitations to apply for options are issued to employees; or

(B) where Ordinary Shares are to be subscribed, their nominal value.

(v) Grant of options

The number of Ordinary Shares over which options may be granted must, as near as possible, be equal to, but not in excess of, that number of Ordinary Shares which may be purchased out of the repayment proceeds (including, any bonus payable) of the relevant Savings Contract at the option price.

Options may only be granted under the Sharesave Plan within the period of six weeks following:

- the day immediately following any general meeting of the Company;
- the announcement by the Company of its results;
- the day on which a new Savings Contract prospectus is announced by HM Treasury or comes into force; or
- any day on which the Board determines that exceptional circumstances exist which justify the grant of options.

No options may be made more than ten years after the adoption of the Sharesave Plan.

Options granted under the Sharesave Plan may not be transferred (other than on death).

No consideration will be required for the grant of the option.

(vi) Exercise of options

Options will normally only be exercisable for a period of six months commencing on the third or fifth anniversary (as the case may be) of the starting date of the related Savings Contract and, if not exercised by the end of that period, the option will lapse.

(vii) Leaving employment

Earlier exercise may be permitted in specified circumstances, including:

- (A) termination of employment as a result of death, injury, disability, redundancy, retirement or the business or company that the employee works for ceasing to be part of the Group;
- (B) on reaching the age of 60;
- (C) where employment ceases more than three years from grant for any reason other than dismissal for misconduct; and
- (D) in the event of a takeover or winding-up of the Company, except in the case of an internal corporate reorganisation when the Board may decide to exchange existing options for equivalent new options over shares in a new holding company.

Except where stated above options will lapse on cessation of employment or directorship with the Group.

(viii) Corporate events

In the event of a takeover, reconstruction or winding up of the Company, options may be exercised within six months of the change of control. Alternatively, options may be exchanged for new equivalent options over Ordinary Shares in the acquiring company where appropriate.

(ix) Rights attaching to Ordinary Shares

All Ordinary Shares allotted or transferred under the Sharesave Plan will rank *pari passu* with all other Ordinary Shares of the Company for the time being in issue (save as regards any rights attaching to such Ordinary Shares by reference to a record date prior to the date of allotment or transfer) and the Company will apply for the listing of any new Ordinary Shares issued under the Sharesave Plan.

(x) Variation of capital

In the event of any variation of the Company's share capital, the Board may make (subject to receiving prior approval of HM Revenue & Customs) such adjustments as it considers

appropriate to the number of Ordinary Shares subject to options and/or the price payable on the exercise of options.

(xi) Limits on the issue of Ordinary Shares

In any ten calendar year period not more than 10% of the issued ordinary share capital of the Company for the time being may be issued or issuable pursuant to rights acquired under the Sharesave Plan and any other employees' share plan adopted by the Company.

For the purposes of this limit, options or other rights to acquire Ordinary Shares which lapse or have been released do not count. However, Ordinary Shares subscribed by the Trustees of the Trust to satisfy rights granted under any employees' share plan established by the Company will count towards this limit.

Ordinary Shares issued or to be issued under awards or options granted before the Company's shares were admitted to trading on the London Stock Exchange will not count towards these limits.

(xii) Alterations to the Sharesave Plan

The Board may amend the provisions of the Sharesave Plan in any respect provided that the prior approval of shareholders in general meeting is obtained for amendments or additions to the advantage of participants to provisions relating to eligibility, limits on participation, the overall limits on the issue of Ordinary Shares, the basis for determining a participant's entitlement, and the terms of, the Ordinary Shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply in relation to any minor amendment made to benefit the administration of the Sharesave Plan, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any of its subsidiaries or for participants.

Any amendment to a key feature of the Sharesave Plan will require HM Revenue & Customs approval before it can take effect.

(xiii) Termination

The Sharesave Plan will terminate on the tenth anniversary of its adoption, or such earlier time as the Board may determine, but the rights of existing participants will not thereby be affected. In the event of termination, no further options will be granted.

(xiv) Employees outside the UK

The Board may at any time without further shareholder approval establish appendices to the Sharesave Plan or further share plans corresponding to the Sharesave Plan for the benefit of employees in non-UK jurisdictions. Any such appendices or plans would be similar to the Sharesave Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further appendices or plans are treated as counting against the relevant limits in the Sharesave Plan.

(xv) Benefits non-pensionable

Benefits under the Sharesave Plan are non-pensionable.

(c) *EBT*

The Assura Group has an employee benefit trust in Jersey which is used to provide Ordinary Shares to some or all employees in connection with some or all of the Assura Employee Share Plans. The EBT was established on 12 May 2006, for the benefit of employees of the Group and their dependants. The trustee of the EBT is Jupiter Trustees Limited, an independent professional trustee incorporated in Jersey.

14 Material contracts of Assura and related party transactions

(a) Facility agreements

(i) *Santander*

Assura Health Investments Limited (**AHIL**) entered into a facility agreement dated 2 March 2010, as amended by a deed of amendment dated 12 August, with Santander UK plc (**Santander**) whereby Santander made available to AHIL a term loan facility in an amount equal to £40,000,000 (**Santander Facility**) for the purpose of funding the purchase of 20 specific properties (**AHIL Properties**). The Santander Facility is fully drawn.

The loan carries interest equal to the aggregate of 1.8% above LIBOR and mandatory costs, with interest periods of 3 months. The loan is repayable in instalments of £250,000 per quarter from 31 March 2013 with the remaining balance to be repaid on 31 March 2015.

The indebtedness under the Santander Facility is secured against a first legal mortgage over the AHIL Properties, a debenture over the assets of AHIL and a charge over the shares in the borrower granted by Assura Group Limited.

The financial covenants require that: (i) the financial indebtedness outstanding under the Santander Facility must not exceed 75% of the market value of the Santander properties (**Security Cover Covenant**); and (ii) the ratio of net rental income from the Santander properties to senior net interest costs under the Santander Facility and any associated hedging shall not be less than 1.4:1 for the first three years of the facility and 1.5:1 thereafter. Each covenant is tested at the end of each financial year of AHIL by reference to its annual financial statements and, in the case of the Security Cover Covenant, by reference to the most recent valuation of the Santander properties.

(ii) *The Royal Bank of Scotland plc*

Assura Investments Limited (**AIL**) entered into a facility agreement dated 25 March 2008 with The Royal Bank of Scotland plc (**RBS**) whereby RBS made available to AIL a term loan facility equal to the lower of £8,250,000 or 75% of the market value of Building 3300, Daresbury Park, Warrington, Cheshire (**RBS Property**) for the purpose of funding the purchase of the RBS Property.

The loan carries interest equal to the aggregate of 1.2% above LIBOR and mandatory costs.

The principle amount of the loan must be repaid on the earlier of the 31 March 2013 or the completion of the sale of the RBS Property (**Repayment Date**). AIL must, on a quarterly basis, apply all surplus rental income (i.e. after interest has been paid to RBS and AIL has been paid up to a maximum amount of £25,800) in permanent reduction of the loan.

The loan is secured by a first legal charge over the RBS Property and a debenture over the assets of AIL.

The financial covenants require that: (i) the ratio of net rental income from the RBS Property to interest payable on borrowings with RBS shall not be less than 1.65:1 (for the period from 1 April 2010 to 31 March 2011), 1.7:1 (for the period from 1 April 2011 to 31 March 2012) and 1.8:1 (for the period from 1 April 2012 to 31 March 2013 and at all times thereafter); and (ii) loan to value of the RBS property shall not exceed 70% (for the period from 1 April 2010 to 31 March 2012) or 65% (from 1 April 2012 and thereafter). These covenants are tested on a quarterly basis. Furthermore, on the date falling 3 months prior to the Repayment Date, the loan expressed as a percentage of the vacant possession property value (and thereafter) must exceed 70%.

(iii) *National Australia Bank Limited*

Assura Properties Limited (**NAB Borrower**) as borrower, Assura Group Limited, Assura Property Limited, Assura Property Management Limited, Assura Properties UK Limited and BHE (Heartlands) Limited (together, **NAB Guarantors**) entered into a term loan agreement with National Australia Bank Limited (**NAB**) as arranger, original lender, agent, security trustee and original hedge counterparty dated 30 March 2009 whereby the lenders made available a term loan facility in an aggregate amount equal to £190,000,000 (**NAB Facility**) for the purpose of refinancing existing indebtedness.

The loan carries interest as follows:

<i>Amount of loan outstanding (£)</i>	<i>Interest</i>
Greater than £160,000,000	Aggregate of 2.25% above LIBOR and mandatory costs
Greater than £130,000,000 but less than or equal to £160,000,000	Aggregate of 2.10% above LIBOR and mandatory costs
Less than or equal to £130,000,000	Aggregate of 1.95% above LIBOR and mandatory costs

Interest periods are for 3 months or any other period agreed between the NAB Borrower and NAB as agent.

Two scheduled repayments of the loan of £30,000,000 each originally due in March 2010 and March 2011 have been made ahead of schedule and the remainder of the loan is due for repayment on the third anniversary of the date on which the loan was drawn down (**Termination Date**). There is an option to postpone the Termination Date by a further year at the NAB Borrower's request. If the NAB Borrower exercises this option, the interest rate for the loan will be the aggregate of 2.95% above LIBOR and mandatory costs.

The loan is secured by: (i) a debenture over the assets of the NAB Borrower and each of the NAB Guarantors (other than Assura Group Limited) incorporating first legal mortgages over more than 100 specific properties; (ii) Scots law standard securities in respect of properties located in Scotland; (iii) a Scots law assignation of rental income in respect of properties located in Scotland; and (iv) a fixed charge over the entire issued share capital of Assura Property Limited granted by Assura Group Limited, each in favour of NAB as security trustee.

The financial covenants require that: (i) loan to value for the portfolio properties must not exceed 80; (ii) financial indebtedness of the Assura Group to gross asset value of the Assura Group must not exceed 65%; (iii) net rental income from the portfolio properties to interest costs under the NAB Facility (in each case both actual and projected for the next 12 months) must be not less than 130%; and (iv) the ratio of net rental income from the portfolio properties for the remaining life of the occupational leases in respect of those properties to the aggregate of estimated rental value in respect of vacant properties (in the most recent valuation) and the annual rent reserved under an occupational lease, for a period of 12 months from the relevant calculation date shall be greater than 12.50:1.00. These covenants are tested on a quarterly basis.

(iv) *General Practice Finance Corporation Limited*

Assura Medical Centres Limited (**AMCL**) entered into a series of 21 facility agreements between 13 August 2008 and 29 September 2010 with Aviva Commercial Finance Limited (**Aviva**) (**Aviva Facility Agreements**). Pursuant to the Aviva Facility Agreements, Aviva made available to AMCL loan facilities of up to an aggregate of £96,009,000, with the amount of the individual loans ranging from £609,000 to £12,900. These loans were made available for the purpose of funding the refinancing and/or development of certain of AMCL properties.

The loans carry interest at fixed rates of between 5.73% and 6.49%, with interest payable on a quarterly basis. The Aviva Facility Agreements are for terms ranging from 13 years to 30 years (the average term being 19 1/3 years). The indebtedness under the Aviva Facility Agreements is secured against first legal charges over specified properties and assignments over specific agreements and/or rental income (depending on the nature of the relevant Aviva Facility Agreement).

The financial covenants require that rental income from the relevant property (adjusted, where the relevant lease is not on a full repair and insurance basis, for the anticipated costs of the repair and insurance of the property subject to the lease) is equal to or exceeds 103% of the aggregate of interest and capital repayments payable on each interest payment date for the relevant Aviva Facility Agreement (in the case of GPFC Facility Agreements provided for the purpose of developing the relevant property, this covenant is relevant only following the date of practical completion). AMCL has the opportunity to cure any breach of this covenant by

prepaying an amount of the loan, depositing an amount into a bank account charged to Aviva or providing additional security to Aviva.

(b) Sale of Assura Medical Limited to Virgin Healthcare Holdings Limited

Pursuant to a share purchase agreement (**SPA**) dated 2 March 2010, Assura Services Limited (for the purposes of this section, the **Seller**), a wholly owned subsidiary of Assura, agreed to sell the entire share capital in Assura Medical Limited to Virgin Healthcare for a total consideration of £4,000,024.90, subject to any post-completion adjustments (if any), satisfied by the issue of shares in Virgin Healthcare and the issue of £4 million of loan notes in Virgin Healthcare. Assura provided a guarantee to Virgin Healthcare in respect of any amounts owing from the Seller to Virgin Healthcare under the SPA and any losses suffered by Virgin Healthcare as a result of the Seller failing to fulfil its obligations under the SPA. Assura also entered into a restrictive covenant not to compete with the business of Assura Medical Limited for a period of 30 months post completion.

The Seller provided warranties as to its title to the shares, its authority, its solvency, litigation, pensions, intellectual property, assets, accounts, finance and borrowing in relation to Assura Medical Limited. The Seller also provided certain tax warranties and more limited warranties in relation to the joint venture LLPs in which it had an interest. The aggregate liability of the Seller under the warranties and covenants is capped at £4,000,000. The Seller did not have any liability for claims to the extent that such claims, when aggregated with all claims, exceeded £100,000 but was less than £10,100,000 (claims between such amounts being the subject of an insurance policy purchased by Virgin Healthcare). Claims under such warranties may not be brought after 31 March 2012 (in respect of claims other than tax) and seven years after the completion date (in respect of claims for tax).

(c) Placing Agreement

On 19 January 2011, the Company entered into a Placing and Open Offer Agreement (**Placing Agreement**) with Cenkos (as sponsor and placing agent) and Investec (as placing agent and underwriter), pursuant to which (a) the Company has agreed to invite Qualifying Assura Shareholders to apply to acquire New Assura Shares under the Open Offer, (b) Cenkos and Investec have agreed to use reasonable endeavours to procure subscribers for new Assura Shares at the Issue Price under the Placing and Firm Placing, and (c) Investec undertakes to itself subscribe for any New Assura Shares which are not subscribed for pursuant to the Placing and/or the Open Offer and/or pursuant to the Firm Placing subject to the terms and conditions of the Placing Agreement.

The obligations of each of Cenkos and Investec under the Placing Agreement are subject to certain conditions including, amongst others, Admission becoming effective in respect of the Open Offer Shares, on or before the later of (a) the date falling 50 Business Days after the date on which this document, the Circular and the Offer Document are published and (b) the first to occur of (x) the date falling 30 Business Days after the Offer becomes wholly unconditional and (y) the date on which the Offer lapses or is withdrawn (the **PA Long Stop Date**) and, in respect of the Firm Placing, the passing of the Resolutions to the extent required in connection with the Firm Placing and Admission becoming effective by not later than the PA Long Stop Date.

In consideration of their services under the Placing Agreement and in connection with the Offer, the Company has agreed to pay to Cenkos and Investec a basic commission of 3 per cent. of the gross proceeds of the Firm Placed Shares and the Open Offer Shares (such sum to be paid to Cenkos and Investec in equal proportions) but excluding for these purposes Firm Placed Shares subscribed for by Somerston under the Firm Placing and Open Offer Shares actually subscribed by Somerston under the Placing and Open Offer other than any such shares for which Somerston conditionally agrees to subscribe pursuant to a placing letter but does not actually subscribe due to such Shares being clawed back. The Company has also agreed to pay Investec further fixed percentage placing commissions of 0.5 and 0.75 per cent. respectively in respect of all Open Offer Shares and shares subject to valid applications under the Open Offer (the **Placing Commissions**), a fixed percentage underwriting commission of 0.5 per cent. of the Issue Price of all the Firm Placed Shares and the Open Offer Shares and a fixed sum of £100,000 in respect of corporate finance services. Investec will pay to those placees subscribing for Firm Placed Shares and Open Offer Shares that part of the Placing Commissions which is due to them under the terms of the placing letters issued by Investec.

The Company has agreed to pay all other costs and expenses of or incidental to the Placing and Open Offer and related arrangements.

The Placing Agreement contains customary warranties and indemnities for agreements of this nature given by the Company to each of Cenkos and Investec and, in respect of the Firm Placing only, customary termination provisions in favour of each of Cenkos and Investec in the event of change of market or Company circumstances, exercisable until Admission.

(d) Inducement Fee Agreement

Assura Inducement Fee

AHMP has agreed to pay Assura an Inducement Fee if, after Assura makes a 2.5 Announcement, a Competing Transaction for AHMP is announced or entered into prior to the Offer having been withdrawn or having lapsed, and that Competing Transaction either: (a) is approved or recommended by the AHMP Directors; or (b) becomes or is declared unconditional in all respects or completes (as relevant). The Inducement Fee is also payable by AHMP to Assura if, after making the 2.5 Announcement: (i) the AHMP Directors fail to recommend the Offer or withdraw or alter their recommendation of the Offer; (ii) the Offer proceeds as a scheme of arrangement and fails to obtain the requisite AHMP Shareholder approval; or (iii) the acceptance condition of the Offer, or any necessary AHMP Shareholders' resolution to effect the Offer, fails to be fulfilled or passed (as relevant).

AHMP Inducement Fee

Assura has agreed to pay AHMP an Inducement Fee if, after Assura makes a 2.5 Announcement (and provided the Offer remains recommended by the AHMP Board) any resolution which is necessary to be passed at a general meeting of Assura to enable the Offer to proceed or become effective is not proposed at a general meeting of Assura or fails to be approved by the requisite majority of Assura Shareholders.

(e) Related party transactions

Other than as disclosed in note 43 of the 2008 Assura annual report and accounts, note 40 of the 2009 Assura annual report and accounts, note 42 of the 2010 Assura annual report and accounts and note 23 of the unaudited interim financial statements of Assura for the six months ended 30 September 2010, each incorporated into this document by reference, Assura did not enter into any transactions with related parties during the financial periods ended 31 March 2008, 2009 and 2010 and the six months ended 30 September 2010. There have been no additional related party transactions between the Company or members of the Group that were entered into during the period between 1 October 2010 and 26 January 2011 (being the latest practicable date prior to the publication of this document).

15 United Kingdom and Guernsey taxation

The following comments are intended as a general guide only and are based on current Guernsey legislation and current UK legislation and H.M. Revenue & Customs (**HMRC**) practice and rates of tax as at the date of this document. These comments deal only with the UK tax position of shareholders who are resident, or in the case of individuals, resident or ordinarily resident, in (and only in) the UK for tax purposes, who are the absolute beneficial owners of their ordinary shares and who hold their ordinary shares as an investment (other than under an individual savings account). They do not deal with the position of certain classes of shareholders, such as dealers in securities, clearing houses, insurance companies, collective investment schemes or shareholders who have (or are deemed to have) acquired their ordinary shares by virtue of an office or employment. Shareholders who are in any doubt as to their tax position or who are resident in or subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser immediately.

Since 3 April 2008, the Board has conducted the affairs of the Company so that management and control of the Company is exercised in the UK. Accordingly the Company is resident in the UK for UK taxation purposes, and subject to UK corporation tax on its worldwide income and chargeable gains. The Company is also considered to be resident in Guernsey for tax purposes due to the fact that it is incorporated in Guernsey. This means that the Company is taxable in Guernsey at a rate of 0%.

(a) Dividends

Under current UK tax legislation, the Company is not required to withhold tax from dividend payments that it makes. Under current Guernsey legislation, the Company is not required to withhold tax from dividend payments to non-Guernsey residents. Guernsey residents should obtain their own taxation advice on the treatment of dividends.

A shareholder who is an individual resident only in the UK and who receives a dividend (the amount received being the “net dividend”) will normally be entitled to a tax credit equal to one-ninth of the amount of the net dividend. The individual will be subject to income tax on the aggregate of the net dividend and the related tax credit (the **gross dividend**), which will be regarded as the top slice of the individual’s income. The individual will be liable to income tax in respect of the dividend at the basic rate, the higher rate (to the extent the individual has taxable income above £37,400) or the additional rate (to the extent the individual has taxable income above £150,000).

For an individual subject to the basic rate on a dividend the tax credit will be treated as discharging the individual’s liability to income tax in respect of that dividend. Where the tax credit exceeds the individual’s tax liability the individual is not entitled to claim repayment of the tax credit from HMRC.

An individual subject to the higher rate on a dividend will be liable to income tax on the gross dividend at the rate of 32.5 per cent. to the extent such sum falls above the threshold for the higher rate. After taking into account the tax credit, a higher rate taxpayer will be liable to further income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend to the extent that the gross dividend falls above the threshold for the higher rate.

An individual subject to the additional rate on a dividend will be liable to income tax on the gross dividend at the rate of 42.5 per cent. to the extent such sum falls above the threshold for the additional rate. After taking into account the tax credit, an additional rate taxpayer will be liable to further income tax of 32.5 per cent. of the gross dividend, equal to 36.1 per cent. of the net dividend to the extent that the gross dividend falls above the threshold for the additional rate.

Subject to certain exceptions, a corporate shareholder that receives a dividend from the ordinary shares will normally be exempt from corporation tax on the receipt of such dividend. The exemption is not comprehensive and is subject to anti-avoidance rules. Corporate shareholders will not be entitled to the repayment of the tax credit relating to that dividend.

Shareholders who are not liable to tax on dividends, including pension funds and charities (to the extent that income is applied for charitable purposes), are not entitled to claim repayment of the tax credit.

(b) Chargeable gains

In the case of Shareholders who are individuals resident or ordinarily resident in the UK, capital gains tax may be payable on the disposal of AHMP Shares as set out below. Capital gains tax for individuals is payable (subject to certain reliefs) at 18 per cent. to the extent the individual is a basic rate taxpayer with total taxable income and capital gains below £37,400 and (subject to certain reliefs) at 28 per cent. on all gains above that level and on all gains of individuals who pay income tax at the higher or additional rate. For AHMP Shareholders who are individuals, any gain which arises can be reduced by the annual exemption provided that it has not already been used to cover other gains. The annual exemption for the 2010/2011 tax year is £10,100.

A company resident in the UK for corporation tax purposes may be liable for corporation tax on the disposal of AHMP Shares as set out below.

(1) CGT treatment of Assura Shares acquired under the Firm Placing

The issue of new shares under the Firm Placing will not constitute a reorganisation of share capital for the purposes of the taxation of chargeable gains (**CGT**) and, accordingly, any new shares subscribed for pursuant to the Firm Placing will be treated as acquired separately from any existing ordinary shares held. Subject to certain specific rules the existing ordinary shares and the new shares will be treated as a single pooled

asset, the base cost of which will be the aggregate of the amount paid for the new shares and the base cost of the existing ordinary shares

(2) CGT treatment of Assura Shares acquired under the Open Offer

The published practice of HMRC is to treat a subscription for shares by an existing shareholder up to the amount of his pro rata entitlement pursuant to the terms of an open offer as a reorganisation. However, whilst this is HMRC's published practice it is still possible that the issue of new shares pursuant to the Open Offer may not be treated as a reorganisation of the share capital of the Company for CGT purposes.

If the issue of new shares under the Open Offer is treated as a reorganisation, then a shareholder who subscribes for new shares up to the amount of his pro-rata entitlement will not be treated as making any disposal of his existing ordinary shares. Instead, for CGT purposes, the new shares and the existing ordinary shares in respect of which they are issued will be treated as the same asset, and the new shares will be treated as having been acquired at the same time as the existing ordinary shares were acquired. The amount paid for the new shares will be added to the base cost of the existing ordinary shares when computing any gain or loss on any subsequent disposal. The base cost is used to calculate the gain that arises on the disposal of ordinary shares.

If, or to the extent that, the issue of new shares under the Open Offer is not treated as a reorganisation, the new shares subscribed for by a shareholder under the Open Offer will, for CGT purposes, be treated as acquired separately from the existing ordinary shares. Subject to certain specific rules the existing ordinary shares and the new shares will be treated as a single pooled asset, the base cost of which will be the aggregate of the amount paid for the new shares and the base cost of the existing ordinary shares.

(3) CGT on the disposal of AHMP Shares

Liability to UK CGT will depend on the individual circumstances of the AHMP Shareholders and on the form of consideration received.

Consideration in the form of Consideration Shares

To the extent that an AHMP Shareholder who, alone or together with persons connected with him, does not hold more than five per cent. of, or of any class of, shares in or debentures of AHMP receives Consideration Shares in exchange for his AHMP Shares, he should not be treated as having made a disposal of his AHMP Shares and should be treated in the manner described in paragraphs (a) and (b) below (as the case may be).

To the extent that an AHMP Shareholder who, alone or together with persons connected with him, holds more than five per cent. of, or of any class of, shares in or debentures of AHMP receives Consideration Shares in exchange for his AHMP Shares, he should be treated in the manner described in paragraphs (a) and (b) below (as the case may be), provided that the exchange of AHMP Shares for Consideration Shares is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to CGT or corporation tax. Confirmation has been obtained from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 that HMRC is satisfied that such requirements are met.

(a) *Individuals receiving Consideration Shares*

The following should apply to an AHMP Shareholder who is subject to UK capital gains tax. To the extent that an AHMP Shareholder receives Consideration Shares under the Offer, he should be treated as not having made a disposal of his AHMP Shares. The Consideration Shares will be treated as the same asset as the AHMP Shares, acquired at the same time as the AHMP Shares and for the same acquisition cost.

(b) *Companies receiving Consideration Shares*

The following should apply to an AHMP Shareholder which is subject to UK corporation tax. To the extent that an AHMP Shareholder receives Consideration

Shares under the Offer, it should be treated as not having made a disposal of its AHMP Shares. The Consideration Shares will be treated as the same asset as the AHMP Shares, acquired at the same time as the AHMP Shares and for the same acquisition cost. Indexation allowance will continue to be available to the AHMP Shareholder in respect of the Consideration Shares acquired for the period during which the gain is “rolled-over” in this way.

Consideration in the form of cash

To the extent that an AHMP Shareholder receives cash under the Offer, this will constitute a disposal, or part disposal, of his AHMP Shares for the purposes of UK capital gains tax. Such a disposal may, depending on the AHMP Shareholder's circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or to an allowable loss.

However, where the AHMP Shareholder receives both cash and Consideration Shares, and the amount of cash received is “small”, the AHMP Shareholder can elect for the receipt of the cash to not trigger a disposal at that time. A disposal would then be triggered only when the Consideration Shares are disposed of and the amount of the cash received will be deducted from the AHMP Shareholder's CGT acquisition cost in the Consideration Shares. The current practice of HMRC is to regard a sum as “small” for these purposes if either (i) it is five per cent. or less of the value of the AHMP Shares held by the particular AHMP Shareholder; or (ii) it is £3,000 or less, regardless of whether it satisfies the 5 per cent. test.

(a) Individuals receiving cash

A disposal of AHMP Shares by an AHMP Shareholder within the charge to UK CGT, such as an individual, trustee or personal representative, will, subject to the availability to the AHMP Shareholder of any exemptions, reliefs and/or allowable losses, be subject to tax at the rate of 18 per cent., or 28 per cent., with no indexation allowance.

(b) Companies receiving cash

For AHMP Shareholders within the charge to UK corporation tax an indexation allowance may be available in respect of the AHMP Shares to reduce any chargeable gain arising (but not to create or increase a capital loss).

Allocation of acquisition costs

Where the AHMP Shareholder receives both cash and Consideration Shares, and where the cash is not “small”, HMRC published guidance provides that in practice the acquisition costs for the AHMP Shares should be apportioned by reference to market values on the first day on which the Consideration Shares are quoted.

(4) CGT on the disposal of New Assura Shares

In the case of Assura Shareholders who are individuals resident or ordinarily resident and domiciled in the UK, capital gains tax may be payable on a disposal of New Assura Shares.

A company resident in the UK for corporation tax purposes will be liable for corporation tax in respect of a gain on the disposal of New Assura Shares, subject to indexation allowance, unless the substantialshareholdings exemption applies.

(c) Stamp Duty and Stamp Duty Reserve Tax (**SDRT**)

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. References to the UK do not refer to Guernsey, Jersey or the Isle of Man.

No UK stamp duty or SDRT will be payable on the issue of the New Assura Shares. Guernsey does not impose stamp duty on an issue of shares or a transfer of shares in a Guernsey company.

No UK stamp duty will be payable on a transfer of New Assura Shares, provided that an instrument of transfer is not executed in the UK and does not relate to any property situate, or to any matter or thing done or to be done, in the UK. Provided that the New Assura Shares are not registered in any register maintained in the UK by or on behalf of Assura, any agreement to transfer New Assura Shares will not be subject to UK SDRT.

The comments above relating to UK stamp duty and UK SDRT apply whether or not a shareholder is resident or ordinarily resident in the UK.

16 Working capital

Assura is of the opinion, taking into account the existing bank and other facilities available to it and the net proceeds of the Open Offer, that the working capital available to the Group is sufficient for its present requirements, that is, for a period of at least 12 months from the date of this document.

17 Expenses

The total costs and expenses of or incidental to the Acquisition and the Placing and Open Offer, including the fees of the London Stock Exchange and the FSA, commissions and fees payable to advisers, legal and accounting fees and expenses, and the costs of printing and distribution of documents are estimated to amount to approximately £2.3 million (excluding VAT).

18 Legal and arbitration proceedings

Neither the Company nor any of the Subsidiaries is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Company and/or the Group's financial position or profitability nor are there any such proceedings pending or threatened against any member of the Group of which the Company is aware.

19 Significant change

Other than the reduction in the liability of the mark to market value of the Group's swap contract with National Australia Bank, which has reduced from £35.9 million as at 30 September 2010 to £17.4 million as at 14 January 2011, which is referred to in paragraph 12 of Part 1 of this document, there has been no significant change in the Group's financial or trading position since 30 September 2010, being the date to which the last unaudited interim consolidated accounts for the Group were drawn up.

No material changes have occurred to the Group's property portfolio since 31 December 2010, the date of Savills' valuation reports contained in Part 6 of this document.

20 General

- (a) The Group's statutory accounts for the years ended 31 March 2008, 31 March 2009 and 31 March 2010 were audited by Ernst & Young LLP of 100 Barbirolli Square, Manchester, M2 3EY, a member of the Institute of Chartered Accountants in England and Wales.

The financial information on AHMP set out in Section B of Part 5 of this document does not constitute AHMP's statutory accounts for the years ended 30 April 2008, 2009 and 2010. Statutory accounts for the years ended 30 April 2008, 2009 and 2010 have been reported on by Grant Thornton LLP of 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WB, a member of the Institute of Chartered Accountants in England and Wales. The independent auditors' report for the year ended 30 April 2008 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain any statements under 237(2) or 237(3) of the Companies Act 1985. The independent auditors' reports for each of the years ended 30 April 2009 and 2010 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

- (b) Cenkos has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.
- (c) Investec has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.

- (d) Altium has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.
- (e) BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its accountant's report on AHMP set out in Section A of Part 5 of this document, its accountant's opinion on the unaudited reconciliation of the unaudited interim financial information of AHMP for the six months ended 31 October 2010 set out in Section E of Part 5 of this document and its report on the unaudited pro forma statement of the Group's net assets included in Part 9 of this document in the form and context in which they are included.
- (f) Savills has given and has not withdrawn its written consent to the inclusion of its name and of its property valuation reports included in Part 6 of this document and references to them in the form and context in which they are included.
- (g) DTZ has given and has not withdrawn its written consent to the inclusion of its name and of its property valuation report included in Part 7 of this document and references to it in the form and context in which it is included.

21 Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG during normal business hours on any weekday (public holidays excepted), until the later of 17 February 2011 and the closure of the Offer:

- (i) the Articles;
- (ii) the Group's audited accounts for the three financial periods ended 31 March 2010;
- (iii) the AHMP Group's audited accounts for the three financial years ended 30 April 2010;
- (iv) this document;
- (v) the Circular;
- (vi) the Offer Document;
- (vii) BDO LLP's reports set out in Parts 5 and 9 of this document;
- (viii) Savills' reports set out in Part 6 of this document;
- (ix) DTZ's report set out in Part 7 of this document; and
- (x) the written consents referred to in paragraph 20 above.

Dated: 27 January 2011

PART 12

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

2.5 Announcement	an announcement by Assura of an offer pursuant to Rule 2.5 of the Code for the entire issued and to be issued share capital of AHMP at an agreed minimum level of consideration of 0.85 Assura Share per AHMP Share with a cash alternative of 40 pence per AHMP Share
Acquisition	the proposed acquisition by Assura of the entire issued and to be issued share capital of AHMP pursuant to the Offer
Act	the Companies Act 2006
Admission	admission by the UK Listing Authority to the Official List and to trading on the London Stock Exchange
AHMP	AH Medical Properties plc, a public limited company incorporated in England and Wales and registered with number 4188281
AHMP Directors	the directors of AHMP, being John Gunn, Bruce Walker, Stephen Minion, John Brown and Peter Wilkinson
AHMP Group	AHMP, its subsidiaries and subsidiary undertakings
AHMP Shareholders	holders of AHMP Shares
AHMP Shares	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.01 pence each in the capital of AHMP and any further such shares (excluding any treasury shares) which may be unconditionally allotted or issued and fully paid (or credited as fully paid) prior to the time and date on which the Offer closes or by such other date and time as Assura may, subject to the City Code, decide (other than any such shares held in treasury) and AHMP Share means any such share
Application Form	the personalised application form on which Qualifying Certificated Shareholders may apply for Open Offer Shares under the Open Offer
Articles	the articles of incorporation of Assura, as amended from time to time, details of which are set out in paragraph 12 of Part 11 of this document
Ashley House	Ashley House plc
Ashley House Arrangements	the arrangements summarised in paragraph 5 of Part 1 of this document
Ashley House Concert Party	Ashley House and all AHMP Shareholders connected with Ashley House
Assura or Company	Assura Group Limited, a limited company incorporated in Guernsey and registered with number 41230
Assura EGM	the extraordinary general meeting of Assura convened for 10.00 a.m. on 17 February 2011, or any adjournment thereof, to vote on, <i>inter alia</i> , the Acquisition, notice of which is set out at the end of the Circular
Assura Employee Share Plans	the Incentive Plan and the Sharesave Plan
Assura Group or Group	Assura, its subsidiaries and subsidiary undertakings
Assura Shareholders	holders of Assura Shares
Assura Shares or Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company and Assura Share and Ordinary Share mean any such share
Board or Directors	the directors of the Company, whose names are set out in paragraph 2(a) of Part 11 of this document

Business Day	a day (other than a Saturday or Sunday or public holiday) on which banks are open for business in London
Cash Alternative	the alternative under which AHMP Shareholders who validly accept the Offer may elect to receive cash in lieu of some or all of the Consideration Shares to which they would otherwise be entitled under the Offer on the terms set out in the Offer Document
Cenkos	Cenkos Securities plc
certificated or in certificated form	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
Circular	the circular to be sent to Assura Shareholders on or about the date hereof convening the Assura EGM to approve, among other things, the Acquisition
City Code or Code	the City Code on Takeovers and Mergers
Closing Price	the closing middle market quotation of an Assura Share or an AHMP Share on the relevant date as derived from the Stock Exchange Daily Official List or PLUS Markets, as the case may be
Competing Transaction	a possible offer for all or any part of the issued and to be issued share capital of AHMP (whether structured as a takeover offer, scheme of arrangement or otherwise), or any transaction that would require AHMP Shareholder approval under Rule 21.1 of the Code or any other transaction which is inconsistent with the Offer
Computershare	Computershare Investor Services PLC
Consideration Shares	up to 55,833,558 new Assura Shares proposed to be issued and credited as fully paid to AHMP Shareholders in accordance with the terms of the Offer
Convertible Loans	the convertible loan notes of £2,000,000 issued in July 2010 by AHMP
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST manual	the rules governing the operation of CREST consisting of the “CREST Reference Manual”, “CREST Central Counterparty Service Manual”, “CREST International Manual”, “CREST Rules”, “CREST CCSS Operations Manual” and “CREST Glossary of Terms”
CREST Guernsey Requirements	means Rule 8 and such other rules and requirements of CRESTCo Limited as may be applicable to issuers as from time to time specified in the Reference Manual issued by Euroclear
CREST Proxy Instruction	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of an Assura Shareholder at the Assura EGM and containing the information required to be contained therein by the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Disclosure and Transparency Rules	the Disclosure and Transparency Rules made by the FSA under Part VI of the FSMA
DTZ	DTZ Debenham Tie Leung Limited
EBT	the Assura Employee Benefit Trust
EBT Placing	the conditional placing by Cenkos and Investec of the EBT Shares

EBT Shares	6,666,667 Assura Shares, which have been conditionally placed firm by Cenkos and Investec on behalf of the EBT with certain institutional investors
Enlarged Group	the Group following completion of the Proposals
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
European Union or EU	the economic and political union of European nations created on 1 November 1993 by the Treaty of the European Union
Firm Placed Shares	26,666,667 new Assura Shares, which have been conditionally placed firm by Cenkos and Investec on behalf of the Company on a non-pre-emptive basis with certain institutional investors pursuant to the Placing Agreement
Firm Placing	the conditional placing by Cenkos and Investec of the Firm Placed Shares
Form of Acceptance	a form of acceptance, authority and election for use by AHMP Shareholders in connection with the Offer
Forms of Proxy	the personalised forms of proxy for use at the Assura EGM
FSA or Financial Services Authority	the Financial Services Authority of the United Kingdom
FSMA	the Financial Services and Markets Act 2000, as amended
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards as adopted for use in the European Union
Incentive Plan	the Assura Executive Equity Incentive Plan adopted by shareholders on 12 May 2006
Independent AHMP Directors	the AHMP Directors excluding Stephen Minion
Independent AHMP Shareholders	the AHMP Shareholders other than members of the Ashley House Concert Party
Inducement Fee	the sum of £260,000 (inclusive of any irrecoverable VAT payable, but exclusive of any recoverable VAT payable), however, should the value of the Offer be such that this sum exceeds the maximum amount permitted by law or the Code, the amount of the Inducement Fee shall be reduced accordingly
Inducement Fee Agreement	the agreement between Assura and AHMP entered into on 9 November 2010 containing certain obligations and undertakings in relation to the implementation of the Offer
Investec	Investec Bank plc
Issue Price	45 pence per Firm Placed Share and per Open Offer Share
LIBOR	London Interbank Offered Rate
Listing Rules	the listing rules made by the FSA under section 73A of the FSMA
London Stock Exchange	London Stock Exchange Plc
New Assura Shares	the new Assura Shares to be issued pursuant to the Acquisition and the Placing and Open Offer and which constitute the Consideration Shares, the Firm Placed Shares and the Open Offer Shares

Offer	the recommended takeover offer announced by Assura on 19 January 2011 to acquire all the AHMP Shares on the terms and subject to the conditions set out in the Offer Document and, in relation to the AHMP Shares held in certificated form, the Form of Acceptance (including, where the context so requires, any subsequent waiver, revision, variation or extension thereof)
Offer Document	the document containing the full terms and conditions of the Offer to be sent to AHMP Shareholders on or about the date hereof
Offer Period	the period beginning on and including 10 August 2010 and ending on the later of (i) 3.00 p.m. on 17 February 2011; (ii) the time and date on which the Offer becomes or is declared unconditional as to acceptances; and (iii) the time and date on which the Offer lapses or is withdrawn
Official List	the official list of the UK Listing Authority maintained by the FSA pursuant to Part VI of the FSMA
Open Offer	the invitation contained in this document to Qualifying Assura Shareholders inviting them to apply for Open Offer Shares at the Issue Price, on the terms and subject to the conditions set out in Part 10 of this document and, in the case of Qualifying Certificated Shareholders, in the accompanying Application Form
Open Offer Entitlements	the entitlements to subscribe for Open Offer Shares pursuant to the Open Offer
Open Offer Shares	25,397,363 new Assura Shares offered to Qualifying Assura Shareholders pursuant to the Open Offer
Overseas Shareholders	Assura Shareholders who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the UK
Placing	the Firm Placing and the conditional placing by Cenkos and Investec of the Open Offer Shares with institutional investors, subject to clawback to satisfy valid applications by Qualifying Assura Shareholders under the Open Offer
Placing Agreement	the conditional agreement dated 19 January 2011 entered into between Assura, Cenkos and Investec in relation to the Placing and Open Offer, details of which are set out in paragraph 14(c) of Part 11 of this document
PLUS Market	the PLUS-quoted segment for unlisted securities operated by PLUS Market plc
Preference Shares	the cumulative convertible redeemable preference shares of 10p each in the capital of the Company
Proposals	the Acquisition and the Placing and Open Offer
Prospectus Directive Regulation	Regulation 809/2004 of the European Commission
Prospectus Rules	the Prospectus Rules of the FSA made under Part VI of the FSMA
Qualifying Assura Shareholders	Assura Shareholders on the register of members of the Company at the Record Date, other than certain overseas Assura Shareholders referred to in paragraph 7 headed "Overseas shareholders" in Part 10 of this document
Qualifying Certificated Shareholders	Qualifying Assura Shareholders whose Assura Shares on the register of members of the Company at the Record Date are in certificated form
Qualifying CREST Shareholders	Qualifying Assura Shareholders whose Assura Shares on the register of members of the Company at the Record Date are in uncertificated form

Receiving Agent	Computershare
Record Date	the record date for the Open Offer, being the close of business on 26 January 2011
Resolutions	the resolutions set out in the notice of the Assura EGM at the end of the Circular and Resolution means any one of them
Restricted Territories	the United States, Canada, Japan, Australia and the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing and Open Offer would breach any applicable law and Restricted Territory means any one of them
Savills	Savills Commercial Limited
Sharesave Plan	the Assura Sharesave Plan 2008 adopted by shareholders on 6 August 2008
Somerston	Somerston Investments Limited
subsidiaries	the subsidiaries of the Company listed in paragraph 8 of Part 11 of this document and all other subsidiaries of the Company
UK Listing Authority or UKLA	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
uncertificated or in uncertificated form	a share or shares recorded on the register of members as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or USA	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and any other area subject to its jurisdiction
US Securities Act	the US Securities Act of 1933 and the rules and regulations thereunder
Virgin Healthcare	Virgin Healthcare Holdings Limited

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

PART 13

GLOSSARY OF INDUSTRY SPECIFIC TERMS

Category M	products in respect of which the DoH regulate and determine the margin that can be generated on them
DoH	Department of Health
ERV	estimated rental value
GP	General Practitioner
GPCos	joint venture partnerships with GPs
IPD	Investment Property Databank
LIFT or Local Improvement Finance Trust	a vehicle introduced by the DoH for improving and developing frontline primary and community care facilities designed to allow PCTs and other public bodies to re-provide and expand local health and social care infrastructure through public private partnerships as set out in the July 2001 Department of Health document "Modernising Primary Care in the NHS: NHS Local Improvement Finance Trusts"
LIFTCo	a company set up with a 20 year exclusive mandate in a particular region to deliver LIFT projects, comprising 60 per cent. private sector shareholders, 20 per cent. PCT shareholders and 20 per cent. Community Health Partnerships shareholders
NHS	the National Health Service, established in 1948, is the national public health service for England. Funded through the use of taxes, the service aims to provide care for all that is free at the point of delivery. Services are provided by a wide range of professionals in both hospital and community settings with a vision of providing appropriate care closer to home
NHS Pharmaceutical Services Regulations	the NHS (Pharmaceutical Services) Regulations 2005: Information for primary care trusts published on 4 April 2005 (revised 24 August and 12 September 2005)
PPP	Public Private Partnership
PPRS	Pharmaceutical Price Regulatory Scheme
primary care	medical care provided by the primary healthcare team including general practitioners' surgeries
Primary Care Trust or PCT	a body corporate established by the Secretary of State for Health pursuant to the National Health Service Act 1977 (as amended) or the National Health Service Act 2006 which has the responsibility for planning and procuring the health care for the population within the area it serves and, where relevant, Health Boards being the bodies corporate established in Scotland for the same purposes pursuant to pursuant to the National Health Service (Scotland) Act 1978 (as amended) and the Public Health etc. (Scotland) Act 2008, or Local Health Boards, being the bodies corporate established in Wales for the same purposes pursuant to the National Health Service Act 1977 (as amended) or the National Health Service (Wales) Act 2006
secondary care	medical care provided in hospitals

PART 14

CHECKLIST OF DOCUMENTS INCORPORATED BY REFERENCE

The table below sets out the various sections of such documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Prospectus Rules and to ensure that Assura Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Assura Shares, is necessary to enable Assura Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company, and of the rights attaching to the New Assura Shares.

These documents are available online at www.assuragroup.co.uk or in printed form from Assura's registered office at PO Box 327, Isabelle Chambers, Route Isabelle, St Peter Port, Guernsey GY1 3TX or from Addleshaw Goddard LLP in accordance with the details set out in paragraph 21 of Part 11 of this document.

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