AT THE HEART OF HEALTHCARE

INTERIM REPORT 2015

HIGHLIGHTS

Another period of significant growth

- £100 million increase in investment property to £1,025.0 million (March 2015: £925.3 million)
- Completed the acquisition of 36 properties for £65 million
- 7.2% increase in total rent roll to £59.6 million (March 2015: £55.6 million)

Increase in net asset value and underlying profit

- 5.5% increase in diluted EPRA NAV[1] per share to 46.4 pence (March 2015: 44.0 pence)
- 26.6% increase in net rental income for the six months to £28.1 million (2014: £22.2 million)
- 79.4% increase in underlying profit from continuing operations to £11.3 million for the six months (2014: £6.3 million)
- 115% increase in profit before tax to £35.4 million (2014: £16.5 million)

Transformational equity raise since the period end, raising £300 million to:

- Fund the near term pipeline of acquisitions and developments, with a cost of approximately £126 million
- Repay £181 million of long-term fixed rate debt, allowing the Group flexibility for further growth

Assura is now the sector leader in a market that is in critical need of investment

- An ageing population and growing pressures on the existing health infrastructure provide immediate need for increased primary care facilities
- The UK has cross-party support to shift more health provision from expensive hospitals into primary care
- The NHS announced last year an investment of £1 billion over five years to fund improvements in primary care premises

Assura is well positioned to continue outperforming in a fragmented market

- 301 practices throughout the country
- Good pipeline of acquisitions to consolidate fragmented market
- Strongest balance sheet in the sector
- Group has a long-term track record; strong relationships with the NHS and GPs

Further increase in dividend indicative of management confidence in the Group's future

- 10% increase in quarterly dividend to 0.55 pence per share, equivalent to 2.2 pence per share on an annual basis

[1] Net Asset Value – Note 7.

CHIEF EXECUTIVE'S REPORT

I am pleased to report a period of significant growth for Assura, where our successful acquisitions programme has seen the value of our investment property pass £1 billion. In the period under review we have completed £65 million of property additions, which were the largest contributor to the £100 million increase in the value of our investment property in the six months to 30 September 2015.

Since the period end we have completed an equity raise of £300 million, net of expenses, that now gives us the strongest balance sheet in the sector. We believe that a stronger balance sheet is attractive to both our potential property partners amongst GPs and the NHS and our equity and debt funders. As a result we have reduced our medium-term gearing target to between 40% and 50%.

In line with this we have, in the past month, redeemed £181 million of long-term fixed rate loans and our net debt has reduced to £281 million and our loan to value now stands at 27%.

This strengthened balance sheet together with the longevity and security of our property cash flows will underpin our progressive dividend policy and leaves us well placed to take advantage of further investment opportunities.

Highlights

We have continued to deliver growth, achieving a 79% increase in underlying profits to £11.3 million and 5.5% growth in diluted EPRA net asset value to 46.4 pence per share at the period end. The growth in underlying profits reflects the successful integration of our acquisitions, and those from the prior year, by our property management team and our ability to convert this greater scale into increased underlying profits.

This robust financial performance has enabled us to announce an increase of 10% in our dividend, to 0.55 pence per share on a quarterly basis, from January 2016.

Market opportunity

There remains considerable underinvestment in primary care infrastructure in the UK. The recently announced population forecasts from the ONS are predicting a 79% increase in the over 70s population in the next 25 years. This age group is one of the largest users of GP services and so the demands on GP premises are likely to increase significantly.

The NHS announced last year an investment of £1 billion over five years to fund improvements in primary care premises. There remains some uncertainty over the details of this plan and new guidelines have now been published as to its implementation. We are monitoring the impact of these changes and it is too soon to assess how this will affect investment in the short term. We already have 18 schemes approved for improvements to existing buildings which we continue to progress.

Our leadership position in providing state of the art primary care premises, adapted to each local community in which they operate, means we are ideally placed to serve these changing needs. The recent announcements by the NHS and the Government on the need for the greater provision of care in the community give us increased confidence that the process for approving new schemes will be unblocked, although the timing remains uncertain. Once approvals commence there will be the usual time lag between approval and delivery.

Outlook

The recent fund raise has greatly strengthened the Company's financial position and enhanced its ability to take advantage of a fragmented market place and the significant opportunity to support the NHS in its future plans for the increased provision of care in the primary care setting. Primary care continues to provide strong property fundamentals with good prospects for capital and income growth, and Assura believes its brand, expertise and scale position it well to capitalise on this.

GRAHAM ROBERTS
CHIEF EXECUTIVE
18 November 2015

BUSINESS REVIEW

For the six months ended 30 September 2015

At 30 September 2015 our portfolio of completed investment properties was valued at a total of £999.8 million (see Note 8, March 2015: £908.3 million), which produced a net initial yield ("NIY") of 5.42% (March 2015: 5.56%). Taking account of potential lettings of unoccupied space and any uplift to current market rents on review, our valuers assess the net equivalent yield to be 5.60% (March 2015: 5.77%). Adjusting this Royal Institute of Chartered Surveyors standard measure to reflect the advanced payment of rents, the true equivalent yield is 5.81% (March 2015: 5.98%).

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Net rental income	**28.1**	22.2
Valuation movement	**25.7**	10.4
Total Property Return	**53.8**	32.6

Expressed as a percentage of opening investment property plus additions, Total Property Return for the six months was 5.4% compared with 4.2% in 2014.

Our annualised Total Return over the five years to 31 December 2014 as calculated by IPD was 9.1% compared with the IPD All Healthcare Benchmark of 7.2% over the same period.

The valuation gain in the six months of £25.7 million represents a 3.2% uplift on a like-for-like basis and movements relating to properties acquired in the period. The uplift has arisen due to the downward pressure on yields with increased competition for acquiring assets in the sector. Despite the downward pressure, the NIY on our assets continues to represent a substantial premium over the 15-year gilt which traded at 2.1% at 30 September 2015.

Investment and development activity

Despite the recent hiatus in NHS development approvals, we have invested substantially during the period.

We recorded an unrealised revaluation surplus of £0.5 million during the period in respect of investment property under construction (2014: deficit of £0.8 million).

Portfolio as at 30 September 2015 £999.8 million (31 March 2015: £908.3 million)

Our business is based on our investment portfolio of 301 properties. This has a passing rent roll of £59.6 million (March 2015: £55.6 million), 87% of which is underpinned by the NHS. The WAULT is 14.1 years and 90% of the rent roll will still be contracted in 2025.

Portfolio analysis by capital value

	Number of properties	Total value £m	Total value %
>£10m	15	221.3	22
£5–10m	38	264.9	26
£1–5m	188	474.3	48
<£1m	60	39.3	4
	301	**999.8**	**100**

Despite the reduction in developments being approved we have one (end value c. £5 million) currently on site and five (end value c. £23 million) which we would hope to be on site within 12 months.

The bulk of the growth in our investment portfolio has come from the acquisition of 36 properties at a cost of £65 million.

In addition we have a pipeline of c. 40 acquisitions and forward funding purchases (end value c. £103 million) currently in legal hands.

Portfolio management

We have continued to deliver rental growth and have successfully concluded on 62 rent reviews during the six months to generate a weighted average annual rent increase of 1.42% (year to March 2015: 1.27%) on those properties. Our portfolio benefits from a 25% weighting in fixed, Retail Price Index ("RPI") and other uplifts which generated an average uplift of 1.96% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 0.80% during the period.

We work very hard at developing and maintaining customer relationships. This approach is carried across the range of services we provide both during development and after completion, as a portfolio manager.

We have a dedicated team of asset managers who are in regular communication with our customers and we monitor progress through regular customer satisfaction surveys. All asset managers are appraised on achieving a continuous improvement in the results of these surveys.

During the period we have successfully secured six new tenancies with an annual rent roll of £0.3 million covering 3,462 square metres. In addition we have significantly extended the lease on four properties.

Our EPRA Vacancy Rate was 2.8% (March 2015: 3.2%) which has started to decrease with this being a current area of focus for our team.

Administrative expenses

The Group measures its operating efficiency as the proportion of administrative costs to the average gross investment property value. This ratio during the period was 0.31% (2014: 0.38%) and administrative costs stood at £3.0 million (2014: £2.8 million).

£100m

growth in completed investment property portfolio

5.5%

growth in diluted EPRA NAV per share

£35.2m

net profit for the period

Portfolio analysis by region

	Number of properties	Total value £m	Total value %
North	119	429.0	43
South	85	271.9	27
Midlands	61	213.3	21
Scotland	18	33.0	3
Wales	18	52.6	6
	301	**999.8**	**100**

Portfolio analysis by tenant covenant

	Total rent roll £m	Total rent roll %
GPs	41.0	69
NHS body	10.9	18
Pharmacy	4.5	8
Other	3.2	5
	59.6	**100**

We also analyse cost performance by reference to our EPRA Cost Ratios (including and excluding direct vacancy costs) which were 19.2% and 18.2% respectively (2014: 18.4% and 16.7%). The increase in the period is due to the national insurance costs associated with the VCP shares issued and we would expect the ratios to reduce going forward as we grow the portfolio.

Financing

In August 2015, we secured an increase in our available revolving credit facility from £60 million to £120 million for an initial five-year term, with interest variable at 170 basis points above LIBOR further diversifying our available funding sources.

We continue to hold discussions with potential funders to broaden our base of lenders, who have maintained their appetite to lend into our sector, and to ensure facilities are in place to support future acquisitions. At 30 September 2015, we had undrawn facilities and cash of £110.7 million.

Financing statistics	**30/09/2015**	31/03/2015
Net debt	**£520.8m**	£450.0m
Weighted average debt maturity	**11.0 years**	11.9 years
Weighted average interest rate	**5.09%**	5.28%
% of debt at fixed/capped rates	**94%**	100%
Interest cover[1]	**182%**	160%
Loan to value	**51%**	48%

[1] Interest cover is the number of times net interest payable is covered by underlying profit before net interest.

At 30 September 2015 our loan to value ratio stands at 51%. 94% of the debt facilities are fixed with a weighted average debt maturity of 11.0 years and a weighted average interest rate of 5.09%. On 11 November 2015, following the successful equity raise which reduced LTV initially to c. 27%, £181 million of long-term fixed rate debt was repaid in full along with the associated early repayment costs of £34 million.

Details of the facilities and their covenants are set out in Note 11 to the accounts.

Net finance costs in the six-month period amounted to £13.8 million (2014: £13.1 million).

Underlying profit

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Net rental income	**28.1**	22.2
Administrative expenses	**(3.0)**	(2.8)
Net finance costs	**(13.8)**	(13.1)
Underlying profit	**11.3**	6.3

The movement in underlying profit can be summarised as follows:

	£m
Six months ended 30 September 2014	6.3
Net rental income	5.9
Administrative expenses	(0.2)
Net finance costs	(0.7)
Six months ended 30 September 2015	11.3

Underlying profit has grown 79% to £11.3 million in the six months to 30 September 2015 reflecting the property acquisitions completed.

Underlying profit differs from EPRA earnings as it excludes accounting adjustments such as IFRS 2 charges for share-based payments and one-off expenses that we consider to be exceptional and not reflective of continuing underlying performance.

Earnings per share

The basic earnings per share ("EPS") on profit for the period was 3.5 pence (2014: 2.9 pence).

EPRA EPS, which excludes the net impact of valuation movements and gains on disposal, was 0.9 pence (2014: 1.0 pence), the decrease reflecting national insurance costs associated with the VCP shares issued.

Underlying profit per share omits accounting adjustments and certain exceptional items as referenced earlier and has remained at 1.1 pence (2014: 1.1 pence).

Based on calculations completed in accordance with IAS 33, share-based payment schemes are currently expected to be dilutive to EPS, with 11.7 million new shares expected to be issued. The dilution is not material as illustrated by the table below:

EPS measure	Basic	Diluted
Profit for six months	3.5p	3.4p
EPRA	0.9p	0.9p
Underlying	1.1p	1.1p

Dividends

Total dividends paid in the six months to 30 September 2015 were £10.0 million or 1.0 pence per share (2014: 0.9 pence per share).

As a result of brought forward tax losses all dividends paid during the year were normal dividends (non-PID) with an associated tax credit.

The table below illustrates our cash flows over the period:

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Opening cash	**66.5**	38.6
Net cash flow from operations	**9.5**	9.2
Dividends paid	**(10.0)**	(5.0)
Investment:		
Property and business acquisitions	**(63.1)**	(15.9)
Development expenditure	**(7.5)**	(8.5)
Sale of properties	**0.6**	2.5
Financing:		
Share issue costs	**–**	(0.2)
Net borrowings movement	**29.7**	(3.7)
Closing cash	**25.7**	17.0

Net cash flow from operations differs from underlying profit due to movements in working capital balances.

Property additions during the period were £65.0 million, although the cash outflow was only £63.1 million after taking into account shares issued as consideration (£2.5 million) and net working capital assumed (£0.6 million).

Net assets

Diluted EPRA NAV movement

	£m	Pence per share – diluted
EPRA NAV at 31 March 2015	452.4	44.0
Underlying profit	11.3	1.1
Capital (revaluations and capital gains)	25.7	2.5
Dividends	(10.0)	(1.0)
Other	(3.4)	(0.2)
EPRA NAV at 30 September 2015	476.0	46.4

Our Total Accounting Return per share for the six months ended 30 September 2015 is 5.7% of which 1.0 pence per share (2.2%) has been distributed to shareholders and 1.6 pence per share (3.5%) is the movement on EPRA NAV.

Post balance sheet events

On 14 October 2015, the Company issued 618,000,000 Ordinary Shares at a price of 50 pence per share by way of a Firm Placing, Placing and Open Offer and Offer for Subscription. Gross proceeds of the issue were £309.0 million before expenses, being raised to make further investments into primary care properties and reduce the overall level of borrowings.

On 11 November 2015, £181 million of long-term fixed rate debt was repaid in full along with the associated early repayment cost of £34 million.

EPRA performance measures

The European Public Real Estate Association ("EPRA") has published Best Practices Recommendations with the aim of improving the transparency, comparability and relevance of financial reporting with the real estate sector across Europe.

This section details the rationale for each performance measure as well as our performance against each measure.

Summary table

	Six months ended 30 September 2015	Six months ended 30 September 2014
EPRA EPS (p)	**0.9**	1.0
EPRA Cost Ratio (including direct vacancy costs) (%)	**19.2**	18.4
EPRA Cost Ratio (excluding direct vacancy costs) (%)	**18.2**	16.7

	30/09/2015	31/03/2015
EPRA NAV (p)	**46.9**	44.9
EPRA NNNAV (p)	**38.2**	35.9
EPRA NIY (%)	**5.34**	5.43
EPRA "topped-up" NIY (%)	**5.34**	5.43
EPRA Vacancy Rate (%)	**2.8**	3.2

EPRA EPS

	Six months ended 30 September 2015	Six months ended 30 September 2014
EPRA EPS (p)	**0.9**	1.0
Diluted EPRA EPS (p)	**0.9**	1.0

Definition	Earnings from operational activities.
Purpose	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.

The calculation of EPRA EPS and diluted EPRA EPS are shown in Note 6 to the accounts.

EPRA NAV

	30/09/2015	31/03/2015
EPRA NAV (p)	**46.9**	44.9
Diluted EPRA NAV (p)	**46.4**	44.0

Definition	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business.
Purpose	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities with a true real estate investment company with a long-term investment strategy.

The calculation of EPRA NAV is shown in Note 7 to the accounts.

EPRA NNNAV

	30/09/2015	31/03/2015
EPRA NNNAV (p)	**38.2**	35.9

Definition	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.
Purpose	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate company.

The calculation of EPRA NNNAV is shown in Note 7 to the accounts.

EPRA NIY and EPRA "topped-up" NIY

	30/09/2015	31/03/2015
EPRA NIY (%)	**5.34**	5.43
EPRA "topped-up" NIY (%)	**5.34**	5.43

Definition – EPRA NIY	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
Definition – EPRA "topped-up" NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
Purpose	A comparable measure for portfolio valuations, this measure should make it easier for investors to judge for themselves how the valuation compares with that of portfolios in other listed companies.

	30/09/2015 £m	31/03/2015 £m
Investment property	**1,025.0**	925.3
Less developments	**(15.1)**	(6.7)
Completed investment property portfolio	**1,009.9**	918.6
Allowance for estimated purchasers' costs	**58.1**	52.7
Gross up completed investment property – B	**1,068.0**	971.3
Annualised cash passing rental income	**59.6**	55.6
Property outgoings	**(2.6)**	(2.9)
Annualised net rents – A	**57.0**	52.7
Notional rent expiration of rent-free periods or other incentives	**–**	–
Topped-up annualised rent – C	**57.0**	52.7
EPRA NIY – A/B (%)	**5.34**	5.43
EPRA "topped-up" NIY – C/B (%)	**5.34**	5.43

EPRA Vacancy Rate

	30/09/2015	31/03/2015
EPRA Vacancy Rate (%)	**2.8**	3.2

Definition	Estimated rental value ("ERV") of vacant space divided by ERV of the whole portfolio.
Purpose	A "pure" (%) measure of investment property space that is vacant, based on ERV.

	30/09/2015	31/03/2015
ERV of vacant space (£m)	**1.8**	1.9
ERV of completed property portfolio (£m)	**61.9**	57.9
EPRA Vacancy Rate (%)	**2.8**	3.2

EPRA Cost Ratios

	Six months ended 30 September 2015	Six months ended 30 September 2014
EPRA Costs (including direct vacancy costs) (%)	**19.2**	18.4
EPRA Costs (excluding direct vacancy costs) (%)	**18.2**	16.7

Definition	Administrative and operating costs (including and excluding direct vacancy costs) divided by gross rental income.
Purpose	A key measure to enable meaningful measurement of the changes in a company's operating costs.

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Direct property costs	**1.3**	1.4
Administrative expenses	**3.0**	2.8
Share-based payment costs	**1.6**	0.4
Net service charge costs/fees	**(0.1)**	(0.1)
Exclude:		
Ground rent costs	**(0.2)**	(0.2)
EPRA Costs (including direct vacancy costs) – A	**5.6**	4.3
Direct vacancy costs	**(0.3)**	(0.4)
EPRA Costs (excluding direct vacancy costs) – B	**5.3**	3.9
Gross rental income less ground rent costs (per IFRS)	**29.2**	23.4
Gross rental income – C	**29.2**	23.4
EPRA Cost Ratio (including direct vacancy costs) – A/C	**19.2**	18.4
EPRA Cost Ratio (excluding direct vacancy costs) – B/C	**18.2**	16.7

"Our sector offers excellent risk adjusted returns"

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2015

		Six months ended 30 September 2015 Unaudited			Six months ended 30 September 2014 Unaudited		
	Note	**Underlying £m**	**Capital and other £m**	**Total £m**	Underlying £m	Capital and other £m	Total £m
Gross rental and related income		**29.4**	**–**	**29.4**	23.6	–	23.6
Property operating expenses		**(1.3)**	**–**	**(1.3)**	(1.4)	–	(1.4)
Net rental income		**28.1**	**–**	**28.1**	22.2	–	22.2
Administrative expenses		**(3.0)**	**–**	**(3.0)**	(2.8)	–	(2.8)
Revaluation gains	8	**–**	**25.7**	**25.7**	–	10.4	10.4
Loss on sale of property		**–**	**–**	**–**	–	(0.1)	(0.1)
Share-based payment charge		**–**	**(1.6)**	**(1.6)**	–	(0.4)	(0.4)
Finance revenue		**0.1**	**–**	**0.1**	0.1	–	0.1
Finance costs		**(13.9)**	**–**	**(13.9)**	(13.2)	–	(13.2)
Revaluation of derivative financial instruments		**–**	**–**	**–**	–	0.3	0.3
Profit before taxation		**11.3**	**24.1**	**35.4**	6.3	10.2	16.5
Taxation	5			**(0.2)**			(0.2)
Profit for the period attributable to equity holders of the parent				**35.2**			16.3
Earnings per share							
from underlying profit – basic	6	**1.1p**			1.1p		
on profit for year – basic	6			**3.5p**			2.9p
– diluted	6			**3.4p**			2.9p

There were no items of other comprehensive income or expense and therefore the profit for the period also represents the Group's total comprehensive income. All income derives from continuing operations.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2015

	Note	**30 September 2015 Unaudited £m**	31 March 2015 Audited £m
Non-current assets			
Investment property	8	**1,025.0**	925.3
Investments		**0.4**	0.4
Property, plant and equipment		**–**	0.1
Deferred tax asset		**1.1**	1.3
		1,026.5	927.1
Current assets			
Cash, cash equivalents and restricted cash	9	**25.7**	66.5
Trade and other receivables		**7.6**	8.3
Property assets held for sale	8	**4.6**	5.4
		37.9	80.2
Total assets		**1,064.4**	1,007.3
Current liabilities			
Trade and other payables		**20.5**	18.9
Borrowings	11	**8.4**	8.0
Deferred revenue	10	**13.7**	12.7
Provisions		**0.1**	0.1
		42.7	39.7
Non-current liabilities			
Borrowings	11	**535.1**	505.5
Obligations due under finance leases		**3.0**	3.0
Deferred revenue	10	**6.7**	6.9
Provisions		**0.2**	0.3
		545.0	515.7
Total liabilities		**587.7**	555.4
Net assets		**476.7**	451.9
Capital and reserves			
Share capital	12	**101.5**	100.7
Own shares held		**(0.4)**	(1.8)
Share premium		**3.6**	–
Merger reserve		**231.2**	231.2
Reserves		**140.8**	121.8
Total equity		**476.7**	451.9
Net asset value per Ordinary Share – basic	7	**47.0p**	44.9p
– diluted	7	**46.4p**	44.0p
Adjusted (EPRA) net asset value per Ordinary Share – basic	7	**46.9p**	44.9p
– diluted	7	**46.4p**	44.0p

The interim condensed consolidated financial statements were approved at a meeting of the Board of Directors held on 18 November 2015 and signed on its behalf by:

GRAHAM ROBERTS
CHIEF EXECUTIVE

JONATHAN MURPHY
FINANCE DIRECTOR

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Note	Share capital £m	Own shares held £m	Share premium £m	Merger reserve £m	Reserves £m	Total equity £m
1 April 2014		53.0	(1.9)	77.1	–	98.4	226.6
Profit attributable to equity holders		–	–	–	–	16.3	16.3
Total comprehensive income		–	–	–	–	16.3	16.3
Dividend	14	–	–	–	–	(5.0)	(5.0)
Issue of Ordinary Shares	12	4.4	–	14.5	–	–	18.9
Issue costs		–	–	(0.2)	–	–	(0.2)
Employee share-based incentives		–	–	–	–	0.4	0.4
30 September 2014 (Unaudited)		57.4	(1.9)	91.4	–	110.1	257.0
Profit attributable to equity holders		–	–	–	–	20.9	20.9
Total comprehensive income		–	–	–	–	20.9	20.9
Dividend	14	–	–	–	–	(9.4)	(9.4)
Issue of Ordinary Shares	12	43.3	–	146.3	–	–	189.6
Issue costs		–	–	(6.5)	–	–	(6.5)
Scheme of arrangement		–	–	(231.2)	231.2	–	–
Own shares held		–	0.1	–	–	(0.1)	–
Employee share-based incentives		–	–	–	–	0.3	0.3
31 March 2015 (Audited)		100.7	(1.8)	–	231.2	121.8	451.9
Profit attributable to equity holders		–	–	–	–	35.2	35.2
Total comprehensive income		–	–	–	–	35.2	35.2
Dividend	14	–	–	–	–	(10.0)	(10.0)
Issue of Ordinary Shares	12	0.4	–	2.1	–	–	2.5
Employee share-based incentives		0.4	1.4	1.5	–	(6.2)	(2.9)
30 September 2015 (Unaudited)		101.5	(0.4)	3.6	231.2	140.8	476.7

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 September 2015

	Six months ended 30 September 2015 Unaudited £m	Six months ended 30 September 2014 Unaudited £m
Operating activities		
Rent received	30.5	25.3
Interest paid and similar charges	(13.8)	(13.0)
Fees received	0.4	0.5
Interest received	0.1	0.1
Cash paid to suppliers and employees	(7.7)	(3.7)
Net cash inflow from operating activities	9.5	9.2
Investing activities		
Purchase of investment property	(63.1)	(15.9)
Development spend	(7.5)	(8.5)
Proceeds from sale of property	0.6	2.5
Net cash outflow from investing activities	(70.0)	(21.9)
Financing activities		
Issue costs paid on issuance of Ordinary Shares	–	(0.2)
Dividends paid	(10.0)	(5.0)
Repayment of loan	(3.9)	(3.2)
Long-term loans drawn down	35.0	–
Loan issue costs	(1.4)	(0.5)
Net cash inflow from financing activities	19.7	(8.9)
Decrease in cash and cash equivalents	(40.8)	(21.6)
Opening cash and cash equivalents	66.5	38.6
Closing cash and cash equivalents	25.7	17.0

NOTES TO THE INTERIM CONDENSED CONSOLIDATED ACCOUNTS

For the six months ended 30 September 2015

1. Corporate information

The Interim Condensed Consolidated Accounts of the Group for the six months ended 30 September 2015 were authorised for issue in accordance with a resolution of the Directors on 18 November 2015.

Assura plc ("Assura") is incorporated in England and Wales and the Company's Ordinary Shares are listed on the London Stock Exchange.

As of 1 April 2013, the Group has elected to be treated as a UK REIT. See Note 5 for further details.

Copies of this statement are available from the website at www.assuraplc.com.

2. Basis of preparation

The Interim Condensed Consolidated Accounts for the six months ended 30 September 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. These accounts cover the six-month accounting period from 1 April 2015 to 30 September 2015 with comparatives for the six-month accounting period from 1 April 2014 to 30 September 2014, or 31 March 2015 for balance sheet amounts.

The Interim Condensed Consolidated Accounts do not include all the information and disclosures required in the Annual Report, and should be read in conjunction with the Group's Annual Report as at 31 March 2015 which are prepared in accordance with IFRSs as adopted by the European Union.

The accounts are presented in pounds sterling rounded to the nearest 0.1 million unless specified otherwise.

The accounts are prepared on a going concern basis.

3. Accounts

The results for the six months to 30 September 2015 and to 30 September 2014 are unaudited. The interim accounts do not constitute statutory accounts. The balance sheet as at 31 March 2015 has been extracted from the Group's 2015 Annual Report, on which the auditor has reported and the report was unqualified.

4. New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Accounts are consistent with those followed in the preparation of the Group's Annual Report for the year ended 31 March 2015, except for the adoption of new standards and interpretations as of 1 April 2015, noted below, none of which have a material impact on the financial position or performance of the Group:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- IFRIC 21 Levies

5. Taxation on profit on ordinary activities

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Tax charged in the income statement		
Deferred tax:		
Origination and reversal of temporary differences	**0.2**	0.2
Total tax charge	**0.2**	0.2

The Group elected to be treated as a UK REIT with effect from 1 April 2013. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. The Group will otherwise be subject to corporation tax at 20%.

The Group tax charge relates to its non-property income. As the Group has sufficient brought forward losses no tax is due and so the charge represents the movement in deferred tax.

As a REIT, the Group is required to pay Property Income Distributions equal to at least 90% of the Group's exempted net income. To remain as a UK REIT there are a number of conditions to be met in respect of the principal company of the Group, the Group's qualifying activities and the balance of business.

6. Earnings per Ordinary Share

	Earnings 2015 £m	Adjusted (EPRA) earnings 2015 £m	Earnings 2014 £m	Adjusted (EPRA) earnings 2014 £m
Profit for the year from continuing operations	35.2	35.2	16.3	16.3
Revaluation gains		(25.7)		(10.4)
Revaluation of derivative financial instruments		–		(0.3)
Loss on sale of property		–		0.1
Adjusted (EPRA) earnings		9.5		5.7
Weighted average number of shares in issue – basic	1,008,829,551	1,008,829,551	556,155,818	556,155,818
Potential dilutive impact of VCP	11,709,952	11,709,952	–	–
Weighted average number of shares in issue – diluted	1,020,539,503	1,020,539,503	556,155,818	556,155,818
Earnings per Ordinary Share – basic	3.5p	0.9p	2.9p	1.0p
Earnings per Ordinary Share – diluted	3.4p	0.9p	2.9p	1.0p

Underlying profit per share of 1.1 pence (2014: 1.1 pence) has been calculated as underlying profit for the year as presented on the income statement of £11.3 million (2014: £6.3 million) divided by the weighted average number of shares in issue of 1,008,829,551 (2014: 556,155,818). Based on the diluted weighted average shares, underlying profit per share is 1.1 pence (2014: 1.1 pence).

The current estimated number of shares over which nil-cost options may be issued to participants is 12.5 million. After allowing for shares held by the Employee Benefit Trust, this would amount to a potential issuance of a further 11.7 million shares over the course of the next two years.

7. Net asset value per Ordinary Share

	Net asset value 30/09/2015 £m	**Adjusted (EPRA) net asset value 30/09/2015 £m**	Net asset value 31/03/2015 £m	Adjusted (EPRA) net asset value 31/03/2015 £m
Net assets	**476.7**	**476.7**	451.9	451.9
Own shares held		**0.4**		1.8
Deferred tax		**(1.1)**		(1.3)
NAV in accordance with EPRA		**476.0**		452.4
Number of shares in issue	**1,014,989,571**	**1,014,989,571**	1,006,900,141	1,006,900,141
Potential dilutive impact of VCP (Note 6)	**11,709,952**	**11,709,952**	20,723,772	20,723,772
Diluted number of shares in issue	**1,026,699,523**	**1,026,699,523**	1,027,623,913	1,027,623,913
NAV per Ordinary Share – basic	**47.0p**	**46.9p**	44.9p	44.9p
NAV per Ordinary Share – diluted	**46.4p**	**46.4p**	44.0p	44.0p

	Adjusted net asset value 30/09/2015 £m	Adjusted net asset value 31/03/2015 £m
EPRA NAV	**476.0**	452.4
Mark to market of fixed rate debt	**(87.8)**	(90.7)
EPRA NNNAV	**388.2**	361.7
EPRA NNNAV per Ordinary Share	**38.2p**	35.9p

The EPRA measures set out above are in accordance with the Best Practices Recommendations of the European Property Real Estate Association dated December 2014.

Mark to market adjustments have been provided by third party valuers or the counterparty as appropriate.

8. Property assets

Investment property and investment property under construction ("IPUC")

Investment properties are stated at fair value, as determined for the Company by Savills Commercial Limited and Jones Lang LaSalle as at 30 September 2015. The properties have been valued individually and on the basis of open market value in accordance with RICS valuation – Professional Standards 2014 ("the Red Book").

Initial yields mainly range from 4.85% to 5.25% (March 2015: 5.25% and 5.60%) for prime units, increasing up to 6.15% (March 2015: 6.15%) for older units with shorter unexpired lease terms. For properties with weaker tenants and poorer units, the yields range from 6.15% to over 8.0% (March 2015: 6.25% and over 8.0%) and higher for those very close to lease expiry or those approaching obsolescence.

	Investment 30/09/15 £m	**IPUC 30/09/15 £m**	**Total 30/09/15 £m**	Investment 31/03/15 £m	IPUC 31/03/15 £m	Total 31/03/15 £m
Opening fair value	**915.6**	**6.7**	**922.3**	638.8	14.8	653.6
Additions:						
– acquisitions	**65.0**	**–**	**65.0**	229.8	0.5	230.3
– improvements	**1.1**	**–**	**1.1**	0.7	–	0.7
	66.1	**–**	**66.1**	230.5	0.5	231.0
Development costs	**–**	**7.5**	**7.5**	–	14.0	14.0
Transfers	**–**	**–**	**–**	24.5	(24.5)	–
Transfer from assets held for sale	**0.6**	**0.2**	**0.8**	1.5	4.7	6.2
Capitalised interest	**–**	**0.2**	**0.2**	–	0.4	0.4
Disposals	**(0.6)**	**–**	**(0.6)**	(2.0)	(2.3)	(4.3)
Unrealised surplus/(deficit) on revaluation	**25.2**	**0.5**	**25.7**	22.3	(0.9)	21.4
Closing market value	**1,006.9**	**15.1**	**1,022.0**	915.6	6.7	922.3
Add finance lease obligations recognised separately	**3.0**	**–**	**3.0**	3.0	–	3.0
Closing fair value of investment property	**1,009.9**	**15.1**	**1,025.0**	918.6	6.7	925.3

	30/09/2015 £m	31/03/2015 £m
Market value of investment property as estimated by valuer	**999.8**	908.3
Add IPUC	**15.1**	6.7
Add pharmacy lease premiums	**7.1**	7.3
Add finance lease obligations recognised separately	**3.0**	3.0
Fair value for financial reporting purposes	**1,025.0**	925.3
Vacant property held for sale	**–**	0.6
Land held for sale	**4.6**	4.8
Total property assets held for sale	**4.6**	5.4
Total property assets	**1,029.6**	930.7

Seven land sites are held as available for sale (31 March 2015: three property investments and eight land sites).

9. Cash, cash equivalents and restricted cash

	30/09/15 £m	31/03/15 £m
Cash held in current account	**24.4**	65.3
Restricted cash	**1.3**	1.2
	25.7	66.5

Restricted cash arises where there are interest payment guarantees, cash is ring-fenced for committed property development expenditure, which is released to pay contractors' invoices directly, or under the terms of security arrangements under the Group's banking facilities or its bond.

10. Deferred revenue

	30/09/15 £m	31/03/15 £m
Arising from rental received in advance	**13.3**	12.3
Arising from pharmacy lease premiums received in advance	**7.1**	7.3
	20.4	19.6
Current	**13.7**	12.7
Non-current	**6.7**	6.9
	20.4	19.6

11. Borrowings

Secured bank loans	30/09/15 £m	31/03/15 £m
At 1 April	**513.5**	450.3
Amount issued or drawn down in period/year	**35.0**	–
Amount repaid in period/year	**(3.9)**	(64.1)
Acquired with acquisition of properties/subsidiaries	**–**	135.3
Amortisation of loan fair value adjustments	**–**	(0.3)
Cash settlement of loan fair value adjustments	**–**	(7.8)
Loan issue costs	**(1.4)**	(0.5)
Amortisation of loan issue costs	**0.3**	0.6
At the end of the period/year	**543.5**	513.5
Due within one year	**8.4**	8.0
Due after more than one year	**535.1**	505.5
At the end of the period/year	**543.5**	513.5

The Group has the following bank facilities:

1. 10-year senior secured bond for £110 million at a fixed interest rate of 4.75% maturing in December 2021. The secured bond carries a loan to value covenant of 75% (70% at the point of substitution of an investment property or cash) and an interest cover requirement of 1.15 times (1.5 times at the point of substitution).

2. Loans from Aviva with an aggregate balance of £402.6 million at 30 September 2015 (31 March 2015: £406.6 million). The Aviva loans are partially amortised by way of quarterly instalments and partially repaid by way of bullet repayments falling due between 2021 and 2041 with a weighted average term of 12.9 years to maturity, £8.4 million is due within a year. 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 4.11% and 6.66% and have a weighted average of 5.43%. The loans carry a debt service cover covenant of 1.05 times, calculated across all loans and secured properties.

3. Five-year club revolving credit facility with RBS, HSBC and Barclays for £120 million at an initial margin of 1.70% above LIBOR, expiring in May 2020. The facility is subject to a historical interest cover requirement of at least 175% and a weighted average lease length of nine years. As at 30 September 2015, £35 million of this facility was drawn.

The Group has been in compliance with all financial covenants on all of the above loans as applicable throughout the period.

12. Share capital

	Number of shares 30/09/2015	Share capital 30/09/2015 £m	Number of shares 31/03/2015	Share capital 31/03/2015 £m
Ordinary Shares of 10 pence each issued and fully paid				
At 1 April	**1,006,900,141**	**100.7**	529,548,924	53.0
Issued 13 June 2014	**–**	**–**	44,264,196	4.4
Issued 15 October 2014	**–**	**–**	414,252,873	41.4
Issued 6 November 2014	**–**	**–**	18,834,148	1.9
Issued 22 July 2015	**4,545,455**	**0.4**	–	–
Issued 25 September 2015	**3,543,975**	**0.4**	–	–
Total at 30 September/31 March	**1,014,989,571**	**101.5**	1,006,900,141	100.7
Own shares held	**(790,048)**	**(0.4)**	(3,911,551)	(1.8)
Total share capital	**1,014,199,523**	**101.1**	1,002,988,590	98.9

On 22 July 2015, 4,545,455 Ordinary Shares were issued as part consideration for the acquisition of Pentagon HS Limited. Based on the closing share price on 20 July 2015 of 55.25 pence per Ordinary Share the shares were valued at £2.5 million and this has been allocated accordingly between share capital (£0.4 million) and share premium (£2.1 million).

On 25 September 2015, 3,543,975 Ordinary Shares were issued to participants of the Value Creation Plan ("VCP") following the completion of the first measurement period. In addition, 3,121,503 Ordinary Shares were transferred from the Employee Benefit Trust to participants. The VCP has two remaining measurement periods in 2016 and 2017.

13. Commitments

At the period end the Group had five developments or forward funding purchases on site (31 March 2015: five developments) with a contracted total expenditure of £25.7 million (31 March 2015: £22.2 million) of which £13.4 million (31 March 2015: £6.1 million) had been expended.

14. Dividends paid on Ordinary Shares

Payment date	Pence per share	Number of Ordinary Shares	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
23 April 2014	0.45	529,548,924	**–**	2.4
23 July 2014	0.45	573,813,120	**–**	2.6
30 April 2015	0.5	1,006,900,141	**5.0**	–
22 July 2015	0.5	1,006,900,141	**5.0**	–
			10.0	5.0

A dividend of 0.5 pence per share was paid to shareholders on 4 November 2015.

15. Post balance sheet events

Subsequent to the interim balance sheet date:

On 14 October 2015, the Company issued 618,000,000 Ordinary Shares at a price of 50 pence per share by way of a Firm Placing, Placing and Open Offer and Offer for Subscription. Gross proceeds of the issue were £309.0 million before expenses, being raised to make further investments into primary care properties and reduce the overall level of borrowings.

On 11 November 2015, £181 million of long-term fixed rate debt was repaid in full along with the associated early repayment costs of £34 million.

DIRECTORS' RESPONSIBILITIES STATEMENT

Principal risks and uncertainties

The factors identified by the Board as having the potential to affect the Group's operating results, financial control and/or the trading price of its shares were set out in detail in the Annual Report for the year ended 31 March 2015.

An update on certain key risks as they relate to the second half of the year is set out below:

External risk – government policy; there remains a lack of clarity on the future approval mechanism for new developments. This risk is mitigated by the fact that recent policy announcements in the NHS Five Year Forward View are very supportive of further investment in the greater provision of healthcare in a primary care setting. We continue to monitor this closely and are actively engaged with both the commissioning bodies and the policy influencers in the NHS to try to minimise any risks from any potential future changes.

Internal risk – execution risk; Following the share issue completed in October 2015, the net proceeds of the share issue of £300 million are intended to be invested in primary care property and in reducing the overall level of debt. There is a risk that there may be insufficient investment opportunities and the negotiations with lenders may not lead to debt being reduced at acceptable costs or achieving the required rates. This risk is mitigated by the fact that a number of investment opportunities already have agreed commercial terms and the discussions with lenders are well advanced.

Going concern

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Group's properties are substantially let with the majority of rent paid or reimbursed by the NHS and they benefit from a weighted average lease length on the core portfolio of 14.1 years. The Group has facilities from two lenders with modest annual amortisation, in addition to the secured bond, and has remained in compliance with all covenants throughout the period. In making the assessment, and having considered the continuing economic uncertainty, the Directors have reviewed the Group's financial forecasts which cover a period of 18 months beyond the balance sheet date, showing that borrowing facilities are adequate and the business can operate within these facilities and meet its obligations when they fall due for the foreseeable future. There have been no material changes in assumptions in the forecast from the basis adopted in making the assessment at the previous year end, although the Group has successfully completed a share issue generating £300 million net of costs and repaid £181 million of Aviva debt.

Directors' responsibilities statement

The Board confirms to the best of their knowledge:

- that the Interim Condensed Consolidated Accounts for the six months to 30 September 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and
- that the Half Year Management Report comprising the Business Review and the principal risks and uncertainties includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure and Transparency Rules.

The above Directors' Responsibilities Statement was approved by the Board on 18 November 2015.

GRAHAM ROBERTS
CHIEF EXECUTIVE
18 November 2015

JONATHAN MURPHY
FINANCE DIRECTOR

INDEPENDENT REVIEW REPORT TO ASSURA PLC

For the six months ended 30 September 2015

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 which comprise the Interim Condensed Consolidated Income Statement, the Interim Condensed Consolidated Balance Sheet, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flow and the related Notes 1 to 15. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP – Chartered Accountants and Statutory Auditor
Manchester, UK
18 November 2015

CORPORATE INFORMATION

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Bankers:	Aviva plc Barclays Bank plc HSBC Bank plc The Royal Bank of Scotland plc

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