

**PRIMARY HEALTH PROPERTIES PLC (“PHP” or the “Group”)  
“The Dedicated Healthcare REIT”**

**INTERIM MANAGEMENT STATEMENT**

This is the first time the Group has issued an Interim Management Statement as is now required by the Disclosure and Transparency Rules for UK companies whose shares are admitted to trading on the Official List of the UK Listing Authority, a division of the Financial Services Authority. The statement is required to be issued during the first six months of the financial year and is for the period from 31 December 2007 to the date of the publication of this statement.

**The Market**

Investor and tenant demand for modern primary care facilities remains high. Yields are relatively stable.

**Investment activity**

During the first quarter of 2008, the Group acquired two newly completed properties, at Shavington and Northwich, costing in aggregate £7.8m. In April, the Group announced the purchase of a completed investment property at Cullompton for £8m.

The investment pipeline remains strong and in the first half of May we exchanged contracts on 3 new commitments at Belper £4.5m, Port Talbot £15.6m and Coalville £2.6m. These acquisitions take our portfolio including commitments from £324.2m to £362.7m

**Borrowings**

Borrowings at the end of the first quarter stood at £190m.

**Banking**

As reported in the Report and Accounts for the eighteen months ended 31 December 2007, in the first quarter of 2008 we successfully secured an additional £50m committed bank line with Abbey Santander.

Total facilities are £250m.

**Interest Rate hedging**

We remain committed to keeping a high level of cover against our variable interest rate borrowings. On 17 March 2008, we entered into two further 5 year interest rate swaps at 4.89% covering £20m of principal. Our fixed rate cover is £193m including £83m of callable swaps which are reviewed on a quarterly basis. The callable swaps were not called on 12<sup>th</sup> May.

**Property valuation**

The Board carries out its property valuation every six months and the next valuation is therefore due as at 30 June 2008. As indicated above, yields have been relatively stable.

**Rental growth**

Our average rental growth achieved during the year to date is 11% spread over three years which is an annual effective average of 3.67%.

**Dividend**

On 28 March 2008, the Company paid a third interim dividend of 8.25p per Ordinary Share.

### **American Depositary Receipts**

Primary Health Properties PLC ("PHP") has appointed The Bank of New York as the depositary bank for its sponsored level 1 ADR programme.

The ADRs trade on the over-the-counter market under the symbol "PYHPY" and each PHP ADR represents two ordinary shares.

The ordinary shares are admitted to the Official List of the UK Listing Authority, a division of the Financial Services Authority, and traded on the London Stock Exchange under the symbol "PHP."

This Interim Management Statement may contain forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. These statements reflect the knowledge and information available at the time of the release of this Interim Management Statement. Nothing in this Interim Management Statement should be construed as a profit forecast.

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