

RNS Number : 3388P
Primary Health Properties PLC
24 March 2009

Primary Health Properties PLC
("Primary Health Properties" or "PHP" or the "Company")

Placing of new ordinary shares

Primary Health Properties, one of the UK's largest providers of modern primary healthcare facilities, is pleased to announce it has raised approximately £3.7 million, before expenses, by way of a Placing (the "Placing") of 1,679,354 new ordinary shares of 50 pence each in the Company (the "Placing Shares"). The Placing has been completed at a price of 220 pence per Placing Share (the "Placing Price").

The Placing was taken up by institutional and other investors, including Nexus Group Holdings Ltd, the parent company of Nexus PHP Management Limited and J O Hambro Capital Management Limited who together are the joint managers of the Company ("Joint Managers") as well as several Directors of the Company and directors of the Joint Managers. The Placing has been underwritten by KBC Peel Hunt Ltd ("KBC"). The net proceeds of the Placing will be used for general working capital purposes.

Application has been made for the Placing Shares to be admitted to the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange Plc, respectively. Dealings in the Placing Shares are expected to commence at 8:00a.m. on 24 March 2009 ("Admission").

Commenting on the Placing, Harry Hyman, Managing Director, said:

"The Board is pleased to have secured additional capital from investors. Investors continue to recognise the long term growth potential of Primary Health Properties and its commitment to deliver attractive returns for shareholders.

PHP operates in one of the most resilient commercial property sectors where it benefits from long lease lengths, strong and growing tenant demand, nil voids and government-backed covenant strength.

PHP remains a leader in its niche market and benefits from secure cash flows and a strong pipeline of potential deals. We have ambitions to substantially grow the business in the future and believe there are buying opportunities in today's market at historically low valuations. The Board looks forward to the future with confidence."

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Managing Director

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Garry Levin
Nicholas Marren

Details of the Placing

The Company is raising approximately £3.7 million by the issue of 1,679,354 Placing Shares being the maximum number of shares permitted to be issued under the renewal of the directors' authority for the disapplication of pre-emption rights, which was passed on 17 June 2008. Pursuant to the terms of the placing agreement between the Company and KBC, KBC has agreed to procure subscribers for the Placing Shares at the Placing Price or to subscribe itself for any Placing Shares for which a subscriber is not found.

The Placing Price represents a discount of approximately 13.7 per cent. to the closing mid-market price of 255 pence per ordinary share on 23 March 2009, being the last dealing day prior to release of this announcement. The Placing Shares will represent approximately 4.8 per cent. of the enlarged issued ordinary share capital of the Company immediately following Admission. Following Admission, the Company will have a total of 35,266,448 ordinary shares of 50 pence each in issue.

The issue of the Placing Shares is conditional *inter alia* upon Admission. It is anticipated that dealings in the Placing Shares will commence at 8:00 a.m. on 24 March 2009. The Placing is

conditional, *inter alia*, upon Admission becoming effective and the Placing Agreement becoming unconditional in all respects by no later than 8:00 a.m. on 24 March 2009 or such later date (being not later than 8.00 a.m. on 31 March 2009) as the Company and KBC may agree.

The Placing Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the ordinary shares in the Company, including the right to receive all dividends and other distributions declared or paid thereon following Admission except in respect of the 2008 interim dividend of 8.5 pence per ordinary share announced on 27 February 2009.

Forward looking statements

This announcement 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 at the time of the release of this announcement. Nothing in this announcement should be construed as a profit forecast.

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