

Primary Health Properties

2015 interim results

Accelerated dividend cover

The interim results showed strong profit growth with good operational gearing as a result of ongoing cost and funding efficiencies. Cover of the progressive dividend lifted to 89%. Our revised forecasts now show full cover in H2 of the current year, with a prospective yield of 4.9%. Following a conclusive election result, there is continuity of policy towards the NHS, providing political and financial support for its five-year plan. In this context, the prospects for continuing asset growth look good. Property yields have contracted but funding conditions remain strong, maintaining a healthy spread and opportunity for ongoing accretive growth.

| Year end | Revenue (£m) | PBT* (£m) | EPS* (p) | DPS (p) | Yield (%) | EPRA NAV/share (p) |
|----------|--------------|-----------|----------|---------|-----------|--------------------|
| 12/13 | 42.0 | 6.8 | 7.6 | 19.0 | 4.6 | 300 |
| 12/14 | 60.0 | 18.2 | 16.4 | 19.5 | 4.7 | 319 |
| 12/15e | 62.7 | 21.2 | 19.0 | 20.0 | 4.9 | 341 |
| 12/16e | 67.6 | 24.1 | 21.6 | 20.5 | 5.0 | 357 |

Note: *PBT and EPS are on an underlying EPRA basis, excluding valuation movements and other exceptional items.

Key messages from the interim results

Rental income grew 5% yoy, underlying EPRA earnings by 20%, and IFRS earnings by 46%. The operational gearing reflects the renegotiation of the management fee in May 2014 (which contributed to an 8% reduction in administration costs) and debt cost efficiencies resulting from active liability management. IFRS profits benefited from further significant revaluation gains, which also saw NAV per share grow despite the high payout of underlying earnings. A debt and swap restructuring completed in July will see the average cost of debt fall further and accelerate the move to full dividend cover; we now estimate this will occur in H215 (102%), one year earlier than previously forecast.

Market growth becoming clearer

PHP operates in an attractive market with good growth prospects. Tenant quality is excellent, being largely government risk or pharmacies with a natural flow of business as a result of colocation with GP practices. Leases are long and with upward-only rent revisions. We believe the medium- to long-term growth outlook remains strong, driven by an ageing population with growing healthcare needs, an underinvested primary healthcare estate and a general acceptance of the need for more integrated primary care services in the community. The new government has committed to the NHS five-year plan, providing £8bn pa in additional funding, while looking for the NHS to deliver significant operational efficiencies of £22bn pa. The anticipated changes in healthcare delivery to achieve these will require modern, purpose-built, flexible premises of the type in which PHP invests.

Valuation: Growing dividends and cover

PHP's high payout, progressive dividend, and attractive yield are supported by secure cash flows from mainly government-backed revenues. Healthcare property values (and PHP NAV) are also benefiting from yield compression, but historical performance has shown much less volatility than the broad commercial sector.

Real estate

28 August 2015

Price **411.25p**
Market cap **£458m**

| | |
|----------------------------------|--------|
| Net debt (£m) as at 30 June 2015 | 681.1 |
| Shares in issue | 111.4m |
| Free float | 96% |
| Code | PHP |
| Primary exchange | LSE |
| Secondary exchange | N/A |

Share price performance



| | | | |
|------------------|-----|--------|--------|
| % | 1m | 3m | 12m |
| Abs | 0.9 | 3.9 | 18.4 |
| Rel (local) | 5.4 | 16.6 | 26.9 |
| 52-week high/low | | 420.8p | 327.8p |

Business description

Primary Health Properties is a long-term investor in primary healthcare property in the UK, principally let long term to GPs and NHS organisations backed by the UK government. The tenant profile and long average lease duration provide an exceptionally secure rental outlook.

Next events

| | |
|-----------------------------|------------------|
| First interim dividend paid | 30 October 2015 |
| Financial year end | 31 December 2015 |

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Full dividend cover accelerated

Half-year results for the six months to 30 June 2015 were, on an underlying basis, in line with our expectations for further strong earnings growth and significant progress towards management's target of fully restoring dividend cover, despite a higher dividend per share and increased number of shares in issue. The key changes to our forecasts are to reflect the strength of H1 valuation gains and an additional reduction (43bp) in the average cost of debt. The latter reflects a debt and swap restructuring completed in July, and we expect the resultant increase in earnings to lift H215 dividend cover to 102%, full cover one year earlier than we previously anticipated.

Highlights of the first half-year results

- The total portfolio, including development properties, increased to £1,074.8m at 30 June from £1,026.3m at 31 December. Including £21.8m of contracted cost to complete development commitments, the total completed and committed portfolio was £1,096.6m (£1,037.5m). Seven new healthcare properties were acquired during the period, representing a commitment of £33.6m. Two of these are completed and immediately income-producing assets, three are properties whose development is being funded by PHP, and two are properties that will be acquired by PHP upon their completion. Net revaluation gains of £23.9m were achieved (representing underlying like-for-like growth of 2.3%).
- The portfolio currently consists of 272 properties (up from 265 at 31 December) of which 264 are completed and rent producing and eight are on-site in the process of development. All of the properties under development have completion dates running through H215 and H116. The portfolio is 99.6% let, effectively full occupancy being a feature of the business model with no speculative development and long, secure lease commitments. The weighted average unexpired lease term (including commitments) was 15.1 years (15.3 years at 31 December) and the total contracted rent roll increased to £62.9m from £60.9m at 31 December.
- The entire portfolio was independently valued at midyear and the £23.9m gain (21.5p per share), net of acquisition expenses, reflects a continued tightening in sector yields as well as ongoing asset management initiatives that support valuation through rental uplifts and lease extensions. The average net initial yield has tightened to 5.39% from 5.52% in December.
- Rental income increased by 5.2% compared with H114 to £30.6m, reflecting portfolio growth as well as continued modest rental growth. Average rental growth of 1.1% was secured on rent reviews that closed during H1. This is down from the 1.8% achieved in 2014 as a whole, and reflects a reduction in the rate of inflation applied to RPI-linked leases and continuing low levels of open-market rent increases (77% of the portfolio at the end of 2014). Open-market rent growth should benefit from the expected uptick in NHS development approvals. These should highlight the increase that has occurred in building and land costs and help to establish a new rental level.
- Administrative costs, including advisory fees, were 8.1% lower compared with H114 at £3.4m, reflecting the revised management agreement implemented in May 2014. The EPRA basis cost ratio fell from 12.7% in H114 to 11.6% in H115 which management states is lower than peers.
- Statutory IFRS profit before tax increased by 46.6% to £32.4m, while underlying PBT on an EPRA basis (which excludes the property valuation gains amongst other adjustments), increased by 20.7% to £9.9m. EPRA earnings per share increased by a similar amount to 8.9p (H114: 7.4p).
- A second interim dividend of 10.0p per share in respect of the 2014 year was paid on 1 April, and a first interim dividend of 10.0p per share (a 2.6% increase on the prior year) in respect of the 2015 year will be paid on 30 October 2015 to shareholders on the register at 18 September 2015. With effect from 1 January 2016, dividend payments will be made quarterly in January,

April, July, and October. Dividend cover continued to increase during H115, reaching 89% (compared with 76% in H114 and 84% for 2014 as a whole). Returning to full cover remains a priority for the board, while at the same time maintaining a progressive dividend policy (PHP has produced 19 successive years of dividend growth). Our revised forecasts, which benefit from H115 refinancing measures (see below) show full cover being achieved in the second half of the current year, a year earlier than previously forecast.

- Refinements to the group debt structure continued in H1, including a new five-year term for the £50m HSBC revolving debt facility (other terms unchanged), and changes to the swap portfolio which provides protection against increasing interest rates. Terms have also been agreed to extend the Barclays facility from £100m to £115m, for a five-year term from August 2015, with the additional capital provided by AIB. The swap portfolio changes effectively take advantage of market conditions to terminate expensive current protection and replace it with cheaper protection commencing in 2018 and 2019. This will reduce the average cost of debt by 43bp from H215, on top of the reductions in borrowing costs experienced in H1, when the average cost of debt fell by 50bp on H114 to 4.9%. Approximately 91% of the group's £682.6m of gross debt (up from £667.3m at year end with investment in the portfolio) is held on a fixed rate basis, either through long-term, fixed-rate loans, or being swapped to fixed rates through the group's portfolio of interest rate swaps. The weighted average maturity is 6.1 years (6.2 years at 31 December). Total debt facilities at £788.1m showed a small increase on the 31 December level. Borrowing headroom of £86.7m remains to support portfolio growth, although this will increase with the extension of the Barclays facility. The group loan-to-value ratio fell during H1 to 63.2% versus 64.1% at 31 December and interest cover increased again (to 1.77x from 1.73x in 2014).
- Basic NAV per share increased from 278p at 31 December to 300p while EPRA NAV per share increased to 339p from 319p. Total shareholder return (the change in NAV per share plus dividends paid) was 9.4% during H115 (5.9% in H114).
- The board will propose a four for one stock split to a general meeting of shareholders, further details of which will be provided in coming weeks. This may have the effect of increasing share liquidity by reducing the quoted price of each individual share.

H1 portfolio commitments tracking our estimates

PHP acquired seven properties in H1; two of these are completed assets that immediately contribute rental income, three are properties whose development is being funded by PHP, earning interest on the funds advanced until completion and then earning rent on the pre-let properties; and two properties that PHP will take ownership of at the completion of their development. This is broadly in line with our full-year estimate and we have made no material changes to assets growth, with only a slight shift in commitments between development assets (slightly lower) and balances to complete.

Exhibit 1: H1 portfolio acquisitions

| Asset | Acquisition basis | Cost | Target completion |
|---|--------------------|-------|-------------------|
| Colwyn Bay Primary Care Centre, North Wales | Development asset | £4.6m | Jan-16 |
| Dinas Powys, South Wales | Development asset | £3.4m | Jan-16 |
| Two Rivers Medical Centre, Ipswich | Development asset | £6.7m | Dec-15 |
| NHS Trust Building, Macclesfield | Forward commitment | £2.5m | Oct-15 |
| Jubilee Medical Centre, Croxteth | Forward commitment | £1.2m | Dec-15 |
| White Horse Medical Centre, Westbury | Completed assets | £7.7m | Income producing |
| Thornbury Health Centre, North Yorkshire | Completed assets | £7.5m | Income producing |

Source: Company data

Adding in net revaluation gains of £23.9m and asset management investment in existing properties, the total completed and committed portfolio reached just under £1.1bn as shown in Exhibit 2. Our

forecasts anticipate an additional £31m being invested in the balance sheet carried value of completed investment properties and properties under development by the end of 2015. We also look for additional revaluation gains based solely on rental growth, with no assumption of further yield compression. For 2016e, we continue to model £97m of additional investment, similar to the c £100m pa that management believes to be a reasonable target over the medium term.

Exhibit 2: Portfolio overview as of 30 June 2015

| | |
|---|---------|
| Number of completed investment properties | 264 |
| Number of properties in the course of development | 8 |
| Total number of properties at completion | 272 |
| Carried value of investment properties (£m) | 1,066.9 |
| Carried value of development properties (£m) | 7.9 |
| Total carried value of properties (£m) | 1,074.8 |
| Balance to complete committed investments (£m) | 21.8 |
| Total committed portfolio (£m) | 1,096.6 |

Source: Company data

While less significant in terms of scale, asset management initiatives are a useful way of adding to rental income, extending lease duration, and adding to portfolio value. In FY14, eight such projects were completed and £4.4m invested, adding to rents (£0.3m), extending average unexpired lease length (by an average 15.7 years) and producing an aggregate 42% valuation gain on the capital spent. So far in 2015, two projects totalling £2.1m of investment have been completed, generating additional rents of £0.25m and crystallising an average additional lease term of 21 years. A further six projects are about to commence on-site, or have reached various stages of NHS approval. These six projects are expected to add c £0.14m to rent and add 12 years on average to the current lease term, for an investment of £2.6m.

Medium and long-term growth prospects remain positive

We believe the medium- to long-term growth outlook remains strong, driven by an ageing population with growing healthcare needs, an underinvested primary healthcare estate and a general acceptance of the need for more integrated primary care services in the community.

The new government has committed to the additional £8bn pa in funding for the NHS that Simon Stevens, the chief executive of NHS England has said will be needed to cope with the challenges it faces. At the same time, the government is looking for the NHS to deliver significant operational efficiencies of £22bn pa. As part of its plan for achieving this, the NHS five-year forward view acknowledges the need for significant change and seeks to deliver additional and more integrated services in the community, with extended opening hours to improve access. The anticipated changes in healthcare delivery require modern, purpose-built, flexible premises (of the type in which PHP invests), in contrast to a significant proportion of the existing estate that is comprised of ageing, converted, residential properties.

By the end of this year the local Clinical Commissioning Groups (CCG's) plan to have strategies in place for their primary care estates, aimed at ensuring that that the healthcare infrastructure is fit for purpose and able to support meeting health care needs.

50% of primary care premises are more than 30 years old and many of these are converted residential premises (source: Savilles/EC Harris). In a recent survey by the BMA, 70% of GPs stated that their premises are too small to be able to deliver enhanced and additional services, 52% stated that their premises had seen no investment or refurbishment in the past 10 years, and the majority said that their premises are too small to be able to deliver training and education.

Even allowing for ongoing consolidation of smaller GP practices into larger groups, the implied future demand for investment in modern, purpose-built premises is very significant. However, if the NHS commitment is restricted to rent reimbursement, this would be a much more manageable 5-6% of the capital investment required.

Valuation gains are a mixed blessing

As a result of continued low interest rates, increased investor interest in the attractive long-term yields that are still available in healthcare properties, has increased competition for assets (particularly larger properties valued in excess of £10m), and continues to reduce yields. Yield contraction is positive for the valuation of existing assets, but reduces the cash return on new investment. PHP says it remains disciplined and invests only where the underlying fundamentals are strong. In many cases this refers to properties that have the ability to expand and adapt to constantly changing medical needs, and can therefore provide the potential for long-term income and capital growth. Additionally, funding conditions have remained positive, maintaining a healthy spread between the c 5.4% current average property yield, marginal fees of 0.325%, and marginal debt costs of c 185bp.

Valuation

Yield

As a REIT, yield is obviously a key attraction of PHP shares. A high payout ratio and growing dividend per share are supported by the long-term predictable cash flows available to PHP on its portfolio of assets. Barring unforeseen circumstances, we expect the fund to pay out 20.0p per share of dividends in FY15 (FY14: 19.5p), representing a prospective yield of 4.9%.

Returning to full dividend cover has been a key priority for management and while significant progress has been made as a result of asset growth and cost and financing efficiencies, the most recent debt and swap restructuring appears to have completed the process. We now estimate 102% cover in H215 and 105% in 2016.

NAV

Despite the high payout ratio of underlying earnings, IFRS net asset value per share increased to 300p at 30 June from 278p at 31 December 2014 while on an EPRA basis it increased to 339p from 319p. In addition to underlying earnings, NAV benefitted significantly from revaluation gains. Compared with IFRS, EPRA adjusts for the fair value liability of interest rate swaps and fair value movements on the recently issued convertible bond. On an EPRA basis, the shares trade on a P/NAV of 1.21x.

Investor interest in the attractive and secure long-term yields still available on primary healthcare properties remains high, from institutional investors in particular. In H115 the net valuation yield reduced to 5.39% from 5.52% at 31 December and we estimate that with a marginal further tightening, by 0.1% (to 5.29%) the EPRA NAV per share would increase by c 19p to 358p.

Exhibit 3 compares the total property returns (net rental income plus valuation movements) for various periods to 30 June 2015 for PHP and for the overall commercial property sector.

| Exhibit 3: Performance versus IPD All Property Index (total return) | | | |
|--|-----------------|--------------------|-------------------|
| To 30 June 2015 | One year | Three years | Five years |
| PHP (NAV) total return) | 9.3% | 7.8% | 7.8% |
| IPD All Property Index | 15.6% | 12.1% | 10.1% |
| Source: PHP, IPD | | | |

Net rental income is a significant element of commercial (and healthcare) property returns over time. However, because healthcare property is less economically sensitive, displays consistently high levels of occupancy and is less susceptible to speculative development, returns tend to show much less volatility over time than for the commercial sector as a whole. During this upswing of the

commercial property cycle, healthcare property has lagged, as expected, and historically has proved much more defensive in a downturn.

Financial summary and estimate revisions

They key changes to our forecasts are driven by the scale of H1 revaluation gains, and the further reduction in the cost of financing that will follow from the debt and swap restructuring completed in July. The changes mean that we now forecast full dividend cover for H215, a year earlier than we previously expected.

Our previous forecasts included £12.7m of expected revaluation gains for 2015 as a whole, implicitly £6.2m in H1. We did not assume any change in valuation yield and the forecast gains were driven entirely by expected rental growth. Following the £23.9m net gain reported in H1, we now expect £29.0m for the year as a whole. The implied decline in our forecast H2 gain (£5.1m versus an implied £6.5m) is a result of a slight reduction in expected rental growth, following the H1 trend.

PHP has terminated a part of its swap portfolio and entered into future contracts that lengthen its interest rate protection, at lower cost. It has guided that the debt and swap restructuring will reduce the average cost of debt by 43bp with effect from 1 July 2015, saving in excess of £3.0m pa over H215 and H116. Additional future swap protection taken out is at lower costs than the remaining swap portfolio and so, depending upon the course of interest rates, it is possible that average debt cost could fall further beyond H116. Given the uncertainty around interest rates we have made no allowance for this.

We anticipate that the termination of the current swap contract, for £80m notional debt with a coupon of 4.805%, will crystallise some of the negative mark-to-market adjustment that is carried on the balance sheet and we have allowed for a £3.0m cash payment (similar to the near-term interest saving) and equivalent reduction in the swap liability. This has the effect of offsetting some of the revaluation impact on EPRA NAV as it reduces the EPRA swap liability add-back to IFRS NAV.

Exhibit 4: Estimate revisions

| | Revenue (£m) | | | EBITDA (£m) | | | EPRA EPS (p) | | | DPS (p) | | | Dividend cover (%) | | | EPRA NAVPS (p) | | |
|--------|--------------|------|--------|-------------|------|--------|--------------|------|--------|---------|------|--------|--------------------|-----|--------|----------------|-----|--------|
| | Old | New | % diff | Old | New | % diff | Old | New | % diff | Old | New | % diff | Old | New | % diff | Old | New | % diff |
| 12/15e | 63.1 | 62.7 | -1 | 55.7 | 55.1 | -1 | 18.1 | 19.0 | 6 | 20.0 | 20.0 | 0 | 90 | 95 | N/M | 328 | 341 | 4 |
| 12/16e | 68.2 | 67.6 | -1 | 60.4 | 59.5 | -1 | 19.9 | 21.6 | 8 | 20.5 | 20.5 | 0 | 97 | 105 | N/M | 341 | 357 | 5 |

Source: Company data, Edison Investment Research

The forecast changes (primarily debt costs) have the effect of lifting dividend cover, we estimate to 102% in H215, making 95% for the year. 2016 cover is now forecast at 105%.

Our investment portfolio growth forecasts imply an increase in debt during FY15 and FY16 with net debt as a percent of the portfolio value ending the period at 66.1%. This is towards the higher end of the range with which we believe management would be comfortable and faster than forecast asset growth raises the prospect of additional equity funding, not included in our forecasts.

The weighted average maturity of PHP's debt at 30 June was 6.1 years. The fairly recent inclusions of the retail bond and convertible bond have diversified the sources of funding and increased the share of unsecured debt to 24% of the total. The unsecured debt provides room to keep LTV's on the secured facilities lower than they would be otherwise, and provides PHP with more flexibility in acquisition funding. The interest cost on more than 80% of all of PHP's debt is fixed or hedged through 2020.

Exhibit 5: Financial summary

| | £000s | 2013 | 2014 | 2015e | 2016e |
|---|-------|-----------|-----------|-----------|-----------|
| Year end 31 December | | IFRS | IFRS | IFRS | IFRS |
| PROFIT & LOSS | | | | | |
| Revenue | | 41,982 | 59,985 | 62,695 | 67,582 |
| Cost of Sales | | (398) | (723) | (854) | (921) |
| Gross Profit | | 41,584 | 59,262 | 61,841 | 66,662 |
| Administrative expenses | | (6,080) | (6,782) | (6,736) | (7,114) |
| EBITDA | | 35,504 | 52,480 | 55,106 | 59,548 |
| Other income and expenses | | 638 | 0 | 0 | 0 |
| Non-recurring items | | (2,702) | (2,426) | 0 | 0 |
| Net valuation gain on property portfolio | | 2,313 | 29,204 | 29,012 | 16,361 |
| Operating profit before financing costs | | 35,753 | 79,258 | 84,118 | 75,909 |
| Net Interest | | (26,016) | (34,275) | (33,890) | (35,453) |
| Non-recurring finance income/expense | | 0 | 0 | 0 | 0 |
| Early loan repayment fees | | (950) | (1,187) | 0 | 0 |
| Fair value gain/(loss) on interest rate derivatives and convertible bond, and swap amortisation | | 11,432 | (6,916) | (1,325) | 0 |
| Profit Before Tax | | 20,219 | 36,880 | 48,903 | 40,456 |
| Tax | | 1 | 0 | 0 | 0 |
| Profit After Tax (FRS 3) | | 20,220 | 36,880 | 48,903 | 40,456 |
| Adjusted for the following: | | | | | |
| Net gain/(loss) on revaluation | | (2,313) | (29,204) | (29,012) | (16,361) |
| Fair value gain/(loss) on derivatives & convertible bond | | (11,432) | 6,916 | 1,325 | 0 |
| Profit on termination of finance lease | | (638) | 0 | 0 | 0 |
| Early loan repayment fees | | 950 | 1,187 | 0 | 0 |
| Issue costs of convertible bond | | 0 | 2,426 | 0 | 0 |
| EPRA basic earnings | | 6,787 | 18,205 | 21,216 | 24,095 |
| Period end number of shares (m) | | 110.5 | 111.3 | 111.5 | 111.6 |
| Average Number of Shares Outstanding (m) | | 89.1 | 111.0 | 111.4 | 111.5 |
| Fully diluted average number of shares outstanding (m) | | 89.1 | 124.1 | 132.5 | 132.7 |
| EPS - normalised fully diluted (p) | | 22.7 | 31.5 | 38.2 | 31.8 |
| EPRA EPS (p) | | 7.6 | 16.4 | 19.0 | 21.6 |
| Dividend per share (p) | | 19.0 | 19.5 | 20.0 | 20.5 |
| Dividend cover | | 41% | 84% | 95% | 105% |
| BALANCE SHEET | | | | | |
| Fixed Assets | | 942,020 | 1,026,232 | 1,110,900 | 1,224,261 |
| Investment properties | | 941,548 | 1,026,207 | 1,110,879 | 1,224,240 |
| Net investment in finance leases | | 0 | 0 | 0 | 0 |
| Derivative interest rate swaps | | 472 | 25 | 21 | 21 |
| Current Assets | | 14,052 | 17,740 | 7,702 | 9,100 |
| Trade & other receivables | | 4,764 | 5,668 | 5,075 | 5,547 |
| Net investment in finance leases | | 0 | 0 | 0 | 0 |
| Cash & equivalents | | 9,288 | 12,072 | 2,627 | 3,553 |
| Current Liabilities | | (39,635) | (33,065) | (39,698) | (41,173) |
| Term loans | | (3,843) | (711) | (3,513) | (3,513) |
| Trade & other payables | | (16,269) | (14,244) | (15,860) | (17,335) |
| Derivative interest rate swaps | | (7,566) | (5,802) | (7,340) | (7,340) |
| Deferred rental income | | (11,934) | (12,308) | (12,985) | (12,985) |
| Other | | (23) | 0 | 0 | 0 |
| Long Term Liabilities | | (614,052) | (701,777) | (738,945) | (833,945) |
| Term loans | | (460,185) | (437,022) | (480,786) | (575,786) |
| Bonds | | (132,408) | (229,543) | (233,300) | (233,300) |
| Derivative interest rate swaps | | (21,459) | (35,212) | (24,859) | (24,859) |
| Net Assets | | 302,385 | 309,130 | 339,959 | 358,244 |
| Derivative interest rate swaps | | 28,553 | 40,989 | 32,178 | 32,178 |
| Change in fair value of convertible bond | | 0 | 4,462 | 8,074 | 8,074 |
| EPRA net assets | | 330,938 | 354,581 | 380,211 | 398,496 |
| IFRS NAV per share (p) | | 274 | 278 | 305 | 321 |
| EPRA NAV per share (p) | | 300 | 319 | 341 | 357 |
| CASH FLOW | | | | | |
| Operating Cash Flow | | 36,682 | 49,020 | 56,641 | 60,551 |
| Net Interest & other financing charges | | (30,430) | (49,633) | (32,596) | (35,453) |
| Tax | | 0 | (23) | 0 | 0 |
| Acquisitions/disposals | | (54,731) | (54,396) | (54,884) | (97,000) |
| Net proceeds from issue of shares | | 65,232 | 17 | 0 | 0 |
| Equity dividends paid (net of scrip) | | (16,130) | (20,688) | (21,537) | (22,172) |
| Other (including debt assumed on acquisition) | | (211,273) | 7,647 | (7,392) | 0 |
| Net Cash Flow | | (210,650) | (68,056) | (59,768) | (94,074) |
| Opening net (debt)/cash | | (376,498) | (587,148) | (655,204) | (714,972) |
| Closing net (debt)/cash | | (587,148) | (655,204) | (714,972) | (809,046) |

Source: Company data, Edison Investment Research

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