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Lloydspharmacy sells Sapphire Primary Care Developments to Ashley House plc

Ashley House plc has acquired the assets and business of Sapphire Primary Care Developments (SPCD) from Lloydspharmacy for £6.8 million. In addition, AH Medical Properties plc (AHMP) has acquired four completed medical centres with integrated Lloydspharmacy pharmacies from SPCD for £11.8m.

Ashley House specialises in the design, construction and management of primary and social care infrastructure and is the asset manager for AHMP a property investment company with a portfolio of over £100m of primary care assets.

The deal provides Lloydspharmacy with a strategic partnership and a 10 per cent equity stake in Ashley House, enhancing Ashley House's position in the health centre development market. Lloydspharmacy also gets an exclusive opportunity over the future pipeline of attractive health centre pharmacy opportunities which will be the subject of a joint venture between Ashley House and Lloydspharmacy.

"This is a very attractive deal for both Ashley House and Lloydspharmacy, playing to each of our strengths," said Jonathan Holmes, Chief Executive of Ashley House. "The deal boosts our already significant pipeline of projects while providing us with a long term partner in our new joint venture."

"The deal allows Lloydspharmacy to realise the value generated by the business," said Richard Smith, Managing Director of Lloydspharmacy. "It also allows us to free up working capital through the sale of completed health centre developments currently held on the balance sheet, which equates to over £18.5 million.

"Moving forward, having a strategic partnership with such a respected developer in the market will provide excellent pharmacy opportunities for Lloydspharmacy while allowing us to concentrate our core business of providing 'healthcare for life' to our customers."

The acquisition will augment Ashley House's interests in NHS LIFT, adding minority interests in six other LIFTCos.

Lloydspharmacy has built up the SPCD business from start-up in 1999. Andrew Willetts, Finance Director of Lloydspharmacy, joins the Ashley House board as non-executive director.

Ends

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Notes to editors

About Ashley House plc

Ashley House plc was established in 1991 and specialises in the design, construction and management of primary and social care infrastructure. The pipeline of projects is substantial and includes new GP surgeries for partnerships with rent re-imbursed by the PCT through to major community hospital projects delivered through NHS LIFT.

Ashley House is a major participant in NHS LIFT with interests in 7 of the 47 NHS LIFT companies which are public private partnerships where the private sector partners with local PCT and the Dept of Health (via Community Health Partnerships) to deliver health and social care facilities. Through Odyssey Healthcare, Ashley House is also one of only 7 private sector participants in Express LIFT, a new Dept of Health initiative to set up more LIFT PPPs for the c. 75 PCTs.

Ashley House is the asset manager of AH Medical Properties plc, a separate property investment company which owns a portfolio primary care assets with a gross value of over £100m.

About Lloydspharmacy

Lloydspharmacy has approximately 1700 pharmacies across the UK. These are based predominantly in community and health centre locations. The company employs over 17,000 staff and dispenses over 145 million prescription items annually.

Lloydspharmacy, which is a community pharmacy, has primary care at the heart of its business. This is why it has launched a range of products aimed at improving community health such as affordable blood pressure monitors and allergy relievers, as well as a suite of convenient professional health check services including free blood pressure and diabetes testing, and cholesterol and heart checks in the comfort of a private consultation room.

Lloydspharmacy is the trading name of Lloydspharmacy Ltd, a wholly owned subsidiary of Celesio AG based in Stuttgart. Celesio is one of the leading trading companies and service providers within the pharmaceutical market worldwide.

The group is active in 28 countries and employs more than 45,000 people in its three divisions Patient and Consumer Solutions, Pharmacy Solutions and Manufacturer Solutions. Over 2,300 of Celesio's own pharmacies, as part of Patient and Consumer Solutions, serve over 550,000 customers in seven countries every day.

In its wholesale activities, which are part of Pharmacy Solutions, around 140 wholesale branches worldwide deliver to over 65,000 pharmacies – day in, day out. In the Manufacturer Solutions division, Celesio offers pharmaceutical manufacturers logistics and distribution solutions and supports them in sales and marketing.

Some key facts about Lloydspharmacy:

- In 2008 Lloydspharmacy had turnover of £1.7 billion
- Prescription processing is up 9% to 145.4 million
- Over 1.25 million free Type 2 diabetes screening tests and 1.5 million blood pressure tests completed to date
- 18,700 Cholesterol and Heart Check tests conducted to date
- Lloydspharmacy offers more private consultation areas than any other pharmacy – currently they are available in 95% of Lloydspharmacy pharmacies (1,630)