

Market Release

10 November 2015

Vital first quarter distribution and quarterly update

Vital unitholders will receive a first quarter distribution of 2.025 cents per unit (cpu) with nil imputation credits. The record date is 4 December 2015 and payment will be made on 18 December 2015. Vital's Distribution Reinvestment Plan (DRP) will remain available to investors for this distribution, with a 1% discount being applied when determining the strike price. An appendix 7 notification for the distribution is attached to this release.

Distribution

Payment date	18 December 2015
Excluded distribution per unit	2.025 cpu
Fully imputed distribution per unit	0 cpu
Imputation credits	0 cpu
Cash distribution per unit	2.025 cpu
DRP available	Yes
DRP discount	1%

Proposed distribution payment dates

2nd quarter 2016 financial year	24 March 2016
3rd quarter 2016 financial year	24 June 2016

These dates represent the current expectation of Vital (VHP) as at the date of publication, are subject to VHP approval, may change without notice and are not a guarantee or warranty as to the payment of a distribution or the actual payment dates.

Key portfolio metrics

As at 30 September 2015



778_m
portfolio value



17.3
years WALT



99.4%
occupancy

Consolidated Statement of Comprehensive Income

As at 30 September 2015

	Unaudited Sep-15 \$000s	Unaudited Sep-14 \$000s
Gross property income from rentals	16,510	15,300
Gross property income from expense recoveries	1,822	2,018
Property expenses	(2,200)	(2,334)
Net property income	16,132	14,984
Other expenses	2,067	1,660
Profit before finance income/(expense) and other gains/(losses)	14,065	13,324
Finance income/(expense)		
Finance income	18	25
Finance expense	(3,539)	(3,042)
Fair value gain/(loss) on interest rate derivatives	(2,671)	(703)
	(6,192)	(3,720)
Other gains/(losses)		
Revaluation gain/(loss) on investment property	-	-
Receipts/(payments) under transaction hedging foreign exchange derivatives	-	70
Fair value gain/(loss) on foreign exchange derivatives	1,319	(546)
Unrealised gain/(loss) on foreign exchange	707	(1,306)
	2,026	(1,782)
Profit/(Loss) before income tax	9,899	7,822
Taxation expense	(1,666)	(1,024)
Profit/(Loss) for the year attributable to unitholders of the Trust	8,233	6,798
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Movement in foreign currency translation reserve	(12,131)	14,355
Realised foreign exchange gains/(losses) on hedges	(2,150)	302
– Current taxation (expense)/credit	602	(84)
Unrealised foreign exchange gains/(losses) on hedges	7,405	(3,340)
– Deferred taxation (expense)/credit	(2,073)	935
Fair value gain on net investment hedges	2,798	(3,142)
– Deferred taxation (expense)/credit	(783)	880
– Current taxation (expense)/credit	-	-
Total other comprehensive income/(loss) after tax	(6,332)	9,906
Total comprehensive income after tax	1,901	16,704
All amounts are from continuing operations		
Earnings per unit		
Basic and diluted earnings per unit (cents)	2.40	2.00

Consolidated Statement of Financial Position

As at 30 September 2015

	Unaudited Sep-15 \$'000s	Audited Jun-15 \$'000s
Non-current assets		
Investment properties	777,669	781,862
Other non-current assets	391	407
Total non-current assets	778,060	782,269
Current assets		
Cash and cash equivalents	1,102	1,022
Trade and other receivables	1,572	1,073
Other current assets	1,004	178
Derivative financial instruments	4,067	23
Total current assets	7,745	2,296
Total assets	785,805	784,565
Unitholders' funds		
Units on issue	367,292	362,853
Reserves	(15,807)	(9,475)
Retained earnings	83,951	82,605
Total unitholders' funds	435,436	435,983
Non-current liabilities		
Borrowings	266,461	256,384
Income in advance	5,238	5,866
Derivative financial instruments	16,334	13,475
Deferred tax	47,194	45,251
Total non-current liabilities	335,227	320,976
Current liabilities		
Trade and other payables	5,762	11,805
Income in advance	2,223	2,115
Derivative financial instruments	802	5,690
Taxation payable	6,355	7,996
Total current liabilities	15,142	27,606
Total liabilities	350,369	348,582
Total unitholders' funds and liabilities	785,805	784,565

Same property net operating income

For the quarter ended 30 September 2015

	Unaudited Sep-15 \$000s	Unaudited Sep-14 \$000s	Variance \$000s
Same property revenue from investment properties	17,996	17,024	972
Same property operating costs	(2,200)	(2,334)	134
	15,796	14,690	1,106
Acquisitions	336	221	115
Disposals	-	73	(73)
Net operating income	16,132	14,984	1,148

Investment properties

	\$000s
Balance - 30 June 2015	\$781,862
Acquisition	355
Additions	12,548
Disposal	-
Fair value adjustment	-
Foreign exchange translation difference	(17,096)
Balance - 30 September 2015	\$777,669

Development progress

Development	Development work being undertaken	Development cost (A\$m)	Q1 spend (A\$m)	Spend to date (A\$m)	Forecast completion date
Hurstville (NSW)	New operating theatres, extended surgery facility, inpatient wards, oncology day patient service.	28.0	-	28.0	Q1 16
Marian Centre (WA)	Additional beds, consulting rooms and carparks.	11.3	1.8	5.7	Q2 16
Hurstville (NSW)	Coronary care and intensive care units.	6.0	4.5	4.5	Q2 16
Belmont (QLD)	New 30-bed extension, additional consulting suites and carparks	9.5	1.8	8.1	Q2 16
Maitland (NSW)	New psychiatric ward and extended rehabilitation services.	13.0	3.7	9.1	Q3 16
South Eastern (VIC)	30 new rehabilitation beds, 30 mental health beds and 79 carparks.	14.5	0.5	1.5	Q4 16
Total		82.3	12.3	56.9	

About Vital Healthcare Property Trust

With a portfolio value of over NZ\$777m, Vital Healthcare Property Trust (NZSX: VHP) is Australasia's largest listed investor in healthcare real estate. Tenants include hospital operators and healthcare practitioners who deliver a wide range of medical and healthcare related services. Vital currently has a portfolio of 26 properties with 79% by value located in Australia and the balance in New Zealand. The Manager of Vital Healthcare Property Trust is Vital Healthcare Management Limited.

vitalhealthcareproperty.co.nz