

Market Release

23 December 2015

Vital announces value add acquisitions and development at Sportsmed Private Hospital

Vital Healthcare Management Limited ('Manager') the manager of Vital Healthcare Property Trust ('Vital') will acquire two small parcels of land at Sportsmed Private Hospital in Adelaide, South Australia for A\$5.2m and undertake construction of a A\$9.5m stand-alone medical consulting building.

Sportsmed Private Hospital ('Sportsmed') is a 49 bed private hospital and associated clinic acquired by Vital in 2012 and operated by Sportsmed SA Hospitals Pty Ltd ('Sportsmed SA') providing orthopaedic surgery and ancillary healthcare services. It is located approximately four kilometres north-east of the Adelaide CBD, in South Australia.

Vital has acquired two strategic sites adjacent to Sportsmed for A\$5.2m. One of the properties will see a redevelopment commence in early 2016 with Vital undertaking the construction of a A\$9.5m stand-alone medical consulting building adjacent to the main hospital. The second acquisition is also adjacent to the existing hospital property and currently comprises the administration and executive offices of Sportsmed SA, with medium term redevelopment potential to support clinical growth at Sportsmed.

On settlement of the acquisitions Sportsmed SA will enter into 20 year lease terms and has also agreed to reset the existing hospital lease to 20 years (currently 17 years).

Chief Executive of the Manager David Carr said "This development will allow Sportsmed SA to deliver a full service offer to patients with radiology, pathology, physio and additional medical consulting, supporting an already full range of orthopaedic surgical activities at Sportsmed. It's great to now move to the next phase of growth with the Sportsmed SA team which is consistent with our 'creating capacity to meet demand' theme over recent years."

Construction is likely to commence early 2016 with a 12 month construction timeframe.

- ENDS -

ENQUIRIES

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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 28 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