

The logo for Vital Healthcare Property Trust, featuring the word "Vital" in a bold, blue, sans-serif font. A small yellow triangle is positioned above the letter 'i'.

Healthcare
Property Trust

(NZX:VHP)

SIMPLIFIED DISCLOSURE PROSPECTUS

4 July 2013

Offer to existing unitholders of 1 new unit in Vital at an issue price of \$1.275, for every 10 units held on 22 July 2013

This prospectus is a simplified disclosure prospectus. It relates to an offer of units in Vital Healthcare Property Trust which are of the same class as existing units in Vital which are quoted on the NZX Main Board.

Vital Healthcare Management Limited as manager of Vital is the issuer of the units and is subject to continuous disclosure obligations that require it to notify material information to NZX for the purpose of that information being made available to participants in the NZX Main Board operated by NZX.



Important Information

This Prospectus relates to an offer of units in Vital Healthcare Property Trust ("Vital"). Vital Healthcare Management Limited is the manager of Vital (the "Manager") and is the issuer of the New Units.

The Rights to which you are entitled under the Offer are renounceable, which means that you may choose to sell any Rights that you do not wish to take up. Your Rights may have value. If you do nothing (i.e. do not take up or sell all or some of your Rights), the Rights you choose not to take up or sell will lapse. You will then not be able to subscribe for New Units to which those Rights relate or realise any value for those Rights. You must take up all your Rights if you wish to participate in the Oversubscription Facility (see Section 5).

This Prospectus is a simplified disclosure prospectus for the purposes of the Securities Act and is prepared as at, and dated, 4 July 2013.

Important Notice

This Prospectus is an important document and should be read carefully. It does not take account of each investor's investment objectives, financial situation or particular needs. You should read this Prospectus in full before deciding whether to invest. You should consider the risks associated with an investment in the New Units (including those set out in Section 4) and the information in this Prospectus (including the information in Section 7), particularly with regard to your personal circumstances.

If you are in doubt as to any aspect of the Offer or would like advice as to what you should do, you should consult your financial or other professional adviser or an NZX Primary Market Participant.

No Guarantee

No person (including any person named in this Prospectus) guarantees the New Units offered under this Prospectus nor warrants or guarantees the performance of Vital, or of the New Units or any return on any investment in New Units.

Registration

A copy of this Prospectus, signed by or on behalf of the Directors of the Manager, has been delivered to the Registrar of Financial Service Providers for registration under section 42 of the Securities Act, together with the consents of the Valuers as experts to the information contained or referred to in this Prospectus relating to the Valuers and their valuations, each announcement referred to in Section 7, Vital's audited financial statements for the year ended 30 June 2012 and Vital's unaudited interim financial statements for the six month period ended 31 December 2012.

FMA Consideration Period

The Manager is unable to allot any New Units or accept any applications or subscriptions in respect of the Offer during the FMA "Consideration Period". The Consideration Period commences on the date this Prospectus is registered and ends at the close of the day which is five working days after the date of registration. The FMA may shorten this Consideration Period, or extend the Consideration Period by no more than five additional working days.

Offering Restrictions

This Offer is being made to Eligible Unitholders, being persons who are recorded as Unitholders at 5.00pm on the Record Date with a registered address in New Zealand or Australia or such Unitholders who are accredited investors in terms of applicable Canadian laws. The Manager is of the view that it is unduly onerous to make the Offer to any person who is not an Eligible Unitholder, having regard to the low number of Unitholders outside New Zealand and Australia, the number of Units held by those Unitholders and the costs associated with complying with overseas legal requirements.

If you are not an Eligible Unitholder, the Rights that would otherwise be received by you will be issued to a nominee who will endeavour to sell those Rights on the NZX Main Board on your behalf and account to you for the proceeds of sale of those Rights (on a pro-rata basis and net of costs).

No action has been taken to permit a public offering of the New Units in any country other than New Zealand or Australia. Receipt of this

Prospectus and/or an Entitlement and Acceptance Form will not constitute an offer or invitation to any person in a country other than New Zealand or Australia, except to the extent permitted by, and lawful under, the laws of that other country.

No person may purchase, offer, sell, distribute or deliver New Units, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Units in any country other than in compliance with all applicable laws and regulations. In particular, this Prospectus may not be sent into or distributed in the United States. The distribution of this Prospectus outside New Zealand and Australia may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on, and observe, any such restrictions.

Any person applying for New Units under the Offer will be deemed to represent and warrant to Vital, the Manager and each of the Directors that he, she or it is not in a country that does not permit the making of the Offer to that person and is not acting for the account or benefit of such a person.

Warning statement for Australian investors

- This Offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 (New Zealand) and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 (New Zealand).
- This Offer and the content of the Prospectus are principally governed by New Zealand, rather than Australian, law. In the main, the New Zealand Securities Act 1978 and the Securities Regulations 2009 (New Zealand) set out how the offer must be made.
- There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.
- The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.
- Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Australian Securities and Investments Commission ("ASIC"). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.
- The Offer may involve a currency exchange risk. The currency for the security or financial product is in dollars that are not Australian dollars. The value of the security or financial product will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.
- If you receive any payments in relation to the security or financial product that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.
- If the security or financial product is able to be traded on a financial market, such as the NZX Main Board, and you wish to trade the security or financial product through that market, you will have to make arrangements for a participant in that market to sell the security or financial product on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated

by NZX) the way in which the market operates, the regulation of participants in that market and the information available to you about the security or financial product and trading may differ from Australian licensed markets.

- The Manager as manager of Vital has established procedures for dealing with complaints. In the first instance, you can make a complaint by calling the Complaints Officer on +64 9973 7300 or by writing to:

The Complaints Officer
Vital Healthcare Management Limited
PO Box 6945
Wellesley Street
Auckland 1141
New Zealand

We will acknowledge your complaint within 14 days of receipt and will generally investigate complaints and aim to provide a response (if not resolve the complaint) within 45 days of receipt of the complaint.

- In addition, the Manager is a member of the Financial Ombudsman Service ("FOS") in Australia which is an externally managed dispute resolution scheme registered with ASIC. If you feel the Manager has not dealt with your complaint satisfactorily, you may refer your complaint to FOS by:

Phone 1300 780 808
Mail Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Fax (03) 9613 6399
Email info@fos.org.au
Internet www.fos.org.au

- The financial market on which the security or financial product is listed is the NZX Main Board, which is the main board equity security market operated by NZX.

NZX Main Board Quotation

Application has been made for permission to quote the Rights on the NZX Main Board and all requirements of NZX relating to the application that can be complied with on or before the date of this Prospectus have been complied with. Trading of Rights will commence on the NZX Main Board under the code "VHPRB" on 18 July 2013 and will cease at 5.00pm on 12 August 2013. The New Units have been accepted for quotation by NZX and will, from their date of issue, rank equally with Existing Units for distributions and other rights and entitlements, including for the fourth quarter distribution in respect of the financial year ended 30 June 2013. The New Units will be quoted on the NZX Main Board on allotment under the ticker code "VHP".

NZX is a registered exchange regulated under the Securities Markets Act 1988 and the NZX Main Board is a registered market operated by NZX. NZX accepts no responsibility for any statements in this Prospectus.

Defined Terms and References

Capitalised terms and abbreviations used in this Prospectus are defined in the Glossary in Section 8 or in the relevant Section of the Prospectus in which the term is used.

All references in this Prospectus to times are to New Zealand time. Unless otherwise specified, all references to dollars (\$) are to New Zealand Dollars ("NZD").

All New Zealand legislation referred to in this Prospectus can be viewed online at www.legislation.govt.nz.

Governing Law

This Prospectus and the Offer and the contracts formed on its acceptance are governed by the laws of New Zealand. By making an application for New Units, you submit to the exclusive jurisdiction of the courts of New Zealand.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied upon as having been authorised by Vital, the Manager, the Trustee or any of their Directors.

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Dear Unitholder

On behalf of the Board of Vital Healthcare Management Limited, the manager of Vital Healthcare Property Trust ("**Vital**"), I am pleased to invite you to participate in this renounceable rights offer (the "**Offer**").

Under the Offer, Eligible Unitholders are entitled to acquire 1 New Unit for every 10 Existing Units held (that is, registered in their names on Vital's unit register) as at 5.00 pm on 22 July 2013, at a price of \$1.275 per Unit (with entitlements to fractions of a unit rounded up to the nearest whole number).

Vital is seeking to raise a maximum of \$39.2 million through the Offer. Initially the funds raised will be used to reduce Vital's bank debt. This will provide Vital with additional flexibility to progressively fund its on-going capital expenditure programme on existing properties and may be applied towards the acquisition of new properties as opportunities arise.

A brief description of the Offer is contained in the "Key Information" in Section 1, and a more detailed description is set out in Section 5.

Your rights to subscribe for New Units ("**Rights**") are renounceable. This means that you may sell any Rights that you choose not to take up. If you do nothing (i.e. do not take up or sell all or some of your Rights), your Rights not taken up will lapse and you will not be able to subscribe for any New Units to which those Rights relate, or to realise any value for those Rights. If you take up all of your Rights, you may apply for Additional New Units through the Oversubscription

Facility which is described in Section 5. Applications for Additional New Units may be subject to scaling and there is no guarantee you will receive all or any of the Additional New Units for which you may apply.

This Prospectus sets out important information about the Offer. Before making your investment decision, I encourage you to read this Prospectus in full and consider carefully the risks which are described in Section 4, and the important information in Section 7. If you are in doubt as to what you should do, you should consult your financial or other professional adviser or an NZX Primary Market Participant.

The Board wishes to thank you for your continued support of Vital.

Yours faithfully,
**Vital Healthcare
Management Limited**



Graeme Horsley MNZM
Chairman and Independent Director

KEY INFORMATION

SUMMARY OF THE OFFER

ISSUER OF NEW UNITS	Vital Healthcare Management Limited in its capacity as manager of the Vital Healthcare Property Trust
THE OFFER	A renounceable rights offer of 1 New Unit for every 10 Existing Units held (that is, in your name on Vital's register of Unitholders) at 5.00pm on the Record Date (being 22 July 2013) Entitlements to fractions of New Units will be rounded up to the nearest whole number
RIGHTS	Your rights to subscribe for New Units under the Offer The Rights are free of charge Each Right entitles (but does not oblige) you to subscribe for one New Unit by paying the Issue Price Your Rights may have value and can be sold – refer to the "Available Actions" section on page 4
ELIGIBILITY	Persons recorded on Vital's unit register as Unitholders at 5.00pm on the Record Date: <ul style="list-style-type: none"> • with a registered address in New Zealand or Australia; or • who are accredited investors in terms of applicable Canadian laws
ISSUE PRICE	\$1.275 per New Unit (that is, for each Right you choose to take up) The Issue Price is payable in full on application You do not pay for the Rights themselves – only for New Units which will be issued to you if you choose to take up all or some of your Rights
MAXIMUM AMOUNT TO BE RAISED UNDER THE OFFER	\$39.2 million
MAXIMUM NUMBER OF NEW UNITS OFFERED UNDER THE OFFER	30,703,861 New Units (subject to rounding)
OVERSUBSCRIPTION FACILITY	If you take up all of your Rights (i.e. accept your entitlement in full), you may apply for Additional New Units (which have no Rights attached) through the Oversubscription Facility, which is described in Section 5 The Issue Price for each Additional New Unit is also \$1.275 and is payable in full on application
NEW UNITS	Rank equally with Existing Units on issue for distributions and all other rights and entitlements, including for the fourth quarter distribution in respect of the financial year ended 30 June 2013, expected to be paid in September 2013
UNDERWRITING	The Offer is not underwritten

AVAILABLE ACTIONS

If you are an Eligible Unitholder (see "Eligibility" in the table on page 3), you may take the following actions:

- **take up all or some** of your Rights;
- **sell all or some** of your Rights;
- **take up some** of your Rights and **sell all or some** of the balance; or
- do **nothing with all or some** of your Rights.

If you **take up all** of your Rights, you may also apply for Additional New Units under the Oversubscription Facility, which is described in Section 5.

Important:

If you do nothing, your Rights will lapse and you will not be able to subscribe for any New Units or realise any value for your Rights.

The Offer is a pro-rata offer. If you take up all of your Rights your percentage unitholding in Vital will not reduce, and may increase depending on the number of Rights taken up by other Unitholders. If you do not take up all your Rights, your percentage unitholding will reduce, depending on the number of Rights taken up by others.

Further details about how to take up or sell your Rights are set out in Section 6 and on the Entitlement and Acceptance Form enclosed with this Prospectus.

NORTHWEST SUPPORT

NorthWest International Healthcare Properties Real Estate Investment Trust ("**NorthWest**")¹ has an interest in 20.02% of the Units as at 21 June 2013, held through one or more related or associated entities. NorthWest has advised the Directors it will ensure that those entities take up their full entitlement to New Units under the Offer and that one of those entities will apply for Additional New Units under the Oversubscription Facility (see Section 5 for further information regarding the Oversubscription Facility). NorthWest has agreed that its related or associated entities will not apply for, or be issued with, New Units that will in aggregate take NorthWest's interest in Vital above 24.99% of all Units on issue.

¹ The New Units are not guaranteed by NorthWest or any of its related or associated entities.

² Based on a NZD:AUD exchange rate as at 30 June 2013 of 0.8462.

³ Based on a NZD:AUD exchange rate as at 30 June 2013 of 0.8462.

USE OF FUNDS

The funds raised will be used initially to reduce Vital's bank debt, pending funding requirements for Vital's on-going capital expenditure programme or acquisitions. Vital's bank debt as at the date of this Prospectus is approximately \$266.7 million². If the full amount sought to be raised under the Offer is received, it is expected that Vital's bank debt will reduce to approximately \$228.1 million³ (after deducting Offer costs and expenses).

RISKS

The risks of an investment in New Units are described in Section 4. Principal risks are:

- Risks which apply specifically to Vital. These include (but are not limited to) risks such as the loss of, or insolvency of, tenants, damage to, or destruction of, any of Vital's real estate, changes in the terms and availability of borrowings, a change in healthcare-related policy and/or legislation and a loss of Vital's tax status in New Zealand as a Portfolio Investment Entity ("**PIE**") and/or in Australia as a Managed Investment Trust ("**MIT**"). The risk of a loss of Vital's PIE status is addressed in more detail on page 12 in Section 4 and the other risks specific to Vital are also addressed in more detail on pages 8 to 13 in that Section.
- Risks applying generally to investment in the shares or securities of an entity operating in New Zealand and/or Australia and listed on an NZX market. These include (but are not limited to) the performance of the share market and financial markets generally and the performance of the economy. These general risks are addressed in more detail on page 13 in Section 4.

You should read this Prospectus in full and consider carefully the risks which are described in Section 4 and the important information in Section 7 before making your investment decision. The occurrence of any one or more of the events or circumstances highlighted in Section 4 could have a material adverse impact on the value of your investment in the New Units. If you have any questions regarding any of the risks described, or the potential impact of those risks, you should consult your financial or other professional adviser or an NZX Primary Market Participant.

FEES AND CHARGES

You are not required to pay any fees or charges to Vital or the Manager in relation to the Offer, other than the Issue Price for each New Unit you apply for. If you sell your Rights, or if you sell your New Units after you receive them under the Offer, you may be liable for normal brokerage and other fees.

IMPORTANT DATES

UNITS ARE QUOTED "EX-ENTITLEMENTS" ON THE NZX MAIN BOARD – RIGHTS ARE ABLE TO BE BOUGHT AND SOLD (SUBJECT TO SUPPLY AND DEMAND) ON THE NZX MAIN BOARD	18 July 2013
RECORD DATE FOR DETERMINING UNITHOLDERS WHO HAVE AN ENTITLEMENT TO RIGHTS	22 July 2013, 5.00pm
EXPECTED MAILING OF PROSPECTUS AND ENTITLEMENT AND ACCEPTANCE FORMS	26 July 2013
OFFER OPENS	26 July 2013
RIGHTS TRADING CEASES ON THE NZX MAIN BOARD	12 August 2013, 5.00pm
OFFER CLOSURES (AND LAST DATE FOR RECEIPT OF RENUNCIATIONS)	16 August 2013, 5.00pm
ALLOTMENT OF NEW UNITS	23 August 2013
EXPECTED ANNOUNCEMENT OF PRELIMINARY FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013	23 August 2013
EXPECTED COMMENCEMENT OF TRADING OF NEW UNITS ON THE NZX MAIN BOARD	26 August 2013
EXPECTED DESPATCH OF HOLDING STATEMENTS	30 August 2013
EXPECTED RECORD DATE FOR THE NEXT DISTRIBUTION TO BE MADE IN RESPECT OF EXISTING UNITS AND NEW UNITS	11 September 2013
EXPECTED PAYMENT DATE OF THE NEXT DISTRIBUTION TO BE MADE IN RESPECT OF EXISTING UNITS AND NEW UNITS	25 September 2013

These dates and the references to them throughout this Prospectus are subject to change and are indicative only. The Manager reserves the right to amend the dates and times without prior notice, subject to the Securities Act and the Listing Rules. The Offer may also be withdrawn, in the Manager's absolute discretion, at any time before the allotment of New Units. If the Offer is withdrawn before the allotment of New Units, all Rights will lapse and any prior trades in Rights which have not settled will be cancelled.

ABOUT VITAL

OVERVIEW

Vital is a unit trust listed on the NZX Main Board that invests in healthcare and medical-related properties in New Zealand and Australia. Its tenants currently include hospital operators and healthcare providers who deliver a range of services across the healthcare continuum including research, surgical, primary healthcare, support and rehabilitation. Vital is the only medical and healthcare property investment fund that is listed on the NZX Main Board, and is presently the largest publicly listed property fund of its type in Australasia (by assets under management).

BUSINESS DESCRIPTION

Vital does not operate healthcare facilities itself. Instead, Vital's function is to identify, acquire and manage healthcare properties and lease them to experienced operators. From time to time, Vital may undertake the design, refurbishment or development of healthcare properties for particular health service operators. Vital's strategy is to remain focused on the healthcare property asset class.

Vital's current portfolio includes surgical, medical and rehabilitation hospitals, primary healthcare facilities and health support facilities. As at the date of this Prospectus, Vital has a portfolio of 24 properties in New Zealand (7) and Australia (17).

Key Portfolio Metrics as at 31 March 2013

BOOK VALUE OF PROPERTIES	\$621.9 million ⁴
NUMBER OF PROPERTIES	24
OCCUPANCY	99.5%
WEIGHTED AVERAGE LEASE TERM TO EXPIRY ("WALT")	11.9 years
NUMBER OF TENANTS	109

⁴ Based on a NZD:AUD exchange rate as at 31 March 2013 of 0.8029.

CHART 1

Portfolio Income

(by category) as at 31 March 2013

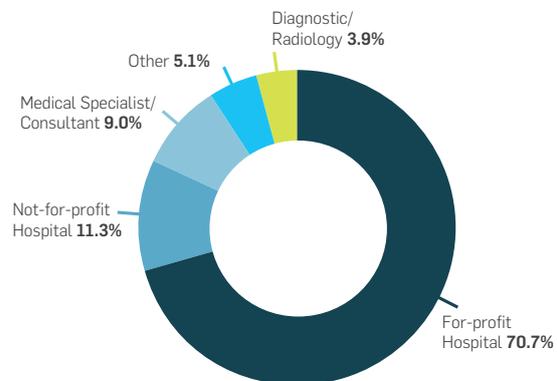
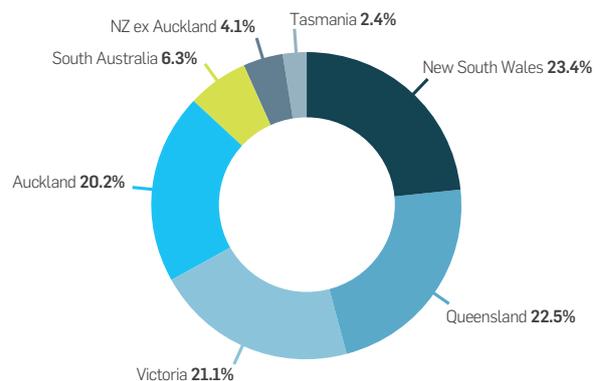


CHART 2

Portfolio Geographic Diversification

(by property value) as at 31 March 2013



Further information about Vital's business and its portfolio of properties is available on its website, www.vitalhealthcareproperty.co.nz. Vital's announcements made through NZX are available on NZX's website, www.nzx.com.

Preliminary portfolio valuations

As announced on 26 June 2013, the Manager has received preliminary valuations for Vital's portfolio as at 30 June 2013.⁵ The preliminary valuations remain subject to finalisation and audit adjustments, but these are not expected to be material. The final, audited portfolio value will be included in Vital's full year results announcement for the financial year ended 30 June 2013, which is expected to be made on 23 August 2013.

Distribution policy

Vital's distribution policy at the date of this Prospectus is to pay distributions on a quarterly basis, from the profit (or loss) before income tax which is adjusted for non-cash items (including mark to market movements of derivatives and gains/losses on revaluation) and the current tax charged. However, this policy may change at any time and there is no guarantee that any distributions will be made.

STRUCTURE

Vital is a unit trust established under the Unit Trusts Act. Vital's Existing Units are quoted on the NZX Main Board under the ticker code "VHP". Vital's trustee is Trustees Executors Limited and its manager is Vital Healthcare Management Limited. Vital's operations and the powers and functions of the Trustee and the Manager are governed by its Trust Deed and the Unit Trusts Act.

Trustee

The Trustee's role is to supervise the administration and management of Vital by the Manager to ensure that the Manager complies with its duties and responsibilities under the Trust Deed and the Unit Trusts Act. The Trustee is licensed by the FMA under the Securities Trustees and Statutory Supervisors Act 2011 to act as a trustee of a unit trust. The Trustee's current licence was granted on 17 September 2012 and expires on 16 January 2018. The licence is subject to on-going reporting conditions relating to the provision of information to the FMA. The Trustee's licence (and the conditions relating thereto) can be viewed at www.fma.govt.nz.

Manager

The Manager is responsible for selecting and managing assets that comprise Vital's property portfolio. The Manager is a wholly-owned subsidiary of NorthWest Value Partners Inc, which is also a related entity of NorthWest, the largest Unitholder in Vital.

The Manager's responsibilities include day-to-day management of Vital's properties, negotiating the acquisition and disposal of assets, development and construction planning and management, treasury

and funding management, ensuring Vital meets its financial, reporting and other statutory and regulatory obligations and liaising with stakeholders. The Manager receives a management fee and reimbursement for certain expenses incurred, and may be entitled to an incentive fee, in accordance with, and subject to a cap as set out in, the Trust Deed.

BOARD AND MANAGEMENT TEAM

The Board has overall responsibility for the affairs and activities of the Manager. The Board also has responsibility for the strategic oversight and governance of the Manager and its management. There are three Independent Directors on the Board and two Directors who are associated with NorthWest and so not classified as Independent Directors under the Listing Rules.

Board of Directors of the Manager

The Directors of the Manager are:

Graeme Horsley, MNZM, Independent Director and Chairman
Bernard Crotty, Director
Paul Dalla Lana, Director
Andrew Evans, Independent Director
Claire Higgins, Independent Director

Profiles for each Director are available on Vital's website, www.vitalhealthcareproperty.co.nz.

Executive Management Team

Vital's management team is comprised of individuals from a range of property investment, development and finance backgrounds. The key members of Vital's management team are:

David Carr, Chief Executive Officer
Stuart Harrison, Chief Financial Officer
Stephen Freundlich, Fund Analyst and Investor Relations Manager
Richard Roos, Managing Director, Australia
Mark Norman, Australian Fund Manager
Drugh Woods, New Zealand Asset Manager

Profiles for each of these individuals are available on Vital's website, www.vitalhealthcareproperty.co.nz.

You can read more about the risks relating to Vital, its business and an investment in New Units in Section 4. You can also read important information relating to Vital and the Offer in Sections 5 and 7.

⁵ The preliminary valuations as announced were based on a NZD:AUD exchange rate as at 26 June 2013 of 0.8350. Refer to further information relating to the valuations for Vital's properties in Section 7 under the sub-heading "Valuations" on pages 19 to 20.

RISKS

An investment in New Units, like any investment, involves a degree of risk. There is a risk that you may not be able to get back all or some of the money you have invested, or you may not receive the returns you expect. This could occur for any one of a number of reasons, including:

- the price at which you are able to sell your Units is less than the price you paid for them;
- you are unable to sell your Units at all because, for instance, there is no market for the Units or the market for the Units becomes illiquid;
- Vital's operational and financial performance (and that of its properties) does not meet expectations or Vital does not pay distributions to the level you expected or at all; or
- Vital becomes insolvent.

The following section describes some of the key risks specific to Vital, general market risks and the consequences of insolvency. The risks described below may affect your ability to recoup your initial investment or the returns you receive on New Units. These risks may not be the only ones relevant to Vital and an investment in New Units. Some risks may currently be unknown and other risks currently considered to be immaterial could subsequently become material.

You should carefully consider all the information in this Prospectus, including the risks described below, before making your investment decision. If you are in doubt as to what you should do, you should consult your financial or other professional adviser or an NZX Primary Market Participant.

VITAL SPECIFIC RISKS

Property-Related Risks

Returns

Returns from investment in real estate largely depend on the rental income generated from the property and the expenses incurred in its ownership and operation, including management and maintenance and changes in its market value. A number of factors may adversely affect rental income and/or market value, including the factors or risks described elsewhere in this Section.

Factors that may impact tenants

A number of factors may impact the underlying businesses of Vital's tenants which may in turn affect the ability of those tenants to meet their rental and other lease obligations. These factors may include (but are not limited to) a change in economic conditions, a loss of key

medical professionals, a decline in referrals to their services, competition from new hospitals or other facilities, loss of reputation, and a change in policy and/or legislation affecting the provision or funding of healthcare services.

Vacancy risk

General

Vital's performance depends on its ability to continue to lease its existing properties on favourable terms, and to lease vacant space. The default or loss of a major tenant or a number of smaller tenants, non-renewal of existing leases on expiry or earlier termination, or the inability to find a tenant for vacant space at acceptable rental levels or at all, could adversely affect Vital.

The impact of an expiry or early termination of a lease will depend on Vital's ability to mitigate the event or re-let the vacant space at an appropriate rental and within a reasonable period of time. The Manager adopts a proactive approach to lease expiries and seeks to maintain the highest level of income continuity possible for Vital. However, there is no assurance that a new tenant can be secured on the same terms or as to the quality of any tenant.

The specialist nature of Vital's properties and tenants is both a positive and a negative. It can limit tenants' relocation options, but may also affect Vital's ability to let or re-let vacant property. It may also mean that there are limited alternative uses for the property if the existing use ceases and this may be reflected in the rental Vital is able to secure for an alternative use of specialised property.

Specific tenant or guarantor concentration

Chart 3 on page 9 shows Vital's top ten tenants (or guarantors of tenants) as a percentage of total rental income. A significant portion of Vital's rental income is derived from the top five tenants (by rental income), which separately occupy 19 of Vital's 24 properties across both New Zealand and five states in Australia. If any of these tenants experienced difficulty in meeting their rental obligations or were to choose not to renew their leases on expiry, Vital may be adversely affected in the manner described under "General" above.

Chart 3 also shows the lease term for each of these tenants, or the weighted average lease term to expiry ("WALT") for each tenant group across all the leases they have with Vital, compared with Vital's portfolio WALT of 11.9 years. Approximately 76% of Vital's income is derived from Australian tenants, with the remaining 24% from New Zealand tenants.

CHART 3
Tenant Concentration and Lease Term
as at 31 March 2013

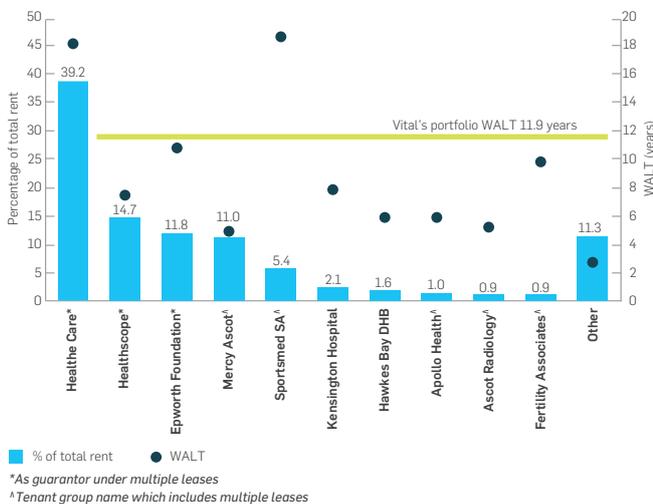


CHART 4
10 Year Lease Expiry Profile
as at 31 March 2013

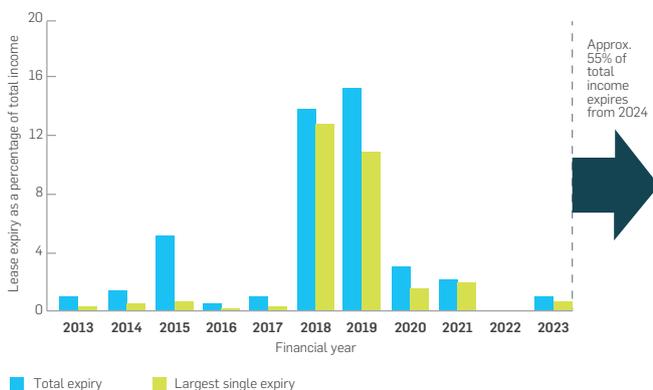


Chart 4 illustrates Vital's 10 year lease expiry profile which is relatively benign until the 2018 financial year. There is 2% of income per annum on average subject to lease expiry over the next four financial years to the 2018 financial year.

The below sections describe the vacancy risks in the context of the concentration of specific tenants of Vital and their guarantor.

Healthe Care

Healthe Care Australia Pty Ltd ("**Healthe Care**") acts as guarantor under the leases at 11 of Vital's Australian properties. This equates to approximately 39%⁶ of Vital's total rental income. If any of the tenants under these leases failed to pay rent, and/or Healthe Care was not able to meet that payment obligation as guarantor, then any resulting non-payment of rental may have a significant impact on Vital's financial performance. The percentage that the income from leases guaranteed by Healthe Care makes up of Vital's total portfolio may increase from time to time. This may occur as a result of rent reviews, if development work is undertaken on the relevant properties and there is an increase in rental payments due, if acquisitions occur where Healthe Care is a tenant or guarantor, or through sales of existing assets where Healthe Care is not the tenant or guarantor.

Allamanda Private Hospital and Ascot Hospital

The leases for Allamanda Private Hospital ("**Allamanda**") and Mercy Ascot at Ascot Hospital ("**Mercy Ascot**") are the leases which are shown in Chart 4 to the left as those due to expire in the 2018 and 2019 financial years respectively. These two leases represent 12.8% and 11.0% respectively of Vital's total rental income.⁷ The tenant at Allamanda has not given notice of renewal of its lease by the prescribed date of 1 December 2012 and has publicly stated that its intention is to build and relocate a number of acute medical and rehabilitation services from Allamanda to the new Gold Coast Private Hospital.⁸ This does not, however, preclude Vital or the tenant agreeing a renewal or new lease on satisfactory terms.

The Manager is continuing discussions with each of the Allamanda and Mercy Ascot tenants (well ahead of the scheduled lease expiry dates), in addition to considering alternative tenancy and/or property strategies, should all or part of one or both of these properties become vacant.

6 As at 31 March 2013.

7 As at 31 March 2013.

8 New private hospital unveiled (2012, July 14), *Gold Coast Bulletin*, page 22; Building beds for the future (2013, June), *Private Hospital Magazine*, page 45.

The vacancy of these properties (or a significant part of them) or an inability to re-let them on satisfactory terms for a substantial period of time may have an adverse effect on Vital's financial performance from the 2018 financial year.

Tenant options to acquire property

The leases relating to five of Vital's Australian properties (equating to 26.7% of total portfolio value as at 31 December 2012) contain options for the tenant to purchase the relevant property (i.e. call options). The options are exercisable at a price determined as the market price by an independent valuer, plus a premium that reduces over the term of the lease. Each option applies for the duration of the lease (including any renewed term, if rights of renewal are exercised) and can be exercised by any assignee of the tenant if the lease is assigned.

If an option is exercised, the price Vital receives for the property may be more or less than the price originally paid by Vital. Vital will also incur transaction costs (which may include tax on disposal) which may or may not be covered by the purchase price received. Vital's rental income would reduce pending reinvestment of the funds received on sale, but this would, to an extent, be balanced by a reduction in Vital's funding costs. As at the date of this Prospectus, the Manager has not received any notice of exercise of a call option.

Development pipeline

Vital currently owns a number of property assets with development and/or redevelopment potential. Property development carries a number of risks, including:

- issues surrounding applications for planning approvals from local authorities which can result in delays or require amendments to plans both of which may result in increased costs;
- breach of contract by building contractors; and
- unforeseen circumstances causing project delays or increases to building costs such as industrial disputes, inclement weather, labour and supply shortages, construction difficulty or default by the construction contractor.

There are also risks associated with land development, infrastructure and below ground services which may not be fully quantified until site works commence.

A number of factors may affect the earnings, cashflows and valuations of property developments, including construction costs, scheduled completion dates and estimated rental income. There is a risk that potential property developments may not ultimately proceed or may not result in the level of return to Vital as originally expected or forecasted. For some of Vital's properties, this risk may be mitigated to an extent where the tenant carries some of the development risk and there is a cap on the amount which Vital may be required to fund.

Property supply and demand

There may be fluctuations in the supply of, and demand for, the types of properties owned by Vital, including fluctuations in the availability of suitable properties for acquisition. An excess supply of competing properties and/or lack of demand for Vital's properties may also adversely affect its ability to lease or sell properties. This may affect the value of Vital's assets and any new rental secured at rent reviews and lease expiries. This in turn may affect the distributions paid by Vital.

Acquisition of properties

While it is Vital's policy to conduct a thorough due diligence process in relation to proposed acquisitions (including acquisitions of a portfolio of property or corporate acquisitions), risks remain inherent in such acquisitions. These risks could include but are not limited to unexpected issues or other latent liabilities such as hazardous materials or environmental liabilities.

Realisation of assets

Property assets are by their nature illiquid investments. This may make it difficult for Vital to rebalance its portfolio mix or to realise assets at short notice in response to changes in economic or other conditions.

Change in capitalisation rates/property valuation risk

The capitalisation rates considered appropriate by independent valuers may change in response to market conditions or specific tenant or property-related matters. An increase in capitalisation rates would lead to a reduction in the book or carrying value of Vital's property portfolio, which is independently re-valued as at 30 June in each year. This may have implications for those of Vital's bank covenants which relate to the ratio of indebtedness to asset value.

Based on preliminary valuations received by the Manager and announced on 26 June 2013⁹, the Manager does not expect that the 30 June 2013 valuations will have adverse implications for Vital's bank covenants. The preliminary valuations remain subject to finalisation and audit adjustments, but these are not expected to be material. The final, audited portfolio value will be included in Vital's full year results announcement for the financial year ended 30 June 2013, which is expected to be made on 23 August 2013.

Damage to, or destruction of, property

Damage to, or the destruction of, one or a number of properties (including through fire, earthquake, storms, floods or other natural or man-made catastrophe) could adversely affect Vital. The extent of the adverse impact depends on:

- the degree to which (if any) Vital is able to recover the cost to it of the damage or destruction (including lost rental) from insurers or any other liable third parties; and

⁹ The preliminary valuations as announced were based on a NZD:AUD exchange rate as at 26 June 2013 of 0.8350. Refer to further information relating to the valuations for Vital's properties in Section 7 under the sub-heading "Valuations" on pages 19 to 20.

- Vital's ability to replace the damaged or destroyed property and re-let it at an appropriate rental and within a reasonable period of time.

Seismic review

The Manager is currently undertaking seismic reviews for all of its New Zealand properties. As at 31 March 2013, some risks have been identified at certain properties which, based on the preliminary information available to the Manager, are not considered to be material. The possibility that these risks may become material may increase as further detailed investigations and reports are concluded.

Property expenditure

Any unanticipated expenditure on properties (for example, maintenance costs which are significantly higher than planned) may reduce Vital's cash flow, except to the extent (if any) that amounts spent are recovered from tenants or under relevant warranties.

Contamination and asbestos

If contamination and/or asbestos is discovered in any building or in the land upon which the building is constructed, this may have an adverse effect on the operation of the facility and impact upon the tenant's ability to continue to meet rental obligations under the lease.

Market and Wider Economic Risks

Market sentiment and market conditions

The past performance of Vital's assets does not guarantee their future performance. Vital is subject to the prevailing economic and property market conditions in New Zealand and Australia. A deterioration of the New Zealand or Australian economy, property market sentiment or property market conditions could adversely affect Vital's ability to secure and retain new tenants, retain existing tenants, maintain existing rental levels and in turn affect earnings and the value of Vital's assets.

Exchange rates

Fluctuations in the NZD:AUD exchange rate may impact Vital's financial performance as a significant proportion of Vital's assets, income and a portion of its borrowings comes from and is denominated in Australian dollars. Vital has implemented a foreign exchange hedging policy to manage the risk associated with fluctuations in the NZD:AUD exchange rate. Vital's hedging policy and approach to managing exchange rate fluctuations may not operate successfully at all times, resulting in actual, mark to market or asset book value losses or adjustments.

Interest rates

Real estate markets are sensitive to fluctuations in interest rates. The level of investment activity can fall if the general level of interest rates rises. Interest rates affect Vital's cost of borrowing and also have an impact on the value of its properties, the Unit price, net profit, distributions and, to a lesser extent, the rentals Vital is able to obtain.

Vital has implemented an interest hedging policy to manage the market risk associated with interest rate changes to its revolving credit facility. The policy does not provide full cover for interest rate movements so if interest rates rise, Vital's cost of borrowing will increase. The policy provides for entering into interest rate swap contracts that have a range of maturities. Vital's financial performance may be adversely impacted if market interest rates fall as this may result in a decline in the market value of its swap portfolio. Vital's hedging policy and approach to managing interest rate fluctuations may not operate successfully at all times, resulting in actual, mark to market losses or adjustments.

Deflation

A number of the leases in Vital's existing property portfolio contain inflation-indexed rent review terms. A deflationary environment may result in a decrease in the current rental income from these leases where there is no provision in the lease prohibiting any new rent set from being less than the previously set rent. A deflationary environment may also limit Vital's ability to increase rentals on rent review or lease renewal dates.

Funding and Insurance Risks

Funding and borrowing ratio

Vital relies on both equity capital and debt funding. The ability of Vital to raise funds on favourable terms depends on a number of factors including general economic, capital market and credit market conditions. An inability to obtain the necessary funding for Vital or a material increase in the cost of funding (e.g. through an increase in interest rates or an increased cost of capital) may have an adverse impact on Vital's financial performance and financial position and the ability to refinance its debt or grow/diversify.

If Vital is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of Vital's equity could be reduced.

Excessive debt (measured by reference to income and asset values) can constrain growth and returns, and lead to default, particularly where real estate values and returns are not increasing. Vital is constrained by the Trust Deed to not borrow in excess of 50% of the gross value of its assets. As at 31 March 2013, Vital's debt to total assets ratio was 44.2%.

Banking covenants

Vital has covenants under its banking facilities, including (but not limited to) loan to valuation, interest cover and weighted average lease term requirements.

Factors such as declines in operating earnings, increases in interest cost, declines in cash flows, declines in asset values or failure to maintain the minimum weighted average lease term could lead to an increase in interest costs or a breach of banking covenants by Vital. If any of these events occurs, Vital's lender may review their banking facilities or require the loans to be repaid immediately.

Insurance risk

Vital has in place material damage, business interruption and public and statutory liability insurance in respect of its properties. There are, however, types of losses (such as earthquakes and volcanic eruptions) that are insured but subject to certain limits or higher deductibles.

Vital reviews and renews its insurance programme annually and the scope and cost of insurance (and ability to recover these costs from tenants) will be dependent on a number of factors such as the continued availability of cover, the nature of the risks to be covered, extent of the proposed coverage and the costs involved. These factors may be affected if a significant event outside of Vital's control occurs – for example, if a significant natural disaster occurs in the region in which Vital's properties are located.

Tax Risks

Loss of PIE status

Vital qualifies as a PIE for the purposes of New Zealand tax rules. This provides a number of taxation advantages for New Zealand Unitholders. For Vital to remain a PIE, certain eligibility criteria must continue to be satisfied. One such criteria is that no Unitholder may have an interest in Vital of more than 20%. However, as a result of an Inland Revenue binding ruling specific to Vital (which has application for the period 12 March 2013 until 12 March 2016), a Unitholder may hold an interest in Vital of 25% or less without breaching PIE eligibility requirements. If a Unitholder holds a greater than 20% interest in Vital upon expiry of the current binding ruling, Vital will need to reapply to the Inland Revenue for a binding ruling to ensure the eligibility requirements are met in order for Vital to retain its PIE status.

Whether any particular Unitholder's percentage interest in Vital exceeds the 25% threshold is not a matter which Vital can control. NorthWest, which may hold up to a 24.99% interest in Vital following the Offer, could under the Listing Rules increase its interest to above 25% of all Units on issue at any time. NorthWest has advised the Board that it has no present intention to do so (although this intention could change).

If Vital does not meet the PIE eligibility criteria, this may result in its disqualification as a PIE for a period of five years. The loss of PIE status would result in the loss of the regime's tax advantages for certain Unitholders, and may have an impact on the value of the Units.

Legislative changes may result in Vital ceasing to qualify as a PIE or in Unitholders no longer enjoying all of the benefits of Vital being a PIE. In the event of any such legislative change, Vital will consider what actions it can reasonably take, if any, to continue to qualify as a PIE or to enable Unitholders to continue to enjoy all or most of the benefits of Vital being a PIE where reasonably possible, and endeavour to carry out that action.

Loss of MIT status and change in applicable tax rate

Vital owns certain properties in Australia through the Vital Healthcare Investment Trust ("VHIT"), which is an MIT for the purposes of Australian tax rules. In order to qualify as an MIT, VHIT must meet a number of criteria, including as to the nature and location of the activities conducted by or for it. If VHIT does not meet the eligibility criteria, this may result in its disqualification as an MIT and the loss of the regime's tax advantages. Legislative changes may result in VHIT ceasing to qualify as an MIT or may affect the degree of tax benefits of being an MIT. As an example, the Australian Federal Government recently increased the MIT tax rate from 7.5% to 15%, effective from 1 July 2012 for VHIT.

Should legislative changes occur, Vital will consider what actions it can reasonably take, if any, for VHIT to continue to qualify as an MIT or to enable Unitholders to continue to enjoy all or most of the benefits of VHIT being an MIT where reasonably possible, and endeavour to carry out that action.

Stamp duty and land tax

Stamp duty and land tax is payable in Australia. Any increase in stamp duty may impact on the realisable value of Vital's Australian properties. Any increase in land tax may impact on Vital's cash flows and financial performance, although land tax that is charged on certain properties is able to be recovered from tenants under the terms of the relevant leases.

Legislative and Regulatory Requirements

The healthcare and healthcare real estate sectors are regulated by a number of government, local government and professional bodies.

Licences and accreditation

Hospital and medical facilities generally require licences and other regulatory approvals to operate. The relevant approvals generally remain current unless compliance requirements are not met which can result in cancellation by the overseeing regulatory authority. The loss of a licence or accreditation may have a severe impact on the facility's operations. Any change in the licensing or accreditation requirements of the relevant regulatory authority may involve additional compliance costs for those tenants of Vital who operate hospitals or medical facilities.

Town planning and local authority regulations

Non-compliance with permitted uses for the site of a facility, or with other town planning requirements, could impact on the ability of the facility to continue to operate. Town planning or local authority regulatory requirements may become more stringent (for example, earthquake strengthening requirements for buildings) and may result in increased capital expenditure by Vital to bring properties in line with those requirements.

Personnel Risks

The loss of the services of any senior management or key personnel, or the inability to attract new appropriately skilled personnel, could materially affect Vital's business, its operational performance and financial results.

GENERAL BUSINESS RISKS

Stock market conditions and general economic conditions

Stock market conditions in New Zealand and overseas will influence the market price of Units. Similarly, general economic and financial conditions in New Zealand, Australia or any other place in which Vital or its tenants carry on business will influence the profitability of Vital's tenants, the value of Vital's assets and the market price of Units. It is possible that a downturn in the New Zealand or Australian economy, or within Vital's tenant base, could have an adverse impact on Vital's profitability.

Changes in law or government

Vital and its tenants are subject to the usual business risk that there may be changes in laws, regulations or government policies that increase complexity, compliance and other costs and reduce income including, amongst other things, the way private healthcare is funded or in the healthcare insurance sector generally.

Changes in accounting standards

Changes in accounting standards could necessitate changes in the accounting policies currently adopted by Vital. Any new or amended accounting standards may impact Vital's financial results or financial position.

From 1 July 2013, Vital is required to adopt IFRS 13 Fair Value Measurement. IFRS 13 requires Vital to take into account its own credit risk when determining the fair value of its financial liabilities, which would include any interest rate hedging and foreign exchange hedging instruments. Any change in the fair value of these instruments on initial application of IFRS 13 would be recognised in Vital's profit or loss or other comprehensive income in the first period reported under IFRS 13. Therefore an initial adjustment for own credit risk will impact Vital's earnings for the financial year ending 30 June 2014, when IFRS 13 is first applied. In future reporting periods, adjustments may be required to the fair value of Vital's financial liabilities to reflect the impact of changes in Vital's own credit risk.

Legislation or regulations could change to impose additional transaction costs, holding costs or impact on allowable deductions, such as depreciation, for taxation purposes on the property sector in New Zealand, Australia or other jurisdictions in which Vital may from time to time have interests.

Tax risks

Changes in corporate or other taxation rates and in taxation laws or the way in which taxation laws are interpreted, either in New Zealand or Australia, or in any other jurisdiction in which Vital holds property or carries on business, may influence:

- the after-tax returns to Vital from its investments (and consequently the market price of Units); and
- Vital's future tax liabilities.

Volatility of Unit price

The market price of Units may be volatile and can be affected by factors which might be unrelated to the operating performance of Vital.

No prediction can be made as to the effect, if any, that future sales of Units, or the availability of Units for future sales, will have on the market price of the Units prevailing from time to time. Sales of substantial numbers of Units, or the perception that such sales may occur, may adversely affect prevailing market prices for the Units.

Litigation and disputes

Vital may from time to time and in the ordinary course of business be subject to legal disputes, claims or inquiries. Such matters may have an adverse effect on Vital's financial performance, the value of its operations and/or reputation and divert its financial and management resources from other uses, even if the dispute or claim is settled or does not succeed.

CONSEQUENCES OF INSOLVENCY

If Vital was wound up or became insolvent, its assets, after paying liabilities, may not be sufficient for Unitholders to recover the amount they have invested. Claims by secured and unsecured creditors will rank ahead of claims by Unitholders.

Unitholders will rank equally with each other in the event of a winding up of Vital.

DETAILS OF THE OFFER

THE OFFER

The Offer is a renounceable offer of New Units. Eligible Unitholders are entitled to subscribe for 1 New Unit for every 10 Existing Units held at 5.00pm on the Record Date, at the Issue Price of \$1.275 per New Unit (payable in full on application). You are not required to pay for the Rights, only for the New Units which will be issued to you if you choose to take up all or some of your Rights.

The Offer opens on 26 July 2013 and closes at 5.00pm on 16 August 2013 (subject to the Manager's right to modify these dates). The timetable for the Offer is set out in Section 2.

The maximum number of New Units being offered under the Offer is 30,703,861 (subject to rounding). The maximum amount to be raised under the Offer is \$39.2 million.

The issuer under the Offer is Vital Healthcare Management Limited (the Manager) in its capacity as manager of Vital.

ELIGIBILITY

The Offer is only open to Eligible Unitholders. You are an Eligible Unitholder if you are recorded on Vital's register as a Unitholder at 5.00pm on the Record Date and:

- you have a registered address in New Zealand or Australia; or
- you are an accredited investor in terms of applicable Canadian laws.

The Manager reserves the right to determine whether you or any other Unitholder is eligible to participate in the Offer, and to reject any application that it considers has been made by a person who is not an Eligible Unitholder. The Manager and its Directors, officers and employees accept no responsibility whatsoever for determining whether a person is an Eligible Unitholder.

If you are not an Eligible Unitholder, the Rights that would otherwise be received by you will be issued to a nominee who will endeavour to sell those Rights on the NZX Main Board on your behalf and account to you for the proceeds of sale of those Rights (on a pro-rata basis and net of costs).

If you sold your Existing Units (and settled that sale) prior to the Record Date, you should send this Prospectus and enclosures to the NZX Primary Market Participant through whom you made the sale and request that they be forwarded to the new Unitholder.

ENTITLEMENT

The number of Rights (and therefore New Units) to which you are entitled is recorded on the personalised Entitlement and Acceptance Form that accompanies this Prospectus. Entitlements are not scaled up to a minimum holding. Entitlements to fractions of New Units will be rounded up to the nearest whole number.

You are not obliged to subscribe for any or all of the New Units to which you are entitled under the Offer.

OVERSUBSCRIPTION FACILITY

If you take up **all** of your Rights, you may apply for an additional number of New Units in excess of your Rights entitlement ("**Additional New Units**") at the Issue Price (\$1.275) through the Oversubscription Facility. Additional New Units do not have any Rights attached to them.

You may apply for any number of Additional New Units but there is no guarantee that you will be allocated any or all of the Additional New Units for which you apply. You will not be allocated any more Additional New Units than the number for which you have applied and paid.

The number of New Units available under the Oversubscription Facility will be equal to the number of New Units for which valid applications are not received by the Closing Date (known as the "shortfall").

The New Units available under the Oversubscription Facility will be allocated as follows:

(a) you will be allocated the lesser of:

- the number of Additional New Units you applied for; and
- the number of Additional New Units you applied for, multiplied by the proportion that the number of Existing Units you hold bears to the number of Existing Units held by all other applicants for Additional New Units; and

(b) any remaining shortfall following the allocations set out above will be allocated amongst the remaining unsatisfied applicants on the same basis, until all of the available New Units have been allocated.

If you are a beneficial owner of Units, a custodian holder holds Units on your behalf, and you have instructed the custodian holder to apply for Additional New Units on your behalf, you will be allocated a number of Additional New Units calculated in accordance with the above, on the basis that you and each other beneficial owner who applies for Additional New Units is treated as a separate Unitholder. For this purpose, a "custodian holder" means an Eligible Unitholder that:

- is a trustee corporation or a nominee company and that holds Units by reason only of acting for another person in the ordinary course of business of that trustee corporation or nominee company; or
- holds Units by reason only that the person is a bare trustee of a trust to which the Units are subject.

If the total number of Additional New Units for which applications have been received exceeds the total number of New Units available in the Oversubscription Facility, the Manager will scale the applications in accordance with the above.

To the extent that your application for Additional New Units has been rejected or not satisfied, the excess application monies received will be returned to you without interest by direct credit or cheque. Direct credit payments will be made, and cheques sent, within five Business Days of allotment of the New Units.

APPLICATIONS AND REFUNDS

Instructions on how to apply under the Offer are set out in Section 6 and on the Entitlement and Acceptance Form. Applications must be made on the Entitlement and Acceptance Form.

Applications, together with application monies for those applications (payment for the New Units), must be delivered (by either mail, personal delivery or courier) in accordance with the instructions set out on the Entitlement and Acceptance Form. Your application may also be lodged with an NZX Primary Market Participant, but you must ensure you deliver your completed Entitlement and Acceptance Form in time to enable it to be forwarded to the Registrar before the Closing Date (16 August 2013).

Application monies received will be held in a special purpose account until the corresponding New Units are allotted or the application monies are refunded. Interest earned on the application monies will be retained by Vital whether or not the allotment and issue of New Units takes place. Any refunds of application monies will be made by direct credit or cheque. Direct credit payments will be made, and cheques sent, within five Business Days of allotment of the New Units or if no allotment takes place, as soon as practicable.

ALLOTMENT AND RANKING OF NEW UNITS

New Units are expected to be allotted and issued on 23 August 2013. Statements for New Units will be issued and mailed in accordance with the Listing Rules, and will be mailed by no later than 30 August 2013.

The New Units will, from the date they are issued, rank equally with all Existing Units on issue. Each Unit entitles the Unitholder to:

- one vote on a poll at a meeting of Unitholders;
- participate on a pro-rata basis in any distributions made by Vital;
- participate on a pro-rata basis in any distribution on the winding up of Vital;
- be sent reports, notices of meeting and other information sent to Unitholders; and
- any other rights as a Unitholder conferred by the Trust Deed and the Unit Trusts Act.

NZX MAIN BOARD QUOTATION

Application has been made for permission to quote the Rights on the NZX Main Board and all requirements of NZX relating to the application that can be complied with on or before the date of this Prospectus have been complied with. Trading of Rights will commence on the NZX Main Board under the code "VHPRB" on 18 July 2013 and will cease at 5.00pm on 12 August 2013. The New Units have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures under the ticker code "VHP".

NZX is a registered exchange regulated under the Securities Markets Act 1988 and the NZX Main Board is a registered market operated by NZX. NZX accepts no responsibility for any statements in this Prospectus.

WITHDRAWAL OF OFFER

The Manager reserves the right to withdraw the Offer at any time before the allotment of New Units, in which case all application monies received will be refunded (without interest) as soon as practicable. If the Offer is withdrawn before the allotment of New Units, all Rights will lapse and any prior trades in Rights which have not settled will be cancelled.

NZX RULING AND WAIVER

NZX has ruled that an increase in the percentage of votes attached to Units in Vital controlled by NorthWest and its Associated Persons (as defined in the Listing Rules) from 20.001% to 24.99% will not constitute a material increase in NorthWest and its Associated Persons' ability to exercise, or direct the exercise of, effective control of Vital for the purposes of Listing Rule 7.5.1.

NZX has granted a waiver from Listing Rule 7.10.5 to allow Vital to make the Oversubscription Facility available to Eligible Unitholders. The waiver has been granted subject to the conditions that:

- Additional New Units are allocated to applicants under the Oversubscription Facility in accordance with the procedure set out in this Section 5;
- NZX is satisfied the terms of the Oversubscription Facility are sufficiently disclosed in this Prospectus; and
- this Prospectus states that the waiver has been granted and the conditions of the waiver.

A copy of the ruling and waiver decision is available on NZX's website, www.nzx.com.

EFFECT OF THE OFFER ON THE CAPITAL STRUCTURE OF VITAL

Vital presently has 307,038,608 Units on issue.

On the basis of the number of Existing Units on issue, if all Rights are taken up, the Manager will issue 30,703,861 New Units (subject to rounding). This would increase the number of Units on issue to 337,742,469 Units (subject to rounding).

ACTION TO BE TAKEN BY ELIGIBLE UNITHOLDERS

AVAILABLE ACTIONS

If you are an Eligible Unitholder, you may choose to:

- **take up all** or **some** of your Rights;
- **sell all** or **some** of your Rights;
- **take up some** of your Rights and **sell all** or **some** of the balance; or
- do **nothing with all** or **some** of your Rights.

If you **take up all** of your Rights, you may also apply for Additional New Units under the Oversubscription Facility, which is described in Section 5.

Important: Your Rights may have value. If you do nothing, your Rights will lapse and you will not be able to subscribe for any New Units or realise any value for your Rights.

If you would like to take up any of your Rights (and therefore subscribe for New Units), you must do so by using the Entitlement and Acceptance Form and following the instructions in this Prospectus and on the Entitlement and Acceptance Form. If you would like to apply for Additional New Units under the Oversubscription Facility, you must do so using that same Entitlement and Acceptance Form. **You can only apply for Additional New Units if you have taken up ALL of your Rights.**

If you destroy or lose your personalised Entitlement and Acceptance Form, you can obtain another form by contacting the Registrar (whose details are set out at the end of this Section and in the Directory).

Applications to take up Rights (and subscribe for New Units) cannot be revoked or withdrawn. If both an acceptance and a renunciation (sale or transfer) are received in relation to the same Rights, the renunciation (sale or transfer) will take priority.

The Manager reserves the right to accept late applications and application monies for those applications, but has no obligation to do so. The Manager reserves the right to accept or reject (at its discretion) any Entitlement and Acceptance Form including (without limitation) if it is not completed correctly, and to correct any errors or omissions on any Entitlement and Acceptance Form.

TAKING UP YOUR RIGHTS

If you wish to **take up all** or **some** of your Rights, you should return your completed Entitlement and Acceptance Form to the Registrar (by either mail, personal delivery or courier) with the application monies by no later than the Closing Date in accordance with the instructions set out on the Entitlement and Acceptance Form.

Payment of the application monies may be made to the Manager by following the instructions set out below and on the Entitlement and Acceptance Form. You are required to pay the aggregate Issue Price for the number of New Units you have applied for in full on application by the Closing Date.

By returning a completed Entitlement and Acceptance Form, you:

- certify to Vital and the Manager that you are an Eligible Unitholder entitled to apply for New Units under this Offer;
- acknowledge that you have received a printed or electronic copy of this Prospectus and the Entitlement and Acceptance Form and have read both documents in full;
- declare that all the details and statements on the Entitlement and Acceptance Form are complete and accurate;
- acknowledge that, once the Entitlement and Acceptance Form is returned, the application may not be varied or withdrawn, except as required by law;
- agree to be issued the number of New Units you have subscribed for; and
- authorise the Manager and its officers and agents to do anything on your behalf necessary for the New Units to be issued to you, including to act on instructions received by the Registrar using the contact details on the Entitlement and Acceptance Form.

If there is a discrepancy between the amount of application monies (by way of cheque, bank draft or direct credit) received from you in cleared funds by the Registrar and the number of New Units for which you have applied on your Entitlement and Acceptance Form, the Manager will treat your application as being for the lower of the number of New Units applied for (as indicated on your Entitlement and Acceptance Form) and the number of New Units for which payment has been made. Your application will not be treated as you having offered to subscribe for a greater number of New Units than the number for which payment is made.

The Manager may also, in its discretion, rectify any errors in, or omissions from, any Entitlement and Acceptance Form to enable that form to constitute a valid acceptance of the Offer, including filling in any blanks.

Eligible Unitholders who **take up all** of their Rights may also apply for Additional New Units through the Oversubscription Facility described in Section 5. You may apply for any number of Additional New Units but there is no guarantee that you will be allocated any or all of the Additional New Units for which you apply and pay. Please refer to the Entitlement and Acceptance Form for instructions on how to apply for Additional New Units.

SELLING YOUR RIGHTS

The Rights are renounceable. This means if you do not wish to take up all or some of your Rights, you can sell those Rights.

If you wish to **sell all** or **some** of your Rights, this can be done by instructing an NZX Primary Market Participant to sell your Rights on the NZX Main Board on your behalf. You can ascertain your entitlement to Rights by contacting the Registrar at any time after the Record Date. If you trade in Rights before receiving confirmation of your allocation of Rights, you do so at your own risk.

Trading of Rights will commence on the NZX Main Board under the code "VHPRB" on 18 July 2013 and will cease at 5.00pm on 12 August 2013. Your Rights may be sold on the NZX Main Board between these dates, should you choose not to take up all of your Rights. If you wish to sell your Rights using this method you must do so before close of trading on the NZX Main Board on 12 August 2013. If you wish to sell your Rights by private treaty, you must complete Section B of the Entitlement and Acceptance Form in accordance with the instructions therein and forward it to the buyer of your Rights for completion by them. They must then return the Entitlement and Acceptance Form to the Registrar together with the application monies by not later than 5.00pm on the Closing Date.

TAKING UP SOME OF YOUR RIGHTS AND SELLING THE BALANCE

There is no minimum number of New Units that you must subscribe for under the Offer. You may take up as many or as few of your Rights as you wish. If you wish to **take up some** of your Rights and **sell the balance**, you should:

- instruct an NZX Primary Market Participant to sell the number of Rights you wish to renounce; and

- indicate the number of New Units you wish to take up on the Entitlement and Acceptance Form and send your completed Entitlement and Acceptance Form, together with payment for the number of New Units applied for, directly to the NZX Primary Market Participant through whom you sold your Rights.
- If the Manager receives, on or before 5.00pm on the Closing Date, both an acceptance and a renunciation (sale or transfer) by you in respect of the same Rights, the renunciation (sale or transfer) will take priority to the acceptance.

PAYMENT INSTRUCTIONS

You must make payment in full on application by paying the aggregate Issue Price for all New Units for which you have applied.

Payments are to be made in New Zealand dollars by cheque, bank draft or direct credit to the Registrar or by such other method of payment agreed as acceptable to the Manager.

Do **NOT** forward cash. Receipts for payment will not be issued.

Cheques or bank drafts

If you wish to pay by cheque or bank draft, you must ensure that the cheque is drawn on a New Zealand bank or that the bank draft is in New Zealand dollars. Cheques or bank drafts drawn in a different currency will not be accepted.

You should make your cheque or bank draft payable to "Vital Healthcare Property Trust Offer" and ensure it is crossed "Not Transferable".

Direct credit

If you wish to pay by direct credit:

- you should transfer funds in New Zealand dollars to the special purpose account established for the Offer, the details of which are set out on the Entitlement and Acceptance Form; and
- you must submit your payment to your bank by no later than 4.00pm on 14 August 2013 (being two Business Days before the Closing Date).

Processing of applications

Processing of applications and the banking of payment cheques will take place on the day of receipt by the Registrar (or the first Business Day after that day) with subscriptions received held in trust until the New Units are allotted (or the application monies are refunded). The banking of application monies will not constitute allotment of any New Units. The New Units are expected to be allotted on 23 August 2013.

MAILING ADDRESS

If you wish to mail your completed form and payment (if paying by cheque or bank draft) to the Registrar, you should send them to:

Vital Healthcare Property Trust

C/- Computershare Investor Services Limited
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you wish to deliver or courier your completed Entitlement and Acceptance Form and payment to the Registrar, you may do so to the Registrar's physical address set out to the right and in the Directory.

Applications must be received by the Registrar by 5.00pm on the Closing Date. You may also lodge your application with any NZX Primary Market Participant but you must deliver your completed Entitlement and Acceptance Form in time to enable forwarding to the Registrar before the Closing Date.

ENQUIRIES

If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this Prospectus, or how to complete the Entitlement and Acceptance Form, please contact the Registrar at:

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Private Bag 92119
Auckland 1142

Telephone (09) 488 8777

Email: enquiry@computershare.co.nz

If you are in doubt as to any aspect of this Prospectus or the Offer, you should consult your financial or other professional adviser or an NZX Primary Market Participant.

OTHER IMPORTANT INFORMATION

This Section of the Prospectus contains information that is required by Schedule 10 to the Securities Regulations 2009.

NAMES, ADDRESSES AND OTHER INFORMATION

ISSUER AND MANAGER	Vital Healthcare Management Limited in its capacity as manager of the Vital Healthcare Property Trust The address of the registered office of the Issuer is Level 16, AIG Building, 41 Shortland Street, Auckland
DIRECTORS OF THE ISSUER AND MANAGER	Graeme Horsley, MNZM Bernard Crotty Paul Dalla Lana Andrew Evans Claire Higgins
REGISTRAR	Computershare Investor Services Limited
TRUSTEE	Trustees Executors Limited The address of the Trustee is Level 12, 45 Queen Street, Auckland TEA Custodians Limited holds investments and other property of Vital pursuant to section 6 of the Unit Trusts Act
DIRECTORS OF THE TRUSTEE	Rt. Hon James Bolger, ONZ, Waikanae, New Zealand Paul Hocking, Martinborough, New Zealand Peter Metz, New York, United States of America Robert Russell, Lower Hutt, New Zealand Any of the directors of the Trustee may be contacted at the Trustee's address set out above
ADMINISTRATION OR INVESTMENT MANAGERS	Vital Healthcare Management Limited is the Manager of Vital Apelbaum & Co (Estate Agents) Pty Ltd (ABN 25 077 740 017) assists the Manager with property-related administrative matters relating to Vital Healthcare Australian Properties Trust and VHIT Vasco Investment Managers Limited (ABN 71 138 715 009) assists the Manager with certain administrative and investment matters relating to VHIT

EXPERTS AND UNDERWRITER

The Offer is not underwritten.

Valuations

All of Vital's properties were independently valued as at 30 June 2013. The valuations, dated 30 June 2013, were prepared by: CBRE Valuations Pty Ltd, Colliers International Consultancy & Valuation Pty Limited, Colliers International New Zealand Limited, Darroch Limited, Ernst & Young, Jones Lang LaSalle, Valuation Services (QLD) Pty Ltd trading as Knight Frank Health and Aged Care Queensland and m3property (Vic) Pty Ltd (together, the "Valuers").

Details of the Valuers are set out in the table below:

NAME OF VALUER	ADDRESS OF VALUER	QUALIFICATIONS OF THE INDIVIDUALS RESPONSIBLE FOR PREPARING THE VALUATION(S) ON BEHALF OF THE VALUER
CBRE Valuations Pty Ltd	Level 21, 363 George Street, Sydney, Australia	Fellow of the Australian Property Institute and a Registered Valuer
Colliers International Consultancy & Valuation Pty Limited	Level 12, Grosvenor Place, 225 George Street, Sydney, Australia	Certified Practising Valuer and Registered Real Estate Valuer No/2277 (Qld)
Colliers International New Zealand Limited	Level 27, 151 Queen Street, Auckland	New Zealand Registered Valuers
Darroch Limited	Level 16, Auckland Club Tower, 34 Shortland Street, Auckland	New Zealand Registered Valuers
Ernst & Young	8 Exhibition Street, Melbourne, Victoria, Australia 3000	Certified Practising Valuers under the Australian Property Institute
Jones Lang LaSalle	Level 16, PWC Tower, 188 Quay Street, Auckland	New Zealand Registered Valuers

NAME OF VALUER	ADDRESS OF VALUER	QUALIFICATIONS OF THE INDIVIDUALS RESPONSIBLE FOR PREPARING THE VALUATION(S) ON BEHALF OF THE VALUER
Valuation Services (QLD) Pty Ltd trading as Knight Frank Health and Aged Care Queensland	Level 11, 10 Eagle Street, Brisbane, Australia	Certified Practising Valuer with Associate Membership of the Australian Property Institute
m3property (Vic) Pty Ltd	Level 5, 114 William Street, Melbourne, Australia	Associate and Fellow Members of the Australian Property Institute

Method of valuation

Vital's properties are classified as investment properties and are stated at fair value by the Valuers supported by market evidence of property sale transactions and leasing activity. The methods used for assessing the current market value of Vital's properties were the Direct Comparison, Discounted Cash Flow, and Capitalisation of Contract and Market Income approaches. The major inputs and assumptions that are used in the valuation that require judgement include selection of discount rates and capitalisation rates, forecasts of the current and expected future market rentals and growth, maintenance and capital expenditure requirements, vacancy and leasing costs.

Nature of any relationships

None of the Valuers has any relationship (other than that of valuer) with, or interest in, Vital, the Manager, or any of their associated persons. None of these Valuers has any interest in Vital's properties that were valued or any relationship with any other person who has a material interest in those properties.

None of the Valuers (nor any of their officers, employees or members) are or are intended to be a director, officer, or employee of the Manager, however they may from time to time be engaged as a professional adviser to Vital and/or the Manager as valuer of the Trust's properties.

Consent

Each Valuer has given, and has not before the date of this Prospectus, withdrawn its consent to the distribution of this Prospectus with the information contained or referred to in this Prospectus relating to each Valuer and its valuations in the form and context in which that information is included.

TERMS OF OFFER AND SECURITIES

Details of the main terms of the Offer and of the New Units being offered are set out in Section 5. The maximum number of New Units being offered under the Offer, and their total Issue Price is 30,703,861 (subject to rounding) and \$39.2 million. The Issue Price to be paid for each New Unit is \$1.275.

Details relating to the person to whom, and the manner in which, payments are to be made are set out in Section 6.

RELATIONSHIP WITH LISTED SECURITIES

The New Units will, from the date they are issued, rank equally with all Existing Units. The New Units are of the same class as Existing Units quoted on the NZX Main Board under the ticker code "VHP".

Each Unit entitles the Unitholder to:

- one vote on a poll at a meeting of Unitholders;
- participate on a pro-rata basis in any distributions made by Vital;
- participate on a pro-rata basis in any distribution on the winding up of Vital;
- be sent reports, notices of meeting and other information sent to Unitholders; and
- any other rights as a Unitholder conferred by the Trust Deed and the Unit Trusts Act.

The Issue Price has been set at a discount to the market price of Units traded on the NZX Main Board. The Issue Price represents an 8.7% discount to the volume weighted average price of Units during the five Business Days up to and including 24 June 2013.

The market price of Units may change between the date of the Offer and the date when the New Units are allotted. Any changes in the market price will not affect the Issue Price that you are required to pay, but the market price of the New Units you receive following allotment may be higher or lower than the Issue Price you paid for those Units.

INFORMATION AVAILABLE UNDER ISSUER'S DISCLOSURE OBLIGATION

Notified information

The table on page 21 sets out particulars of information material to the Offer that have been notified by the Manager to NZX in accordance with its disclosure obligation under the Listing Rules on or after the date on which the unaudited interim financial statements referred to in the paragraph on page 21 were notified to NZX.

DATE OF ANNOUNCEMENT	DESCRIPTION OF ANNOUNCEMENT
2 July 2013	Three Month Status Report Restricted Transfer Notice
26 June 2013	Vital announces pro rata rights issue & preliminary portfolio revaluations
25 June 2013	Vital announces pro rata renounceable rights issue
18 June 2013	Ongoing Disclosure Notice (Paul Dalla Lana)
18 June 2013	Vital appoints senior executive in Australia
17 June 2013	Strike Price for Distribution Reinvestment Plan
27 May 2013	Appendix 7 (for third quarter distribution)
27 May 2013	Vital announces third quarter distribution
13 May 2013	Ongoing Disclosure Notice (Paul Dalla Lana)
26 April 2013	Substantial Security Holder Notice – NorthWest Value Partners Inc
19 April 2013	Independent Appraisal Report on RTN
4 April 2013	Advice of appointment of KordaMentha
3 April 2013	Ongoing Disclosure Notice (Paul Dalla Lana)
2 April 2013	Ongoing Disclosure Notice (Various)
2 April 2013	Vital responds to Restricted Transfer Notice
2 April 2013	Restricted Transfer Notice
28 March 2013	Interim Report as at 31 December 2012
28 March 2013	Allotment of underwritten Distribution Reinvestment Plan Units
28 March 2013	Allotment of Distribution Reinvestment Plan Units
26 March 2013	Ongoing Disclosure Notice (Paul Dalla Lana)
20 March 2013	Strike Price for Distribution Reinvestment Plan
12 March 2013	Vital Obtains an Inland Revenue Binding Ruling
12 March 2013	Second Quarter Distribution to be Underwritten
22 February 2013	2013 Interim Result

A number of these disclosures describe or relate to the business operations and financial performance of Vital as at previous dates or in respect of previous periods and should be read in the context of, and subject to, any subsequent disclosures to NZX noted above, and the information contained or referred to in this Prospectus.

Other information

Clarification of New Zealand tax treatment

The Manager, on behalf of Vital, has sought clarification of the taxation treatment of certain items from Inland Revenue which, if successful, will result in a reduction of Vital's taxation expenses. Vital's audited financial statements for the financial year ended

30 June 2012 include a \$2.7 million provision for the potential tax expense. If the Manager receives a favourable response to Vital's request, the provision will be released – which will be recognised in Vital's statement of comprehensive income. The timing of this release (if a favourable outcome is obtained) will depend on the timing of the response from Inland Revenue. While the Manager's view is that the clarification sought should be obtained, there is no assurance that this outcome will be achieved.

Preliminary 2013 full year results

Vital's preliminary full year results for the year ended 30 June 2013 (including the audited financial statements for Vital for that same period) are expected to be notified to the NZX on or about 23 August 2013. This date is the same as the expected allotment date for New Units under the Offer.

FINANCIAL STATEMENTS

The latest audited financial statements for Vital that comply with, and have been registered under, the Financial Reporting Act 1993 are for the year ended 30 June 2012. These financial statements were registered with the Companies Office of the Ministry of Business, Innovation and Employment on 15 October 2012 and were notified to NZX in accordance with the Listing Rules on 24 August 2012.

ADDITIONAL INTERIM FINANCIAL STATEMENTS

Unaudited interim financial statements for Vital for the six months ended 31 December 2012 have been prepared since the latest audited annual financial statements, referred to above, were prepared. These were notified to NZX on 22 February 2013.

Material changes

Material changes in matters contained in the unaudited interim financial statements from matters contained in the audited financial statements referred to above include:

Non-current assets

- Investment properties increased by \$55.8 million due to the acquisition of SportsMed SA Hospital and Clinic for \$39.8 million (the "**Sportsmed Acquisition**") and capital expenditure of \$24.4 million. This was offset by the sale of Pitman House \$5.2 million and a foreign exchange translation difference of \$3.2 million.¹⁰
- Non-current assets classified as held for sale decreased by \$8.2 million due to the sale of Eastmed, St Heliers, Auckland on 20 September 2012.

Current assets

Derivative financial instruments decreased by \$2.5 million as a result of the closing out of foreign exchange contracts in July 2012. This close out plus further foreign exchange contracts entered into

¹⁰ After analysis of the property portfolio and market conditions in New Zealand and Australia, the Manager did not conduct interim property valuations. Independent valuations will be completed as at 30 June 2013. The Manager has received preliminary valuations for Vital's portfolio as at 30 June 2013. Refer to further information relating to the valuations for Vital's properties in Section 3 and this Section under the sub-heading "Valuations" on pages 19 to 20.

over the period gave rise to the receipt of \$3.9 million. New foreign exchange contracts were entered into in December 2012 equating to AUD\$88.5 million.

Unitholders' funds

Units on issue increased by \$11.1 million due to the issuing of units in September 2012 and December 2012 under Vital's distribution reinvestment plan.

Non-current liabilities

Borrowings increased by \$33.6 million principally due to drawdowns to fund the Sportsmed Acquisition and capital expenditure.

Non-current and current liabilities

Derivative financial instruments decreased \$1.2 million (non-current liability) and increased \$1.3 million (current liability). This shift between non-current and current occurred, in part, due to the contracted expiry date of certain interest rate swaps being due to take place within the twelve month period from 31 December 2012. In addition, AUD\$30.0 million of interest rate swaps had their maturity date extended (and base interest rate lowered) and AUD\$60.0 million of new interest rate swaps were entered into. The movement was also impacted by the movement in the Australian interest rate yield curve between 30 June 2012 and 31 December 2012.

Current liabilities

- Trade and other payables decreased \$2.8 million mainly as a result of payment being made for capital expenditure which had been accrued as at the 30 June 2012 balance date.
- Taxation payable increased by \$2.4 million mainly due to current taxation of \$2.6 million being accrued for on the profits generated over the six months to 31 December 2012.

Related party transactions

Fees paid to the Manager: Over the six month period to 31 December 2012 Vital paid management fees of \$2.3 million to the Manager and paid \$0.3 million for costs incurred in managing certain capital expenditure projects and the Sportsmed Acquisition. This is the only material related party transaction under generally accepted accounting practice that was entered into or performed during the period of the unaudited interim financial statements.

ACCESS TO INFORMATION AND STATEMENTS

Copies of the disclosed information identified in the table on page 21 and the audited financial statements and the unaudited interim financial statements referred to on page 21:

- are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment and are available for public inspection (including at www.business.govt.nz/companies); and
- will be made available on request, and free of charge, by contacting the Manager at the addresses in the Directory.

Vital's annual report which contains the latest audited financial statements and Vital's interim report which contains the latest unaudited financial statements are also available on Vital's website at www.vitalhealthcareproperty.co.nz.

DIRECTORS' STATEMENT

In the opinion of the Directors, after due enquiry by them, the Manager and Vital are in compliance with the requirements of the continuous disclosure provisions that apply to them.

STATUTORY INDEX

The following index outlines the matters required to be stated or contained in this Prospectus under Schedule 10 of the Securities Regulations 2009:

MATTER	CLAUSE	PAGE(S)
Information at front of simplified disclosure prospectus	1	Cover page
Names, addresses, and other information	2	19
Experts and underwriter	3	19 to 20
Terms of offer and securities	4	14 to 18, 20
Relationship with listed securities	5	20
Information available under issuer's disclosure obligation	6	20 to 21
Financial statements	7	21
Additional interim financial statements	8	21 to 22
Access to information and statements	9	22
Directors' statement	10	22

SIGNATURES REQUIRED UNDER THE SECURITIES ACT

Signed by each Director of Vital Healthcare Management Limited or by his or her agent authorised in writing:



Graeme Horsley, MNZM



Bernard Crotty



Paul Dalla Lana



Andrew Evans



Claire Higgins

GLOSSARY

ADDITIONAL NEW UNITS	The New Units which an Eligible Unitholder applies for in excess of their entitlement pursuant to the Oversubscription Facility
ALLAMANDA	Allamanda Private Hospital
ASIC	Australian Securities and Investments Commission
AUD	Australian Dollars
BOARD	The board of directors of the Manager/Issuer
BUSINESS DAY	A time between 8.30am and 5.30pm on a day on which the NZX Main Board is open for trading
CLOSING DATE	16 August 2013 (5.00pm)
DIRECTORS	The directors of the Manager/Issuer
ELIGIBLE UNITHOLDERS	Persons recorded on the unit register as Unitholders at 5.00pm on the Record Date: <ul style="list-style-type: none"> • with a registered address in New Zealand or Australia; or • who are accredited investors in terms of applicable Canadian laws
ENTITLEMENT AND ACCEPTANCE FORM	The personalised entitlement and acceptance form enclosed with this Prospectus for an Eligible Unitholder
EXISTING UNIT	A Unit on issue at 5.00pm on the Record Date
FMA	Financial Markets Authority (New Zealand)
FOS	Financial Ombudsman Service (Australia)
INLAND REVENUE	Inland Revenue (New Zealand)
ISSUE PRICE	\$1.275 per New Unit
HEALTH CARE	Health Care Australia Pty Limited (ACN 117 285 300)
LISTING RULES	The listing rules of the NZX Main Board as amended from time to time
MANAGER	Vital Healthcare Management Limited
MERCY ASCOT	Mercy Ascot at Ascot Hospital
MIT	Managed Investment Trust
NEW UNIT	A Unit to be issued under the Offer
NORTHWEST	NorthWest International Healthcare Properties Real Estate Investment Trust
NZD	New Zealand Dollars
NZX	NZX Limited

NZX MAIN BOARD	The main board equity security market operated by NZX
NZX PRIMARY MARKET PARTICIPANT	Any person designated as a "Primary Market Participant" by NZX
OFFER	The offer of Units contained in this Prospectus
OVERSUBSCRIPTION FACILITY	The facility that enables an Eligible Unitholder who takes up their entitlement to New Units in full to also apply for Additional New Units (details of which are set out in Section 5)
PIE	Portfolio Investment Entity
PROSPECTUS	This simplified disclosure prospectus dated 4 July 2013 and registered with the Registrar of Financial Service Providers
RECORD DATE	22 July 2013
REGISTRAR	Computershare Investor Services Limited
RIGHTS	The renounceable rights to subscribe for New Units under the Offer
SECURITIES ACT	Securities Act 1978 (and includes the Securities Regulations 2009)
SECTION	A section of this Prospectus
SPORTSMED ACQUISITION	The acquisition of Sportsmed SA Hospital and Clinic as described in Section 7
TRUST DEED	The trust deed between the Manager and the Trustee dated 11 February 1994, as subsequently amended and replaced
TRUSTEE	Trustees Executors Limited
UNIT	A unit in Vital
UNITHOLDER	A person for the time being entered on the register of Vital either alone or jointly with others as the holder of a Unit
UNIT TRUSTS ACT	Unit Trusts Act 1960
VALUERS	CBRE Valuations Pty Ltd, Colliers International Consultancy & Valuation Pty Limited, Colliers International New Zealand Limited, Darroch Limited, Ernst & Young, Jones Lang LaSalle, Valuation Services (QLD) Pty Ltd trading as Knight Frank Health and Aged Care Queensland and m3property (Vic) Pty Ltd
VHIT	Vital Healthcare Investment Trust
VITAL	Vital Healthcare Property Trust
WALT	Weighted average lease term to expiry

Directory

REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road

Takapuna

Auckland 0622

Private Bag 92119

Auckland 1142

Telephone: (09) 488 8777 (if calling from within New Zealand)

or +64 9 488 8777 (if calling from outside New Zealand)

MANAGER

Vital Healthcare Management Limited

Level 16, AIG Building

41 Shortland Street

PO Box 6945

Auckland 1141

Telephone: (09) 973 7300

Facsimile: (09) 377 2776

Directors

Graeme Horsley, MNZM

Bernard Crotty

Paul Dalla Lana

Andrew Evans

Claire Higgins

Senior Management

David Carr, Chief Executive Officer

Stuart Harrison, Chief Financial Officer

TRUSTEE

Trustees Executors Limited

Level 12, 45 Queen Street

PO Box 4197

Auckland 1140

AUDITOR

Deloitte

Deloitte Centre

Levels 13-18, 80 Queen Street

Auckland 1010

LEGAL ADVISERS TO THE MANAGER

Harmos Horton Lusk Limited

Level 37, Vero Centre

48 Shortland Street

PO Box 28

Auckland 1140

