

1 December 2017

Vital receives OIO approval to acquire Wakefield and Bowen Hospital real estate; also acquires Royston Hospital real estate and commits over \$100m to future developments

Further to Vital Healthcare Property Trust's (Vital) announcement on 11 May 2017 reporting a conditional partnership with Acurity Health Group (Acurity) it confirmed today that, following receipt of Overseas Investment Office (OIO) approval, it has:

- Unconditionally acquired the freehold land and buildings at Wakefield and Bowen Hospitals in Wellington;
- Unconditionally acquired a third Acurity asset – the freehold land and buildings at Royston Hospital in Hastings for \$54m; and
- Committed up to \$106.5m to brownfield development over the next four years to expand the three hospitals.

Wakefield Hospital, Newtown, Wellington

In addition to the acquisition, Vital has also committed to the full redevelopment of Wakefield Private Hospital alongside Acurity subject to regulatory consents.

The completed development will include 8 operating theatres, 42 beds, a 3,000 sqm medical consulting building, over 260 carparks, supporting infrastructure and patient and administration services. Expansion capacity will be built into the design to allow for future growth as required.

Chief Executive of Vital's Manager, David Carr said, "The redeveloped Wakefield will be completed in stages to minimise disruption to existing operations. Completion of the works will provide a sector leading, modern and functional facility for Acurity to deliver exceptional quality healthcare to patients for generations to come".

The total forecast capital commitment is up to \$82m, with the works planned to commence in 2018 and be completed mid 2021.

Bowen Hospital, Crofton Downs, Wellington

Vital also confirmed that subject to regulatory consents it has committed to the development of necessary infrastructure for radiation oncology services to be commissioned at Bowen Hospital.

The works will include the construction of two radiation oncology bunkers, initially with one linear accelerator with capacity to increase to two as demand increases.

This is the first private radiation oncology service for patients in Wellington. The service is operated by Icon Cancer Care, Australia's largest private provider of cancer care, in partnership with Acurity. Radiation Oncology services are a logical expansion following the recent commencement of private medical oncology services at Bowen by the Icon/Acurity partnership.

The total forecast capital commitment is up to \$11.5m, with the works planned to commence in the first half of 2018 and forecast to take approximately 9 months.

About Vital Healthcare Property Trust

Vital Healthcare Property Trust (NZX: VHP) is Australasia's largest listed investor in healthcare real estate. Tenants include hospital operators and healthcare practitioners who deliver a wide range of medical and healthcare related services. The Manager of Vital Healthcare Property Trust is Vital Healthcare Management Limited.

Royston Hospital, Hastings

Vital has also unconditionally acquired the land and buildings at Royston Hospital in Hastings and committed to an immediate development project alongside hospital operator Acurity.

Subject to resource consent the development will see an expansion into adjacent properties held for development and will incorporate an additional two operating theatres, reconfiguration of patient admission and recovery areas, and expansion of medical imaging.

Mr Carr said, "our agreement with Acurity to enter into a 30 year lease and commitment to an immediate development project at Royston affirms our combined vision to enhance Royston's long-held reputation as a quality private hospital serving the Hawke's Bay region".

The total forecast capital commitment is up to \$13m, with the project expected to commence in late 2018 subject to regulatory consents and forecast to take approximately 12 months.

Settlement of each of the above acquisitions is forecast to occur in December 2017. All development capital expenditure is forecast to be rentalised at a yield of approximately 7%.

- ENDS -

ENQUIRIES

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