ANNUAL MEETING OF UNITHOLDERS

SECURING TODAY, WITH A FOCUS ON TOMORROW

10 November 2015
MEETING AGENDA

- Introductions
- Chairman’s address
- Chief Executive Officer’s address
- Questions
- Resolution
- Voting
- Close of meeting
- Refreshments
BOARD OF DIRECTORS

01/ Graeme Horsley MNZM
  Chairman & Independent Director

02/ Claire Higgins
  Independent Director

03/ Andrew Evans
  Independent Director

04/ Bernard Crotty
  Director

05/ Paul Dalla Lana (apology)
  Director
IN ATTENDANCE

Management team

- David Carr - Chief Executive Officer
- Stuart Harrison - Chief Financial Officer

Trustee, audit and legal representatives

- Shahazad Contractor - Trustees Executors
- Peter Gulliver - Deloitte
- Annie Steel - Harmos Horton Lusk
Chairman’s address
CHAIRMAN’S REVIEW
Securing today, with a focus on tomorrow

- Vital in its most **STABLE** financial and portfolio position ever
- Underlying healthcare trends remain **SUPPORTIVE** to our strategy
- Focus on **SCALE** and **DIVERSIFICATION** to deliver sustainable returns
10 YEAR TOTAL RETURN PERFORMANCE

Source: Bloomberg, Craigs Investment Partners. Total returns (capital gain plus income) as at 31 October 2015.
DRIVERS OF HEALTHCARE REAL ESTATE

Australia’s growing and ageing population demographic

Source: Australian Bureau of Statistics (ABS)
FUNDAMENTAL DRIVERS OF HEALTHCARE

Increasing prevalence of chronic disease

78% of the over 65 demographic have at least one chronic disease

50% of the 65-74 demographic cope with >5 chronic diseases

50% of all Australians battle with chronic disease

40% of Australians aged over 45 have 2 or more of the 8 chronic diseases

PRIVATE HEALTH INSURANCE

Resilient PHI levels in Australia underpin long term growth opportunities

Source: Quarterly PHIAC data to 30 June 2015 and HFANZ to 30 June 2015
ACQUISITION & DEVELOPMENT
2010-2015
Long-term infrastructure investment to support growth

+1,200 beds
+315% growth, total now ~1,600 beds

+46 theatres
+184% growth, total now 71

+$490m Increase in property portfolio
+168%, total now $781.9m

+ hydro therapy pools
+ car parking
+ consulting suites

+ rehabilitation
+ gymnasiums
+ in-patient wards
ALLAMANDA PRIVATE HOSPITAL

Proactive resolution of lease expiry
ALLAMANDA PRIVATE HOSPITAL

Ramsay Health Care, a leading global private hospital operator will be the new tenant
INVESTMENT PORTFOLIO REVALUATION

Delivering on strategy producing strong revaluation gains

$84m valuation gain, $78m from Australian portfolio, $6m from New Zealand

8.00% weighted average cap rate

20 assets revalued up, 5 down

$781.9m record portfolio value, +28% uplift

All figures as at 30 June 2015
GOVERNANCE AND STRATEGY

Accountability and a clear direction

- Local and global experience, ensuring healthy debate, providing a clear direction
- Expert focus in the healthcare real estate sector
- Leading developer, manager and investor in Australasian healthcare real estate
- Long term relationship based approach with our tenants and operators
- Pursue opportunities for scale & diversification
- Board guiding to a FY16 cash DPU of 8.1cpu (+1.25%)
Chief Executive Officer’s address
AGENDA

- Creating long term value
- 2015 result highlights
- Portfolio update
- Development and acquisition update
- Focus for 2016
Creating long term value
STRATEGIC VALUE DRIVERS
Successful execution on ‘sum of parts’

Management
Aligned / Stable / Experienced / Credible / Capable

- Stabilised portfolio
- Brownfield developments (capacity expansion)
- Acquisitions
- Capital & Treasury
- Sustainable long term earnings & value

- Proactive asset management to maximise portfolio performance
- Organic growth underpinned by rising demand for healthcare services and operator capacity constraints
- Increasing levels of opportunities to leverage scale and diversification
- Prudent treasury and foreign exchange management remains very effective
- Quality, diversified healthcare portfolio delivering sustainable returns to investors
2015 result highlights
2015 RESULTS SUMMARY

Strong operating performance delivering for investors

$96.5m
record net profit after tax

$84m
brownfield redevelopment programme supports record revaluation gain

$36.3m
net distributable income

8.0 cpu
cash distribution in line with guidance

All figures as at 30 June 2015
TREASURY AND CAPITAL MANAGEMENT

Business well capitalised with capacity to grow

32.9%  
LVR provides headroom for growth

5.32%  
weighted average cost of debt

3.1 years  
weighted average facility term

+23 cents  
increase in NTA to $1.27 (+22%)

All figures as at 30 June 2015
Portfolio update
PORTFOLIO UPDATE
Core portfolio in great shape

99.4% continued high occupancy levels

17.3 years WALT over 3x sector average*

2.3% average rental increase on rents reviewed

~90% of FY16 total income subject to structured rent reviews**

All figures as at 30 September 2015.
*Forsyth Barr Real Estate Reflections October 2015 (excludes VHP) **Includes CPI and fixed type reviews.
LEASE EXPIRY PROFILE
Substantially lower expiry profile following Allamanda resolution

All figures as at 30 September 2015

~70% of income expires from 2026

2.9% p.a. average lease expiry over the next ten years

All figures as at 30 September 2015
DIVERSIFIED PORTFOLIO

26 properties comprising approximately 1,600 hospital beds and over 70 operating theatres

Geographic split (%)

Australia/New Zealand by value

79/21

All figures as at 30 September 2015
Development and acquisition update
LINGARD PRIVATE HOSPITAL, NEWCASTLE

Significant development programme delivers strong returns.
Additional investment likely over time.

A$31m invested in three stages:

- New 40-bed / 22-bed wards, 6-bed ICU
- 2 new cath labs and improved diagnostic imaging areas
- 3 additional theatres (total now 7)
- Patient recovery area upgrades
- Modernisation and refurbishment works
- A$18m revaluation gain as at 30 June 2015
**Strong acquisition rationale**

- Vital’s 3rd largest asset
- Expansion to meet increasing demand
- Secures significant land holding adjacent to hospital
- Protects long-term value
- Entrenches strategic partnership with operator

**Key:**
1. Lingard Private Hospital *(red)*
2. Kings Land *(blue)*
3. Hopkins Street site *(yellow)*
BROWNFIELD DEVELOPMENT HISTORY

Capital additions per Vital’s statement of cash flows since 2011

NZ$m


Actual  Committed
Focus for 2016
FOCUS FOR 2016

- Proactive asset management with market leading portfolio metrics
- Prudent management of the current and forecast development pipeline
- Undertake strategic acquisitions to support operator growth
- Widen and strengthen tenant and operator relationships
- Identify and execute on scale and diversification opportunities
- Continued sound balance sheet & treasury management
Questions

Please state your name and whether you are a Unitholder or a Proxy holder
Resolution
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10th November 2015
Thank you