Vital
Healthcare
Property Trust

ANNUAL MEETING OF UNIT HOLDERS

SECURING TODAY, WITH A FOCUS ON TOMORROW

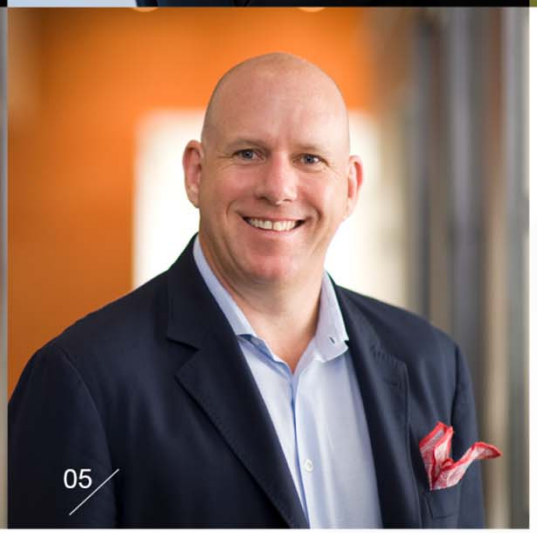
10 November 2015

MEETING AGENDA

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

BOARD OF DIRECTORS

NW attendees TBC



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, legal and audit representatives

- Shahazad Contractor - Trustees Executors
- Peter Gulliver - Deloitte
- Annie Steel - Harmos Horton Lusk

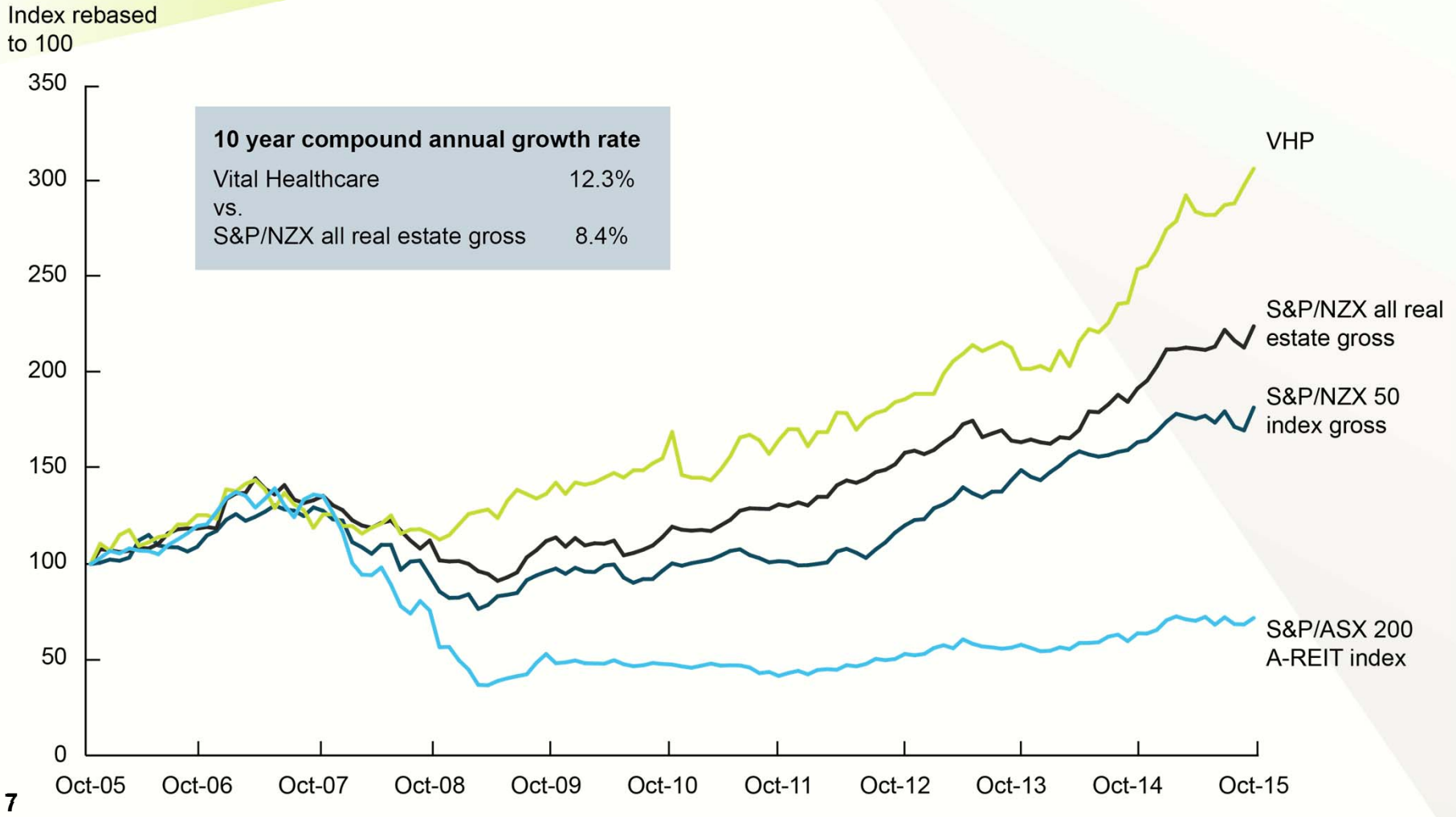
Chairman’s address

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*

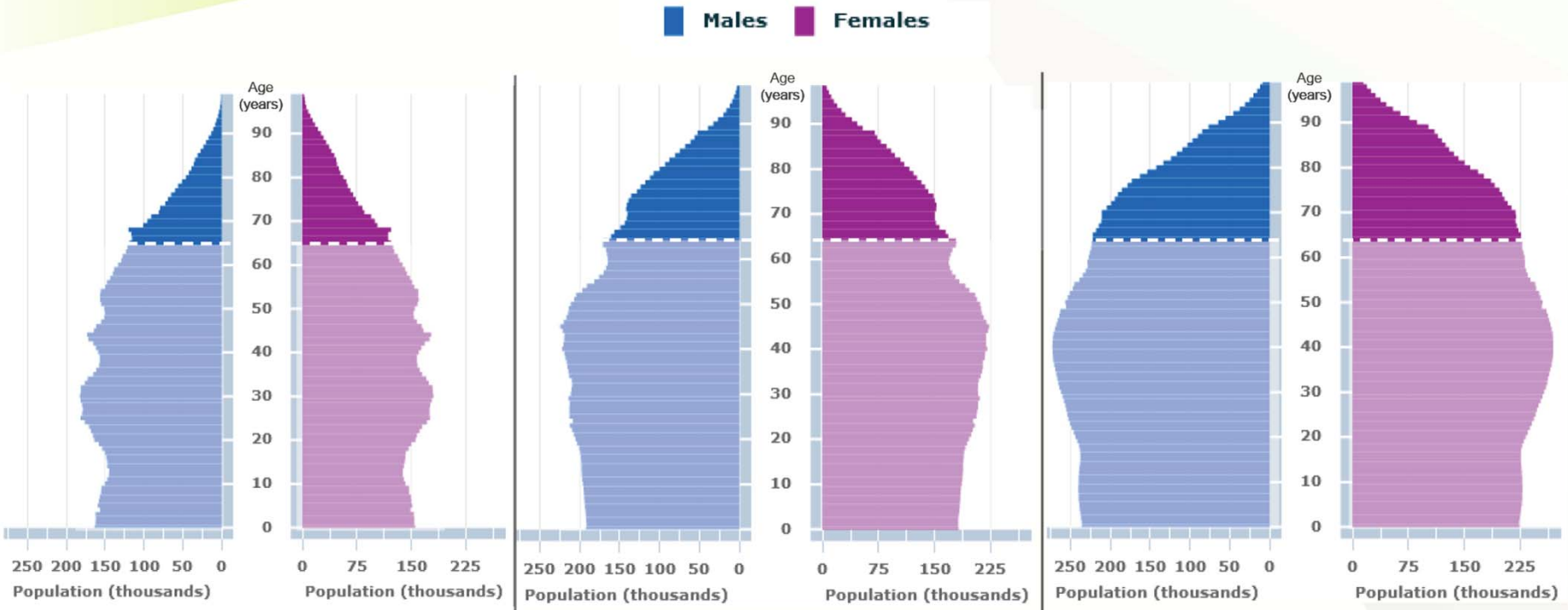
10 YEAR TOTAL RETURN PERFORMANCE



Source: Bloomberg, Craigs Investment Partners. Total returns (capital gain plus income) as at 31 Oct 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

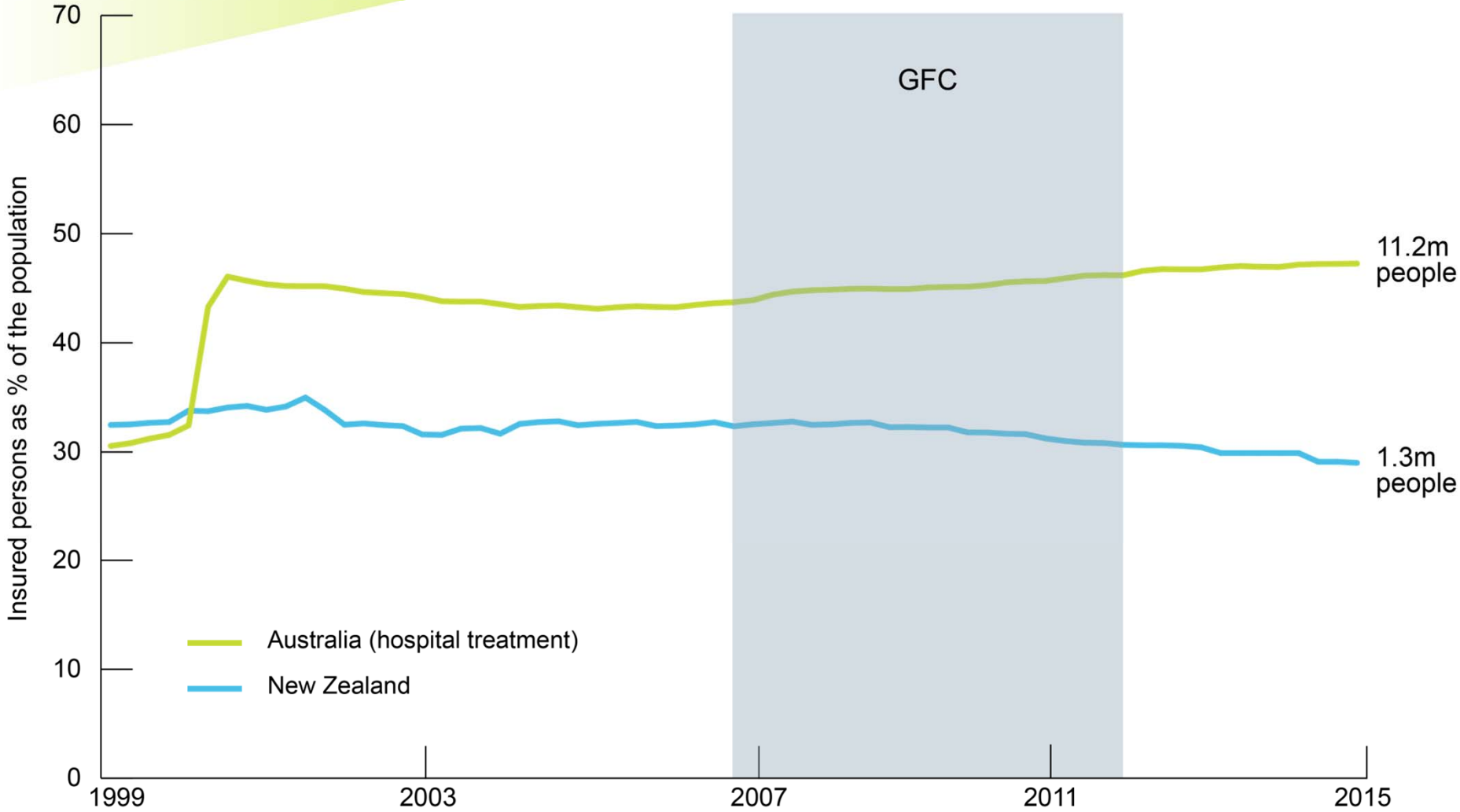
40%

of Australian's aged over 45 have 2 or more of the 8 chronic diseases

Source: Australian Institute of Health and Welfare 2014 *Australia's health 2014. Chronic diseases, Australia's biggest health challenge*.

PRIVATE HEALTH INSURANCE

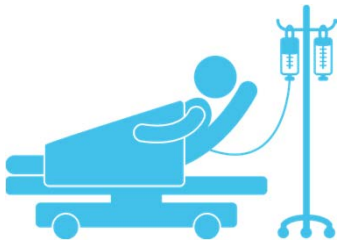
Resilient PHI levels in Australia underpin long term growth opportunities



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

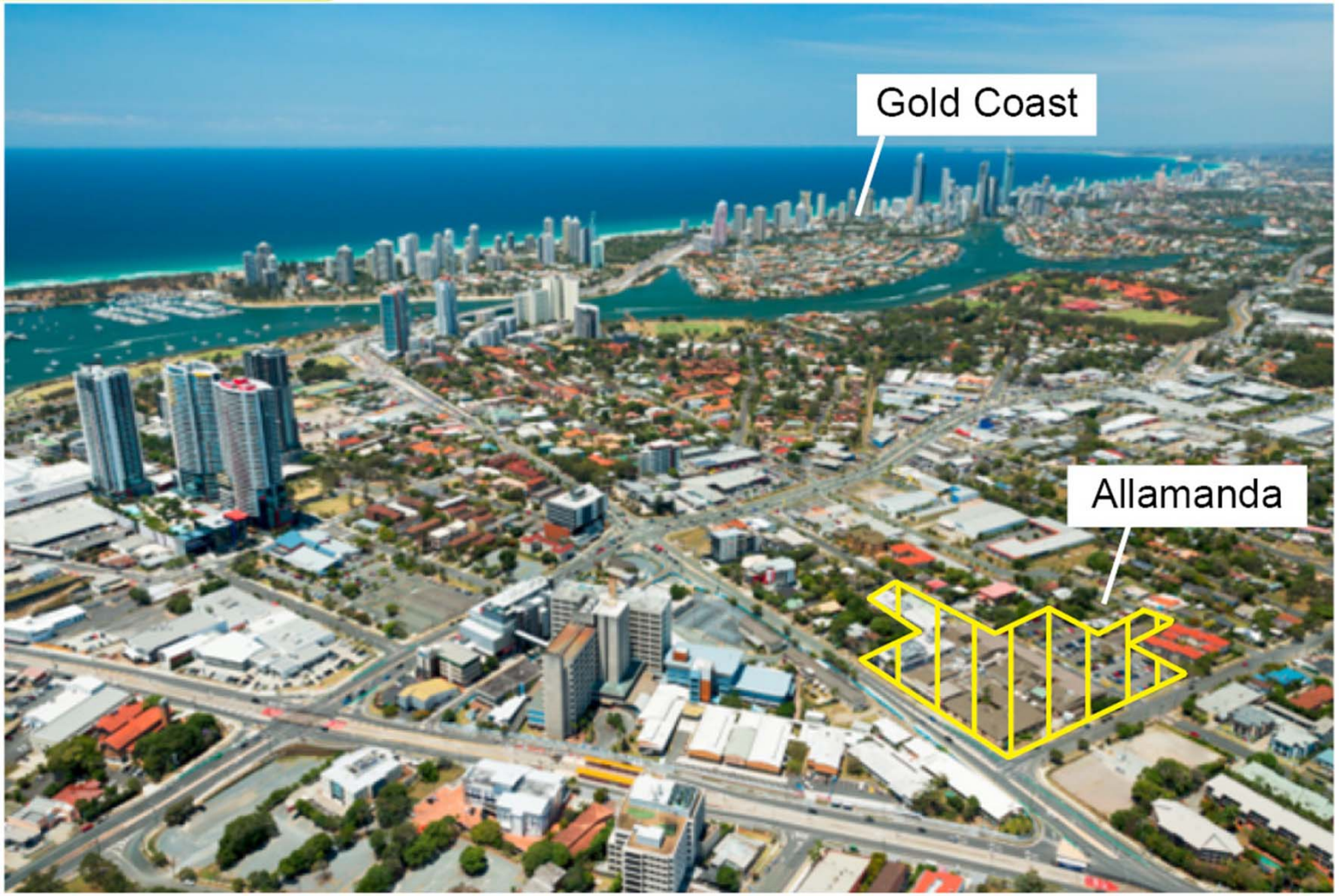
+$490m Increase in property portfolio

+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 NZ

20

assets revalued up, 5 down

8.00%

weighted average cap rate

$781.9m

record portfolio value, +28% uplift

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

Chief Executive Officer’s address

AGENDA

- Creating long term value
- 2015 result highlights
- Portfolio overview
- Development and acquisition update
- Focus for 2016

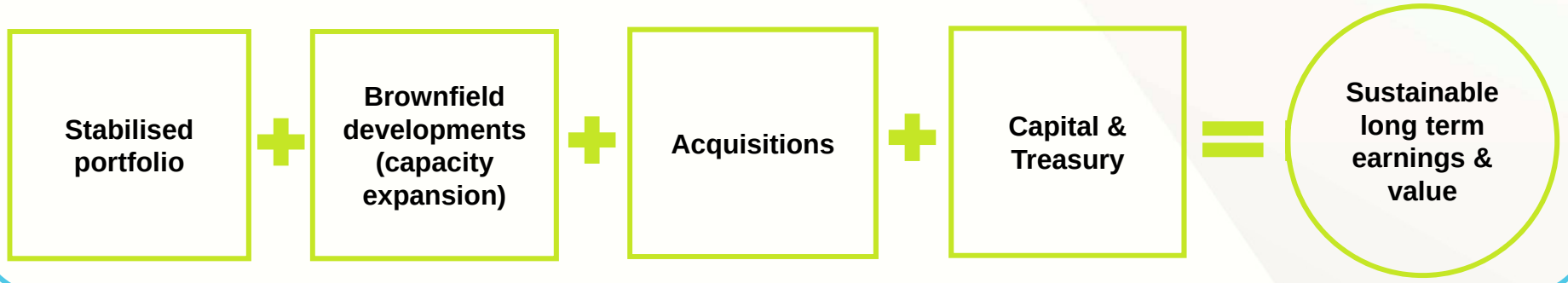
Creating long term value

STRATEGIC VALUE DRIVERS

Successful execution on 'sum of parts'

Management

Aligned / Stable / Experienced / Credible / Capable



- **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

8.0cpu

cash distribution in line with guidance

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

3.8yrs

weighted average facility term

+45%

premium to NTA*

As at 5th November 2015

Portfolio overview

PORTFOLIO REVIEW

Core portfolio in great shape

99.4%

continued high occupancy levels

17.6 years

WALT more than 3x sector average

2.3%

average rental increase on rents reviewed

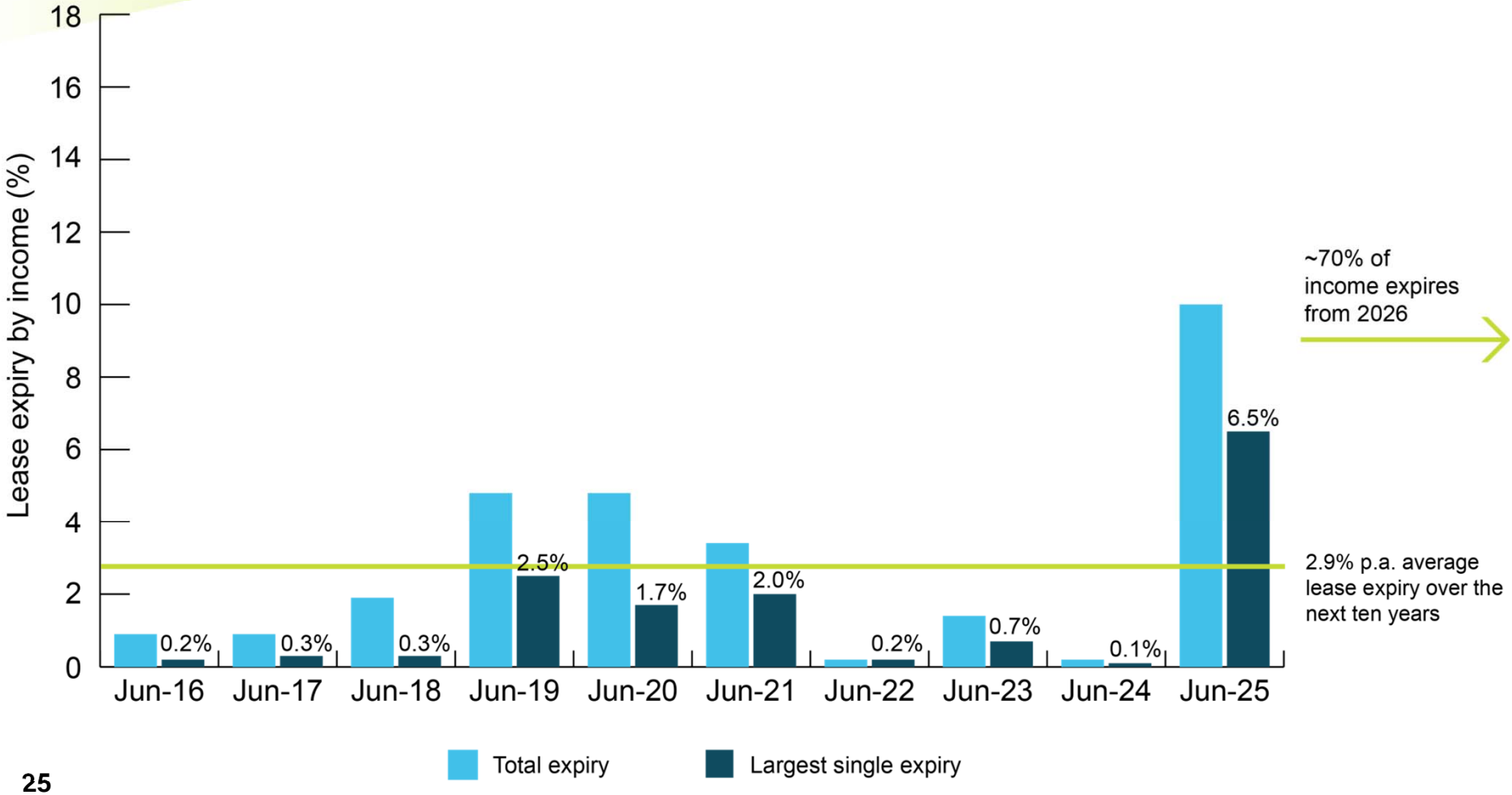
~90%

of FY16 total income subject to structured rent reviews*

All stats as at 30 June 2015.
*Includes CPI and fixed type reviews.

LEASE EXPIRY PROFILE

Substantially lower expiry profile following Allamanda resolution

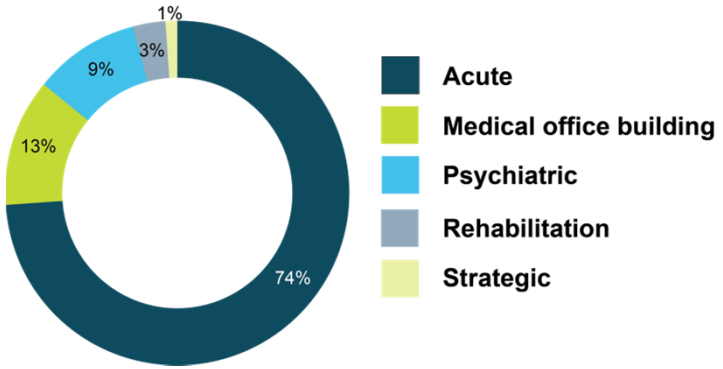


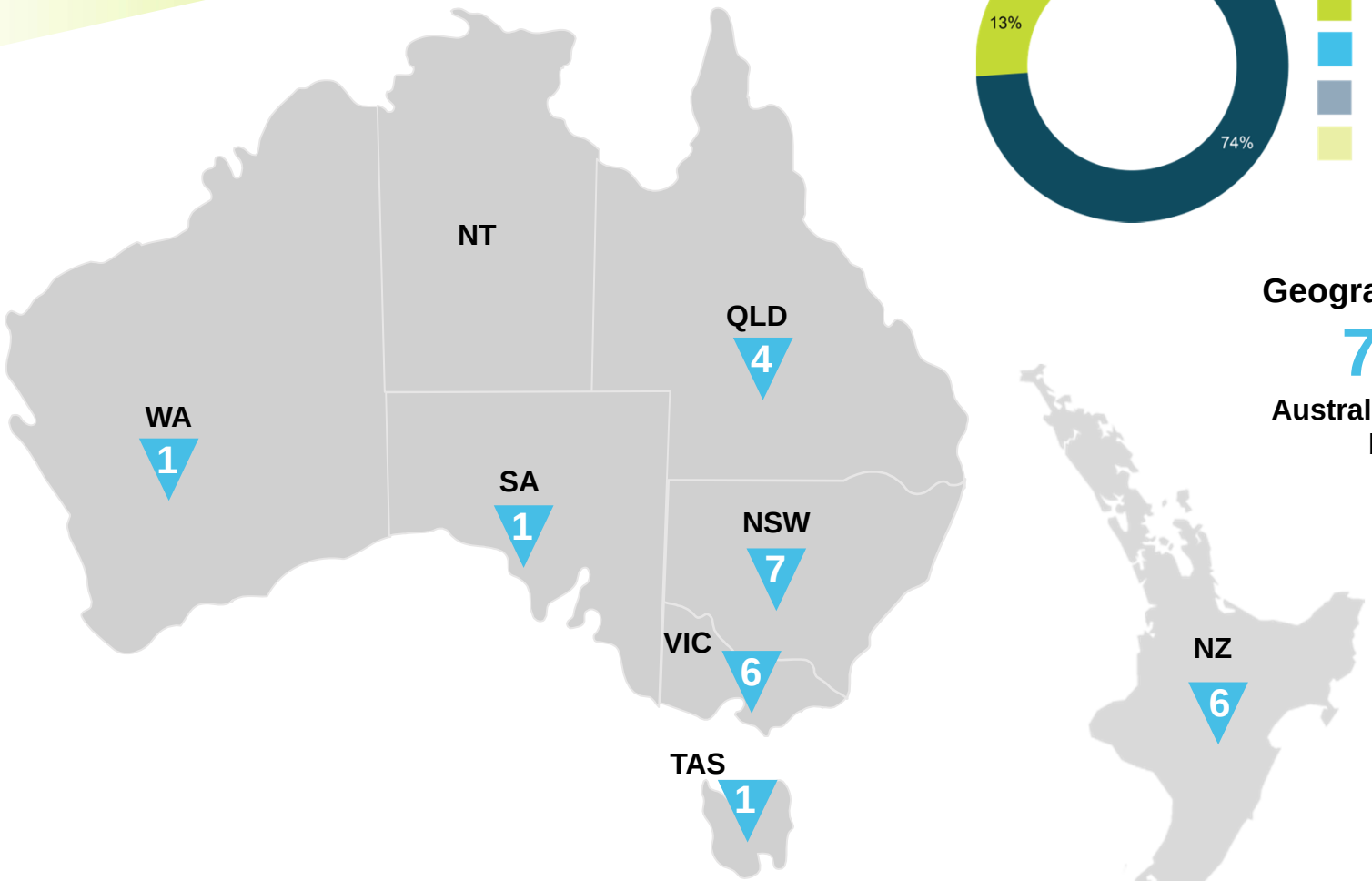
As at 30 September 2015

DIVERSIFIED PORTFOLIO

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

Assets by type
(by value)





Geographic split (%)

79/21

Australia/New Zealand by value

As at 30 September 2015

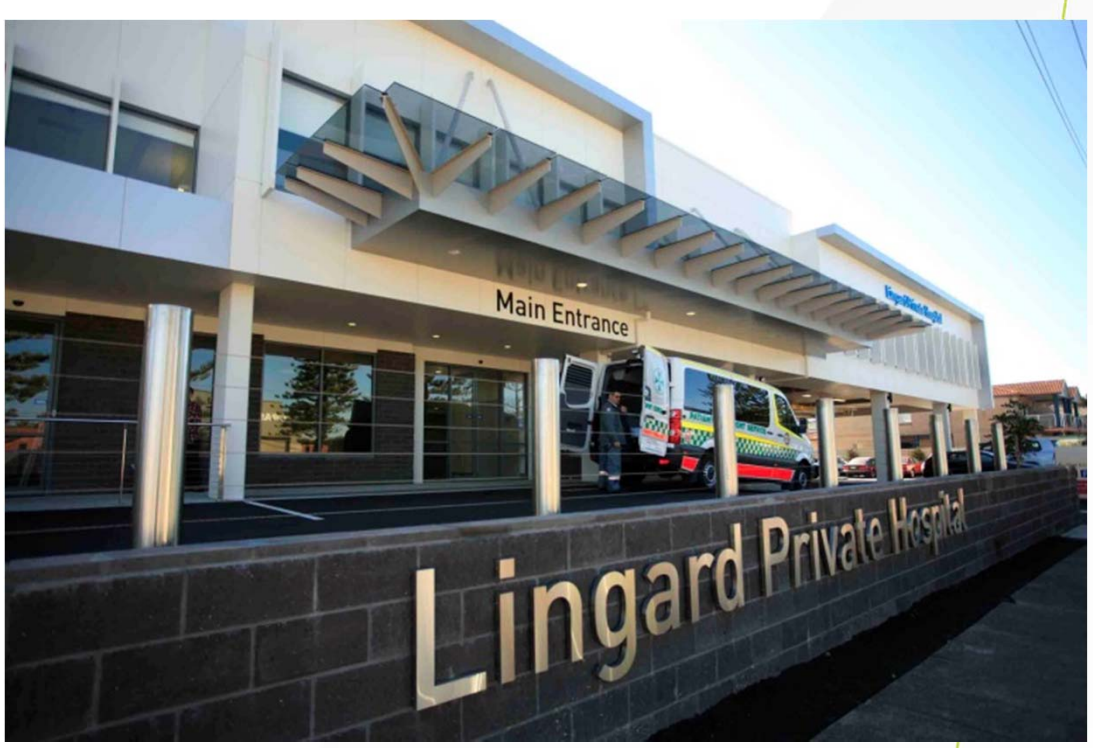
Development and acquisition update

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



LINGARD PRIVATE HOSPITAL, NEWCASTLE

Strategic acquisition of Hopkins Street

Strong acquisition rationale

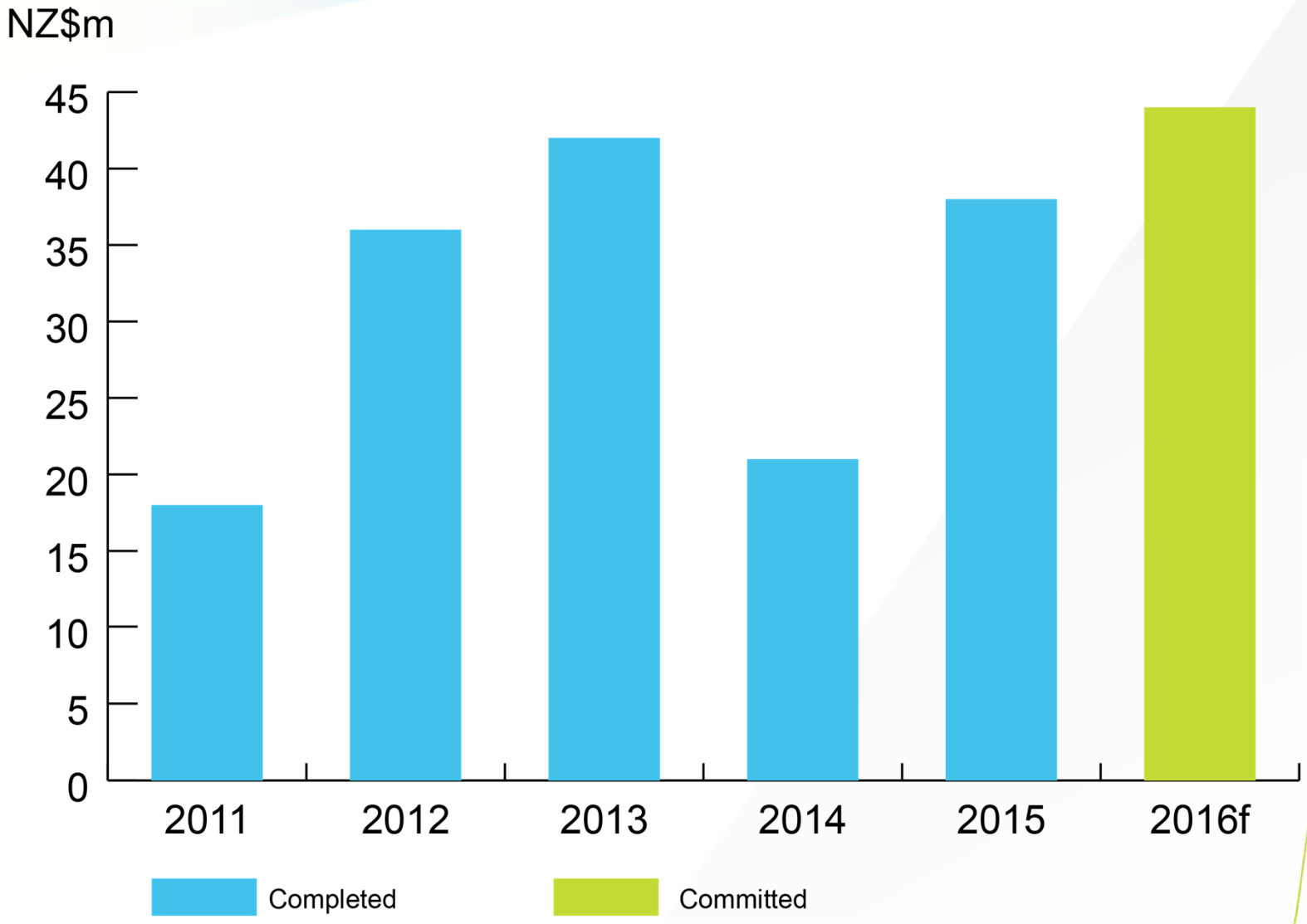
- Vital's 3rd largest asset
- Expansion to meet increasing demand
- Secures significant land holding adjacent to hospital
- Protects long-term value
- Entrenches strategic partnership with operator

Key:

1. Lingard Private Hospital (red)
2. Kings Land (blue)
3. Hopkins Street site (yellow)

BROWNFIELD DEVELOPMENT HISTORY

Cash flow spend since 2011



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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Past performance is no indication of future performance.

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10th November 2015

Thank you