

9 June 2016

Vital announces preliminary portfolio revaluation increase

Vital Healthcare Property Trust ('Vital') today announced a preliminary unaudited portfolio revaluation increase of \$55.6m¹ for the six months ending 30 June 2016. For the twelve months to 30 June 2016 Vital has delivered a total revaluation gain over book value of \$100.7m.

Independent validation of value-add development programme and market leading portfolio metrics

In addition to the \$45.2m interim revaluation for the six months to 31 December 2015, a \$55.6m second half gain results in a full year revaluation increase of \$100.7m. This second half result is an increase of 6.2% over the 30 June 2016 book value and delivers a cumulative twelve month increase of 12.1%. The overall carrying value of Vital's investment property portfolio is forecast to be approximately \$962m as at 30 June 2016.

For the twelve months to 30 June 2016, Vital's total portfolio WACR² firmed 80 basis points to 7.2%. Its Australian portfolio WACR firmed 90 basis points to 7.2% and the New Zealand portfolio WACR firmed 60 basis points to 6.9%. Underpinned by the successful development programme, the Australian portfolio was the key driver of the strong overall result, contributing approximately 90% of the \$100.7m total revaluation gain.

David Carr, Chief Executive of the Manager said "Redevelopment, market demand and supportive transactional evidence has resulted in firming capitalisation rates for healthcare real estate. In addition to these factors and wider market trends, Vital's portfolio benefits from market leading operator covenants, the longest portfolio WALE in Australasia of 16.9 years, consistent rent growth and occupancy levels that have been maintained at close to 100% for several years."

The valuations were undertaken by seven independent valuers and are preliminary at this stage. By itself, the valuation gain is expected to improve Vital's NTA by approximately 16 cents per unit for the six months to 30 June 2016. The valuations remain subject to Vital's 30 June 2016 year-end audit and exchange rate. These will be confirmed in the financial results, expected to be announced on 11 August 2016.

¹ A\$ translated at a FX spot rate of 0.9313 as at 31 May 2016. The valuations remain subject to Vital's 30 June 2016 year-end audit and exchange rate.

² Weighted Average Market Capitalisation Rate.

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ENQUIRIES

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About Vital Healthcare Property Trust

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

vitalhealthcareproperty.co.nz