

## ASX ANNOUNCEMENT

### VIRTUS HEALTH LIMITED (ASX: VRT)

05 December 2014

## VIRTUS ACQUIRES A MAJORITY STAKE IN TASMANIAN IVF PROVIDER, TasIVF FOR \$16.0 MILLION

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### Highlights

- **Virtus acquires a 70% stake in TasIVF – Tasmania's leading IVF provider based in Hobart**
- **Transaction funded from cash resources and existing bank facilities**
- **~ 3.2% EPS accretive on a full year 2014 basis.**

Sydney, Australia – Virtus Health ("Virtus", ASX: VRT) Australia's largest IVF provider today announced it has acquired a 70% share of TasIVF Pty Ltd ("TasIVF").

The transaction value is \$16.0 million on a cash free debt free basis and has been satisfied from existing cash resources and a drawdown of \$8m from the group's bank facilities. For the year to 30 June 2014, TasIVF normalised earnings would have increased Virtus' basic earnings per share by approximately 1.24 cents.

The transaction will see three new fertility specialists join Virtus, bringing the number of specialists working with Virtus in Australia to 91. This acquisition adds to Virtus' domestic and international growth strategy, following the recent full acquisition of IVF Sunshine Coast in Queensland, acquisition of 70% of SIMS Clinic in Ireland earlier this year, and ahead of the opening of a Virtus-branded fertility clinic in Singapore by the end of the year.

Virtus has an option to acquire the remaining shares in TasIVF in two equal tranches in 2017 and 2019 in accordance with the terms of a Put Call arrangement with the vendors of TasIVF.

TasIVF Medical Director Dr Bill Watkins said TasIVF was well respected and trusted in Tasmania, with the number of patients attending its clinic growing every year.

"We have continually refined and improved our approach to fertility care enabling our experienced team to provide an effective and efficient service at an affordable price for all Tasmanians," he said. "Our focus on patient care, outcomes and understanding the need to make fertility treatment as convenient as possible for patients has driven our success."

TasIVF's main clinic, laboratory and day hospital is in Hobart. It has also established consulting centres in Launceston and Devonport enabling it to service the entire state.

Virtus Health CEO Sue Channon said: "We welcome the team from TasIVF to the Virtus family. The relationship with TasIVF has been built over many years with a very close association of the key clinicians in both businesses."

TasIVF was established in 1983 and has grown steadily since then, delivering 2677 babies over the past 30 years. In 2012 TasIVF was recognised as the Telstra Tasmanian Business of the Year.

Dr Watkins said: "We look forward to joining the Virtus group and to the opportunities it opens up for our patients, staff and medical team. Virtus has a great reputation that is recognised nationally and internationally and was one of the driving reasons behind our decision to join them."

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## About Virtus

**Virtus Health Limited brings together leading clinicians, scientists, researchers and support staff to provide the very best in fertility care and related services.**

We have developed one of the most successful medical collaborations in the world. With more than 90 of the world's leading fertility specialists supported by 860 professional staff, we are the largest network and provider of fertility services in Australia with an international presence in Ireland and Singapore by the end of 2014. Our combined expertise creates a unique and powerful body of knowledge which when combined with the collegial team approach of our specialists and scientists, means we are able to find new and advanced solutions for achieving success for our patients.

Our combined expertise and investment in resources and research allows us to bring clinical and scientific advances to our patients first. An example of this is Karyomapping with Preimplantation genetic diagnosis, automated single gene screening available only through Virtus Health Group since October 2014