

Market Release

11 May 2016

Vital third quarter distribution and quarterly update

Vital unitholders will receive a third quarter distribution of 2.125 cents per unit (cpu) with nil imputation credits. The record date is 10 June 2016 and payment will be made on 24 June 2016. Vital's Distribution Reinvestment Plan (DRP) will remain available to investors for this distribution, with a 1% discount being applied when determining the strike price. An appendix 7 notification for the distribution is attached to this release.

Distribution

Payment date	24 June 2016
Excluded distribution per unit	2.125 cpu
Fully imputed distribution per unit	0 cpu
Imputation credits	0 cpu
Cash distribution per unit	2.125 cpu
DRP available	Yes
DRP discount	1%


Proposed distribution payment dates

4th quarter 2016 financial year	23 September 2016
1st quarter 2017 financial year	19 December 2016

These dates represent the current expectation of Vital (VHP) as at the date of publication, are subject to VHP approval, may change without notice and are not a guarantee or warranty as to the payment of a distribution or the actual payment dates.

Key portfolio metrics

As at 31 March 2016

 **930_m**
portfolio value



16.9
years WALT



99.7%
occupancy

Consolidated Statement of Comprehensive Income

For the period ended 31 March 2016

	Unaudited 9 months Mar-16 \$000s	Unaudited 9 months Mar-15 \$000s
Gross property income from rentals	51,564	45,631
Gross property income from expense recoveries	5,185	5,571
Property expenses	(6,623)	(6,350)
Net property income	50,125	44,852
Other expenses	9,665	5,007
Profit before finance income/(expense) and other gains/(losses)	40,460	39,845
Finance income/(expense)		
Finance income	53	67
Finance expense	(11,293)	(9,251)
Fair value gain/(loss) on interest rate derivatives	(3,009)	(8,942)
	(14,249)	(18,126)
Other gains/(losses)		
Revaluation gain/(loss) on investment property	51,017	-
Receipts/(payments) under transaction hedging foreign exchange derivatives	38	583
Fair value gain/(loss) on foreign exchange derivatives	647	35
Unrealised gain/(loss) on foreign exchange	948	(199)
	52,650	419
Profit/(Loss) before income tax	78,861	22,138
Taxation expense	(9,513)	(2,364)
Profit/(Loss) for the year attributable to unitholders of the Trust	69,348	19,774
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Movement in foreign currency translation reserve	(6,801)	(19,549)
Realised foreign exchange gains/(losses) on hedges	9,015	8,071
– Current taxation (expense)/credit	(2,524)	(2,260)
Unrealised foreign exchange gains/(losses) on hedges	(50)	76
– Deferred taxation (expense)/credit	14	(21)
Fair value gain on net investment hedges	1,997	6,089
– Deferred taxation (expense)/credit	(559)	(1,705)
Total other comprehensive income/(loss) after tax	1,092	(9,299)
Total comprehensive income after tax	70,440	10,475
All amounts are from continuing operations		
Earnings per unit		
Basic and diluted earnings per unit (cents)	20.14	5.80

Consolidated Statement of Financial Position

For the period ended 31 March 2016

	Unaudited Mar-16 \$000s	Audited Jun-15 \$000s
Non-current assets		
Investment properties	929,738	781,862
Other non-current assets	381	407
Total non-current assets	930,119	782,269
Current assets		
Cash and cash equivalents	3,191	1,022
Trade and other receivables	325	1,073
Other current assets	2,176	178
Derivative financial instruments	1,219	23
Total current assets	6,911	2,296
Total assets	937,030	784,565
Unitholders' funds		
Units on issue	368,998	362,853
Reserves	(4,577)	(9,475)
Retained earnings	131,097	82,605
Total unitholders' funds	495,518	435,983
Non-current liabilities		
Borrowings	343,589	256,384
Income in advance	4,177	5,866
Derivative financial instruments	17,084	13,475
Deferred tax	50,604	45,251
Total non-current liabilities	415,454	320,976
Current liabilities		
Trade and other payables	6,777	11,805
Income in advance	3,659	2,115
Derivative financial instruments	5,672	5,690
Taxation payable	9,950	7,996
Total current liabilities	26,058	27,606
Total liabilities	441,512	348,582
Total unitholders' funds and liabilities	937,030	784,565

Same property net operating income

For the nine months ended 31 March 2016

	Unaudited Mar-16 \$000s	Unaudited Mar-15 \$000s	Variance \$000s
Same property revenue from investment properties	55,288	50,043	5,245
Same property operating costs	(6,623)	(6,350)	(273)
	48,665	43,693	4,972
Acquisitions	1,460	1,033	427
Disposals	-	126	(126)
Net operating income	50,125	44,852	5,273

Investment properties

	\$000s
Balance - 30 June 2015	\$781,862
Acquisition	70,458
Additions	34,757
Fair value adjustment	51,071
Foreign exchange translation difference	(8,410)
Balance - 31 March 2016	\$929,738

Development progress

Development	Development work being undertaken	Development cost (A\$m)	Q3 spend (A\$m)	Spend to date (A\$m)	Forecast completion date
Hurstville (NSW)	New operating theatres, extended surgery facility, inpatient wards, oncology day patient service.	28.0	-	28.0	Completed
Marian Centre (WA)	Additional beds, consulting rooms and carparks.	12.5	0.3	12.3	Completed
Hurstville (NSW)	Coronary care and intensive care units.	6.0	-	6.0	Completed
Belmont (QLD)	New 30-bed extension, additional consulting suites and carparks	9.5	-	9.5	Completed
Maitland (NSW)	New psychiatric ward and extended rehabilitation services.	13.0	-	13.0	Completed
South Eastern (VIC)	30 new rehabilitation beds, 30 mental health beds and 79 carparks.	14.5	2.8	6.4	Q4 16
Total		83.5	3.1	75.2	

About Vital Healthcare Property Trust

With a portfolio value of over \$929m, 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. Vital currently has a portfolio of 34 properties. The Manager of Vital Healthcare Property Trust is Vital Healthcare Management Limited.

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