

VITAL THIRD QUARTER UPDATE

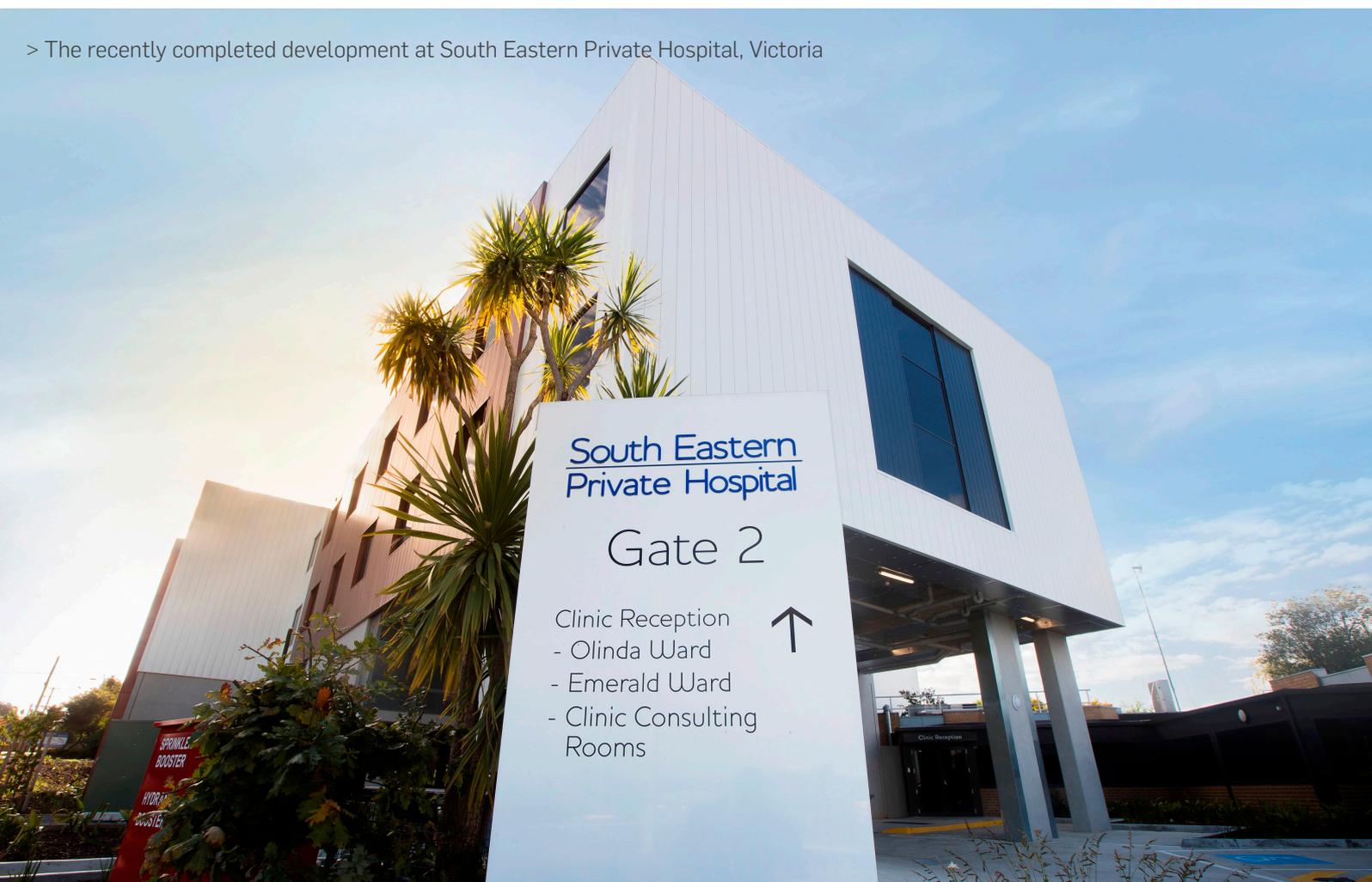
11 May 2017

Vital unitholders will receive a third quarter distribution of 2.125 cpu (cents per unit) with 0.0628 cpu of imputation credits. The record date is 8 June 2017 and payment will be made on 22 June 2017. 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.

Distribution

Payment date	22 June 2017
Cash distribution per unit	2.125 cpu
Excluded distribution per unit	1.9635 cpu
Fully imputed distribution per unit	0.1615 cpu
Imputation credits	0.0628 cpu
DRP available	Yes
DRP discount	1%

> The recently completed development at South Eastern Private Hospital, Victoria



Consolidated Statement of Comprehensive Income

For the period ended 31 March 2017

	Unaudited 9 months Mar-17 \$000s	Unaudited 9 months Mar-16 \$000s
Gross property income from rentals	71,278	51,564
Gross property income from expense recoveries	5,755	5,185
Property expenses	(7,230)	(6,623)
Net property income	69,803	50,126
Other expenses	14,351	9,665
Profit before finance income/(expense) and other gains/(losses)	55,452	40,461
Finance income/(expense)		
Finance income	81	53
Finance expense	(10,364)	(11,293)
Fair value gain/(loss) on interest rate derivatives	7,218	(3,009)
	(3,065)	(14,249)
Other gains/(losses)		
Revaluation gain/(loss) on investment property	45,392	51,017
Receipts under transaction hedging foreign exchange contracts	978	38
Fair value gain/(loss) on foreign exchange derivatives	(2,176)	647
Unrealised gain/(loss) on foreign exchange	3,691	948
	47,885	52,650
Profit before income tax	100,272	78,862
Taxation expense	(16,823)	(9,513)
Profit for the year attributable to unitholders of the Trust	83,449	69,348
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Movement in foreign currency translation reserve	21,720	(6,801)
Realised foreign exchange gains/(losses) on hedges	9,692	9,015
Current taxation (expense)/credit	(2,714)	(2,524)
Unrealised foreign exchange gains/(losses) on hedges	(11,368)	(50)
Deferred taxation (expense)/credit	3,183	14
Fair value gain/(loss) on net investment hedges	(4,172)	1,997
Deferred taxation (expense)/credit	1,168	(559)
Total other comprehensive income/(loss) after tax	17,509	1,092
Total comprehensive income after tax	100,958	70,440
Earnings per unit		
Basic and diluted earnings per unit (cents)	19.92	20.14

Consolidated Statement of Financial Position

For the period ended 31 March 2017

	Unaudited Mar-17 \$000s	Audited Jun-16 \$000s
Non-current assets		
Investment properties	1,217,598	951,879
Derivative financial instruments	184	-
Other non-current assets	347	358
Total non-current assets	1,218,129	952,237
Current assets		
Cash and cash equivalents	3,181	12,980
Trade and other receivables	699	358
Other current assets	6,099	3,113
Derivative financial instruments	4	9,486
Total current assets	9,983	25,937
Total assets	1,228,112	978,174
Unitholders' funds		
Units on issue	536,737	369,220
Reserves	664	(17,118)
Retained earnings	227,573	171,617
Total unitholders' funds	764,974	523,719
Non-current liabilities		
Borrowings	342,787	344,159
Income in advance	2,068	3,656
Derivative financial instruments	12,586	19,764
Deferred tax	71,960	63,669
Total non-current liabilities	429,401	431,248
Current liabilities		
Trade and other payables	10,157	9,629
Income in advance	2,433	3,569
Derivative financial instruments	4,247	41
Taxation payable	16,900	9,968
Total current liabilities	33,737	23,207
Total liabilities	463,138	454,455
Total unitholders' funds and liabilities	1,228,112	978,174

Same property net operating income

For the nine months ended 31 March 2017

	Unaudited Mar-17 \$000s	Unaudited Mar-16 \$000s	Variance \$000s
Same property revenue from investment properties ¹	71,143	55,742	15,401
Same property operating costs	(6,598)	(6,623)	25
	64,545	49,119	15,426
Acquisitions	5,258	1,006	4,252
Net operating income	69,803	50,125	19,678

¹ Includes a one-off lease termination receipt of \$13.8m as part of rent, make-good and other future obligations.

Investment properties

	\$000s
Balance - 30 June 2016	951,879
Acquisitions	160,115
Development spend	21,077
Fair value adjustment	45,392
Foreign exchange translation difference	39,135
Balance - 31 March 2017	1,217,598

Development progress

Development	Development work being undertaken	Development cost (A\$m)	Spend to date (A\$m)	Forecast completion date
Palm Beach Currumbin (QLD)	Relocation of consulting to new suites above front carpark and conversion of some double rooms to singles.	6.3	3.1	Oct-17
Sportsmed Consulting (SA)	Stand-alone medical consulting building adjacent to the main hospital.	9.5	3.8	Oct-17
Toronto Private (NSW)	Ten new mental health beds, ten new rehabilitation beds, a new gym, group therapy rooms and 36 new car parks.	9.4	3.6	Nov-17
Maitland Private (NSW) stage 1	Two new operating theatres and a new seven-chair day chemotherapy unit.	13.6	4.2	Oct-17
Lingard Private (NSW)	Three additional operating theatres, 26 surgical beds and a hydrotherapy pool. 57 car parks will be developed on an adjacent site.	23.8	1.7	Jun-18
Total		62.6	16.4	

PORTFOLIO METRICS

As at 31 March 2017

▶ PORTFOLIO VALUE

\$1.22_{BN}

▶ WALE

18.1_{YEARS}

▶ NUMBER OF PROPERTIES

34

▶ OCCUPANCY

99.1_%

▶ FY17 DISTRIBUTION GUIDANCE

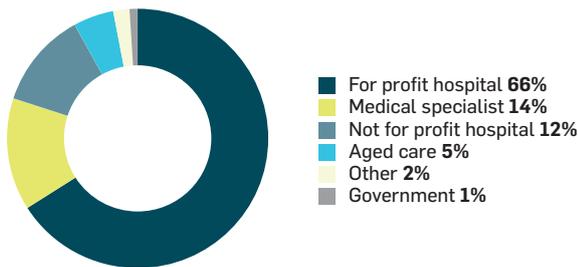
8.5_{CENTS PER UNIT}

▶ NET TANGIBLE ASSETS

\$1.79_{PER UNIT}

Tenant composition

For profit hospitals anchor the portfolio



Portfolio geographic composition

Well diversified by geography



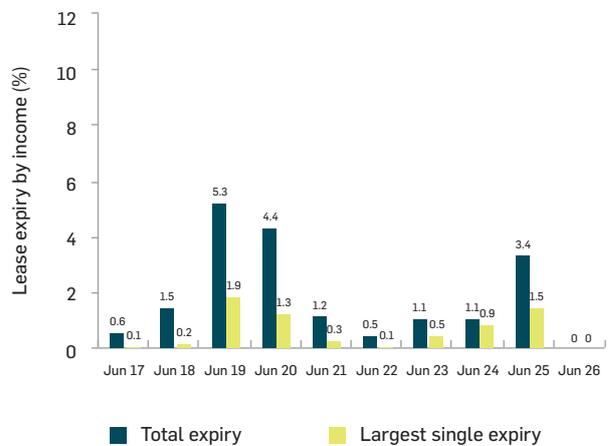
Ten-year total return performance

Well-executed strategy providing long-term value for investors



Ten-year lease expiry profile

Average lease expiry per annum over the next ten years of 1.9%



Source: Craigs Investment Partners as at 31 March 2017