

ASX ANNOUNCEMENT

VIRTUS HEALTH LIMITED (ASX: VRT)

3 November 2014

VIRTUS ACQUIRES IVF SUNSHINE COAST CLINIC

Highlights

- **Virtus takes full ownership of IVF Sunshine Coast**
- **Virtus already owned 20% stake**
- **Sunshine Coast identified as key growth area**

Sydney, Australia – Virtus Health (“Virtus”, ASX: VRT) Australia’s largest IVF provider today announced it has acquired the remaining 80% share of IVF Sunshine Coast in Queensland, taking full ownership of the clinic.

The transaction value is \$1.2 million on a cash free debt free basis and has been satisfied by \$900,000 in cash and \$300,000 in Virtus Health shares. For the year to 30 June 2014, IVF Sunshine Coast’s normalised earnings would have increased Virtus’ basic earnings per share by approximately 0.2 cents.

The transaction will see three new fertility specialists joining Virtus, bringing the number of specialists working with Virtus in Australia to 88.

This acquisition adds to Virtus’ domestic and international growth strategy, following the acquisition of 70% of IVF provider SIMS in Ireland earlier this year and ahead of the upcoming opening of a Virtus-branded clinic in Singapore by the end of the year.

Virtus has identified Queensland’s Sunshine Coast as a key region for expansion, with official forecasts predicting the population to grow by between 38.6% to 62.9% from 2010 to 2031.¹

“IVF Sunshine Coast and Virtus (specifically the Queensland Fertility Group) have worked closely and effectively together delivering fertility services to Queensland’s Sunshine Coast region, north of Brisbane, since the late ‘90s” said Virtus CEO Sue Channon.

“We’re very pleased that the IVF Sunshine Coast team is to be fully integrated into the Queensland Fertility Group and Virtus Health. We look forward to supporting the local team in continuing to provide dedicated fertility care to patients,” she said.

IVF Sunshine Coast Program Manager and Scientific Director Ashley Stevenson said he and his colleagues were excited to be joining Virtus and becoming part of its network of leading fertility professionals in fertility clinics across Australia, Ireland and soon to be Singapore.

"Virtus' strong commitment to patient care and outcomes reflects our own values and we're thrilled to be joining such a highly respected team," he said.

The IVF Sunshine Coast clinic was established in conjunction with the Queensland Fertility Group in 1996 and operates out of the Kawana Private Hospital, Birtinya, and offers a full range of fertility services. Clinicians also offer services to the Fraser Coast and at Caboolture.

The clinic will be refurbished as the clinic's specialists expand their practice around the region.

Notes

1. <http://www.rdasunshinecoast.org.au/wp-content/uploads/2012/10/2012-31-RDASC-State-of-the-Region-Report-2012-31-Final-V3.1.pdf>

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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 the Advanced Embryo Selection technology which our group was the first to introduce to Australia.