

ASX ANNOUNCEMENT

VIRTUS HEALTH LIMITED (ASX: VRT)

24 December 2014

VIRTUS SUBSIDIARY SIMS CLINIC TO ACQUIRE SECOND IRISH FERTILITY CLINIC FOR €6 MILLION

Highlights

- **Virtus subsidiary Sims Clinic agrees to acquire the business and assets of the Rotunda Hospital's HARI clinic based in Dublin for €6 million**
- **Transaction funded from cash and existing bank facilities – Virtus owns a 70% stake in HARI clinic**
- **EPS slightly accretive in FY2015**

Sydney, Australia – Virtus Health ("Virtus", ASX: VRT), Australia's largest IVF provider, today announced that its 70% owned subsidiary, Sims Clinic has agreed to acquire an Irish fertility centre, the HARI clinic from the Rotunda Hospital in Dublin for €6 million. Virtus expects the transaction will be completed on 31 December 2014.

The acquisition which will be undertaken by Virtus subsidiary Sims Clinic is made on a cash free/debt free basis and follows Virtus' acquisition of 70% of Sims Clinic, Ireland's largest IVF provider, in May this year. The transaction is forecast to be slightly earnings accretive in FY15. Funding for the transaction has been satisfied with a reinvestment from Sims Clinic founder shareholders who are investing €1.8m alongside Virtus which is investing €4.2m using existing cash resources; the funding maintains Virtus' ownership of all its Ireland activities at 70%.

The HARI clinic has been operated by the Rotunda Hospital, the world's oldest working maternity hospital and a nationally recognised training institution. A number of Virtus Health clinicians have undertaken their training at the Rotunda Hospital.

This acquisition adds to Virtus' domestic and international growth strategy, and follows the acquisition of IVF Sunshine Coast in Queensland, 70% of TasIVF in Tasmania, and recent opening of the Virtus-branded Fertility Centre in Singapore.

Virtus Health CEO Sue Channon said: "We are thrilled to be able to expand our presence in Ireland and look forward to working with the team to continue to build on the reputation for high quality training, patient care and outcomes."

Sims Clinic Medical Director Dr David Walsh said: "The Rotunda Hospital has played a significant role in the training of obstetricians and gynaecologists in Ireland.

Dr Tony Walsh, Managing Director Sims Clinic said the amalgamation and the subsequent synergies achieved will support patient care and develop greater prospects of achieving the ultimate outcome for our patients, a healthy baby.

The Rotunda Hospital Chairman, Ms. Hilary Prentice said: "As part of the acquisition agreement, The Rotunda Hospital and Sims Clinic have agreed to work together to maintain HARI's pro-bono IVF service for public patients and also to continue an extensive program of support for the provision of IVF to oncology patients."

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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.

Having developed one of the most successful medical collaborations in the world, with 103 of the world's leading fertility specialists supported by 1069 professional staff, we are the largest network and provider of fertility services in Australia with an international presence in Ireland and Singapore. 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 in Australia since October 2014.