

## ASX ANNOUNCEMENT

### VIRTUS HEALTH LIMITED (ASX: VRT)

30th May 2014

### VIRTUS ACQUIRES A MAJORITY STAKE IN IRISH IVF PROVIDER, SIMS IVF, FOR €15.49 MILLION

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#### Highlights

- **Virtus Health acquires 70% stake in SIMS IVF, Ireland's leading IVF provider**
- **Transaction to be funded from cash and existing bank facilities**
- **~7% EPS accretive on a pro forma full year 2013 basis**

Virtus Health ("Virtus", ASX: VRT) is pleased to announce it has acquired a 70% interest in Ireland's largest IVF provider, SIMS IVF for €15.49 million (cash free/debt free basis).

SIMS IVF is a pioneer in the delivery of IVF services in Ireland and undertakes approximately 25% of Ireland's IVF services from its state-of-the-art facility in Dublin.

For the 12 months to 31 December 2013, SIMS IVF generated revenue and maintainable EBITDA of €12.44 million and €2.85 million respectively.

SIMS IVF and Virtus will share their world-leading IVF technologies and explore opportunities to add value to patient services with the expectation of generating synergies over the longer term.

The existing SIMS IVF management team will continue to manage the business on a day-to-day basis and will work with the Virtus team to grow the business further. Dr Anthony Walsh will continue as Managing Director and co-founder, Dr David Walsh, will remain in his current role as Medical Director.

Virtus has an option to acquire the remaining shares in SIMS IVF in two tranches in 2017 and 2019.

The acquisition is in line with Virtus' growth strategy communicated at the time of IPO and provides a platform for future international expansion.

The acquisition will be funded from cash and existing bank facilities and, for the year to 31 December 2013, SIMS maintainable earnings would have increased Virtus' normalised basic earnings per share by approximately 1.98 cents per share assuming an exchange rate of €0.67 per AUD1.00.

Virtus' CEO Sue Channon said "Ireland is an attractive market for Virtus, with a number of operational and regulatory similarities with Australia, including a legislative framework for Assisted Reproductive Services.

"This partnership brings together two of the world's leading IVF providers to deliver specialist fertility care to those seeking to have a child. We are excited to welcome the dedicated, leading fertility specialists and staff of SIMS IVF to the Virtus family.

"Virtus will continue to seek value accretive opportunities to expand our network with leading IVF businesses in our target regions of Europe and Asia. These opportunities complement the organic growth that we're seeing through our existing fertility clinics, day hospitals and diagnostic services."

SIMS IVF Chairman and co-founder Dr Anthony Walsh said he was delighted the company was partnering with Virtus.

"SIMS IVF and Virtus share a lot of common values. The foundations of both organisations are built on providing the best possible treatment and care for those trying to have a baby and create the family they desire," he said.

"Before agreeing to become a Virtus partner, we undertook our own due diligence and determined that this partnership provided the best possible outcome for our patients and the SIMS IVF team."

Further information on the acquisition is contained in the presentation lodged with the ASX today.

### **Media and investor conference call and webcast – Monday 2 June, 10.15am**

Media and investors are invited to join a conference call and webcast presentation hosted by Sue Channon, Group CEO, and Glenn Powers, CFO and Company Secretary of Virtus at 10.15am through to 11.15am AEST on Monday 2 June, 2014.

**Conference ID:** 601345

### **Conference Call Toll-Free Access Numbers**

Australia	1800 558 698
New Zealand	0800 453 055
China Wide	4001 200 659
Canada	1855 8811 339
Hong Kong	800 966 806
India	0008 0010 08443
Ireland	1800 948 660
Japan	0053 116 1281
Singapore	800 101 2785

United Kingdom 0800 051 8245  
United States 1855 8811 339



**For other international locations please dial:** +61 2 9007 3187

To access the webcast please copy this link into your browser:

<http://event.on24.com/r.htm?e=800750&s=1&k=86F6B255077C873C352D4949F7226BAC>

## Contact details

### **Sue Channon / Glenn Powers**

CEO / Chief Financial Officer  
Virtus Health  
+61 2 9425 1722

### **Kyahn Williamson**

Investor Relations  
Buchan Consulting  
0401 018 828

## About SIMS IVF

SIMS IVF was founded in 1997 by Dr Anthony Walsh and was joined in the practice by Dr David Walsh the following year. It has grown to become Ireland's leading provider of IVF services. The company is based in Dublin in a state-of-the-art facility and has 60 staff.

SIMS IVF performed over 1000 IVF cycles in 2013. It has an IVF clinical pregnancy rate of 39% on average across all age groups in 2013, higher than the average for Ireland of 32% and the European Union average of 33 % and UK average of 34%.

## About Virtus

Virtus Health Limited (ASX: VRT) brings together leading fertility specialists, scientists, researchers and support staff to provide the very best in fertility care and related services. Virtus provides patients with a model of healthcare that integrates high quality patient care with an extensive range of Assisted Reproductive Services, specialised diagnostics and day hospital services.

Virtus has developed one of the most successful medical collaborations in the world. With more than 80 of the world's leading fertility specialists supported by over 800 professional staff Virtus is the largest network and provider of fertility services in

Australia and responsible for approximately 4,000 couples and single women each year achieving their dream of conceiving and having a baby.