

ASX ANNOUNCEMENT

VIRTUS HEALTH LIMITED (ASX: VRT)

2 June 2015

TRADING UPDATE

Sydney, Australia – Virtus Health (“Virtus”, ASX: VRT), Australia’s largest IVF provider, is revising its earnings forecast, based on current trading activity and expects to deliver modest growth in net profit after tax (NPAT) for the financial year ending 30 June 2015.

In February, Virtus issued guidance it would achieve NPAT growth in the low to mid-teens before non-recurring items of \$2.1 million. Now, Virtus expects to achieve low to mid-single digit percentage growth in NPAT before non-recurring items of \$2.3 million as a result of lower than forecast cycles.

Growth has been impacted by the following factors:

- **NSW cycle growth:** Although market growth in NSW has improved in the three months to 30 April by 6% compared to prior year comparatives (Source: Medicare Statistics for item numbers 13200,13201,13202), Virtus has not achieved comparable cycle growth and believes the market growth is attributable to the bulk bill provider in NSW.
- **Maroubra Clinic storm damage:** Virtus has experienced some cycle volume disruption this quarter due to the temporary closure of its Maroubra facility in Sydney at the end of April as a result of storm damage. Current patient care has continued although new patient consulting activity is not expected to return to normal levels until the facility reopens in August 2015.
- **Ongoing weak conditions in VIC and QLD:** Virtus has lost a small amount of market share in Victoria and Queensland in the three months to 30 April. In addition the state markets have remained weak with Victorian market growth at 1% and Queensland market growth at negative 4% against prior year comparatives; and
- **Singapore Clinic Volumes:** The start-up volume of our operation in Singapore has been slower than anticipated; this will result in a second half forecast EBITDA loss of approximately \$1,000,000.

Contact details

Sue Channon
Chief Executive Officer
Virtus Health
+61 (0)2 9425 1722

Kyahn Williamson
Investor Relations
Buchan Consulting
+61 (0)3 9866 4722 / + 61 4 101 8828
kwilliamson@buchanwe.com.au



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 109 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 pre-implantation genetic diagnosis, automated single gene screening available only through Virtus Health Group in Australia since October 2014.

For personal use only