



23 September 2010

GREENCROSS LIMITED (ASX: GXL) Announcement

Greencross to acquire Mungojess Pty Ltd's Equity Interest in Babtec Owned Entities

Greencross Limited ('Greencross' or 'The Company') is pleased to announce that it has entered into an agreement to acquire the equity share of the two Victorian veterinary clinics held by Mungojess Pty Ltd ('Mungojess').

As per the Company's announcement on 26 August 2010, the Company has entered into an agreement to purchase the following equity share from Babtec Holdings Pty Ltd ('Babtec') in the below entities:

1. Animal Emergency Centre – Mt Waverley (59%);
2. Animal Emergency Centre – Hallam (59%);
3. Animal Emergency Centre – Frankston (59%);
4. Anvet Werribee (50%);
5. Petsfirst Hoppers Crossing (50%);
6. Williamstown Veterinary Hospital (100%); and
7. Point Cook Animal Hospital (100%).

The agreement entered into with Mungojess is for the remaining 50% equity share in the following Babtec entities:

1. Anvet Werribee; and
2. Petsfirst Hoppers Crossing.

Greencross has agreed to acquire Mungojess's equity share of the above two entities for \$668,000, which equates to an EV/EBITDA multiple of 4.5x. The consideration will be made up of a combination of debt and cash reserves.

The acquired Mungojess businesses have forecast FY2011 revenue of \$914k and EBITDA of \$148k. On integration of the acquisition into the Greencross group, the acquisition is expected to be earnings accretive.

The vendor has worked in the businesses for over 5 years and has entered into a 4 year employment contract with the Greencross.

The acquisition is subject to the successful completion of the Babtec acquisition announced on 26 August 2010 and is expected to settle on or about 30 September 2010.

Greencross' Managing Director, Dr Glen Richards said, "the acquisition is in line with the Company's strategy of owning 100% of well run general veterinary practices. This acquisition will ensure we have 100% ownership of all of the Babtec general practices upon settlement."

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ABOUT GREENCROSS

Greencross was established in 2003 and has grown to become Australia's leading veterinary services company through the acquisition and integration of 45 practices around Australia.

Greencross's strategy is to continue to consolidate the fragmented veterinary services industry in Australia and is focused on delivering exceptional veterinary medicine and levels of care to its patients. The company's vision is to be the practice of choice for employees, clients, patients and shareholders.

For further information please contact:

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