



21 February 2011

GREENCROSS LIMITED (ASX: GXL) Announcement

Half year report for the period ended 31 December 2010

Greencross Limited today announced a reported NPAT of \$1.98m for the half year period 1 July 2010 to 31 December 2010.

Whilst the result was down 3.4% on the pcg, underlying NPAT from continued operations and before one off costs was up 8.2%. The costs related to a one-off marketing spend and refinancing costs. Underlying EPS was down 6.8% to 7.84 cents, due to the increased shares on issue following the placement and SPP undertaken in July.

Revenue for the six month period was up 12.2% with like for like revenue up 1.1% and the balance derived from the acquisition of 10 practices during the period.

The directors have resolved to adopt a dividend payout ratio of 50% and as such declared an inaugural interim dividend of 3.0 cents, fully franked. The Record Date for the dividend will be 25 March 2011 and the dividend is expected to be paid on or around 29 April 2011.

Key Financial Results

\$M	6 months to 31 December 2009	6 months to 31 December 2010	+ / - %
REVENUE	26.59m	29.85m	12.2%
EBITDA	4.09m	4.40m	7.6%
NPAT	2.05m	1.98m	(3.4%)
BASIC EPS	8.70 cents	7.25 cents	(16.7%)
Underlying EPS	8.41	7.84	(6.8%)
Dividend per share	Nil	3.0 cents	

Commenting on the result, Managing Director, Glen Richards said, "In a period that was characterised by a subdued economic climate and adverse weather conditions, the underlying result was quite pleasing. We have continued to focus on the integration of our recent acquisitions and management of our cost base while ensuring that we are well resourced for growth."

"We grew our practice numbers by 23% during the period to 54 practices, which is ahead of our ongoing acquisition strategy to acquire at least one new practice per month. The recent investment in our corporate overhead has established a platform that will support up to 100 practices and we continue to have significant funding lines available for our growth strategy".

Dividend Reinvestment Plan

Further to the announcement of the interim dividend of 3 cents per share and the adoption of a 50% payout ratio, the directors have also implemented a Dividend Reinvestment Plan ("DRP") that will operate in relation to the interim dividend.

Shares will be issued under the DRP at a 2.5% discount to the volume weighted average price of Greencross shares over the 5 days following the Record Date. Subject to agreeing acceptable terms, it is proposed that any shortfall from the DRP will be 50% underwritten. Further information of the DRP will be mailed to shareholders shortly.

Earnings Guidance

Greencross is please to give guidance for the full year 1 July 2010 to 30 June 2011 as follows:

\$M	Actual 12 months to 30 June 2010	Forecast 12 months to 30 June 2011	+ / - %
REVENUE	50.53m	60.0m to 61.0m	18.8% to 20.8%
EBITDA	6.27m	8.1m to 8.6m	29.1% to 37.1%
NPAT	2.75m	3.4m to 3.7m	23.6% to 34.5%
BASIC EPS	11.5 cents	12.0 to 13.0 cents	4.3% to 13%
DIVIDEND	2.5 cents	6.0 cents	140%

Glen Richards said, "The second half result will benefit from a full six month contribution from the acquisitions that we made in the first half as well as margin improvement from scale and operating efficiencies. We have already seen these benefits flow through with trading revenue for January up 30% on the pcg."

"Our decision to increase the dividend payout ratio reflects our intention to return profit to shareholders whilst retaining sufficient earnings to expand via acquisition. This will be helped by the implementation of the dividend reinvestment plan, allowing shareholders to reinvest in the company."

Please find following Appendix 4D and the Half Yearly report for the Company.

-END-

ABOUT GREENCROSS

Greencross was established in 2003 and has grown to become Australia's leading veterinary services company through the acquisition and integration of 54 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:

Glen Richards
Managing Director, Greencross Limited
Phone: (07) 3391 1477

Appendix 4D

Half Year Report to the
Australian Stock Exchange

Name of Entity	Greencross Limited
ABN	58 119 778 862
Half Year Ended	31 December 2010
Previous Corresponding Reporting Period	31 December 2009

Results for Announcement to the Market

Results for Announcement to the Market			
	31 December 2010 \$ 000's	31 December 2009 \$ 000's	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	29,909	26,596	12.46%
Profit / (loss) from ordinary activities after tax attributable to members	1,982	2,054	(3.51%)
Net profit / (loss) for the period attributable to members	1,982	2,054	(3.51%)
Dividends (distributions)	Amount per security		Franked amount per security
Final Dividend	N/A		N/A
Interim Dividend	3.0 cents per share		100%
Record date for determining entitlements to the dividends (if any)	18 March 2011		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
Refer to half year report attached			

Dividends

Date the dividend is payable	29 April 2011
Record date to determine entitlement to the dividend	18 March 2011
Amount per security	3.0 cents
Total dividend	\$881,814.90
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	The Company will offer a Dividend Reinvestment Plan (DRP) which will operate at a 2.5% discount. The DRP will be subject to the Company's DRP Rules which are proposed to be finalised and released by 21 February 2011. Subject to agreeing acceptable terms, it is proposed that any shortfall from the DRP will be 50% underwritten.
The last date for receipt of an election notice for participation in any dividend reinvestment plans	18 March 2011

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$(0.495)	\$(0.446)

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of Control Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

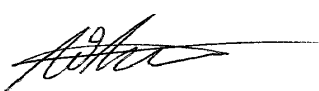
Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A				

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	☐	The accounts have been subject to review	☒
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report
2	Audit Review Report

Signed By Company Secretary	
Print Name	Wesley Coote
Date	21 February 2011

Passionate about Pets



Greencross Vets

**Greencross Limited
and Controlled Entities
ABN 58 119 778 862**

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED

31 December 2010



**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of Greencross Limited ("the Company") and the entities it controlled for the half year ended 31 December 2010.

Directors

The Directors of the parent entity in office at any time during or since the financial year:

A. W. Geddes	Non-Executive Chairperson
G. F. Richards	Managing Director
J. David	Non-Executive
S. B. James	Non-Executive
S. V. Coles	Executive (Resigned 04/11/2010)
J.D. Odium	Executive (Appointed 01/07/2010)

Company Secretary

The Company Secretary of the parent entity in office at any time during or since the financial year was:

W. J. Coote

Principal Activities

The principal activity of the consolidated entity during the financial period was operating as a provider of veterinary services.

Review of Results and Operations

Greencross is a leading veterinary services company in Australia.

Established in 2007, Greencross has grown into a substantial business through the acquisition of 52 businesses around Australia. Revenue for the period under review was \$29.909m (2009: \$26.596m) and the consolidated entity reported a profit after income tax of \$1.982m (2009: \$2.054m) after eliminating non-controlling interest.

During the half year the consolidated entity acquired control of another 7 general practices and an interest in 3 emergency centres. Details of these acquisitions are included in Note 6 to the Financial Statements.

Significant after Balance Date Events

No matters or circumstances have arisen since 31 December 2010 that have significantly affected, or may significantly affect:

- (a) The Group's operations in future financial years, or
- (b) The results of these operations in future financial years, or
- (c) The Group's state of affairs in future financial years.

Dividends Paid or Recommended

In respect of the half year ended 31 December 2010, an interim dividend of \$0.03 per share has been declared (2009: \$0.00). The dividend will be 100% franked.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The auditor's independence declaration follows this report and forms part of the Directors' report for the half year ended 31 December 2010. Crowe Horwath continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Director's report and financial statements. Amounts in the Director's report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Glen Richards
Managing Director
Brisbane, 17 February 2011

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To the Directors of Greencross Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010, there have been:

- (1) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (2) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Horwath



Vanessa De Waal

Principal

Signed in Brisbane on 17 February 2011

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR HALF YEAR ENDED 31 DECEMBER 2010**

	Consolidated Entity	
	31 DEC 2010 \$000	31 DEC 2009 \$000
Revenue	29,875	26,584
Other income	34	12
Total Revenue	29,909	26,596
 Cost of sales	 (8,446)	 (7,887)
Bank and credit card charges	(162)	(156)
Communications and technology expense	(171)	(179)
Depreciation	(519)	(430)
Payroll costs	(12,389)	(10,943)
Acquisition Costs	(27)	-
Directors Fees	(64)	(69)
Finance costs	(714)	(610)
Advertising expense	(748)	(351)
Education Costs	(254)	(105)
Occupancy expense	(2,364)	(2,081)
Other expenses	(846)	(716)
Share of net profit/(loss) of associates	(1)	1
Profit before income tax	3,204	3,070
Income tax expense	(963)	(913)
Profit for the period	2,241	2,157
Other comprehensive income		
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	2,241	2,157
 Profit attributable to:		
Owners of the parent entity	1,982	2,054
Non-controlling Interest	259	103
Profit/ (Loss) for the period	2,241	2,157
Total comprehensive income attributable to:		
Owners of the parent entity	1,982	2,054
Non-controlling Interest	259	103
Total comprehensive income for the period	2,241	2,157
 Earnings per share		
From continuing operations:		
Basic earnings per share (cents per share)	7.25	8.70
Diluted earnings per share (cents per share)	7.25	8.70

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Consolidated Entity	
	31 DEC 2010 \$000	30 JUN 2010 \$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,647	1,515
Trade and other receivables	824	864
Inventories	1,669	1,410
Other current assets	1,661	666
TOTAL CURRENT ASSETS	7,801	4,455
NON-CURRENT ASSETS		
Property, plant and equipment	7,417	6,640
Intangible assets	42,750	35,470
Deferred tax assets	670	554
Equity accounted investments	39	39
TOTAL NON-CURRENT ASSETS	50,876	42,703
TOTAL ASSETS	58,677	47,158
CURRENT LIABILITIES		
Trade and other payables	6,573	4,428
Short-term borrowings	388	238
Current tax liabilities	766	147
Short-term provisions	1,556	1,179
TOTAL CURRENT LIABILITIES	9,283	5,992
NON-CURRENT LIABILITIES		
Long-term borrowings	19,598	15,497
Deferred tax liabilities	276	173
Other long-term provisions	266	181
TOTAL NON-CURRENT LIABILITIES	20,140	15,851
TOTAL LIABILITIES	29,423	21,843
NET ASSETS	29,254	25,315
EQUITY		
Issued capital	20,382	17,475
Retained earnings	8,821	7,553
Parent entity interest	29,203	25,028
Non-controlling interest	51	287
TOTAL EQUITY	29,254	25,315

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Attributable to owners of Greencross Ltd		Non- Controlling Interest	Total
	Issued Capital	Retained Earnings		
	\$000	\$000	\$000	\$000
Balance at 1 July 2010	17,475	7,553	287	25,315
Total comprehensive income for the year	-	1,982	259	2,241
Transactions with owners in their capacity as owners:				
Shares and options issued	3,092	-	-	3,092
Non-Controlling Interest on acquisition of subsidiary	-	-	(418)	(418)
Distributions Paid	-	-	(77)	(77)
Dividends Paid	-	(714)	-	(714)
Share Issue Costs	(185)	-	-	(185)
Transactions with owners in their capacity as owners	2,907	(714)	(495)	1,092
Balance at 31 December 2010	20,382	8,821	51	29,254

	Attributable to owners of Greencross Ltd		Non- Controlling Interest	Total
	Issued Capital	Retained Earnings		
	\$000	\$000	\$000	\$000
Balance at 1 July 2009	16,816	5,269	115	22,200
Total comprehensive income for the year	-	2,054	103	2,157
Transactions with owners in their capacity as owners:				
Shares and options issued	661	-	-	661
Non-Controlling Interest on acquisition of subsidiary	-	-	13	13
Dividends Paid	-	(465)	-	(465)
Share Issue Costs	(2)	-	-	(2)
Transactions with owners in their capacity as owners	659	(465)	13	207
Balance at 31 December 2009	17,475	6,858	231	24,564

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated Entity	
		31 DEC 2010 \$000	31 DEC 2009 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		33,123	26,633
Payments to suppliers and employees		(29,047)	(22,551)
Interest received		36	14
Finance costs		(717)	(620)
Income tax paid		(470)	(1,375)
Net cash provided by/ (used in) operating activities		2,925	2,101
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(944)	(820)
Payment for controlled entities, businesses and associates, net of cash acquired		(5,437)	27
Payments for other intangibles		(95)	(37)
Payments for equity accounted investments		-	(39)
Payment for deferred settlements		(360)	(180)
Net cash provided by/ (used in) investing activities		(6,836)	(1,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,048	651
Repayment of borrowings		(391)	(115)
Proceeds from borrowings		4,318	-
Distributions to Non-Controlling Interest		(33)	(58)
Equity Raising Costs		(185)	(2)
Dividend Paid		(714)	(465)
Net cash provided by/ (used in) financing activities		6,043	11
Net increase(decrease) in cash and cash equivalents held		2,132	1,063
Cash and cash equivalents at beginning of half year		1,515	1,456
Cash and cash equivalents at end of half year		3,647	2,519

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of Greencross Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

NOTE 2: ISSUED CAPITAL

		Consolidated Entity			
		31 DEC 2010	30 JUN 2010	31 DEC 2010	30 JUN 2010
		No.	No.	\$000	\$000
a.	Ordinary shares				
	At the beginning of reporting period	24,213,122	23,007,767	17,418	16,769
	Shares issued during the period:				
	Shares issued per capital raising	3,835,000	930,000	2,684	651
	Shares issued under employee loan plan	825,000	-	34	-
	Shares issued under share purchase plan	520,708	-	364	-
	Shares issued in current year in relation to prior year acquisitions	-	275,355	-	-
	Equity Issue costs	-	-	(185)	(2)
	At reporting date	29,393,830	24,213,122	20,315	17,418

Shares issued pursuant to Employee Loan Plan were issued at a price of \$0.41 per share which was determined to be their fair value at that date.

Shares issued pursuant to capital raising were issued at a price of \$0.70 per share which was determined to be their fair value at that date.

Shares issued pursuant to the share purchase plan were issued at a price of \$0.70 per share which was determined to be their fair value at that date.

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

NOTE 2: ISSUED CAPITAL (CONTINUED)

		Consolidated Entity			
		31 DEC 2010 No.	30 JUN 2010 No.	31 DEC 2010 \$000	30 JUN 2010 \$000
b.	Options				
	At the beginning of reporting period	2,275,000	2,295,000	57	47
	Options issued during the period:				
	Options cancelled pursuant to the Employee Share Option Plan	-	(20,000)	-	-
	Share-based payments charge for the period	-	-	10	9
	Options outstanding and not exercisable at reporting date	2,275,000	2,275,000	67	57
	Total Issued Capital			20,382	17,475

NOTE 3: DIVIDENDS

		Consolidated Entity			
		31 DEC 2010 cents per share	30 JUN 2010 cents per share	31 DEC 2010 \$000	30 JUN 2010 \$000
Final Dividend – Previous financial year		2.5	2.0	714,222	456,662
Interim Dividend – Current financial year		3.0	-	-	-

Dividends not recognised at the end of the reporting period

All dividends are fully franked at the corporate income tax rate of 30% (2009: 30%). It is proposed to pay a fully franked interim dividend of \$0.03 per share. The dividend record date is 18 March 2011 and payment date is proposed as 29 April 2011. The company will offer a Dividend Reinvestment Plan (DRP), operating at a 2.5% discount (31 December 2009: N/A). The DRP will be subject to the Company's DRP Rules which are proposed to be finalised and released by 21 February 2011. The last date for the receipt of an election notice for the participation in the DRP is 18 March 2011. Subject to agreeing acceptable terms, the Company proposes to have any shortfall from the DRP 50% underwritten.

NOTE 4: SEGMENT REPORTING

Business and Geographical Segments

The consolidated entity has only one business and geographical segment being the provision of veterinary services in Australia.

NOTE 5: CONTINGENT LIABILITIES

The company does not have any contingent liabilities or assets as at signing date that would require disclosure in the financial statements.

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

NOTE 6: ACQUISITION OF BUSINESSES

	31 DEC 2010 \$000	31 DEC 2010 \$000	31 DEC 2010 \$000
During the half year the following businesses and controlled entities were acquired.	Caloundra Veterinary Clinic (100%) (Business) Acquired 26/08/10	Brookvale Veterinary Clinic (100%) (Business) Acquired 26/08/2010	Lambton Veterinary Clinic (100%) (Business) Acquired 13/12/2010
Purchase consideration			
Cash consideration	822	97	292
Deferred Settlement	143	120	85
Total purchase consideration	965	217	377
Less: Fair value of net identifiable assets acquired	247	67	101
Goodwill	718	150	276
Fair value of Assets and liabilities held at acquisition date:			
Inventory	32	15	50
Trade and other receivables	10	-	-
Property, plant and equipment	232	52	64
Provisions	(27)	-	(13)
Net identifiable assets acquired	247	67	101
Outflow of cash to acquire business, net of cash acquired:			
Cash consideration	822	97	292
Less: cash acquired	-	-	-
Outflow of cash	822	97	292
Profit/(loss) since acquisition date included in profit for the year of the consolidated entity	71	(8)	7

**Greencross Limited ABN 58 119 778 862
and Controlled Entities**

Financial Statements for the Half Year Ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

NOTE 6: ACQUISITION OF BUSINESSES (CONTINUED)

	31 DEC 2010 \$000	31 DEC 2010 \$000
During the half year the following businesses and controlled entities were acquired.	Babtec & Mungojess Acquisition (Controlled Entities) Acquired 30/09/2010	TOTAL
Purchase consideration		
Cash consideration	4,668	5,879
Deferred Settlement	-	348
Total purchase consideration	4,668	6,227
Less: Fair value of net identifiable assets acquired	(1,200)	(785)
Goodwill	5,868	7,012
Fair value of Assets and liabilities held at acquisition date:		
Inventory	153	250
Trade and other receivables	132	142
Cash	442	442
Property, plant and equipment	352	700
Deferred Tax Asset	66	66
Trade and other payables	(498)	(498)
Provisions	(315)	(355)
Loans payable	(1,532)	(1,532)
Net identifiable assets/(liabilities) acquired	(1,200)	(785)
Outflow of cash to acquire business, net of cash acquired:		
Cash consideration	4,668	5,879
Less: cash acquired	(442)	(442)
Outflow of cash	4,226	5,437
Profit/(loss) since acquisition date included in profit for the year of the consolidated entity (less minority interest)	270	340

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to carrying value.

- (i) There were no differences between the recognised carrying value of assets and liabilities at acquisition date and carrying value immediately before the combination.
- (ii) Goodwill on acquisition has arisen as a result of the profitability of the acquired operations and as result of the excess of consideration paid for the businesses and controlled entities over the fair value of net assets acquired. Goodwill will not be deductible for tax purposes.

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

NOTE 6: ACQUISITION OF BUSINESSES (CONTINUED)

- (iii) Acquisition-related costs of \$27,000 are included in the statement of comprehensive income and as cash flows from operating activities in the statement of cash flows.
- (iv) The Brookvale acquisition included the acquisition of Dee Why Veterinary Clinic and Brookvale Veterinary Clinic.
- (v) The purchase consideration for the acquisition of Babtec & Mungojess is provisional as at reporting date as the contract provides for future adjustments based on the net assets/liabilities acquired at settlement. Finalisation of the net assets/liabilities acquired at settlement is expected to be finalised before 30 June 2011.
- (vi) The Babtec & Mungojess acquisition included the acquisition of the following interests in these companies/trusts:

Anvet Weribee Pty Ltd	100%
Petsfirst Hoppers Crossing Pty Ltd	100%
Point Cook Animal Hospital Pty Ltd	100%
Point Cook Unit Trust	100%
Williamstown Veterinary Holdings Pty Ltd	100%
Williamstown Veterinary Hospital Pty Ltd	100%
AEC Mt Waverley Pty Ltd	59%
AEC Frankston Pty Ltd	59%
AEC Hallam Pty Ltd	59%
- (vii) Had the results relating to the acquired businesses been included from 1 July 2010, consolidated revenue would have been \$33,004 million and consolidated profit excluding minority interest would have been \$2,256 million for the half-year ended 31 December 2010.
- (viii) In relation to the Caloundra acquisition, there is deferred contingent consideration which is payable on 30 June 2012. The final deferred consideration payable will be calculated as four and a half times the EBIT of the clinic for the year ended 30 June 2012 x 15%. In recognising the deferred consideration at net fair value, a discount rate of 0.621% has been applied to the payment.
- (ix) In relation to the Lambton acquisition, there is deferred consideration of \$85,000 which is payable on 15 December 2012. In recognising the deferred consideration at net present value, a discount rate of 0.621% has been applied to the payment.
- (x) In relation to the Brookvale/Dee Why acquisition there is deferred consideration of \$120,000 which is payable in two \$10,000 instalments on the 26 August 2011 and the 26 August 2012 and six instalments of \$12,500 payable in February and August of each year until August 2014. In recognising the deferred consideration at net present value, a discount rate of 0.621% has been applied to the payment.
- (xi) In accordance with accounting policies, the group elected to recognise the non-controlling interest in AEC Mt Waverley Pty Ltd, AEC Frankston Pty Ltd and AEC Hallam Pty Ltd at their proportionate share of the acquired net identifiable assets.

NOTE 7: SUBSEQUENT EVENTS

There have been no events since the reporting date requiring disclosure in the half year financial statements.

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2010**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Greencross Limited, we state that:

1. The financial statements and notes, as set out on pages 3 to 11 are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entities' financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Glen Richards', with a long, sweeping horizontal line extending from the end of the signature.

Glen Richards
Director

Dated this 17th day of February 2011

Independent Auditor's Review Report

To the members of Greencross Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Greencross Limited and Controlled Entities (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Greencross Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Greencross Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Crowe Horwath



Vanessa de Waal
Principal

Signed at Brisbane, 17 February 2011

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