

29 February 2012

GREENCROSS LIMITED (ASX: GXL) Announcement

Half Year Report for the period ended 31 December 2011

Greencross Limited ('Greencross' or 'the Company') today announced a reported NPAT of \$2.5m for the half year period to 31 December 2011.

Revenue for the six month period was up 32.1%, with like for like revenue growth of 1% before the impact of acquisitions. Furthermore, EBITDA for the period was up 30.9% with like for like EBITDA up 2%. Earnings per share increased by 13.5% for the period.

Key financial results are as follows:

Table 1: Key Financial Results

\$M	1H12	1H11	+ / - %
REVENUE	39.4m	29.8m	32.1%
EBITDA	5.8m	4.4m	31.6%
NPAT	2.5m	2.0m	25.7%
BASIC EPS	8.2 cents	7.3 cents	13.5%
DIVIDEND	4.0 cents	3.0 cents	33.3%
OPERATING CASH FLOW	4.5m	3.0m	52.9%

Commenting on the result, Managing Director, Glen Richards said "given the continued subdued economic climate, the results for the half year are pleasing. As well as expanding initiatives that engage our teams and our clients, the Company continues to grow earnings per share organically and through the acquisitions of high quality veterinary clinics."

"The Company has acquired 15 new clinics since 1 July 2011 and increased the portfolio to 73 practices. Our expertise in integrating and managing new clinics has ensured we are comfortable with this rate of acquisition growth, and we anticipate that the Company will continue to acquire, as a minimum, 1 new clinic per month for the medium-term."

Earning Guidance

Greencross is also providing guidance for the full year to 30 June 2012, as per table 2

Table 2: Full Year Guidance

\$M	FY12 forecast	FY11 actual	+ / - %
REVENUE	81.5m to 82.5m	61.1m	33.4% to 35.0%
EBITDA	11.0m to 11.8m	8.3m	32.5% to 42.2%
NPAT	4.6m to 4.9m	3.5m	31.4% to 40.0%
BASIC EPS	15.0 to 16.0 cents	12.1cents	23.6% to 31.8%
UNDERLYING EPS*	15.0 to 16.0 cents	13.0 cents	15.5% to 23.1%
DIVIDEND	7.5 to 8.0 cents	6.0 cents	25.0% to 33.3%

*Underlying EPS excludes non-recurring costs of \$0.25m (post-tax) which relate to a one-off marketing spend, discontinued operations and debt refinancing charges in 2H11.

Glen Richards said, "The second half results will be boosted by a full six month contribution from the 15 recent acquisitions. I am pleased to announce that we are on target to exceed our underlying minimum EPS growth rate of 15% for the year ended 30 June 2012."

Dividend

The Directors have resolved to declare an interim dividend for the period ended 31 December 2012 of 4.0 cents per share, fully franked. The Record date for the dividend will be 16 March 2012 and the dividend is expected to be paid on or around 30 March 2012.

The interim dividend will be subject to the Company's Dividend Reinvestment Plan ('DRP'). Shares subject to the DRP will be issued at a 2.5% discount to the volume weighted average price (VWAP) for Greencross shares traded over the 5 days following the Record Date and will rank equally with all other shares. Subject to agreeing acceptable terms, it is proposed that any shortfall from the DRP will be 50% underwritten.

Please find following Appendix 4D and half year 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 73 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) 3435 3535

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 2011
Previous Corresponding Reporting Period	31 December 2010

Results for Announcement to the Market

Results for Announcement to the Market			
	31 December 2011 \$ 000's	31 December 2010 \$ 000's	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	39,473	29,909	31.98%
Profit / (loss) from ordinary activities after tax attributable to members	2,490	1,982	25.63%
Net profit / (loss) for the period attributable to members	2,490	1,982	25.63%
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	N/A	N/A	
Interim Dividend	4.0 cents per share	100%	
Record date for determining entitlements to the dividends (if any)	16 March 2012		
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	30 March 2012
Record date to determine entitlement to the dividend	16 March 2012
Amount per security	4.0 cents
Total dividend	\$1,248,144.88
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 Dividend will be subject to the Company's DRP Rules. 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 2012

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$(0.684)	\$(0.446)

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Refer to Note 6
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	29 February 2012

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 2011



**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

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 2011.

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
J.D. Odium	Executive
B. Dixon	Non-Executive (Appointed 14/11/2011)

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 year 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 70 businesses around Australia. Revenue for the period under review was \$39.473m (2010: \$29.909m) and the consolidated entity reported a profit after income tax of \$2.490m (2010: \$1.982m) after eliminating non-controlling interests.

During the half year the consolidated entity acquired control of another 7 general practices, an interest in 6 further practices and opened one emergency centre. Details of these acquisitions are included in Note 6 to the Financial Report.

Events Subsequent to Reporting Date

The Company made the following acquisition after reporting date:

1. The acquisition of the businesses of Maitland Veterinary Hospital and Rutherford Veterinary Clinic on 1 February 2012;
2. The acquisition on 31 January 2012 of a 16.31% controlling interest in AEC Pty Ltd; this brings the total ownership in AEC Pty Ltd to 75.31%

No other matters or circumstances have arisen since 31 December 2011 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 2011, an interim dividend of \$0.04 cents per share has been declared (2010: \$0.03). The dividend will be 100% franked.

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

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 2011. Crowe Horwath Brisbane 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

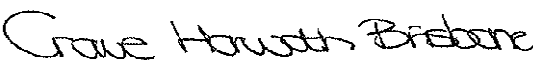
A handwritten signature in black ink, appearing to read 'Glen Richards', with a long horizontal flourish extending to the right.

Glen Richards
Managing Director
Brisbane, 29 February 2012

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 2011, 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 Brisbane



Vanessa De Waal
Partner

Signed in Brisbane, 29 February 2012

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR HALF YEAR ENDED 31 DECEMBER 2011**

	31 DEC 2011 \$000	31 DEC 2010 \$000
Revenue	39,444	29,875
Other income	29	34
Total Revenue	39,473	29,909
 Cost of sales	 (10,435)	 (8,446)
Bank and credit card charges	(36)	(162)
Communications and technology expense	(216)	(171)
Depreciation and amortisation	(633)	(519)
Payroll costs	(17,651)	(12,389)
Acquisition Costs	(141)	(27)
Directors Fees	(62)	(64)
Finance costs	(983)	(714)
Advertising expense	(450)	(748)
Education Costs	(246)	(254)
Occupancy expense	(3,218)	(2,364)
Other expenses	(1,221)	(846)
Share of net profit/(loss) of associates	(5)	(1)
Profit before income tax	4,176	3,204
Income tax expense	1,300	(963)
Profit for the period	2,876	2,241
Other comprehensive income		
Other comprehensive income for the period, net income tax	-	-
Total comprehensive income for the period	2,876	2,241
 Profit attributable to:		
Owners of the parent entity	2,490	1,982
Non-controlling Interests	386	259
Profit/ (Loss) for the period	2,876	2,241
Total comprehensive income attributable to:		
Owners of the parent entity	2,490	1,982
Non-controlling Interests	386	259
Total comprehensive income for the period	2,876	2,241
 Earnings per share		
From continuing operations:		
Basic earnings per share (cents per share)	8.23	7.25
Diluted earnings per share (cents per share)	8.23	7.25

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	31 DEC 2011 \$000	30 JUN 2011 \$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,898	3,046
Trade and other receivables	1,243	861
Inventories	2,718	1,957
Other current assets	1,076	773
TOTAL CURRENT ASSETS	8,935	6,637
NON-CURRENT ASSETS		
Property, plant and equipment	9,143	7,733
Intangible assets	53,982	44,526
Deferred tax assets	968	800
Equity accounted investments	-	39
TOTAL NON-CURRENT ASSETS	64,093	53,098
TOTAL ASSETS	73,028	59,735
CURRENT LIABILITIES		
Trade and other payables	7,850	5,452
Short-term borrowings	597	385
Current tax liabilities	1,096	801
Short-term provisions	2,106	1,682
TOTAL CURRENT LIABILITIES	11,649	8,320
NON-CURRENT LIABILITIES		
Trade and other payables	1,882	309
Long-term borrowings	25,760	20,232
Deferred tax liabilities	303	288
Other long-term provisions	343	294
TOTAL NON-CURRENT LIABILITIES	28,288	21,123
TOTAL LIABILITIES	39,937	29,443
NET ASSETS	33,091	30,292
EQUITY		
Issued capital	21,564	20,880
Retained earnings	11,004	9,412
Owners interest	32,568	30,292
Non-controlling interests	523	-
TOTAL EQUITY	33,091	30,292

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Attributable to owners of Greencross Ltd		Non- Controlling Interest	Total
	Issued Capital	Retained Earnings		
	\$000	\$000	\$000	\$000
Balance at 1 July 2011	20,880	9,412	-	30,292
Total comprehensive income for the year	-	2,490	386	2,876
Transactions with owners in their capacity as owners:				
Shares and options issued	404	-	-	404
Shares issued under DRP	299	-	-	299
Non-controlling Interest on acquisition of subsidiary	-	-	246	246
Distributions Paid	-	-	(104)	(104)
Dividends Paid	-	(898)	(5)	(903)
Share Issue Costs	(19)	-	-	(19)
Transactions with owners in their capacity as owners	684	(898)	137	(77)
Balance at 31 December 2011	21,564	11,004	523	33,091

	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)	1,698
Balance at 31 December 2010	20,382	8,821	51	29,254

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

Financial Statements for the Half Year Ended 31 December 2011

CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED 31 DECEMBER 2011

	Note	31 DEC 2011 \$000	31 DEC 2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		43,131	33,123
Payments to suppliers and employees		(36,759)	(29,045)
Interest received		29	36
Finance costs		(983)	(717)
Income tax paid		(943)	(470)
Net cash provided by/ (used in) operating activities		4,475	2,927
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(575)	(944)
Payment for controlled entities, businesses and associates, net of cash acquired		(9,279)	(5,439)
Payments for other intangibles		(7)	(95)
Payments for equity accounted investments		(2)	-
Payment for deferred settlements		(98)	(360)
Net cash provided by/ (used in) investing activities		(9,961)	(6,838)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		404	3,048
Proceeds/(Repayment) of borrowings		6,560	3,927
Distributions to Non-Controlling Interest		-	(33)
Equity Raising Costs		(26)	(185)
Dividend Paid		(600)	(714)
Net cash provided by/ (used in) financing activities		6,338	6,043
Net increase(decrease) in cash and cash equivalents held		852	2,132
Cash or cash equivalents at beginning of half year		3,046	1,515
Cash or cash equivalents at end of half year		3,898	3,647

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 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.

This interim financial report is 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 this financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2011, 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 report.

NOTE 2: ISSUED CAPITAL

	31 DEC 2011 No.	30 JUN 2011 No.	31 DEC 2011 \$000	30 JUN 2011 \$000
a. Ordinary shares				
At the beginning of reporting period	29,925,931	24,213,122	20,747	17,419
Shares issued during the period:				
Shares issued per capital raising (i)	336,824	4,355,708	370	3,050
Shares issued under employee share scheme	-	825,000	-	-
Shares issued under dividend reinvestment plan	271,988	532,101	299	441
Shares issued through business combinations	-	-	-	-
Equity Issue costs	-	-	(19)	(163)
At reporting date	30,534,743	29,925,931	21,397	20,747

- (i) Shares issued pursuant to capital raising were issued at a price of \$1.0985 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 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 2: ISSUED CAPITAL (CONTINUED)

	31 DEC 2011 No.	30 JUN 2011 No.	31 DEC 2011 \$000	30 JUN 2011 \$000
b. Options				
At the beginning of reporting period	275,000	2,275,000	133	56
Options issued during the period:				
Options cancelled pursuant to the Employee Share Option Plan	-	(2,000,000)	-	-
Options issued pursuant to the Employee Share Option Plan	-	-	34	77
Options outstanding and not exercisable at reporting date	275,000	275,000	167	133
Total Issued Capital			21,564	20,880

NOTE 3: DIVIDENDS

	31 DEC 2011 cents per share	30 JUN 2011 cents per share	31 DEC 2011 \$000	30 JUN 2011 \$000
Final Dividend – Previous financial year	-	3.0	-	898
Interim Dividend – Current financial year	4.0	-	1,221	-

All dividends are fully franked at the corporate income tax rate of 30% (2010: 30%). It is proposed to pay a fully franked interim dividend of \$0.04 per share. The dividend record date is 16 March 2012 and payment date is proposed as 30 March 2012. The company will offer a Dividend Reinvestment Plan (DRP), operating at a 2.5% discount (31 December 2011: 5%). The DRP will be subject to the Company's DRP Rules. The last date for the receipt of an election notice for the participation in the DRP is 16 March 2012.

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 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: ACQUISITION OF BUSINESSES

Net outflows of cash to acquire businesses (excluding Care Veterinary Group and Wollongong Veterinary Hospital) during the half year:

	2011	2010
	\$000	\$000
Purchase Consideration:		
Cash consideration	5,484	1,114
Deferred settlement	1,075	348
Direct costs relating to the acquisition (cash)	-	97
Total purchase consideration	6,559	1,559
Less: fair value of net identifiable assets acquired	751	415
Goodwill	5,808	1,144
Assets and liabilities held at acquisition date:		
Inventory	300	97
Trade and other receivables	73	10
Property, plant and equipment	566	348
Current liabilities	-	-
Provisions	(188)	(40)
Net identifiable assets acquired	751	415
Outflow of cash to acquire businesses, net of cash acquired:		
Cash consideration	5,484	1,275
Less: cash acquired	-	-
Outflow of cash	5,484	1,275
Profit/(loss) since acquisition date included in profit for the period of the consolidated entity		70

- (i) Business acquisitions for the half year to 31 December 2011 include: Mortdale Veterinary Hospital (25/07/2011), Livingstone Road Vet Hospital (20/09/2011), Pets at the Vets (14/07/2011), Hurstbridge Veterinary Clinic and Hospital (26/10/2011), Animal Clinic Morwell (15/11/2011), Barolin Veterinary Hospital (01/12/2011) and Pakenham Animal Health (06/12/2011).
- (ii) 2010 Business acquisitions include Caloundra Veterinary Clinic (26/08/2010), Brookvale Veterinary Clinic (26/8/2010), Lambton Veterinary Clinic (13/12/2010)

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Acquisition of Controlled Entities	31 DEC 2011 \$000	31 DEC 2011 \$000	31 DEC 2011 \$000	31 DEC 2010 \$000
During the half year the following controlled entities were acquired.	Care Veterinary Group (51%)	Wollongong Veterinary Hospital Group (58%)	Total acquisition of controlled entities	Babtec & Mungojess Acquisition (Controlled Entities)
	Acquired 01/07/2011	Acquired 08/08/2011		Acquired 30/09/2010
Purchase consideration				
Cash consideration	957	2,838	3,795	4,668
Shares Issued	-	-	-	-
Total purchase consideration	957	2,838	3,795	4,668
Less: Fair value of net identifiable assets acquired	108	58	166	(1,200)
Goodwill	849	2,780	3,629	5,868
Assets and liabilities held at acquisition date:				
Inventory	107	287	394	153
Trade and other receivables	23	24	47	574
Property, plant and equipment	230	663	893	352
Deferred Tax Asset	9	33	42	66
Trade and other payables	(96)	(246)	(342)	(498)
Provisions	(31)	(111)	(142)	(315)
Loans payable	(32)	(550)	(582)	(1,532)
Fair value of identifiable assets	210	100	310	(1,200)
Less: Non-controlling interests	(102)	(42)	(144)	-
Fair value of net identifiable assets acquired	108	58	166	(1,200)
Outflow of cash to acquire business, net of cash acquired:				
Cash consideration and direct costs			3,795	4,668
Less: cash acquired			-	-
Outflow of cash			3,795	4,668
Profit/(loss) since acquisition date included in profit for the period of the consolidated entity (less minority interest)			206	270

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: ACQUISITION OF BUSINESSES (CONTINUED)

- (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 value of net assets acquired.
- (iii) The acquisition of Wollongong Veterinary Group included the acquisition of Fairy Meadow Veterinary Clinic, Wollongong Veterinary Clinic, Woonona-Bulli Veterinary Clinics and Warilla-Shell Cove Veterinary Clinic.
- (iv) The acquisition of Care Veterinary Group included the acquisition of Chandlers Veterinary Clinics and South Toowoomba Veterinary Clinic.
- (v) Greencross Limited increased investment in Vetmax Pty Ltd in the half year ended 31 December 2011 from 50% to 100%.
- (vi) Had the results relating to the acquired subsidiaries been included from 1 July 2011, consolidated revenue would have been \$42,379 million and consolidated profit excluding minority interest would have been \$2,861 million for the half-year ended 31 December 2011.
- (vii) The Babtec & Mungojess acquisitions in 2010 included the acquisition of the following interests in these companies:

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%

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 6: ACQUISITION OF BUSINESSES (CONTINUED)

(viii) Controlled Entities Consolidated

** Percentage of voting power is in proportion to ownership*

	Country of Incorporation	Percentage Owned (%)*	
		DEC 2011	JUN 2011
Ultimate Parent Entity:			
Greencross Limited	Australia		
Subsidiaries of Greencross Limited:			
Greencross Operations Pty Ltd	Australia	100	100
Greencross NSW Pty Ltd	Australia	100	100
Greencross Townsville Pty Ltd	Australia	100	100
Seabeach Pty Ltd	Australia	100	100
Gorrie Veterinary Services Pty Ltd	Australia	100	100
Chermside Veterinary Hospital Pty Ltd	Australia	100	100
Veterinary Referral Services Pty Ltd	Australia	70	70
Pet Accident and Emergency Pty Ltd	Australia	51	51
Gold Coast Animal Referral & Emergency Pty Ltd	Australia	51	51
Animal Emergency Centre Woolloongabba Pty Ltd	Australia	100	100
Animal Emergency Centre Pty Ltd	Australia	59	59
Animal Emergency Centre (Frankston) Pty Ltd	Australia	59	59
Animal Emergency Centre Hallam Pty Ltd	Australia	59	59
Williamstown Veterinary Holdings Pty Ltd	Australia	100	100
Williamstown Veterinary Hospital Pty Ltd	Australia	100	100
Point Cook Animal Hospital Pty Ltd	Australia	100	100
Point Cook Unit Trust	Australia	100	100
Pets First Hoppers Crossing Pty Ltd	Australia	100	100
Anvet Werribee Pty Ltd	Australia	100	100
Care Veterinary Group Pty Ltd	Australia	51	-
Greencross Vets South Coast Pty Ltd	Australia	58	-
Vetmax Pty Ltd	Australia	100	50
Animal Emergency Centre Central Coast Pty Ltd	Australia	65	-

**Greencross Limited ABN 58 119 778 862
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Financial Statements for the Half Year Ended 31 December 2011**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

NOTE 7: SUBSEQUENT EVENTS

a) After the reporting date the following businesses were acquired	2011 \$000	2011 \$000
	Maitland Veterinary Clinic(100%) (Business)	Further 16.31% of Animal Emergency Centre Pty Ltd
Purchase consideration:		
Cash consideration	2,399	856
Deferred settlement	627	-
Total purchase consideration	3,026	856
Less: Provisionally determined fair values of net identifiable assets acquired	477	(57)
Goodwill	2,549	913
Assets and liabilities held at acquisition date:		
Inventory	120	164
Trade and other receivables	20	926
Deferred Tax Asset	-	92
Property, plant and equipment	397	435
Trade and other creditors	-	(827)
Loans payable	-	(870)
Provisions	(60)	(269)
Fair value of identifiable assets	477	(349)
Less: Non-controlling interests	-	86
Less: Fair value of interest previously held by Greencross - 59%		206
Fair value of net identifiable assets acquired	477	(57)

- (i) Fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised.
- (ii) Since 31 December 2011 Greencross Limited purchased a further 16.31% of Animal Emergency Centre Pty Ltd, taking the total ownership to 75.31% at the date of reporting

**Greencross Limited ABN 58 119 778 862
and Controlled Entities
Financial Statements for the Half Year Ended 31 December 2011**

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 4 to 14 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 2011 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 horizontal flourish extending to the right.

Glen Richards
Director

Dated this 29th day of February 2012

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, which comprises the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the 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 internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is if 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 an Interim 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 entity's financial position as at 31 December 2011 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.

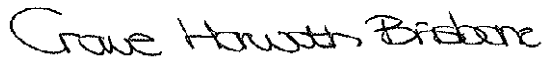
Independence

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 and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 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 Brisbane



Vanessa de Waal

Partner

Signed at Brisbane, 29 February 2012