



25 October 2012

GREENCROSS LIMITED (ASX: GXL) Announcement

CHAIRMAN'S ADDRESS AGM 2012

RESILIENT BUSINESS MODEL

The Board and Management Team of Greencross Limited are delighted to report a record result for the financial year ending 30 June 2012. Highlights of the financial results are as follows:

- Revenue for the group was \$82.603 million, up 34.9% on the prior reported period;
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$11.236 million, up 35.7% on the prior reported period;
- Net Profit after Tax (NPAT) was \$4.859 million, up 40.6%; and
- Earnings per Share (EPS) was \$0.1578 per share, up 30%.

The board is extremely happy with the results for the year and believe the Company is well positioned to continue to deliver these kinds of financial results going forward.

CHANGE OF AUDITORS

The Board and Management Team of Greencross Limited would like to thank the outgoing auditors Crowe Howath for their dedication and support over the last 6 years. We would also like to thank them in advance for their assistance in helping us transition to a new audit firm.

After 6 years the Board felt it was prudent to tender out this process. After an extensive tender process, today the Board will recommending to shareholders that they approve the appointment of PricewaterhouseCoopers as the Company's new auditors.

ACQUISITION HIGHLIGHTS

Greencross made 24 acquisitions during the year and since the year-end. In addition, Greencross increased its stake in the Animal Emergency Centre Pty Ltd (the owner of the Animal Emergency Centres in Frankston, Hallam and Mt Waverley Victoria) from 59% to 75.3%.

The Animal Emergency Centre Central Coast and the Animal Emergency Centre Toowoomba were opened during the year. Both start-ups provide after-hours critical care for the network of veterinary clinics in the Gosford and Toowoomba areas. Greencross is the majority shareholder in both of these new ventures.

Greencross has also set up its own veterinary pathology business. The business currently operates a veterinary pathology lab in Melbourne, with a second lab due to be opened in Brisbane in January 2013. The new labs will operate under the brand Vepa Labs. The labs will service the Greencross group of practices as well as non-Greencross owned practices.

ACQUISITION FUNDING

The Company will continue to target, as a minimum, twelve new clinic acquisitions per year. These acquisitions will continue to be funded through the use of free cash and the remaining stand-by debt funding facility with the Commonwealth Bank of Australia.

The funding mix will change going forward as the Company starts to use less debt and more free cash flow in for each new acquisitions. This will see gearing (Net Debt/ Equity) come back in line with the Company's short terms target of 65%, before moving towards the Company's long term target of 50%.

DEDICATED STAFF

The number of Greencross employees has grown to approximately 1,000, including over 300 highly skilled veterinarians. The results for this financial year are a credit to the hard work the whole Greencross team have put in over the last year.

The board is proud of the contribution that each staff member of the Company has made to the success of the Company during the year. On behalf of the Board, I would like to formally thank all staff for their dedication and continued hard work. This has ensured that Greencross is in a position to continue to deliver on its promises to all stakeholders.

SHAREHOLDERS RETURN

The Board had previously resolved to payout a minimum of 50% of the Net Profit After Tax to shareholders as a fully franked dividend. A final dividend of 4 cents per share was paid to shareholders on 14 September 2012. This represents a total fully franked dividend of 8 cents per share for the financial year. This is up 33% on the previous year's dividend of 6 cents per share.

The Company has in place a Dividend Reinvestment Plan (DRP) which will balance the need for shareholders to receive a return via a dividend and the Company's need for cash to fund future acquisitions. It is anticipated that all dividends will be at least 50% underwritten.

The Company has delivered for shareholders a record increase in Earnings per Share during the year. Earnings per Share is up on the prior year by 3.64 cents per share, or 30.0%. Furthermore, the Company is well positioned to continue to grow Earnings per Share and it is expected that EPS will grow by at least 15% in Financial Year 2013.

The board has reviewed management's 12 month strategic plan for financial year 2013 and is comfortable that the Company will be able to deliver on its promises to shareholders. Furthermore, the Board continues to monitor the Company's 5 year strategic plan to ensure the correct balance between the need to organically manage the Company, deliver on our acquisition promises and provide exceptional returns to shareholders is achieved.



Andrew Geddes
Chairman



MANAGING DIRECTOR'S ADDRESS AGM 2012

\$100M Market Cap!

It was humbling this week to hit a milestone with the current share price range taking the Company to an approximate market cap of \$100M. Growing the company from a \$20M market cap “start-up” through some of the toughest economic times is very gratifying and it is an achievement reflected in the hard work of many employees in our practices and in our corporate support office in laying the foundation for Greencross during the last five years.

Our goal is to develop a collaborative network of high quality hospitals across Australia supported by an efficient and effective corporate support team, relevant to our pet owners in the communities we operate, and relevant to the team members who practice high quality medicine and surgery on a day to day basis.

Acquisitions Drive Growth

In the last 12 months Greencross Ltd has continued to expand our footprint across Eastern Australia with the addition of 21 new general practices as well as the opening of two new Animal Emergency Centres during FY2012. The acquisitions program led by Jason Dacey helped to drive earnings per share to a record 30% growth for the FY2012.

The profitability of new practices joining the group continues to improve through leveraging Greencross management strategies and buying power. Execution of the business plan will see Greencross acquire and integrate at least twelve more practices in the next twelve months. Year to date we have already acquired five new clinics.

Exceptional Environments for Our Clients and Teams

Practice Managers, Group Area Managers and Corporate Support continued with initiatives to create environments for teams and clients that are exceptional in the veterinary industry. Accredited facilities, upgraded equipment, flexible rosters, transparent remuneration and reward systems, world class education programs and an offering of high quality products and services are helping Greencross set the bench marks in the Australian veterinary industry.

Operationally, our General Manager, Terry King, and our Group Area Managers expanded our training, coaching, benchmarking and performance monitoring across all departments and practices. This improved efficiency and productivity to help our teams pursue excellence in veterinary science. Greencross continues with excellent employee retention rates of 85% for veterinarians and 79% for receptionist and nurses for FY2012.

With a young and generally feminised industry we are focused on keeping our teams engaged and happy in our workplaces. Greencross now offers world class workshops, symposiums and seminars across the regions for our veterinarians, practice managers and nurses in topics such as clinical training and leadership development. The appointment of Dr Rachel James as our full time General Manager of Education reinforces that we are a learning organisation committed to the up skilling and development of our people.

Growth Continues into FY2013

We were delighted with company growth in FY2012 with revenue growing at 35% and NPAT growing at 41%. Despite flat economic conditions and the expansion of pet retailers impacting our pet food and parasite preventative markets we grew like for like revenue by 1% and corresponding EBITDA (earnings before interest, tax, depreciation and amortisation) by 7% for the 2012 financial year.

A major goal for Greencross Ltd in FY 2013 is to actively engage our teams and clients through a range of initiatives to ensure that we see revenue growth across our practices. It is pleasing to report at the end of the first quarter company revenue and EBITDA are tracking above 30% against the prior calendar period, and on a like for like basis, our practices have grown revenue by 2.6% and EBITDA by 10.4% against the prior calendar period.

New Initiatives and Innovations

In response to pet owner needs, we launched Healthy Pets Plus (HPP), a proactive health care plan for pets, across our network of general practices. HPP is a subscription program that allows pet owners' ready access to their local Greencross veterinarian, provides wellness screening tests for their pets, and discounts on all veterinary services and products to make pet ownership convenient and affordable. National Marketing Manager, Sally Kenny, and the marketing team have done an excellent job in developing communication material to support this program with over 7000 pet owners now enrolled in the HPP club in the last 6 months.

Behind the scenes at Greencross, we have evolved some of the most sophisticated management structures to support our practices. Led by Chief Information Officer, Dr Michael Damico, our centralised IT platform provides real time market intelligence, insights into the performance of our practices and relays client and team survey data to assist in the allocation of resources across our departments and practices.

Experienced and Focused on High Performance

After five years of evolution, Greencross core competencies of acquiring, integrating and supporting our practices are well honed. With stable and passionate practices leaders, experienced and dedicated Group Area Managers and the Corporate Team now well experienced in driving acquisitive and organic activity, this company is dedicated to delivering high performance to meet the expectations of our various stakeholders.

In the next twelve months we will continue the support for our people, we will deliver excellence in veterinary care for our clients and patients, and with the support of our bankers and investors, we will continue to drive shareholder value through our acquisitive and organic initiatives.



Glen Richards
Managing Director



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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 83 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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