

Passionate about Pets



Greencross Vets

19 December 2012

GREENCROSS LIMITED (ASX: GXL) Announcement Greencross Acquires a New Veterinary Clinic

Australia's largest veterinary group Greencross Limited ('Greencross' or 'The Company') is pleased to announce that it has entered into an agreement to acquire the Paradise Veterinary Hospital ('Paradise').

Total cash consideration, including deferred payments, to be paid for this acquisition equals \$950,000. The practice is expected to deliver annualised revenue and EBIT of \$1.4m and \$0.240m respectively. The acquisition is expected to be earnings per share accretive in the 2013 fiscal year.

The transaction is subject to a deferred vendor payment. Approximately 10% of the total consideration is being deferred for a period of 1 year. Greencross can confirm that there is no link between the continuing employment of the vendor and the deferred vendor payment. However, the vendor will enter into employment agreement with Greencross from a minimum period of 1 year.

The Paradise transaction is expected to be completed on, or about, the 15th of January 2013.

The Paradise Veterinary Hospital is a well-established business located in South Australia. Managing Director, Dr Glen Richards, said "this is a signature hospital located in the Adelaide area. It is accredited as a "Hospital of Excellence" by the Australian Small Animal Veterinarians Association and has been in operation for over 35 years. I am pleased to announce this hospital as the first, of what we hope is many, general practices to be operated under the Greencross Vets brand in South Australia".

Greencross is also pleased to announce that it has entered into an agreement to acquire a further 31% of the issued capital of Pet Accident and Emergency Pty Ltd ('PAE').

After the completion of the acquisition, the Company's total ownership in PAE will increase from 51% to 82%. The total consideration for the PAE shares equals \$664,062. The acquisition is expected to be earnings per share accretive in the 2013 fiscal year.

The consideration for the PAE shares is to be settled by the issue of 228,987 Greencross shares to the vendor. 144,494 of the Greencross shares issued to the vendor will be subject to a voluntary escrow period of 1 year. The Greencross share issue price, being \$2.90 per share, is consistent with the share price given to the vendor of the recent Greencross Vets Toowoomba Pty Ltd acquisition, which was previously announced on the 14th of December 2012. This

transaction, and the issue of the new shares to the vendor, is expected to be completed on the 1st of January 2013.

The vendor in relation to the PAE share swap is an existing employee of Greencross. The share swap will further align the Greencross employee with Greencross as a whole.

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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 87 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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