

Passionate about Pets



# Greencross Vets

20 June 2013

## GREENCROSS LIMITED (ASX: GXL) Announcement Greencross to acquire Pet Cremation Business

Australia's largest veterinary group Greencross Limited ('Greencross' or 'The Company') is pleased to announce that it has entered into an agreement to acquire its first pet crematorium.

The pet cremation services industry in Australia is approximately a \$20m market. It is anticipated that demand for pet cremation services will continue to grow as pets increasingly become considered a member of the family.

Total cash consideration, including deferred payments, to be paid for this acquisition equals \$1.45m. The crematorium is expected to deliver annualised revenue and EBIT of \$1.31m and \$0.386m respectively.

This transaction is subject to deferred vendor payments of approximately 20% of the total consideration for a period of up to 24 months. The vendor has also entered into an employment agreement for a minimum of 2 years.

The crematorium is located in South East Queensland and will service the Greencross network of practices in the South East Queensland area. It will continue to operating under its existing independent brand. The business is well-established and has been in operation in the area for approximately 39 years. This transaction is effective as of today the 20th of June 2013.

We note that the UK listed veterinary service provider CVS owns and operates 2 crematoria which service their network of hospitals and non-aligned clinics. Approximately 65% of revenue generate from the CVS owned crematoria is derived from non-aligned clinics and EBITDA margins for this business are approximately 40%.

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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 93 practices, laboratories and crematoria 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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