

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Greencross Limited

ACN/ARSN 119 778 862

1. Details of substantial holder (1)

Name Prebest Pty Ltd (**Prebest**) and Jeffrey David
ACN/ARSN (if applicable) 072 949 574

The holder became a substantial holder on 31/01/2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|----------------------------|----------------------|--------------------|------------------|
| Fully paid ordinary shares | 7,216,503 | 7,216,503 | 8.00% |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-----------------------------|---|--------------------------------|
| Prebest | Relevant interest under section 608(1) of the Corporations Act 2001 | 7,216,503 |
| Jeffrey David | Relevant interest in the securities held by Prebest under section 608(2) of the Corporations Act 2001 | 7,216,503 |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|---------------------------------|--|--------------------------------|
| Prebest | Prebest | N/A | 7,216,503 ordinary shares |
| Jeffrey David | Prebest | N/A | 7,216,503 ordinary shares |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | | Class and number of securities |
|-----------------------------|---------------------|---|----------|--------------------------------|
| | | Cash | Non-cash | |
| Prebest | 31/01/2014 | Prebest transferred 100% of its shares in Mammoth Pet Holdings Pty Ltd to Greencross Limited, as per Annexure A | | 7,190,596 ordinary shares |
| Jeffrey David | 31/01/2014 | Prebest transferred 100% of its shares in Mammoth Pet Holdings Pty Ltd to Greencross Limited, as per Annexure A | | 7,190,596 ordinary shares |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A | N/A |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|---------------|--|
| Prebest | Level 5, 6 O'Connell St, Sydney NSW 2000 |
| Jeffrey David | Level 5, 6 O'Connell St, Sydney NSW 2000 |

Signature

print name Jeffrey David

capacity

sign here

date 31/01/2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 6 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 31/01/2014.

Authorised person



Greencross Vets

31 January 2014

Completion of Mammoth acquisition, appointment of new Managing Director and CEO and acquisition update

- Greencross Limited (**Greencross**) (ASX:GXL) today completed its acquisition of Mammoth Pet Holdings Pty Limited (**Mammoth**), owner of Petbarn and Animates, creating Australasia's largest integrated consumer-facing pet care company.
- Jeff David has been appointed to the position of the Managing Director and Chief Executive Officer of Greencross.
- Since the announcement of the merger on 14 November 2013, 6 new Petbarn stores have been opened and Greencross has acquired 2 veterinary businesses.

Completion of Merger with Mammoth

Greencross today completed its merger with Mammoth, owner of Petbarn and Animates, by acquiring 100% of Mammoth's shares from the Mammoth shareholders in exchange for issuing them with a total of 52,574,753 new Greencross shares.

The merger has created Australasia's largest integrated consumer-facing pet care company, with a network of 130 stores and 102 vet clinics across Australia and New Zealand. This includes 6 new Petbarn stores which have been opened since the merger was announced at Myaree (WA), Gladstone (NSW), Casula (NSW), Bayswater (VIC), Ringwood (VIC) and Weston (ACT) and two recently acquired veterinary practices in Calwell (ACT) and Beaudesert (QLD).

Following completion of the merger, with effect from 6 February the board of Greencross and its senior executive team will change.

The new board will comprise:

- Stuart James (Non Executive Chairman)
- Jeff David (Managing Director and CEO)
- Glen Richards (Managing Director, Veterinary Services)
- Paul Wilson (Managing Director, Retail)
- Andrew Geddes (Non Executive Director)
- Matt Hobart (Non Executive Director)
- Scott Gilbertson (Non Executive Director)

Matt Hobart and Scott Gilbertson are Partners at TPG Growth, Greencross' largest shareholder.

Appointment of new Managing Director and CEO

As previously foreshadowed, Glen Richards, who will remain on the Greencross board, has stepped down as CEO and will be replaced by Jeff David.

The Chairman of Greencross, Mr Stuart James said *"On behalf of my fellow directors, I would like to extend my thanks to Glen for his leadership of Greencross. His diligence and application have been a significant contributing factor to the success of the company and I look forward to continuing to work with Glen in his role as director and Head of Veterinary Services."*

"We look forward to Jeff David leading the Greencross team as our company embarks on the next exciting phase of its development. Jeff's strategic vision, energy and passionate commitment to establishing Greencross as Australia's leading specialty pet care company make him an ideal candidate to manage the integration of the newly acquired Mammoth business and execute our growth plans."

Jeff David is a founder of Mammoth, has served as a Non-Executive Director of Greencross since 2007 and is a Non-Executive Director of the Skin Cancer Foundation Australia. Prior to co-founding Mammoth, he was the CEO of Davids Asia Pte Ltd (an Asian retail logistics business) and Chairman of ShopFast (an online grocer).

A summary of the material terms of the Employment Agreement for Mr David is attached in Appendix 1.

Acquisition of Two Veterinary Businesses

Greencross is pleased to announce that it has acquired two new veterinary businesses.

Total cash consideration, including deferred payments, to be paid for the combined acquisitions equals \$3.7 million. The businesses are expected to deliver annualised revenue and EBIT of \$3.9 million and \$0.8 million respectively and are expected to be earnings per share accretive in FY2014.

The transactions are subject to deferred vendor payments for a period of up to 12 months.

The acquisitions are located in Calwell (ACT) and Beaudesert (QLD). The Calwell business has been in operation for 30 years and the Beaudesert business has been in operation for 35 years. The transactions were effective as at 28 January 2014.

Announcement of Interim Results

Greencross confirms that the company intends to announce its interim results for the six months ending 31 December 2013 on Monday 10 February.

ABOUT GREENCROSS

Greencross was established in 2003 and has grown to become Australia's leading veterinary services company through the acquisition and integration of 102 practices around Australia. On 31 January 2014, Greencross acquired Mammoth, resulting in Greencross becoming Australasia's largest integrated consumer-facing pet care company.

Greencross' strategy is to continue to consolidate the fragmented veterinary services and pet accessories and pet food supply industries in Australia. Greencross is focused on delivering exceptional veterinary medicine, pet foods and products and levels of care to its customers and pets.

For further information please contact:

| Media enquiries | Investor enquiries |
|---|---|
| Jeff David, Director, Greencross Limited Phone: (02) 8595 1751 | Robert Wruck, Consultant, Investor Relations Phone: (02) 8595 3313 |

Appendix 1

Summary of Material Terms of Employment Agreement between Greencross and Jeffrey David

Following completion of the merger between Greencross and Mammoth, Greencross has employed Mr Jeffrey David as the managing director and chief executive officer of Greencross. A summary of the material terms of employment of Mr David appears below.

1 Appointment

Mr David's appointment is to the position of Managing Director and Chief Executive Officer of Greencross.

2 Term

The appointment commences on 6 February 2014 and is ongoing, with the termination provisions noted below.

3 Duties and reporting structure

The duties of Mr David are those commonly expected of the CEO, including reporting to and receiving directions from the Board.

4 Remuneration

Mr David's remuneration comprises two components, namely:

- (a) Fixed remuneration - Mr David will be paid a total fixed remuneration (TFR) of \$575,000 each year, inclusive of base salary, compulsory superannuation contributions by Greencross and director's fees. The fixed remuneration will be reviewed annually with effect from 1 July each year starting next year.
- (b) Short term Incentive - Mr David will be eligible to participate in the Greencross annual short term incentive (STI) plan starting in the year commencing 1 July 2014. The STI plan allows for incentive payments as a percentage of TFR based on the level of annual earnings per share (EPS) growth as set out below:

| Annual EPS Growth | Percentage of TFR to be paid |
|---------------------|--|
| Greater than 30% | 50% |
| Between 20% and 30% | The percentage of TFR to be paid will be determined on a proportionate straight line' basis between 25% and 50% based on the EPS Growth actually achieved. |
| At 20% | 25% |
| Between 12% and 20% | The percentage of TFR to be paid will be determined on a proportionate straight line' basis between 12% and 25% based on the EPS Growth actually achieved. |

| | |
|---------------|-----|
| At 12% | 12% |
| Less than 12% | Nil |

5 Termination

Mr David may end his employment at any time by giving three months' written notice. Greencross may also end Mr David's employment at any time:

- (a) by giving three months' written notice;
- (b) at any time without notice to Mr David if he:
 - (i) engages in serious or wilful misconduct;
 - (ii) is seriously negligent in the performance of his duties;
 - (iii) commits a serious or persistent breach of his employment agreement;
 - (iv) commits an act, whether at work or otherwise, which brings Greencross into disrepute; or
 - (v) is convicted of an offence punishable by imprisonment.

6 Non-competition

During his employment Mr David must not be engaged in any activities, concerned or interested in any activities that are materially competitive with the pet business of the Greencross Group without Greencross' prior written consent.

After termination of Mr David's employment, except with the approval of the Chairman, Mr David must not, for a period of 3 months, be involved in any business which is materially competitive with the pet business of the Greencross Group

7 Other terms

The agreement also contains general provisions relating to hours of work, compliance with company policies, reimbursement of expenses, leave entitlements (including 4 weeks' annual leave, 10 days personal/carer's leave, long service leave and study leave), public holidays, suspension from duties (if Greencross views Mr David's conduct, capacity or performance may warrant serious disciplinary action), disclosure of information, intellectual property and compliance and approvals.

-END-