

Passionate about Pets



Greencross Ltd



WILSON HTM RAPID INSIGHTS CONFERENCE

NOVEMBER 2014

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History of Greencross

Combining two fast growing businesses with proven operating models

Greencross Retail

FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
18 months due diligence	Acquired original Petbarn stores	Broadened NSW reach and moved into ACT	Acquired Jansens and Animates in NZ	Entered Queensland	Entered Victoria	Entered Tasmania and South Australia	FFL moves through 1m members	Entered Western Australia

Stores 0 10 31 45 52 62 74 96 114

Greencross Vet

FY07	FY08	FY09	FY10	FY11	FY12	FY13
Listed on the ASX	NPAT exceeds prospectus forecast by 37%	Entered NSW	Acquired Babtec	Launched HPP Program	Commenced pathology work	Acquired MVSC

Clinics 31 40 44 46 59 78 93

FY14	FY14/15
Merged in January 2014 to become Australasia's Leading Pet Specialist, more than twice the size of its closest competitor	Acquired City Farmers, a leading competitor with a strong WA presence – completed in July 2014

Stores 135 181
 Clinics 108 116
 Total 243 297

Introduction to the industry

Discovery

Gaining critical mass

Leading execution

Building the brand

Driving advocacy

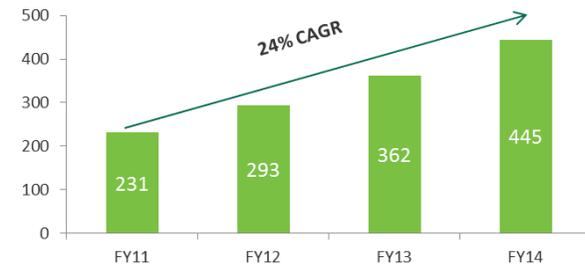
A record performance in FY2014

Continuing a history of strong growth in the robust pet industry

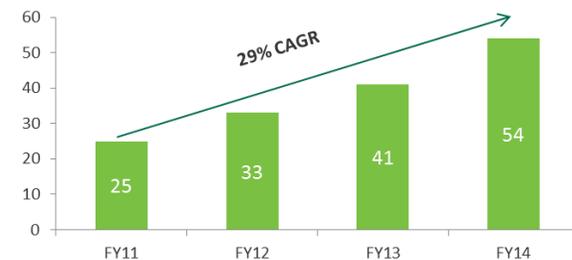
	FY2014 ¹	Change vs. FY2013 ²
Pro Forma Sites	246	19%
Pro Forma Revenue	\$445.5 million	23%
Pro Forma EBITDA	\$54.3 million	32%
Pro Forma NPAT	\$21.6 million	45%
Pro Forma EPS	24.0 cents	28%
Annual Dividend	12.5 cents	25%

Historic Trend (Pro-Forma¹)

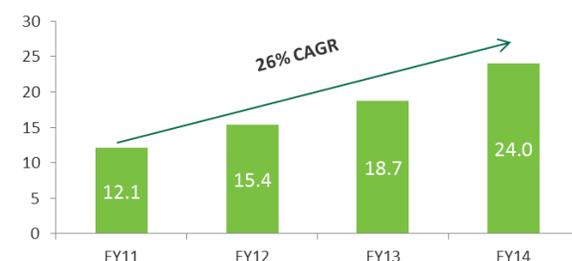
Pro Forma Revenue (\$m)



Pro Forma EBITDA (\$m)



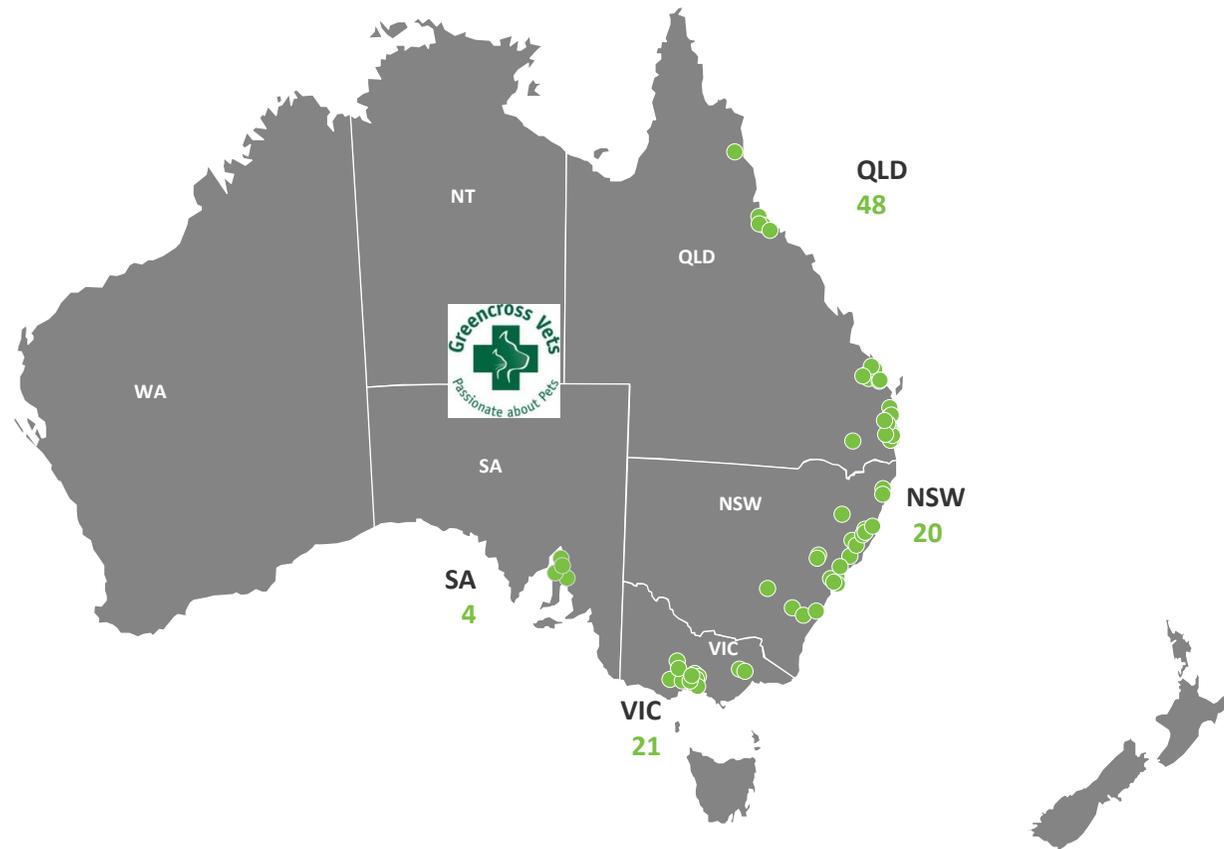
Reported, underlying EPS (cents)



1. Pro Forma FY2014 assumes the merger with Mammoth was completed on 30 June 2013, excluding integration and transaction costs and one off items. Includes Pro Forma synergies. Excludes City Farmers which was acquired on 17 July 2014.
2. Pro Forma FY2013 assumes the merger was completed on 30 June 2012, excluding one off items.

During FY2014 Greencross was transformed from a veterinary service provider on the east coast of Australia...

Prior to the merger with Mammoth, Greencross operated 93 vet clinics



Addressable market ~\$2B

Into Australasia's leading pet care specialist

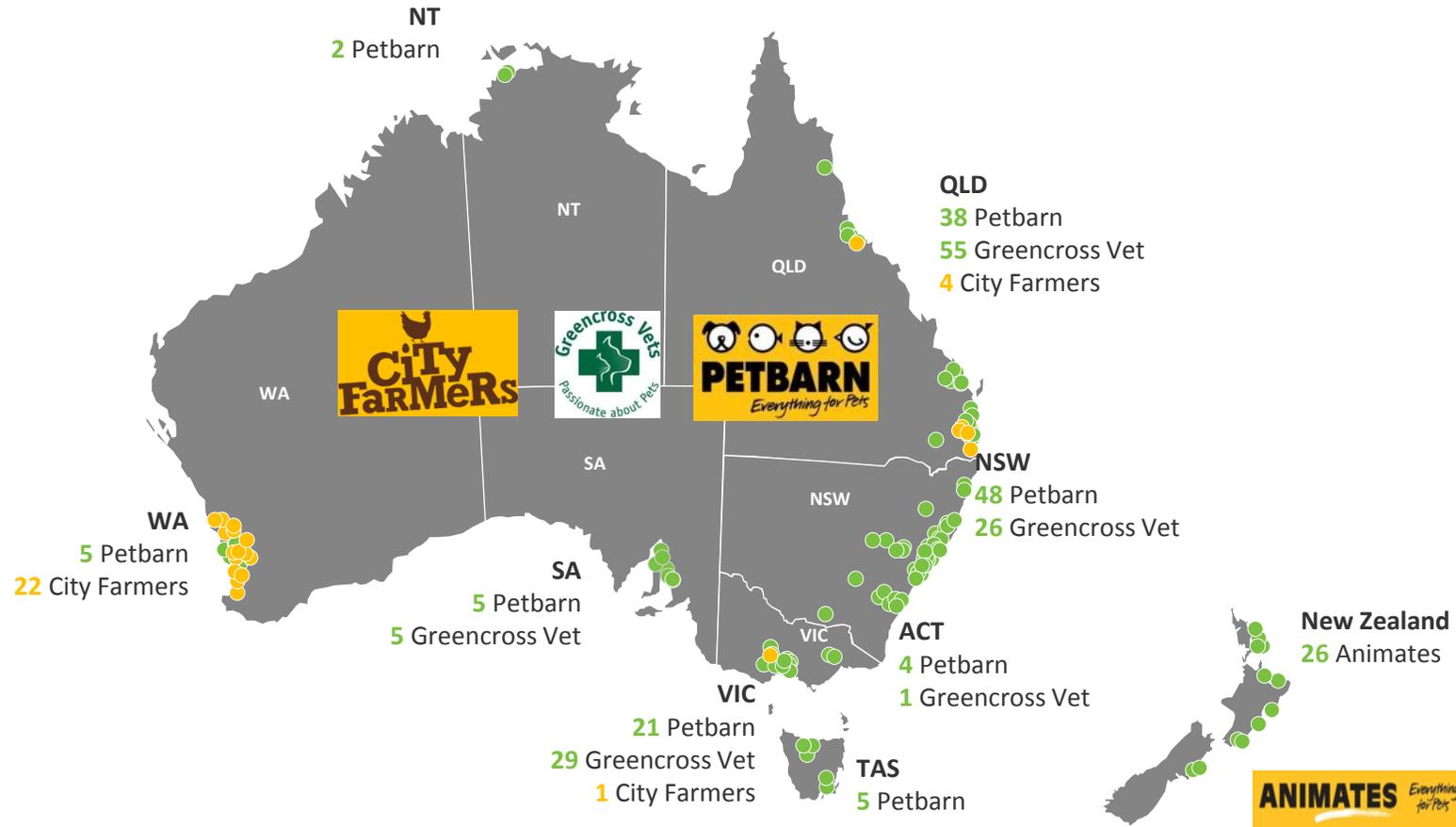
Greencross currently operates at almost 300 locations across Australia and New Zealand

69 New stores opened or acquired in FY2014 and FY2015 YTD¹:

QLD – 20
NSW – 7
VIC – 9
WA – 24
ACT – 1
SA – 3
NZ – 5

23 New Clinics opened or acquired in FY2014 and FY2015 YTD:

QLD – 7
NSW – 6
VIC – 8
ACT – 1
SA – 1



Addressable market ~\$8B (AUS\$7B; NZ\$1B)

1. Includes the acquisition of 42 City Farmers stores which was completed on 17 July 2014

Greencross' goal is to be Australasia's pet specialist of choice

GREENCROSS

Medical and Non-Medical Pet Services & Retailing

Australasia's leading consumer facing pet company

116 Vet clinics including 98 general practices, 13 specialty and emergency centres and 3 vet pathology labs

Over 110 support service activities including 35 grooming salons, 77 'DIY' dog washes and 2 pet crematoria

128 stores

27 stores

26 stores

Wellness program: ~35,000 HPP members

Loyalty program: ~1.9m FFL + ~0.5m Backyard Rewards members

Addressable market: ~\$8 billion in Australasia with a marketshare of 7.5%¹

1. Management estimates.

Greencross reaches each segment of the ANZ pet care market

Social and demographic trends support the ~4 to 5% CAGR of the ~\$8 billion Australasian pet care sector. Greencross is Australia's (~\$7B) and New Zealand's (~\$1B) largest fully integrated pet specialist

Food and Accessories (AUS \$3b)

High incidence of pet ownership

- 63% of Australian households own a pet¹

Humanisation

- 60% of Australian pet owners regard their pets as members of the family¹
- Pet parents are willing to spend more to improve the quality and longevity of their pets life
- Pampering of pets driving high growth rates in pet treats

Premiumisation

- Growing awareness of the importance of pet nutrition
- Trend towards higher margin premium and specialty food brands, which offer more nutritional value than mass market brands
- Increased popularity of breed specific / age specific food
- Higher sales of food with vitamins and dietary supplements targeted at particular health concerns

Veterinary Services (AUS \$2b)

Aggregation

- Demographic trends are reducing demand for practice ownership
 - ~80% of Australian veterinary graduates are women
 - Gen Y vets placing increased emphasis on work life balance and flexible work hours
 - Many vets would prefer to focus on practising veterinary medicine rather than running a business

Specialisation

- Increased demand for specialist medical procedures requiring expertise and /or advanced technology
 - Radiology
 - Pathology
 - Dermatology
 - Cardiology
 - Dentistry
 - Ophthalmology
- This is set to grow as pet health insurance deepens its penetration, currently 5%

Non Veterinary Services (AUS \$2b)

Humanisation

- Increased demand for premium services
 - Dog walking
 - Grooming
 - Dog washing
 - Accommodation
 - Training and Obedience
 - Acupuncture
 - Hydrotherapy
 - Pet travel
- Pet insurance
- Pet crematoria

1. Source: Pet Ownership in Australia 2013

Greencross targets pet parents

We help our customers become better pet parents

Pet Owners

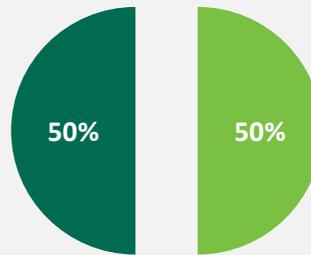
- Butch has an owner
- Butch lives outdoors
- Butch eats budget food and table scraps
- Butch plays with an old tennis ball
- When it is wet, Butch is allowed into the laundry
- On special occasions, Butch gets a bone



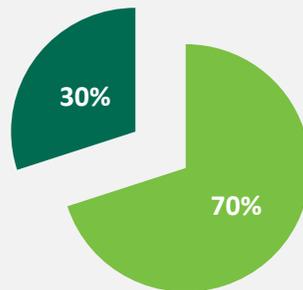
1. Source: Management estimates

Split by Pet Owner Type

Pet Ownership¹



Expenditure¹



Pet Parents

- April has pet parents who treat her as a member of the family
- April lives indoors and sleeps in her own special bed
- April eats premium food and loves dog treats
- April enjoys playing with her snuggle, IQ and chew toys
- When it is wet, April wears her coat and matching collar
- On special occasions, April goes to the groomer to ensure she looks her best. She gets presents on her birthday and shares in all of the family's celebrations



'April'

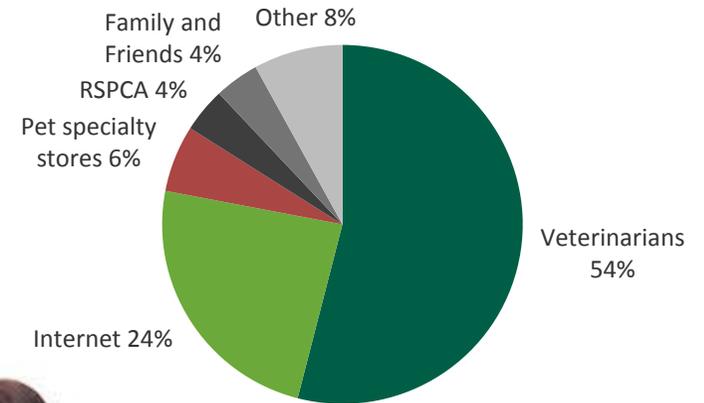


Vet endorsement plays a key role in the pet sector

The Australian pet sector has developed on the back of vet endorsement and the increased focus on animal wellbeing

- Greencross is well positioned to benefit from the humanisation of pets which is increasing consumer focus on animal health, wellbeing and quality of life
- Pet consumers are placing increasing value on specialist product knowledge and expert advice
- Growing trend towards high nutrition, premium pet food products:
 - products promoting immune system support and a healthy digestive system
 - products targeting specific health concerns like heart disease, urinary disease and arthritis
 - products fortified by the presence of prebiotics, probiotics, antioxidants and added protein
- Prescription and science based foods, as well as all natural foods, continue to grow in popularity

Australia – best source of information about pet related issues¹



1. Source: Pet Ownership in Australia 2013

Greencross employs over 400 vets

Synergies from both the Mammoth merger and the City Farmers acquisition are being delivered in line with expectations

The delivery of merger synergies is a key component of FY2015 earnings

Deal	Type	Synergy Driver	Commentary
Synergies from the Mammoth Merger	Cost	Alignment of Supplier Terms	<ul style="list-style-type: none"> Completed on track
		Shared Services Cost Savings	<ul style="list-style-type: none"> Cost savings in line with expectations
	Revenue	Co-location	<ul style="list-style-type: none"> Kawana open, targeting 3 to 6 sites by end of FY2015
		Remerchandising	<ul style="list-style-type: none"> Ahead of expectations, roll out underway
		Cross Referrals	<ul style="list-style-type: none"> Petbarn referrals to Greencross requiring additional trial
Synergies from the City Farmers Acquisition	Cost	Margin Uplift	<ul style="list-style-type: none"> Equalisation of trading terms completed
		Operational efficiencies	<ul style="list-style-type: none"> Elimination of duplicated activities complete
		Network optimisation	<ul style="list-style-type: none"> Rebranding and network review substantially complete
	Revenue	Enhanced Merchandise Offering	<ul style="list-style-type: none"> Common range agreed, phased implementation underway
		Co-located Vet clinics	<ul style="list-style-type: none"> To start in FY2016 following results of trials

Synergy update – enhancing vet merchandising Ku-Ring-Gai – large sales area

- Double digit sales increase
- Roll out in remainder of network is underway and on time



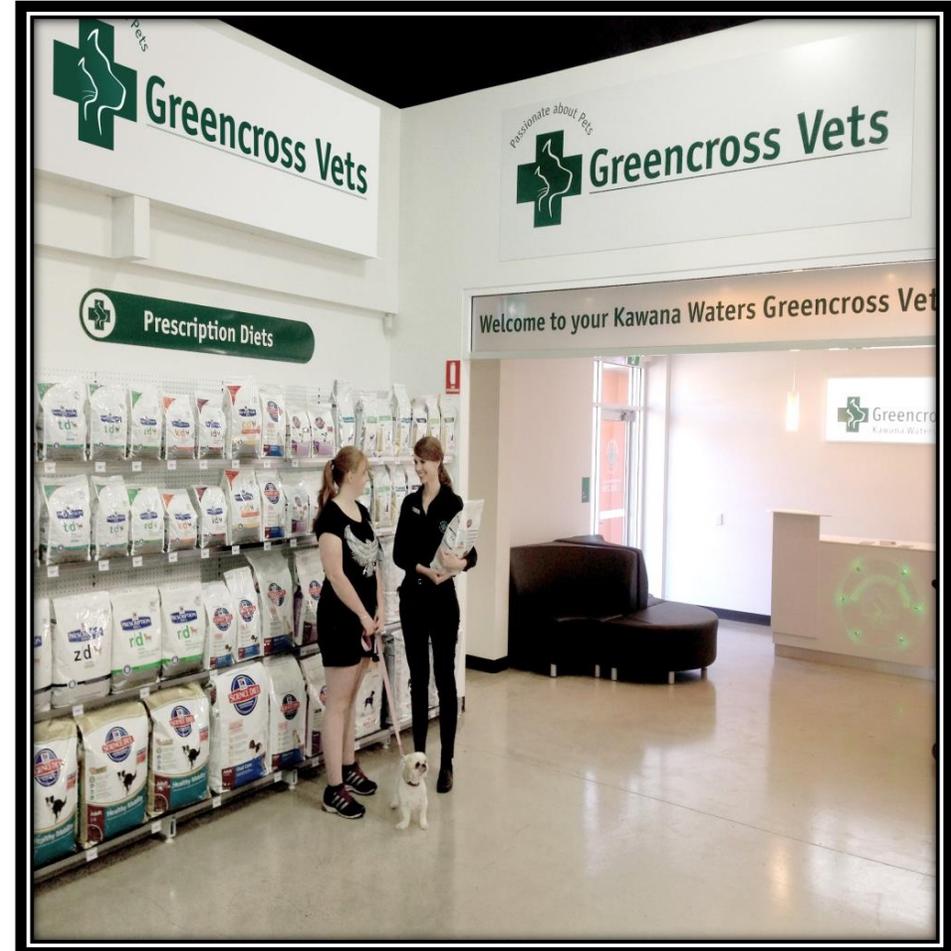
BEFORE



AFTER

Co-location – increasing convenience for pet parents

Kawana (QLD) - Greencross' second co-located store & clinic

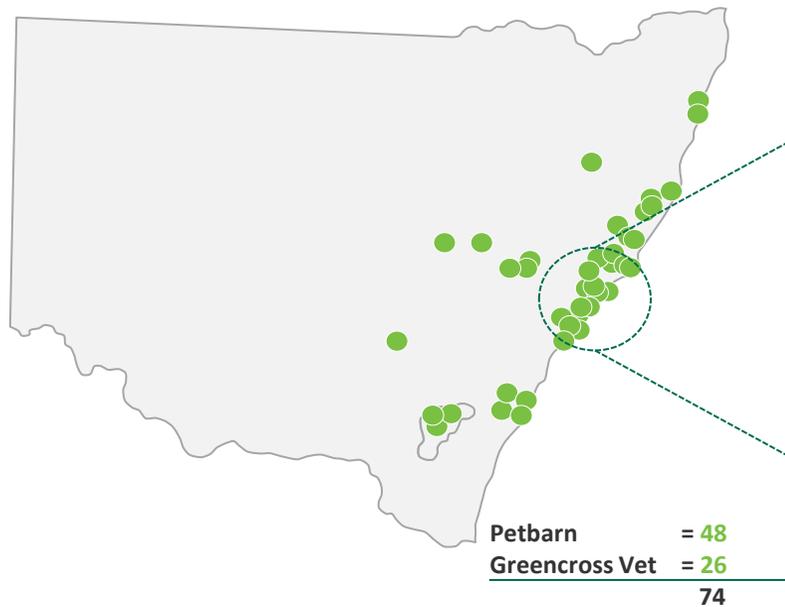


Co-locations, the first step towards the 'cluster' location model

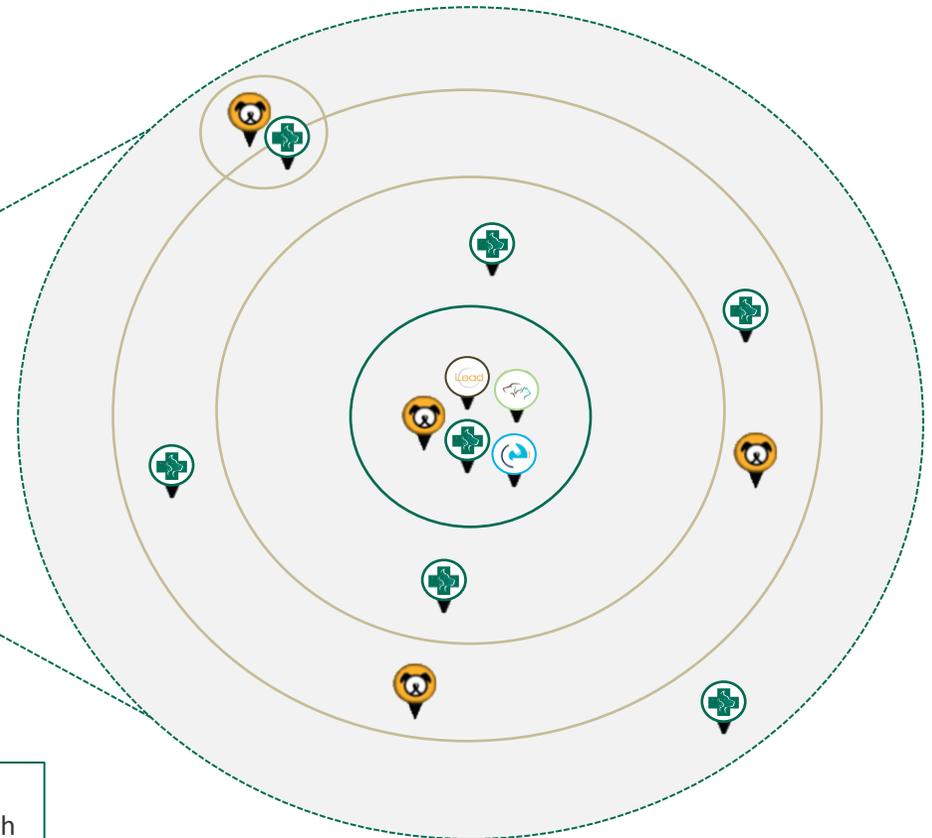
Strategic clustering of specialty pet retail and veterinary services optimises network coverage

Greencross aims to maximise consumer engagement by tailoring a store and clinic network for each targeted region

New South Wales network



Potential cluster model

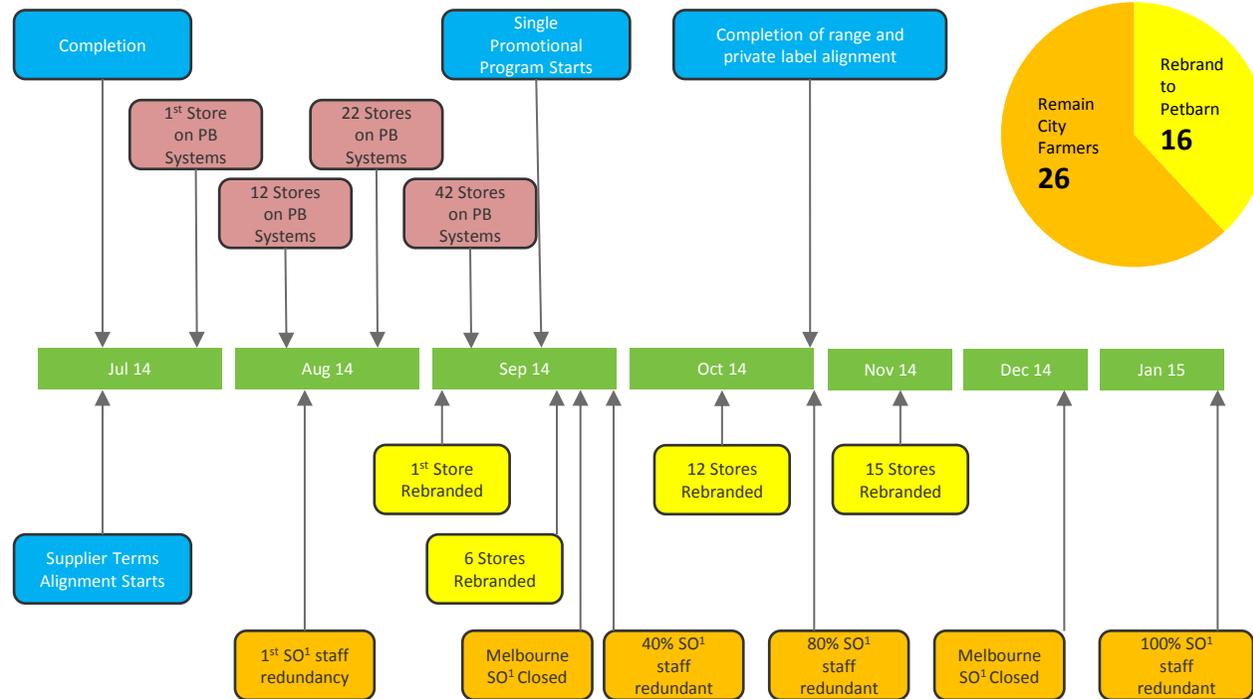


Regional clustering of general practices, specialty and emergency centres, grooming salons, behaviour and training centres and vertical integration with pathology, diagnostic imaging and pet funeral business

The integration of City Farmers is proceeding on plan

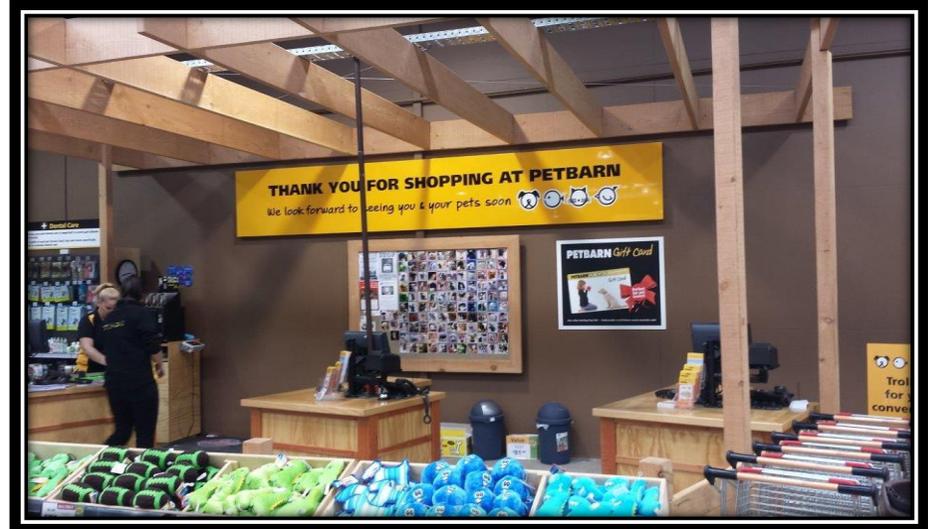
- Acquisition completed on 17 July 2014
- Integration and synergies progressing well
 - Integration will be substantially complete by December 2014, with majority of activities completed earlier
 - Synergy achievability reconfirmed
- Key Initiatives implemented
 - All stores now cutover to Petbarn systems
 - Rebranding substantially complete
 - Common range, including private label agreed and roll out underway
 - One head office in Sydney – City Farmers’ Melbourne office premises closed, Perth office will be closed by December 2014
- The ACCC informal market review continues. Greencross continues to provide support where requested

City Farmers integration – key milestones



1. SO = Support office

City Farmers – store format and rebranding



Greencross Retail - Everything for pets

Greencross Retail offers a broad range of products and services aimed at owners of a variety of pets, including dogs, cats, fish, birds, reptiles and small animals through its retail store and online channels

Every species



A comprehensive product range

<p>Food</p> 	<p>Training and behaviour control</p> 
<p>Health and wellbeing</p> 	<p>Collars, leads, other accessories</p> 
<p>Grooming</p> 	<p>Bedding and clothing</p> 
<p>Toys</p> 	<p>Kennels, cages and aquariums</p> 

Thoughtful advice



Did you know?
 The right food improves your pets health and happiness.

It pays to feed your dog the very best.

We have litter in 4 different materials to suit your needs.

PETBARN  Everything for Pets

Did you know?
 100% satisfaction guarantee on all of our super premium dry dog food

Our Friends for Life members have saved over \$2.3 million in 6 months

We guarantee our fish for 7 days

Petbarn Adoptions have saved over 10,000 lives

Friends for Life Club

petbarn.com.au

Supportive services

-  **PETBARN GROOMING**
 - Petbarn is the largest provider of grooming services in Australia
 - Dog wash and grooming facilities in a modern, comfortable and safe environment for your pet
-  **PETBARN DOG WASH**
 - Do It Yourself dog wash units conveniently located in selected Petbarn stores
-  **PETBARN HOTEL**
 - Petbarn provides accessible drop off points for your pets. Pet accommodation in conjunction with Hanrob Pet Hotels
-  **PETBARN ADOPTION**
 - Promote pet adoption with charity based organisations such as the RSPCA and Lort Smith
-  **PETBARN FOUNDATION**
 - Petbarn Foundation was established to support charities focused on enriching the lives of pets and the people who love and need them

Petbarn, City Farmers and Animates – store format



Key drivers of growth – Greencross Retail

Pet is a fast growing category – the pet care market in Australia has grown at ~5.0% p.a over the last decade, underpinned by growth in specialty retailing and services

Store roll-out

Rolling out a proven platform

- Targeting 25 new stores in FY2015
- Current market share of 7.5% in a highly fragmented market
- Co-location model provides expanded opportunity set – e.g. smaller format Petbarn stores in regional Greencross clinics

Underlying Sales Growth

Growing maturity of the store fleet

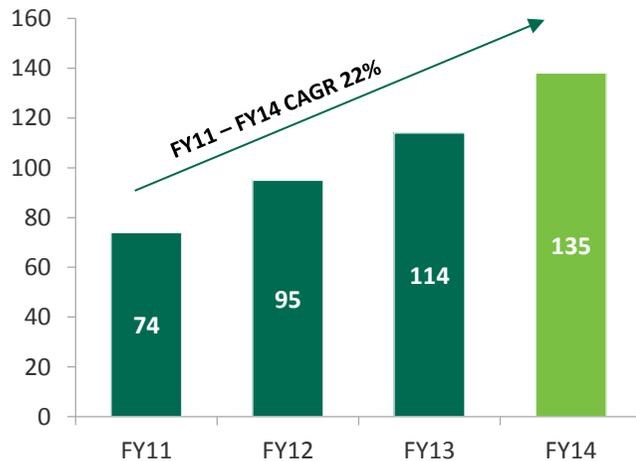
- Typically, it takes 6 to 7 years for a Petbarn store to reach maturity (LFL sales growing at the industry average)
- Average time to maturity is expected to decrease over time as Petbarn brand recognition grows
- ~56% of retail stores have been open less than 3 years

Margin Extension

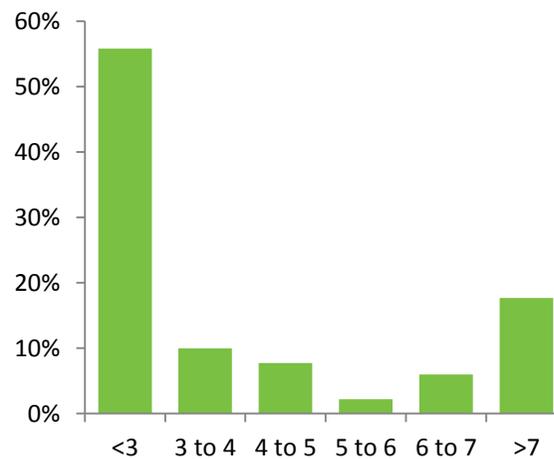
Private label and exclusive brands

- Significant opportunity to drive customer loyalty and improve margins
- Joint buying arrangements with Petco provide a significant advantage
- Long term penetration target of ~25% of sales (from ~10% today)

Greencross Retail – Store Numbers



Retail – % of fleet by store age (years)



New store openings

Greencross has opened 6 new retail stores in FY2015 YTD

Our new City Farmers store at Harrisdale (WA)



Our new Petbarn Store at Menai (NSW)



Greencross Vet – Passionate about pets

Greencross Vets offers comprehensive ‘whole of life’ support to pet parents

Proactive			Responsive		
General Practices	Pathology Labs		Emergency Centres	Specialty Centres	
General Consultations	Parasite Prevention	Training and Obedience			
Vaccinations	Surgical Procedures	Desexing			
Radiology and Ultrasound	Laboratory and Pathology Testing	Microchipping	<div data-bbox="1220 989 1848 1323">  <p>Greencross Promise</p> <p>Greencross Vets is committed to veterinary excellence across our family of practices.</p> <p>If you are not entirely satisfied with our service, advice or your pet's treatment, we need to hear from you.</p> <p>Tel: 1300 GX PROMISE (1300 497 766)</p> <p>Online: www.greencrossvet.com.au/ourpromise</p> <p>Post: Our Promise, PO Box 8366 Woolloongabba QLD 4102</p> </div>		
Dentistry	Weight Loss Programs	Pet Crematoria			

Greencross Vet – clinics

General Practice - Morayfield



Accident and Emergency Centre – Varsity Lakes



MRI Room - Melbourne Veterinary Specialty Centre



Pathology Lab - Melbourne



Key drivers of growth – Greencross Vet

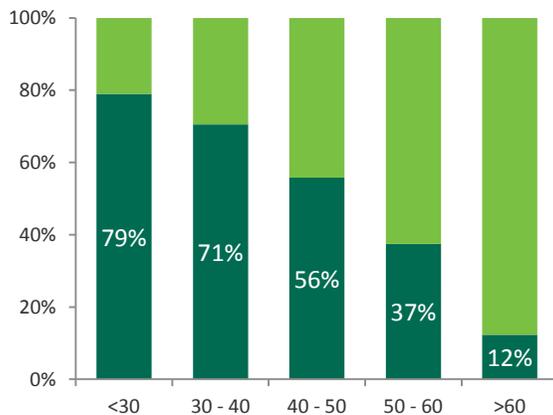
Vet is a resilient category – the veterinary services market in Australia has grown at ~3.0% p.a over the last decade. Greencross has achieved above industry growth through customer loyalty, benefits of scale and a comprehensive service offering

Aggregation

Demographic trends are positive

- ~80% of new veterinary graduates in Australia are female⁽¹⁾
- Gen Y vets are placing increased emphasis on flexible working hours
- Junior vets are seeking job security, training and career progression in preference to practice ownership

Registered Vets in NSW - % Female⁽¹⁾



1. Source: Australian Veterinary Association, Australian Veterinary Workforce Review Report, June 2013

Innovation

HPP lifting spend in existing clinics

- Proactive preventative health plan
- Unlimited consultations
- Clients pay \$440 p.a for “peace of mind”
- ~35,000 HPP members

Remerchandising to increase product sales



Broadening Service Offer

Expanding into high margin services

- Specialty Centres
 - Radiology
 - Pathology
 - Dermatology
 - Cardiology
 - Dentistry
 - Ophthalmology
- Pet crematoria
- Pet training and behaviour programs
- Significant cross referral opportunities as network and service offerings expand



Dr Ian Kadish appointed as COO of Veterinary Services

- Greencross Limited has announced the appointment of Dr. Ian Kadish as Chief Operating Officer, Veterinary Services to replace the retiring Dr. Glen Richards, effective 9 December 2014
- Dr. Kadish is a seasoned professional having over 25 years' experience in the healthcare industry
- Dr. Kadish joins Greencross from ASX-listed Primary Health Care where he served as CEO of their Lavery Pathology division. He is the former Managing Director of Pulse Healthcare and a former Executive Director of Netcare Limited
- Dr. Kadish, a qualified medical practitioner, commenced his executive healthcare career at McKinsey and Company where he specialised in buying and selling hospitals and consulting to large hospital groups and health insurance companies
- Glen Richards will remain with Greencross as a non executive director

Group leadership – focused on key drivers

Greencross has a highly experienced management team

Stuart James
Non-Executive Chairman

- An experienced executive within the financial and healthcare sectors. Stuart's past roles have included Managing Director of Australian Financial Services for Colonial and Managing Director of Colonial State Bank (formerly the State Bank of NSW)
- Stuart also held an executive role as CEO of the Mayne Group from January 2002 to January 2005

Jeffrey David
Co-Founder
Chief Executive Officer

- Involved in the retail industry for 27 years, commencing with family wholesaling business (Davids Limited) in 1985
- Spent three years in USA as Senior Vice President and Chief Administrative Officer of Independent Grocers Alliance
- Spent seven years in Asia as CEO of Davids Asia Pty Ltd
- Founding Chairman of ShopFast (Australia's largest online grocery business)

Paul Wilson
Co-Founder
Chief Commercial Officer

- Responsible for Greencross' expansion and improvement activities
- 27 years of retail experience including 12 years with Caltex as Retail Manager responsible for 500 retail service station / convenience stores
- Prior to joining the Group was COO of ShopFast (Australia's largest online grocer)

Scott Charters
Chief Operating Officer -
Retail

- Responsible for Greencross' retail activities
- 20 years with Woolworths in roles including Area Manager, National Retail Support Manager and Head of Advertising
- Prior to joining Petbarn was the COO of Barbeques Galore

Ian Kadish
Chief Operating Officer –
Veterinary Services

- Responsible for Greencross' Vet and services operations
- Over 25 years experience as a healthcare professional
- Former CEO of Lavery Pathology, a division of ASX Listed Primary Healthcare

Martin Nicholas
Chief Financial Officer

- Responsible for Greencross' finance, review and administration activities
- 27 years as a leading finance executive in the UK, Australia and Asia in FMCG and professional services, including Unilever and Rentokil
- Prior to joining Greencross was the CFO of Sterling Early Education and Study Group

David Hutchinson
Chief Marketing Officer

- Responsible for Greencross' marketing, sales and online activities
- Former marketing director of B&Q PLC, a retail market leader in the UK DIY category
- 20 years experience in sales and marketing in retail and FMCG

Vincent Pollaers
General Counsel &
Company Secretary

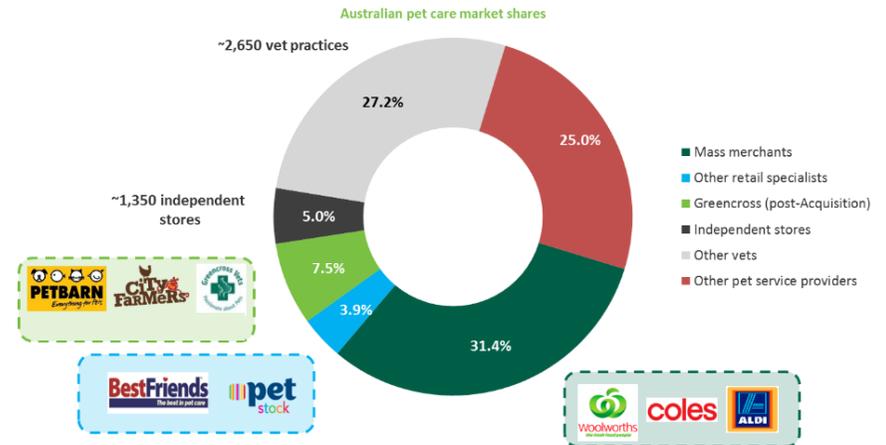
- Responsible for Greencross' Human Capital, legal and compliance activities
- Prior to Petbarn, positions held included corporate lawyer with Freshfields, London; General Counsel and Strategy Executive, IBM Australia/NZ; and Managing Director, Asia Pacific of boutique strategy consultancy McKinney Rogers

Delivering 'Australasia's pet care specialist of choice'

Greencross' growth strategy is thoughtful, proven and determined. It is designed to build upon our market position in a sector growing at ~4% to 5% per annum

Activity	Delivering
<ul style="list-style-type: none"> Increasing customer/client engagement within existing units <ul style="list-style-type: none"> Service and range Services (grooming, training, etc.) Lifting cross referrals between retail and vet Extending proactive health support by promoting membership in Healthy Pets Plus Broadening on-line 	Organic (LFL) Growth
<ul style="list-style-type: none"> Increasing penetration of private label and exclusive brand products Introducing additional high value services <ul style="list-style-type: none"> E.g. Pathology 	Improved Gross Margin
<ul style="list-style-type: none"> Additional outlets <ul style="list-style-type: none"> Stores GP Clinics Emergency Centres Specialty Centres Co-Locations 	Extending Market Reach

Goal



To achieve 20% market share

Current trading

Strong Q1 trading, Total sales 45% ahead of pcp - in line with expectations

- Good progress in FY2015 YTD
 - Petbarn LFL revenue growth in FY2015 YTD of 5.7%
 - Animates (NZ) LFL revenue growth in FY2015 YTD of 5.2%
 - Greencross Vet LFL revenue growth in FY2015 YTD of 4.8%
- Current net debt of \$200 million
 - >\$35 million of undrawn capacity under existing facilities

Targets for vet acquisitions and new stores increased based on strong acquisition and roll out pipeline

- Veterinary Services
 - Based on strong acquisition pipeline, now targeting clinic acquisitions representing \$25 million of annualised revenue in FY2015
 - Acquisitions representing \$4.1 million of annualised revenue already completed in FY2015 YTD
- Retail
 - Targeting 25 new stores by end of FY2015 (excluding the City Farmers stores already acquired)
 - 6 stores already opened in FY2015 (including our newest store in Menai, NSW)
 - 4 new stores expected to open by end of calendar 2014
 - New store pipeline remains strong
 - The delivery of synergies expected to be delivered from the acquisition of City Farmers remains on track

**EPS guidance of 36 cents¹
for FY2015 reconfirmed,
representing a 50%
increase on F2014**

1. Delivered during FY2015 excluding the impact of transaction and integration costs relating to the acquisition of City Farmers and one off items