

25 October 2016

2016 AGM – Chairman's Address

2016 has been an active year for your Company and I have been delighted with the performance of our team who have demonstrated an ongoing commitment to providing service and value to our customers, improving our financial and operating performance and executing our integrated petcare strategy.

This year has been another year of significant expansion. We have continued to build our leading market position in the fast growing \$9 billion ANZ pet care market and grown our store and clinic network to over 375 locations across Australia and New Zealand.

We will continue to pursue our strategy to profitably grow our business by leveraging the benefits of our scale, expanding our reach and increasing our engagement with our customers through our unique integrated petcare model.

We have made significant progress in FY2016 in extending the service offering in our retail stores in order to drive foot traffic and increase customer loyalty through the addition of 14 in-store vet clinics and 14 new grooming salons. There is now clear evidence that the benefits of our integrated pet care platform are being delivered. Our co-located vet clinics are performing well, cross referrals between our veterinary and retail businesses are growing strongly and we have implemented a group loyalty scheme that rewards our customers for their purchases across all of our brands. As a result, in Australia alone, the number of customers who shop across more than 1 of our formats has increased by 37% over the past 12 months to over 146,000.

I believe that Greencross is well positioned to deliver another solid year of growth for our shareholders in FY2017.

Takeover Activity

It would be remiss of me not to comment on the corporate activity which took place on our register this year. In early 2016 we received a number of indicative, conditional and non binding proposals to acquire all of the shares in Greencross. After careful consideration, the Board chose not to recommend any of these approaches, on the basis of their lack of certainty and our view that they undervalued Greencross. We had high confidence in the future growth and performance of the Group through the pursuit of an integrated pet care solution for consumers in the ANZ pet care market. That remains our view and I believe that the financial and operating performance of the business in FY2016 underlines the fact that we have the right business model, corporate strategy and management team to deliver long term shareholder value.

Purpose and Vision

Our vision for Greencross is to be the best pet care company in the world for our shareholders, our customers, our suppliers and our teams. We will achieve this by developing and growing a range of services and products that can best serve the needs of pet owners in Australia and New Zealand.

We have a clear purpose - to make our world a happier place through the love of pets. We believe that by making pet ownership more affordable, making our products and services more accessible, using our knowledge and expertise to provide pet owners with the best advice and bringing pet owners closer together, we can achieve this purpose.

Loyalty and Wellness Programs

Customer engagement is key to the success of our business and I am pleased to report that our Friends for Life loyalty program now has over 3 million members. Over 85% of sales in our retail stores are made on a customer loyalty card, and this provides us with a high level of insight into our customers spending habits and allows us to target our offering to suit their individual needs.

In addition, our Healthy Pets Plus Program added approximately 11,000 members in FY2016 to reach over 54,000 members.

Gender Diversity

I am pleased to report on our commitment to gender diversity. Women represent 76% of all employees, 37% of senior management positions and 25% of directors on our board. Female representation in our Company has increased across all three categories this year.

Staff

Greencross employs over 5,000 skilled, passionate and dedicated staff. The results achieved by the Company over the past 12 months are a credit to the effort and engagement of all of our Greencross team members. On behalf of the Board, I would like to thank each of these team members for their contribution. The commitment of our team is essential to the ongoing success of our organisation and our ability to deliver returns to our shareholders.

Greencross Shareholders

Finally, on behalf of the board of directors of Greencross, I would like to thank you, our shareholders, for your support and I now call on our Chief Executive Officer, Martin Nicholas, to speak to our financial and operating performance in further detail.