

Passionate about Pets



Greencross Ltd



2014 FULL YEAR RESULTS PRESENTATION

RESULTS FOR YEAR ENDING 30 JUNE 2014

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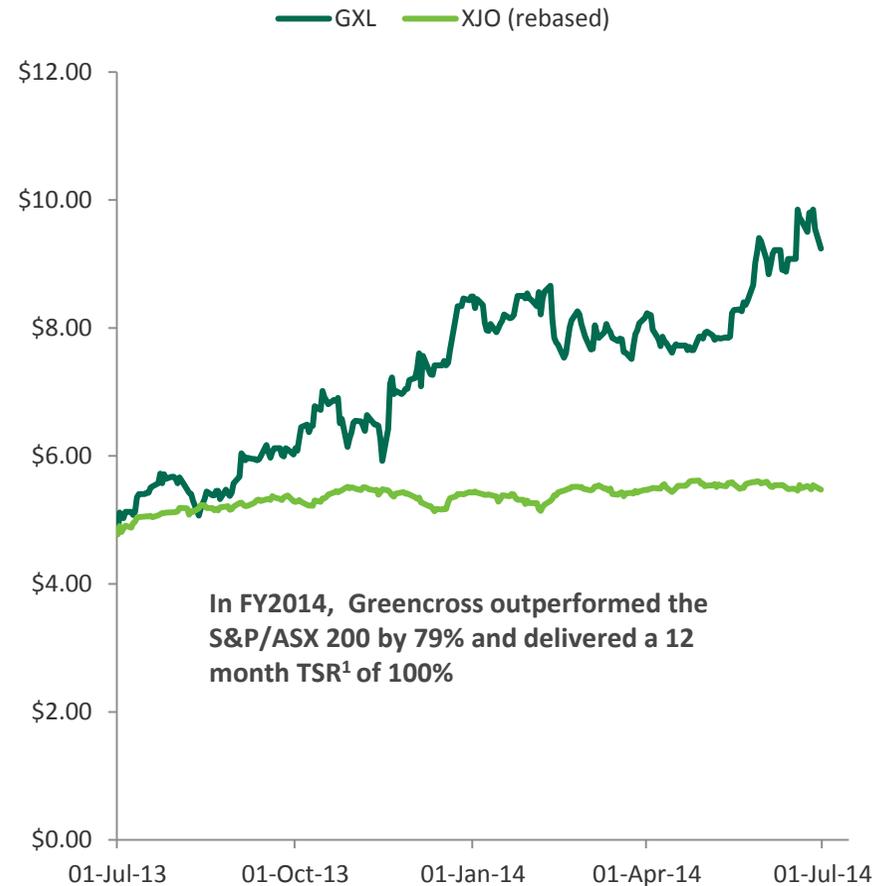
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FY2014 – an incredible year of transformation

In FY2014 Greencross extended its foundations for further shareholder value creation

	30 June 2013	28 August 2014
Share Price	\$4.68 ¹	\$10.00
Market Cap	\$174m	\$1,107m
Index inclusion	Ex S&P/ASX 300	S&P/ASX 200
Stores and Clinics	93	298
Addressable market	c.\$2b	c.\$7b
Reported, underlying EPS	18.7	24.0

Greencross share price performance vs S&P/ASX 200 in FY2014

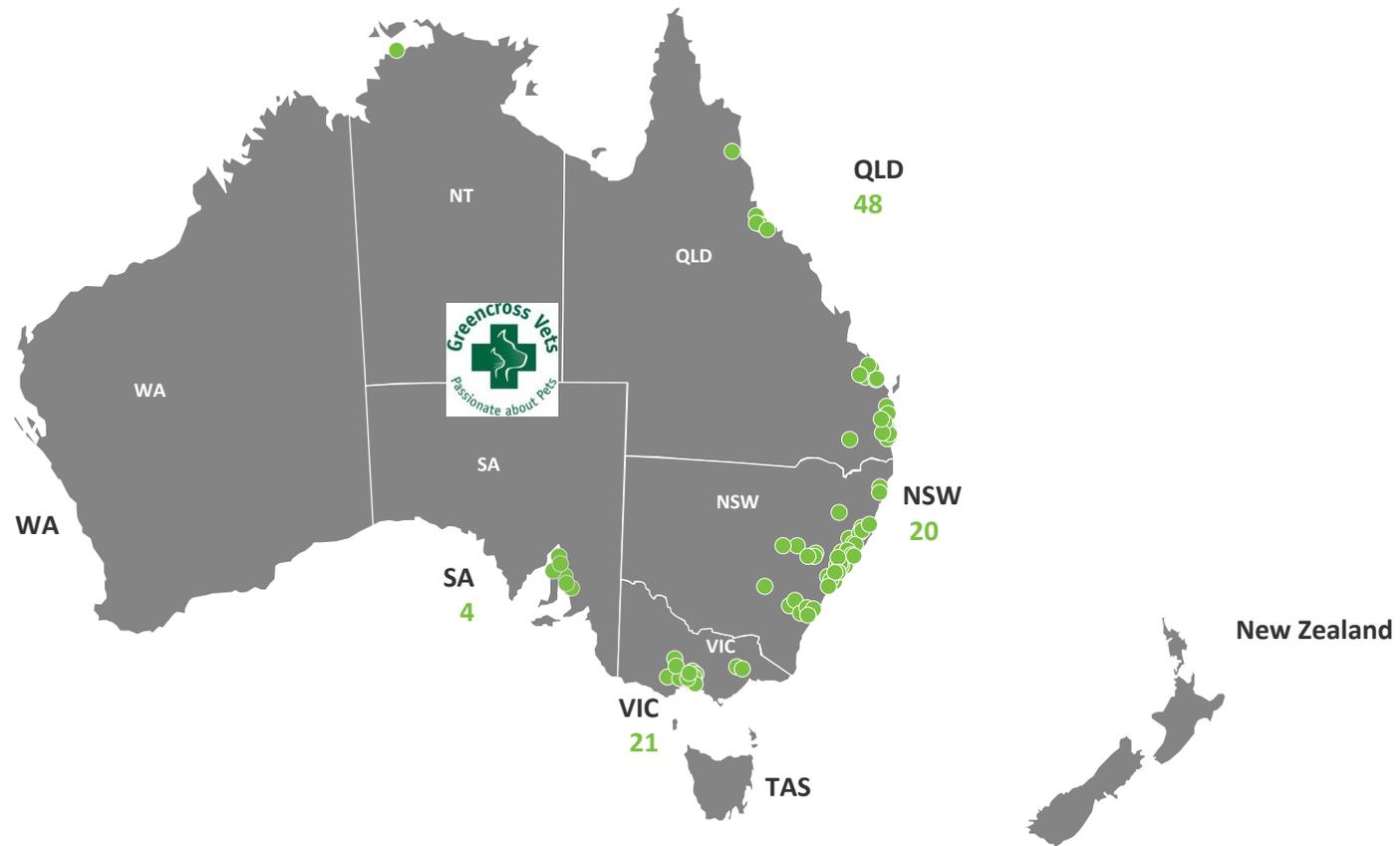


1. Total Shareholder Return based on closing share price on 28 June 2013 of \$4.68, closing share price on 30 June 2014 of \$9.25, FY2013 final dividend of 5.0 cents and FY2014 interim dividend of 5.5 cents

Greencross has transformed from a veterinary service provider on the east coast of Australia....



Prior to the merger with Mammoth, Greencross operated 93 vet clinics predominantly on the east coast of Australia



To Australasia's leading pet care specialist

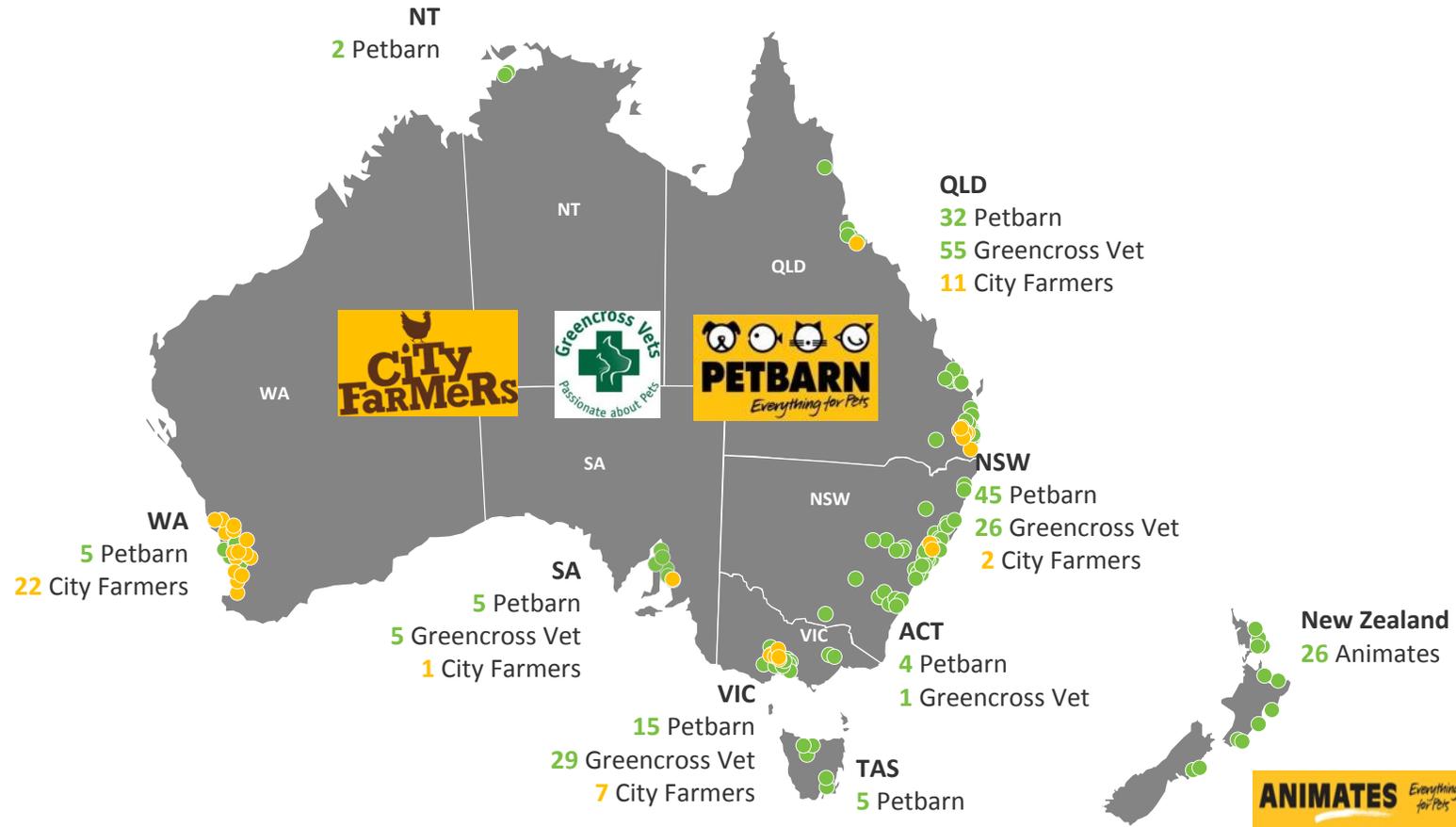
Greencross currently operates 298 locations across Australia and New Zealand comprising 182 stores and 116 clinics

68 New stores opened or acquired in FY2014 and FY2015 YTD ¹:

- QLD – 20
- NSW – 6
- 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



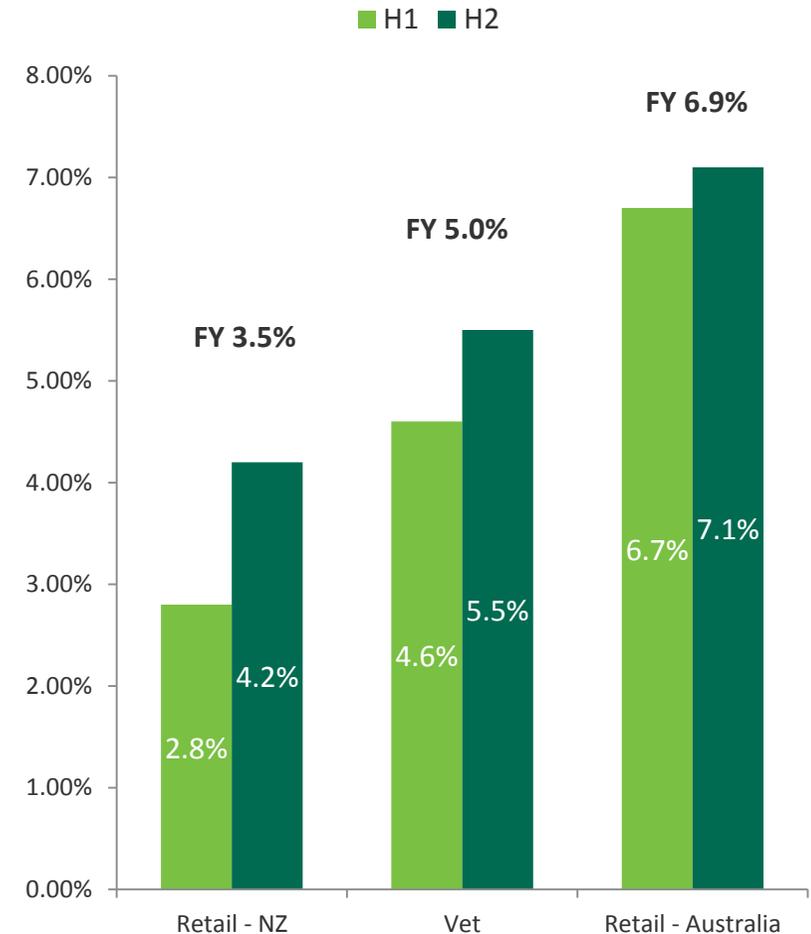
1. Includes the acquisition of 42 City Farmers stores which was completed on 17 July 2014

Greencross – FY2014 summary

A record performance underpinned by strong LFL sales growth

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

FY2014 LFL sales growth

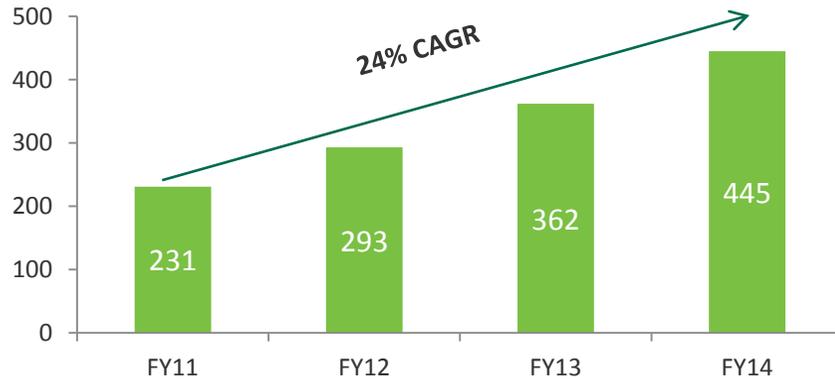


1. Pro Forma FY2014 assumes the merger with Mammoth was completed on 30 June 2013, excluding integration and transaction costs and one off items. Includes Pro Forma synergies. Excludes City Farmers which was acquired on 17 July 2014. Pro Forma FY2013 assumes the merger was completed on 30 June 2012,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

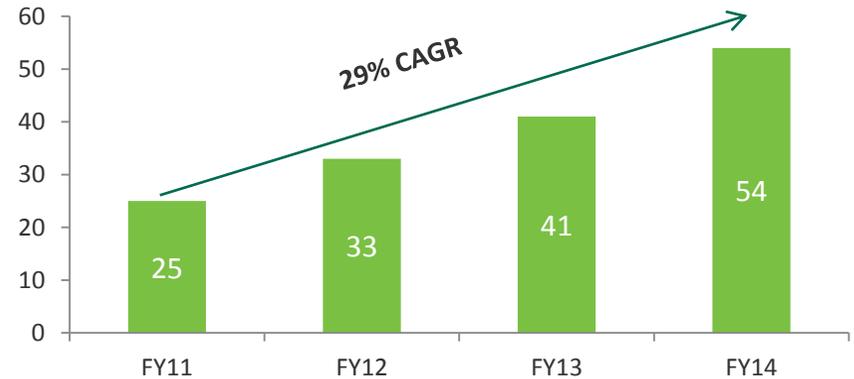
Greencross – continued track record of growth

Greencross has achieved 26% EPS CAGR since FY2011

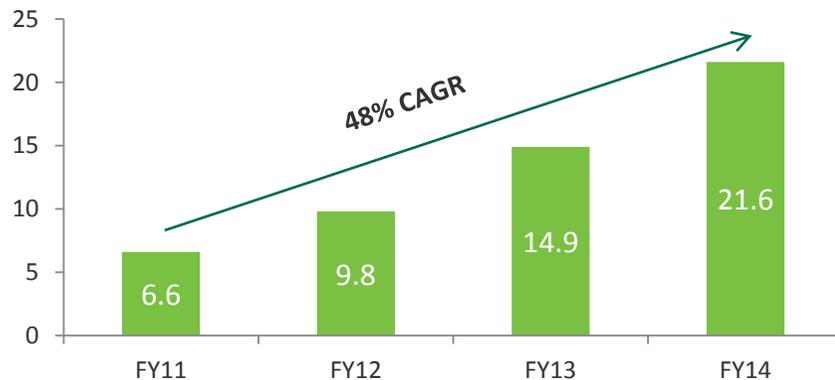
Pro Forma Revenue (\$m)



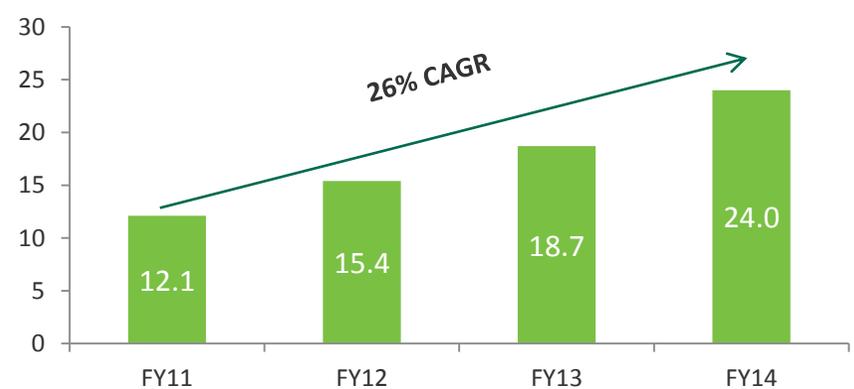
Pro Forma EBITDA (\$m)



Pro Forma NPAT (\$m)



Reported, underlying EPS (cents)



1. Pro Forma assumes the merger with Mammoth was completed on 30 June 2010, excluding integration and transaction costs and one off items. Includes Pro Forma synergies only in FY2014. Excludes City Farmers which was acquired on 17 July 2014.

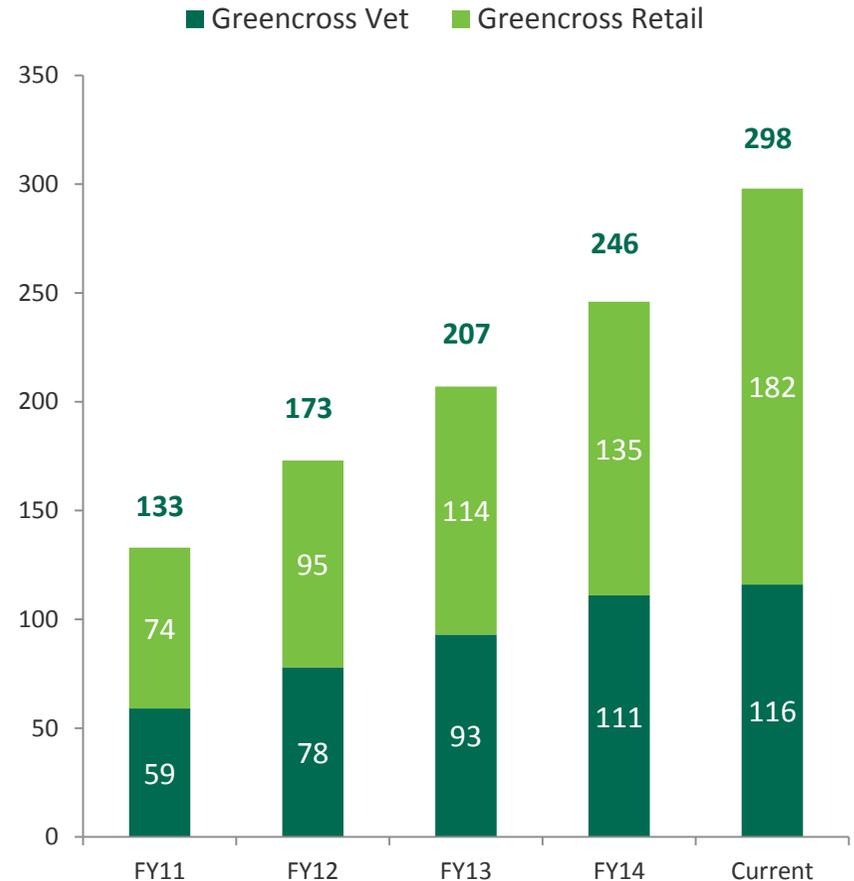
Store and clinic network

Store roll out and clinic roll up continues apace

FY2014 network expansion

- Greencross opened 21 stores in FY2014, increasing its total store numbers to 135
- Greencross acquired a further 42 stores in July 2014 following completion of the acquisition of City Farmers
- In FY2015 YTD, Greencross has established a further 5 stores in Kawana Waters (QLD – co-location), Albury (NSW), Harrisdale (WA)¹, Noarlunga (SA) and Pukekohe (NZ)
- Greencross made 18 vet acquisitions in FY2014
- Since Greencross' previous trading update on 16 June 2014, Greencross has acquired 8 further clinics at Cairns (QLD)², Kippa Ring (QLD), West Wollongong (NSW), Blue Mountains (NSW)², Macedon Ranges (VIC) and South Melbourne (VIC)
- These acquisitions cost \$5.9 million and are expected to contribute annualised revenue of \$6.9 million and annualised EBITDA of \$1.4 million
- Significant store and vet runway remains and co-location opportunities expand the opportunity set

Store and clinic numbers



1. Harrisdale will trade as a City Farmers store

2. Two clinics were acquired in both Cairns and the Blue Mountains

Group highlights

Greencross delivered outstanding revenue and earnings growth in FY2014 – Outlook for FY2015 reconfirmed

(\$m)	FY2014 Pro Forma ¹	FY2013 Pro Forma ²	YOY Change	FY2014 Statutory
Sales	445.5	362.0	+23%	368.9
EBITDA	54.3	41.2	+32%	27.8
NPAT after one off items	21.6	14.9	+45%	(127.8)
EPS (cents)	24.0	18.7	+28%	(190.6)

- An excellent result with outstanding revenue and earnings growth
- Pro Forma revenue +23%; EBITDA +32%, NPAT +45% versus pcp
- EBITDA increase reflects economies of scale, improvement in gross margins and delivery of merger synergies
- Pro Forma EPS of 24.0 cents, exceeding previous guidance of 23.8 cents
- Annual dividend up 25% to 12.5 cents per share
- FY2014 statutory result impacted by \$130 million impairment of merger goodwill and one off costs from merger and City Farmers acquisition
- FY2015 underlying EPS guidance of not less than 36 cents⁴ reconfirmed

1. Assuming 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. Post minority interests

3. Includes goodwill impairment charge of \$(130) million against goodwill generated by the reverse acquisition accounting treatment of the Mammoth merger

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

Pro Forma income statement – FY2014 versus FY2013

Revenue up 23.1% to \$445.5 million, EBITDA up 31.8% to \$54.3 million and NPAT up 45.1% to \$21.6 million

(\$m)	FY2014 Pro Forma ¹	FY2013 Pro Forma	Change %
Sales	445.5	362.0	23.1%
Gross Profit	244.3	194.0	25.9%
<i>Gross Margin (%)</i>	<i>54.8%</i>	<i>53.6%</i>	
EBITDA	54.3	41.2	31.8%
<i>EBITDA Margin (%)</i>	<i>12.2%</i>	<i>11.4%</i>	
D&A	(11.8)	(9.2)	
EBIT	42.6	32	
<i>EBIT Margin (%)</i>	<i>9.6%</i>	<i>8.8%</i>	
Interest	(9.2)	(9.3)	
PBT	33.3	22.7	
Tax	(9.9)	(6.5)	
NPAT (pre minorities)	23.4	16.3	43.6%
NPAT (post minorities)	21.6	14.9	45.1%

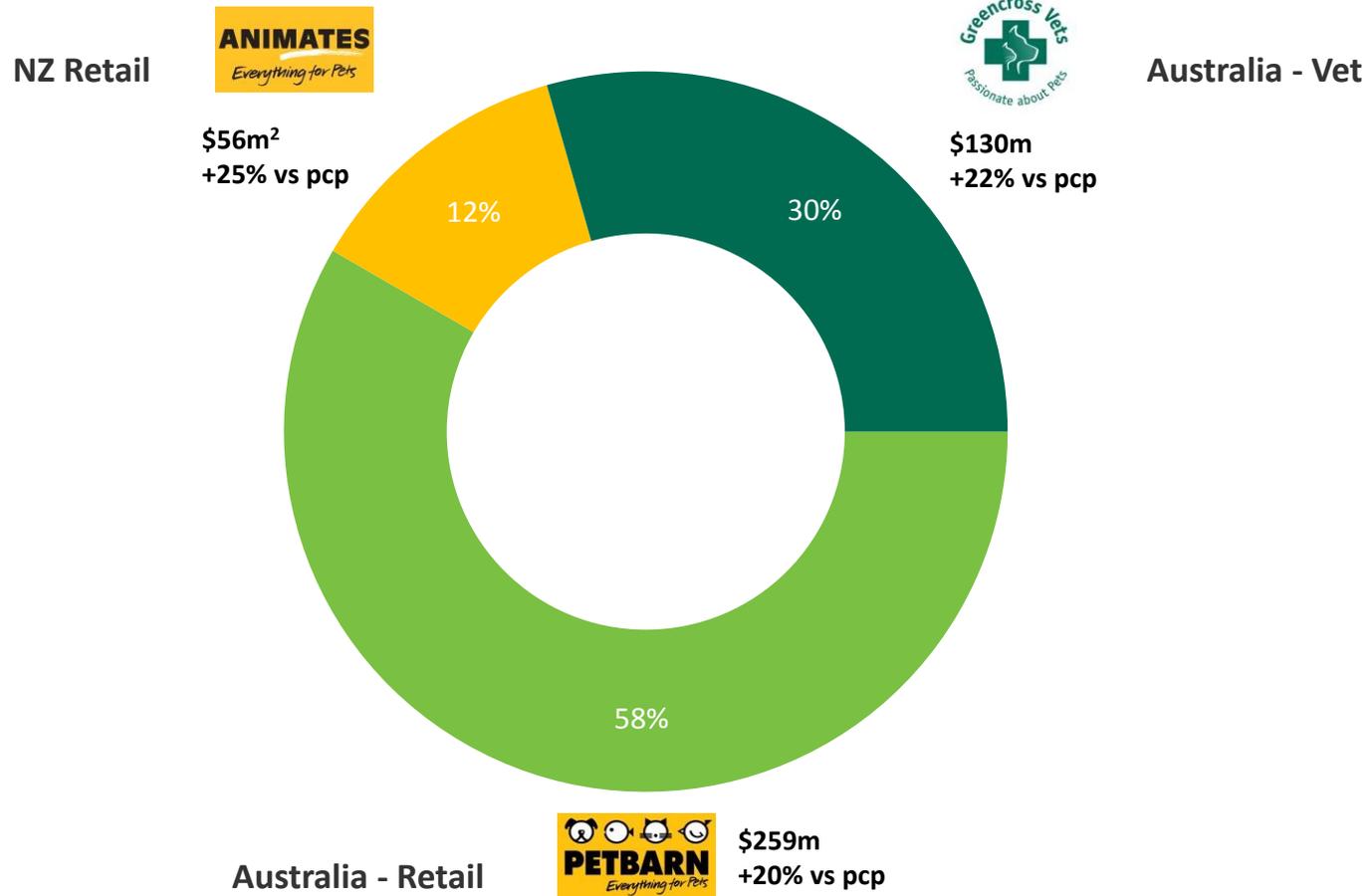
- Strong increase in total sales
 - Total revenue grew by 23.1% to \$445.5 million, driven by new store openings, vet acquisitions and LFL sales
- Outstanding LFL sales growth
 - Retail LFL sales growth in Petbarn increased from 6.7% in H1 to 7.1% in H2 driven by FFL loyalty program, increased consumption of advanced nutrition products and developing maturity of store fleet
 - Vet LFL sales growth increased from 4.6% in H1 to 5.5% in H2 driven by HPP membership (31,000 members up from ~15,000 at end of FY2013) which is lifting average spend per customer
- Gross margin increased from 53.6% to 54.8% reflecting
 - Increased private label penetration in retail
 - Supply chain improvements
 - Broader service offering including higher margin services
- Record profit
 - NPAT increased by 45.1% million to \$21.6 million

1. Assuming the merger with Mammoth was completed on 30 June 2013, excluding integration and transaction costs and one off items. Excludes City Farmers which was acquired on 17 July 2014

FY14 Pro Forma revenue contribution¹

Greencross generated strong sales growth across all of its businesses in FY2014

Pro Forma 2014 revenue by business¹



1. Assuming the merger with Mammoth was completed on 30 June 2013. Excludes City Farmers which was acquired on 17 July 2014.

2. Based on exchange rate of 1 AUD = 1.11 NZD

Pro Forma income statement – FY2014 actual vs guidance in explanatory memorandum

FY2014 result in line with guidance in the Explanatory Memorandum

(\$m)	Explanatory Memorandum		Change %
	FY2014 Pro Forma ¹	FY2014 Pro Forma Forecast ¹	
Sales	445.5	442.8	0.6%
Gross Profit	244.3	244.3	0.0%
<i>Gross Margin (%)</i>	<i>54.8%</i>	<i>55.2%</i>	
EBITDA	54.3	54.3	0.0%
<i>EBITDA Margin (%)</i>	<i>12.2%</i>	<i>12.3%</i>	
D&A	(11.8)	(12.0)	
EBIT	42.6	42.3	
<i>EBIT Margin (%)</i>	<i>9.6%</i>	<i>9.6%</i>	
Interest	(9.2)	(9.5)	
PBT	33.3	32.8	
Tax	(9.9)	(9.9)	
NPAT (pre minorities)	23.4	22.9	2.2%
NPAT (post minorities)	21.6	21.5	0.5%
EPS	24.0	23.8	0.8%

- Key line items in line with guidance in the Explanatory Memorandum (EM), with a small outperformance in earnings
- Total sales 0.6% ahead of EM forecast
- EBITDA guidance met
- NPAT exceeded EM forecast by 2.2% due to lower interest from reduced borrowings
- EPS guidance exceeded

1. Assuming the merger with Mammoth was completed on 30 June 2013, excluding integration and transaction costs and one off items. Excludes City Farmers which was acquired on 17 July 2014

Reconciliation of Pro Forma income statement

(\$m)	FY2014 EBITDA	FY2014 NPAT attributable to shareholders
Pro Forma	54.3	21.6
Annualisation impact on Greencross earnings and synergies as if merger was effected on 1 st July 2013	(13.3)	(7.7)
One off Acquisition costs from Mammoth/Greencross merger	(5.7)	(4.2)
One off LTIP alignment and Mammoth borrowing costs write off	(1.5)	(2.7)
Sub total – pre impact of goodwill impairment and City Farmers	33.8	7.0
Impairment of goodwill arising from merger	-	(130.0)
One off costs relating to acquisition of City Farmers	(6.0)	(4.8)
Statutory	27.8	(127.8)

- In Pro Forma financials, the statutory results are annualised to include the impact of Greencross earnings and synergies as if the merger had been completed on 1 July 2013
- Pro Forma financials exclude one off acquisition costs arising from the merger and one off write off of borrowing costs and LTIP costs
- Goodwill impairment is one off impairment arising from goodwill generated under AASB3 which treats the merger of Mammoth and Greencross as an acquisition of Greencross by Mammoth
- Pro Forma financials also exclude one off costs arising in 2014 from the City Farmers acquisition including advisor costs and inventory range adjustment

Statutory income statement

Y-O-Y comparators are clouded by reverse merger accounting and substantial one offs. Statutory loss of \$(127.8) million includes non cash goodwill impairment of \$(130.0) million

(\$m)	FY2014 Statutory ¹	FY2013 Statutory ²
Revenue	368.9	261.0
Gross Profit	181.2	117.8
<i>Gross Margin (%)</i>	<i>49.1%</i>	<i>45.1%</i>
EBITDA ³	27.8	25.8
D&A ⁴	(140.1)	(7.5)
EBIT	(112.3)	18.3
Finance costs	(9.6)	(6.7)
PBT	(121.9)	11.6
Tax	(4.4)	(3.1)
NPAT (pre minorities)	(126.3)	8.5
NPAT (post minorities)	(127.8)	7.8

- For statutory accounting purposes the merger has been treated as an acquisition of Greencross by Mammoth under AASB3
 - FY2013 reflects a full 12 months trading of Mammoth
 - FY2014 includes 5 months of Greencross Vet and 12 months of Mammoth
- FY2014 EBITDA is impacted by \$13.2m of one off costs arising from the merger with Greencross and the acquisition of City Farmers. These include acquisition costs, inventory range adjustment and vesting of historic LTIP
- D&A charge includes a \$(130) million impairment of goodwill largely arising from AASB3 accounting for merger as an acquisition of Greencross and the subsequent appreciation of Greencross share price from approximately \$5.40 when merger discussions began to \$8.24 at completion. The charge is non-cash and does not reflect underlying trading weakness
- Finance costs include one off borrowing cost write off arising from merger (\$2.0m)
- Tax charge includes impact of non-deductible impairment and acquisition costs

1. Includes 12 months of Mammoth and 5 months of Greencross Vet

2. Includes 12 months of Mammoth and no contribution from Greencross Vet

3. Includes one off costs of acquisition and integration and one off costs arising from City Farmers acquisition including a one off stock provision

4. Includes on off amortisation charge of \$130 million arising on acquisition of Greencross by Mammoth

Statutory cash flow statement

Cashflow reflects underlying business, merger and fund raising for CityFarmers

(\$m)	FY2014 Statutory	FY2013 Statutory
Receipts from Customers	413.8	283.9
Payments to suppliers	(372.6)	(265.3)
Sub total	41.2	18.6
Acquisition Costs	(5.8)	-
Net Interest costs	(4.5)	(6.4)
Income Tax paid	(6.6)	(3.8)
Net cash flow from operations	24.3	8.4
Capital Expenditure	(29.4)	(24.2)
Purchase of businesses	(4.8)	-
Net cash flow from investing	(34.2)	(24.2)
Borrowings	24.4	13.8
Proceeds from equity issue	103.0	-
Dividends	(5.2)	-
Net cash flow from financing	122.2	13.8
Net change in cash position	112.3	(2.0)
Cash at beginning of period	8.3	10.4
Cash at end of period	120.6	8.3

- Cashflow from operations reflects the underlying cash generation of the business and one off costs of merger and acquisition
- Acquisition cost primarily relate to merger advisory costs in 2014, Mammoth did not make any acquisitions in 2013
- Capex related to spend on 21 stores opened in 2014 and investment in supply chain processes/system
- Purchase of businesses is shown net of cash acquired with businesses
- Movement in borrowing reflects the costs of refinancing of existing facilities and on going funding of NTI store rollout
- Proceeds from equity issue includes \$99.6m raised in June 2014 to purchase City Farmers, \$(2.3)m of issuance costs and proceeds from DRP

Statutory balance sheet

Balance sheet reflects “acquisition” of Greencross Vet by Mammoth

(\$m)	FY2014 Statutory ¹	FY2013 Statutory ¹
Current assets		
Cash and cash equivalents	120.7	8.4
Inventories	45.9	35.4
Trade and other receivables	8.5	5.0
Total current assets	175.1	48.8
Non current assets		
PP&E	89.9	56.5
Intangibles	288.1	54.8
Other	10.0	3.6
Total non current assets	388.0	114.9
Total assets	563.1	163.8
Current liabilities		
Trade and other payables	64.6	24.4
Borrowings	2.2	8.0
Other	16.2	11.0
Total current liabilities	83.0	43.4
Non current liabilities		
Borrowings	145.0	74.1
Other	13.4	7.7
Total non current liabilities	158.4	81.8
Total liabilities	241.4	125.2
Net assets	321.7	38.6

1. As at 30 June

- Cash balance includes \$99.6m proceeds from equity raise to purchase City Farmers
- Inventory increase reflects increased fleet size and Greencross acquisition \$5.2m
- PP&E increase reflects store openings, supply chain investment and Greencross acquisition \$19.0m
- Intangibles increase reflects \$219m goodwill (net) generated on merger. Numbers do not include City Farmers
- Trade and other payables increase reflects Greencross acquisition \$30.7m including accrued costs for City Farmers acquisition and capital raise
- Borrowings include addition of Greencross (\$37.8m) and drawings to fund further retail expansion (\$27.3m)
- Other liabilities increased primarily due to acquisition of Greencross: employee entitlements (\$6.2m) & business associate provisions (\$3.3m)
- Banking covenants comfortably met through FY 2014, current level of gearing driven cash held for City Farmers. Current debt facility sized for further inorganic growth

Dividends and capital management

The Directors have declared a fully franked final dividend of 7.0 cents per share

- Fully franked final dividend of 7.0 cents per share
 - Ex dividend date – 4 September 2014
 - Record date – 8 September 2014
 - Dividend payment date – 29 September 2014

- Final dividend will be paid in respect of all shares on issue on the record date, including new shares issued to City Farmer's shareholders under the recent acquisition

- Annual dividend of 12.5 cents per share 25% higher than last year

- DRP remains activated for interim dividend at a discount of 2.5%
 - Greencross intends to have the DRP underwritten

- Greencross intends to maintain its dividend payout ratio of 50%

Shares on Issue (SOI)

SOI post completion of merger	90,257,087
Current SOI (post acquisition of City Farmers)	110,654,390
Pro Forma SOI (for purposes of Pro Forma EPS calculation)	90,257,087

EPS and DPS

FY2014 Pro Forma NPAT (pre minorities) (\$m) ¹	23.4
FY2014 Pro Forma NPAT (post minorities) (\$m) ¹	21.6
FY2014 Pro Forma EPS (cents) ¹	24.0
FY2014 DPS (cents)	12.5
Dividend payout ratio	52%

1. Assuming the merger with Mammoth was completed on 30 June 2013, excluding integration and transaction costs and one off items. Excludes City Farmers which was acquired on 17 July 2014.

Update on acquisition of City Farmers

The integration of City Farmers is proceeding on budget and according to plan

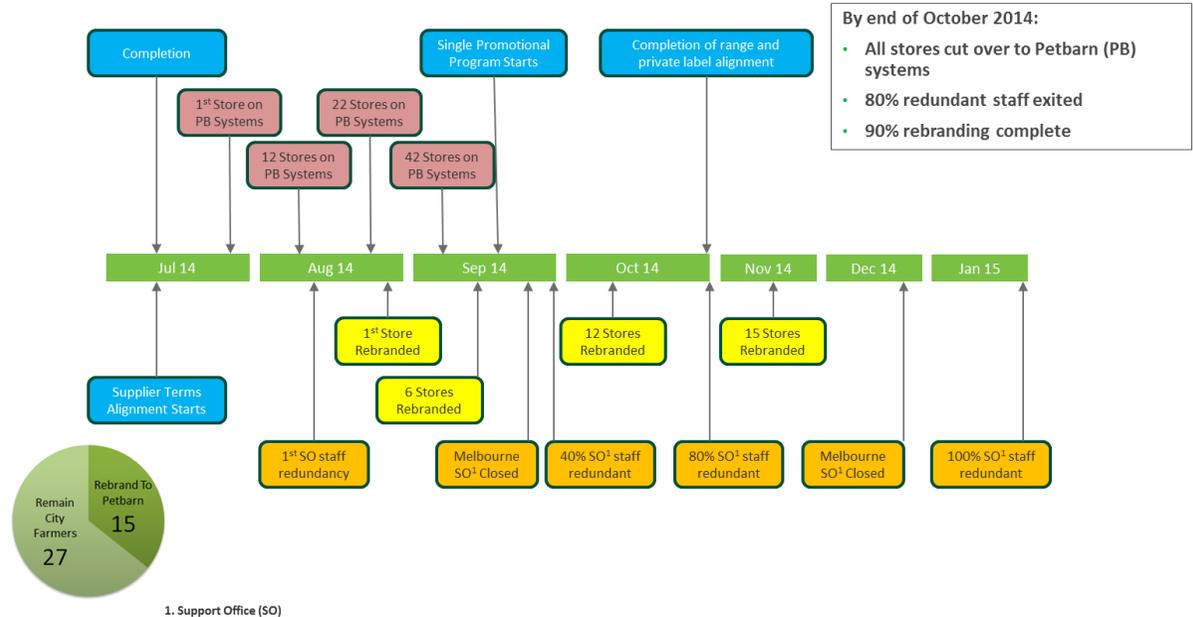
- Acquisition of City Farmers was completed on 17 July 2014
- Integration and synergies progressing well
 - Plan in place to substantially complete integration by December 2014, with majority of activities completed earlier
 - Synergy achievability reconfirmed
 - Project management in place
 - Focus on communication and culture
 - Integration costs budget adequate

■ Key Decisions Taken

- Rapid cut over to Petbarn systems
- Rebrand City Farmers stores outside WA
- Common range, including private label, to be implemented
- One head office in Sydney – City Farmers’ Perth and Melbourne office premises to be closed

- Confirm previous guidance that City Farmers is expected to deliver annualised¹ revenue of approximately \$120 million and annualised¹ EBITDA of approximately \$20 million in FY2015
- The ACCC informal merger review is continuing. Greencross is assisting the ACCC with its enquiries.

City Farmers integration – key milestones



1. Annualised to reflect 52 weeks of ownership compared to 50 weeks of actual ownership

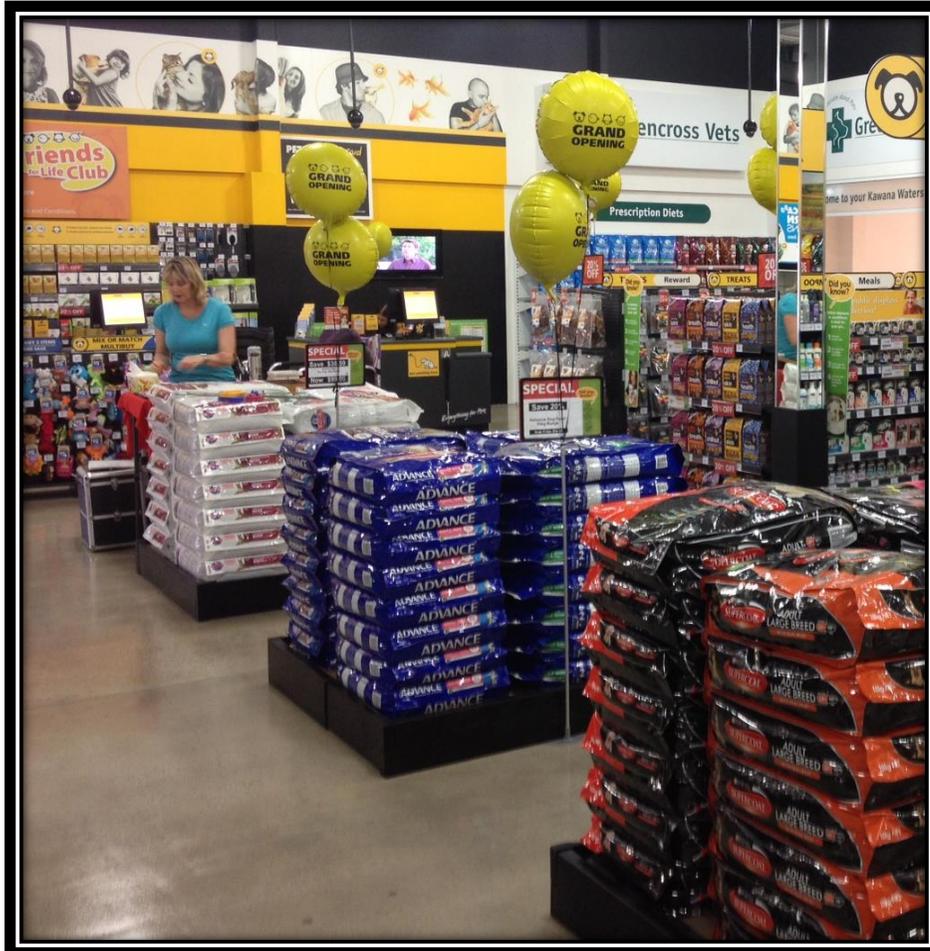
Update on synergies from the Mammoth merger

Cost synergies from the Mammoth merger are tracking well

Type	Synergy driver	Status	Commentary
Cost	Increased scale	FY2014 target delivered, and on target to deliver FY2015	<ul style="list-style-type: none"> Wholesaler clinic supply contract revision complete Supplier terms alignment in progress for key suppliers Shared services cost savings in line with expectations
Revenue	Strong customer franchises in each business	Cross marketing activities commenced	<ul style="list-style-type: none"> Cross referrals now 'the norm' for store and practice managers Terms of combined loyalty program being developed to optimise customer offering and outcomes
	Retail store footprint	Co-location planning commenced	<ul style="list-style-type: none"> Kawana, Qld co-located store & clinic has been established Co-location planning for a total of up to 6 trial sites is underway
	Complementary capabilities in each business	Vet remerchandising underway, preliminary results continue to be positive	<ul style="list-style-type: none"> Fit out and ranging completed for four trial clinics Commenced offering of complementary vet services in retail stores – obedience and puppy training

Co-location

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



Remerchandising on track

Fit out and ranging has been completed for 4 trial clinics

Redbank Plains – clinic reception



Redbank Plains – clinic reception



Cluster model

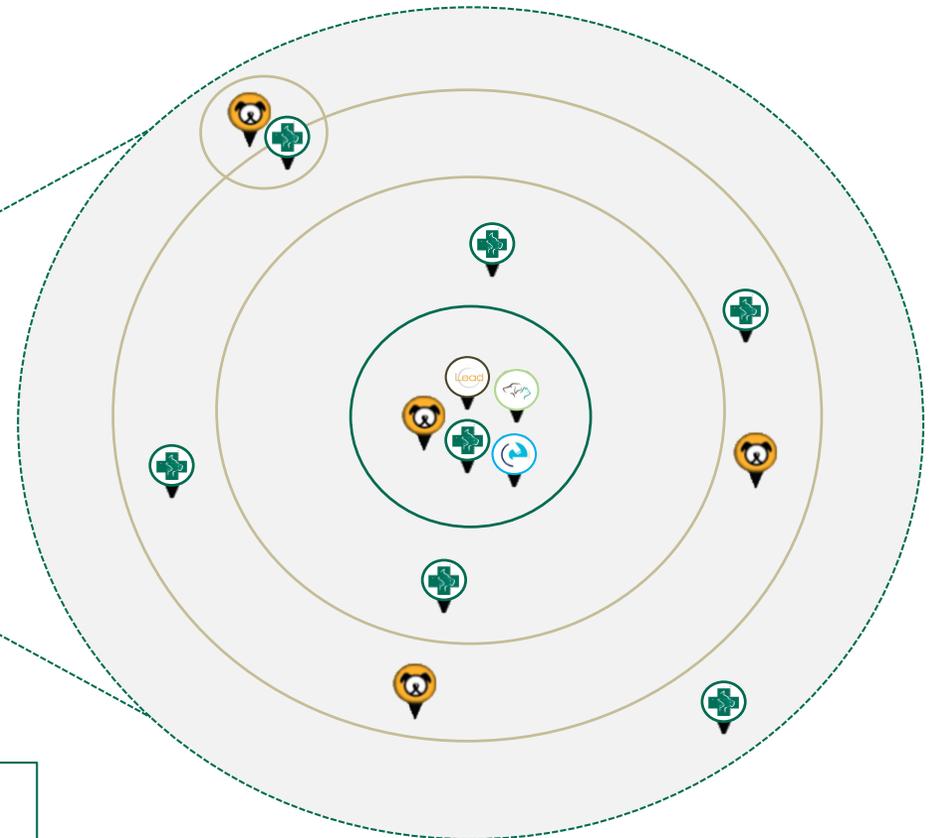
Strategic clustering of specialty pet retail and veterinary services optimises network coverage

Greencross aims to maximise its market share 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

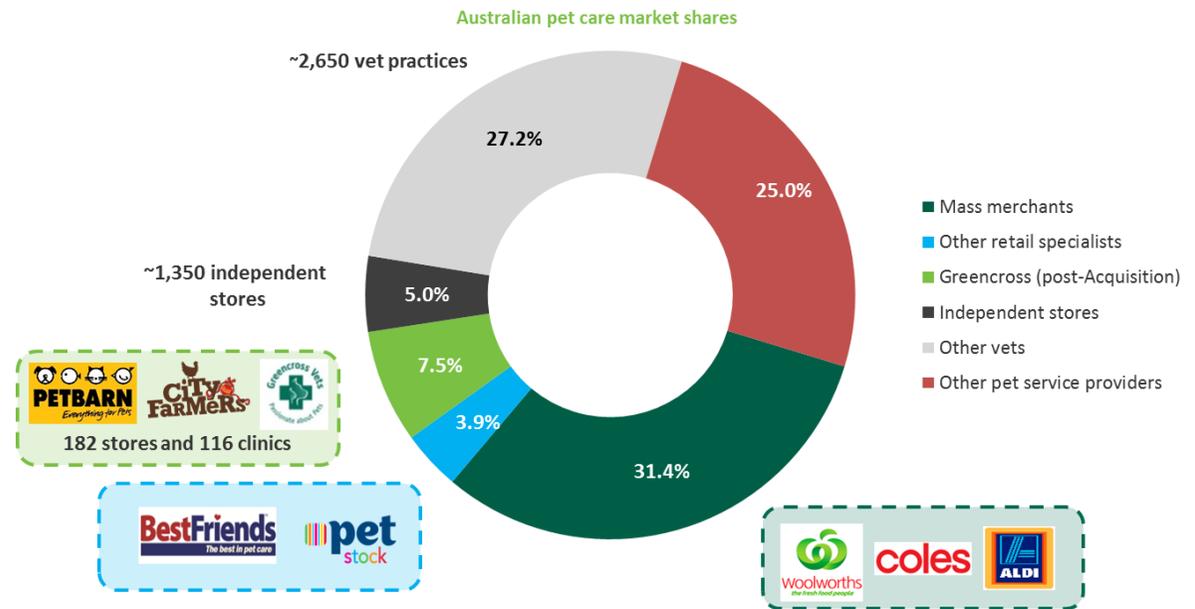
Delivering ‘Australasia’s pet care specialist of choice’

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

- Build market share across all sector sub-segments (medical services, retail and non-medical services) by extending footprint
 - NTIs & acquisitions – both standalone and co-location

- Deepen consumer engagement across all segments
 - Cross promotion of a single loyalty offer
 - Co-location
 - Exclusive brands, including private label

- Extend ROI through margin expansion
 - Exclusive brands, including private label
 - Additional services, i.e. pathology, crematoria, etc.



Board and Management Update

- Dr Glen Richards, Greencross' Chief Veterinary Officer, has announced his intention to step down from his executive role in March 2015
- Following his retirement as an executive, Dr Richards will remain with a Greencross as a non executive director, allowing the Company to benefit from his wealth of experience
- Dr Richards will continue to provide strategic oversight over Greencross' business development activities, including the expansion of the veterinary business
- By providing advanced notice of his retirement, Dr Richards has helped to ensure that there is a smooth transition for his successor and continuity within the organisation
- Greencross has now commenced the process for recruitment of a new executive in the role and will update the market on the progress of this appointment
- The Directors of Greencross would like to thank Dr Richards for the outstanding contribution that he has made to the Company in his executive role over the past 7 years, including in his past role as Chief Executive Officer, and look forward to continuing to work with Dr Richards as a fellow board member on an ongoing basis

Greencross – outlook

Greencross remains confident of delivering Pro Forma EPS¹ of not less than 36 cents in FY2015, a 50% increase on the 24 cents delivered in FY2014

Market Overview

- Pet care market remains highly fragmented and open for consolidation
- Significant runway - Greencross estimates it has only 7.5% market share in Australia
- Australasian pet care sector continues to exhibit annual growth rates of ~5%

Network

- Strong roll out and acquisition pipeline
- Targeting clinic acquisitions representing \$15 to \$20 million of annualised revenue in FY2015 (with acquisitions representing \$4.1 million of annualised revenue already completed)
- Targeting 15 to 20 new stores by end of FY2015, 5 stores are already established
- Roll out of co-location trials to continue, 1 has opened and up to 6 targeted by end of FY2015

Key areas of operating focus

- Maintain strong LFL growth driven by deep consumer engagement and excellent customer service
- Increased private label penetration and supply chain efficiency to drive margin improvement
- Deliver merger synergies
- Complete City Farmers integration including synergies

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