Greencross Limited

The Pet Company

MACQUARIE AUSTRALIA CONFERENCE

MAY 2016

ABN 58 119 778 862

Introduction

Greencross is an integrated pet care company with a clear growth strategy

Standout leader in the ANZ Pet Market

- More stores and clinics than nearest 4 competitors combined
- Single largest provider of pet services, number one in vet practices and grooming services
- Australasia's largest employer of vets (over 400)
- Passionate team committed to excellent service

Multiple Growth Drivers

- Strong network pipeline with target portfolio of >350 stores and > 350 vet clinics
- Significant opportunity for "in store" co-located vet practices, grooming salons and DIY dog wash
- Targeting online #1
- Margin opportunities from scale and increased sales of private label and exclusive products
- Higher customer engagement driving increased spending

PETBARN Everything for Pets — 157 stores

City Farmers — 32 stores

ANIMATES Everything for Pets — 32 stores

Strong brands and extensive store network

Greencross Vets Passionate about Pets / THE VET CARE GROUP — 155 clinics

Integrated offering driving customer engagement

- Over 1.8 million active customers with > 80% retail swipe rate
- One stop shop – products, veterinary care, grooming, DIY dogwash and specialty medical
- Cross selling opportunities increasing engagement
- Multi channel offer, with growing online and digital presence

Strong financial performance and cash generation

- Track record of revenue, EBITDA and earnings growth
- Consistent LFL sales growth
- Cash generative business model

The ANZ pet sector is resilient and growing

Greencross Limited
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Greencross' addressable market in ANZ is estimated to be approaching A$9 billion and growing at ~3% per year supported by demographic and social trends

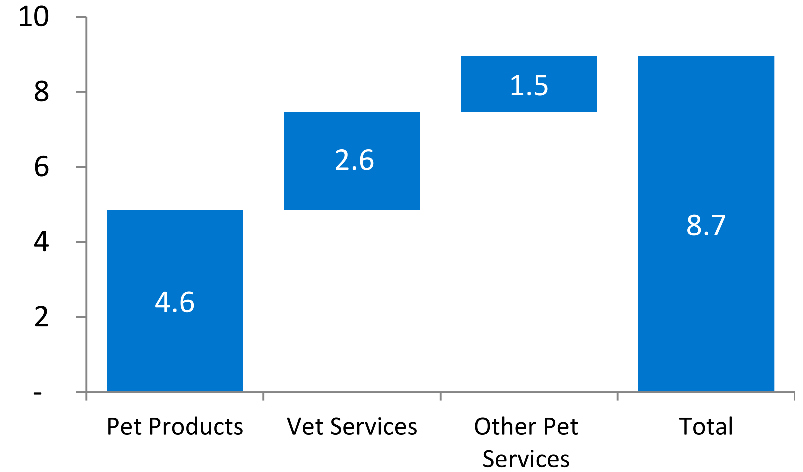
Large and highly fragmented addressable market of ~$9 billion

Services represent almost 50% of the market

Future growth driven by humanisation, premiumisation & higher uptake of services

Greencross, the leading market specialist, currently has only ~8% market share

Australian and New Zealand pet care market ($A billion)[1]



Industry Growth

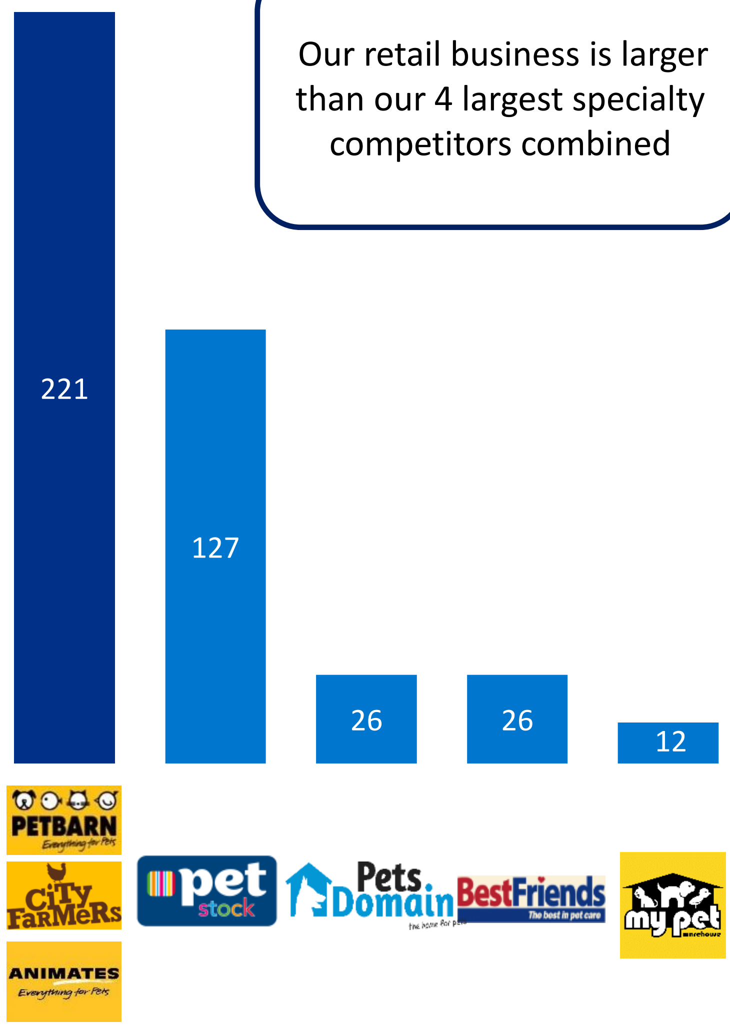
	Historic 5 year CAGR
Pet Food [2]	2.7%
Veterinary Services[3]	2.7%
Online Pet Food and Pet Products[4]	16.6%

1. Management estimates based on industry reports
2. Source: Euromonitor International, Pet Care in Australia, August 2015 for period 2010 to 2015
3. Source: IBIS World Report M6970 Veterinary Services in Australia for period 2011 to 2016
4. Source: IBIS World Report OD4086 Online Pet Food and Supplies for period 2010 to 2015

Greencross is the largest specialty pet retailer and veterinary group in Australasia

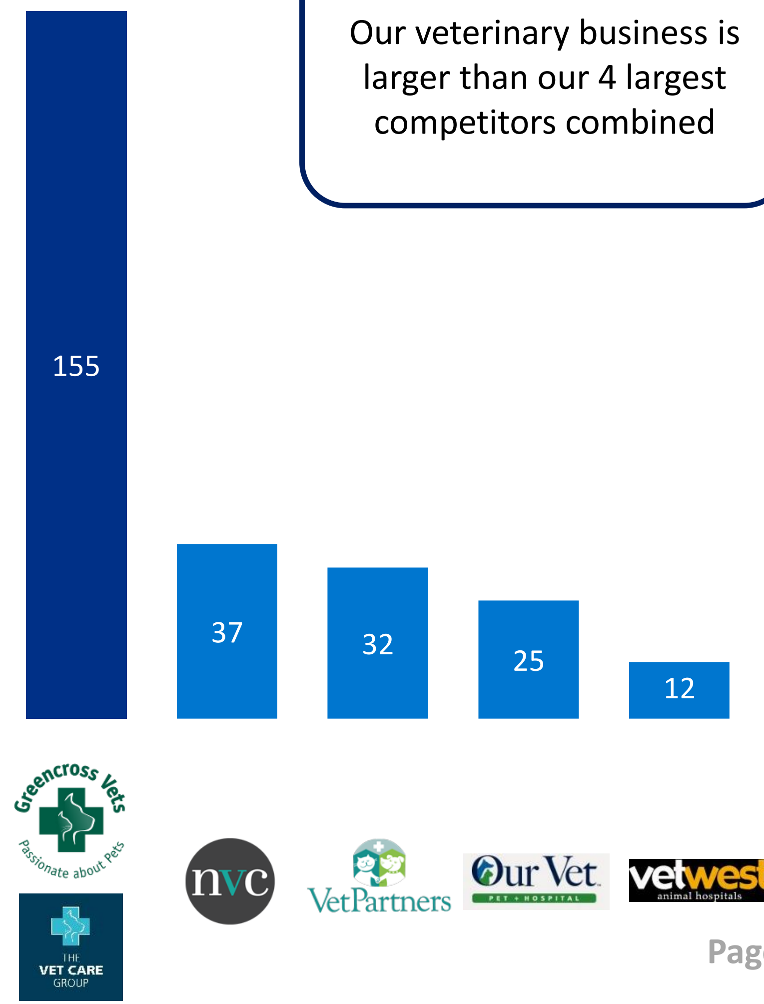
#1 Specialty Pet Retailer

Our retail business is larger than our 4 largest specialty competitors combined



#1 Veterinary Group

Our veterinary business is larger than our 4 largest competitors combined



Greencross is unique because we offer a full suite of pet services and products

	Greencross	Supermarkets	Specialists	Online	Vets
Extensive pet services (vet, grooming, dogwash)	✓	✗	✗	✗	✓
Pets in store	✓	✗	✓	✗	✗
Extensive private label and exclusive brand offering	✓	✗	✗	✗	✗
Depth of SKUs in accessories	✓	✗	✓	✓	✗
Depth of SKUs in food	✓	✓	✓	✓	✗
Loyalty program	✓	✓	✓	✗	✗
Convenient one stop shop	✓	✓	✓	✗	✓
Expert advice	✓	✗	✗	✗	✓
Click & collect capability	✓	✓	✓	✗	✗

Integrated pet care - a winning strategy

- Humanisation of pets is increasing the need for excellent, affordable and accessible pet care offerings
- Our unique integrated petcare model delivers on this need
- We are increasingly offering pet owners ALL they need, where they need it, in a convenient, engaged, accessible and affordable way
- Pets and their owners are at the centre of all we do
- Integrated model has been proven offshore

Greencross has significant growth runway

Greencross has <10% market share in the ~$9 billion ANZ pet market[1]

- ✓ Multi store formats provide flexibility and strong pipeline of available, suitable retail sites
- ✓ Co-located "in store" clinics offer attractive alternative to vet acquisitions - being accelerated
- ✓ Target to be #1 in online – a true omni channel pet care company
- ✓ Integrated, one stop shop model proving the winning strategy

Market	Market Size	Our position	Current	Target
Pet Retail	$4.6 B	#1	221 stores	>350 stores
Vet	$2.6 B	#1	155 clinics (including 17 "in store")	>350 clinics (including >150 "in store")
Online	$150M	#3[2]	$10 million turnover	$100 million turnover
Grooming	$100M	#1	62 grooming salons	>100 salons

1. Management estimates
2. Pet specialty (excludes supermarkets)

The roll out of co-located "in-store" clinics is being accelerated

"In store" co-located vet clinics have more attractive economics than standalone vet acquisitions

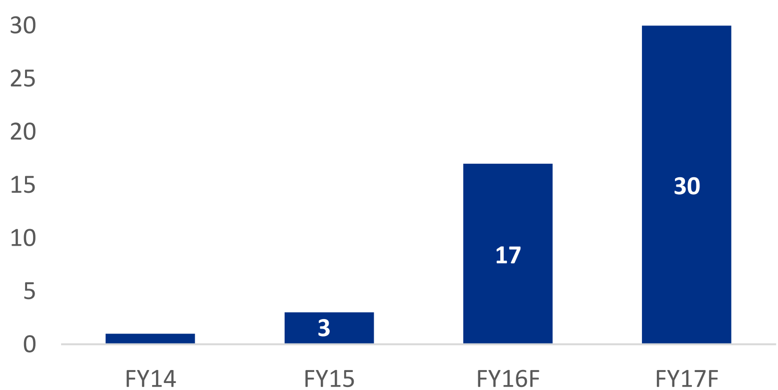
Accessible, affordable veterinary care

- Modern, *fully equipped veterinary clinics* conveniently located staffed by engaged and incentivised vet partner
- Strong customer acceptance with strong cross referral accelerating revenue build and return
- Internationally proven model (in UK > 50% of Pets At Home stores have an "in-store" clinic)
- Efficient use of existing store m^2 increasing profitability and return on capital. Payback in 3.5 years compared to 4 to 5 years for acquisitions. Higher forecast ROIC.
- *Our retail store network represents a unique strategic advantage for veterinary network expansion*

Strong results support accelerated roll out

- **Greencross is now targeting 30 "in store" clinics by the end of FY2017**
- FY2015 "in store" clinics are performing *ahead of business case*, reaching profitability in year 1 and delivering $0.6m pa per clinic i.e. 75% of projected year 4 revenue. Payback <3.5 years. Revenue is pure, high margin, clinical income
- 14 co-located "in store" vets added in FY2016 bringing total to 17
- ~50% of existing retail stores can accommodate a vet clinic

Actual and target "in store" clinic numbers



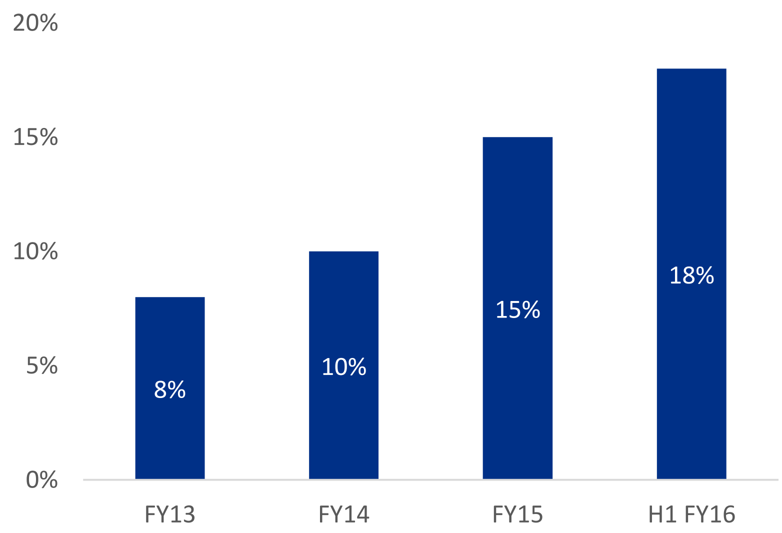
Private label sales now represent 18% of Australian retail sales revenue[1]

Our medium term target for private label sales is 25%

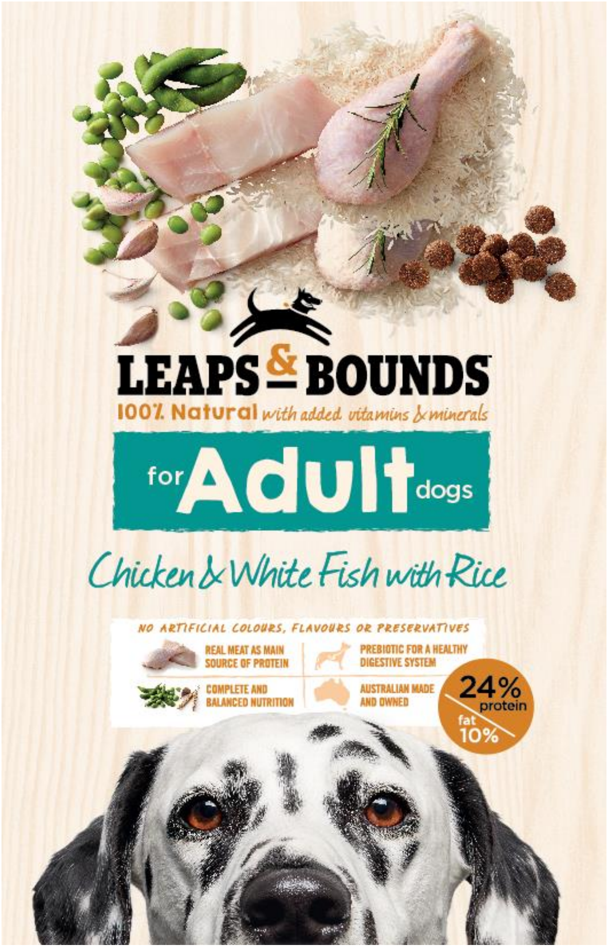
Private label and exclusive ranges deliver

- Innovative, high quality offerings
- Great value proposition for our customers
- Increase customer loyalty and stickiness to exclusive products
- Increased gross margin in key categories
- Enhanced range and customer choice

Private label sales as a % of Australian retail sales



Leaps & Bounds due to launch by the end of FY2016



1. 12 months ending 31 December 2015

Supply chain update

Greencross' supply chain is performing well

- Top 1000 (80% sales) in-stocks are being maintained at > 95%, whilst improving inventory turns
- Greencross has engaged in direct supply arrangements with all major suppliers and exited wholesale food supply arrangements
- Extended DC operations from Sydney, Melbourne and Perth to Brisbane (March) to enable regional distribution capability of our fastest lines, with an expanded Melbourne DC operation expected later this year
- Greencross has taken direct control of its NSW supply chain operations at Eastern Creek in Sydney, which were previously outsourced to a third party logistics provider
- Transitioning the primary DC to in house operation will provide Greencross with a number of benefits
  - increased control of its supply chain
  - greater flexibility to support our multi-channel service needs
  - capacity to grow services with a strong focus on cost control and cash generation
- Transition has been seamless, with no supply disruptions
- Greencross' regional distribution centre operations in Brisbane, Perth and Melbourne will be operated by third party logistics providers however this will be reviewed on an ongoing basis having regard to the objective of balancing supply chain efficiency and flexibility

The Pet Foundation

ThePet Foundation

A feel good milestone – 5,000 pet adoptions in FY2016 (that's 5,000 lives saved)

- The Pet Foundation was established in 2012 with a purpose of providing support for charity organisations, that dedicate their time and effort into caring for animals in need
- The Pet Foundation's mission is 'to enrich the lives of pets and people who love and need them' and to raise much needed funds for our charity partners
- We have made 5,000 adoptions in FY2016 YTD and 16,000 adoptions since our pet adoption program was first introduced
- Over 100 Petbarn and City Farmers stores now have pet adoption centres to help save the lives of animals by finding them a loving home
- We have raised over $1 million for charity this year through successful fundraising initiatives including:
  - Christmas giving tree appeal
  - Hedgehog plush toy
  - Advent calendars

New Zealand

Overview of our NZ business

Greencross has a well established and fast growing integrated pet care business in New Zealand

- Greencross operates 32 pet retail stores in New Zealand under the Animates brand
- Animates has operated for over 20 years and is the leading specialty pet retailer in New Zealand
- Animates is a 50:50 Joint Venture with EBOS, a dual ASX/NZX listed healthcare company
- In addition to our retail business, Greencross entered into the New Zealand veterinary market in 2015 and already operates 8 veterinary clinics
- Our NZ business is achieving robust growth – having delivered 7.3% LFL sales growth in H1 FY2016
- There is still a significant opportunity for us to grow our position in the New Zealand market

ANIMATES
Everything for Pets

NZ's PET STORE for 20 YEARS*
*Or 121 if you're a Labrador

THE VET CARE GROUP

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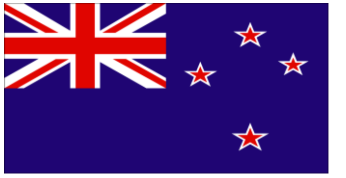
The NZ pet market is worth ~A$1.5 billion

New Zealand is a nation of pet lovers and has the highest rate of pet ownership in the world. 68% of New Zealand households have at least one companion animal.



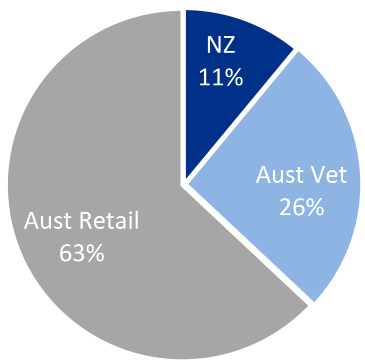
	Australia	New Zealand
Population (m)	24	4.5
Household pet ownership (%)	63%	68%
Dogs (m)	4.2	0.7
Cats (m)	3.4	1.4
Pet care market – food, accessories, healthcare and other products (A$ billion) [1]	3.9	0.7
Veterinary market (A$ billion)[1,2]	2.1	0.5
Other pet services market (A$ billion)[1]	1.2	0.3
Total pet market size (A$ billion)[1]	7.2	1.5
Historic growth - pet food sales (5 year CAGR)[1]	2.7%	4.1%

1. Source: Management estimates, Euromonitor and IBISWorld Industry reports.
2. Companion animal market only (excludes farm animals)

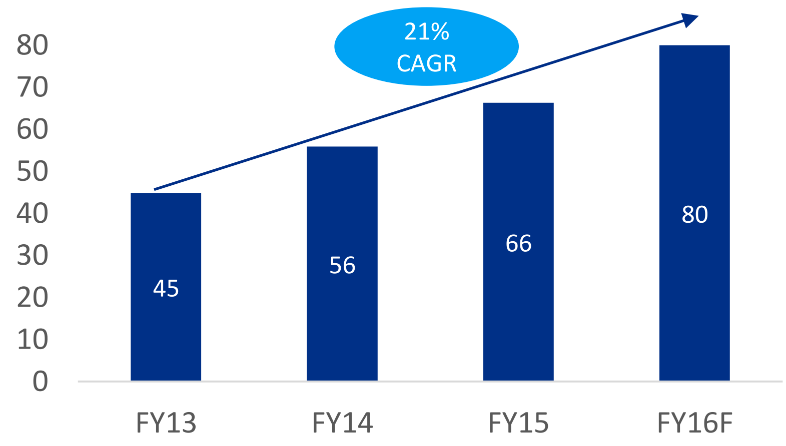
NZ represents > 10% of our business and is growing strongly

NZ has delivered strong revenue growth over the past 3 years driven by fleet expansion and accelerating LFL sales

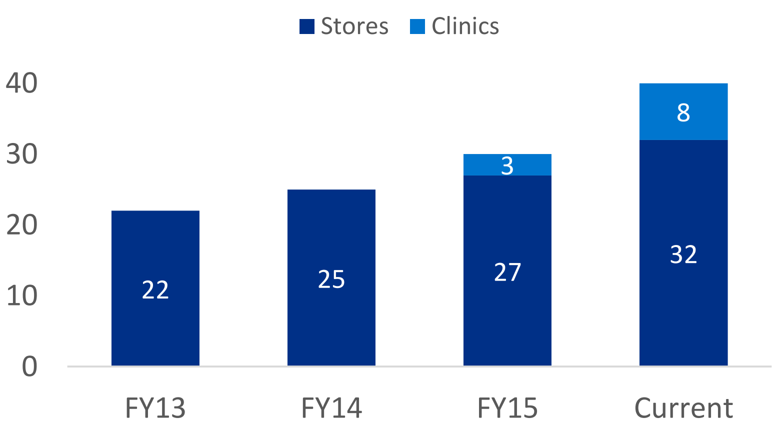
Group revenue by segment [1]



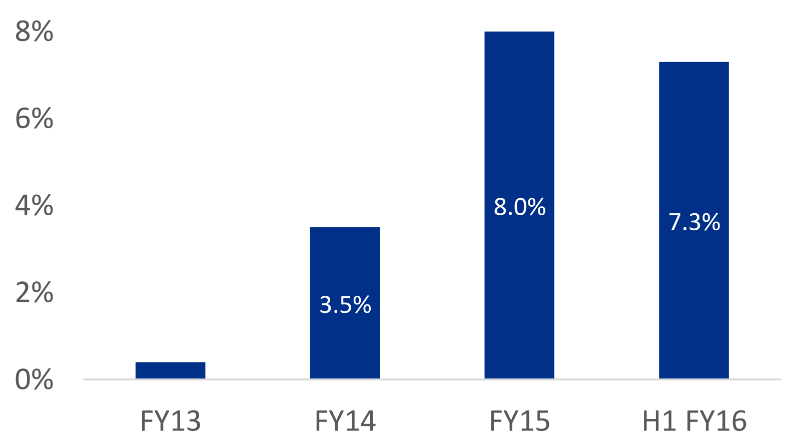
NZ sales revenue (A$ million)



NZ store and clinic numbers



NZ LFL sales growth



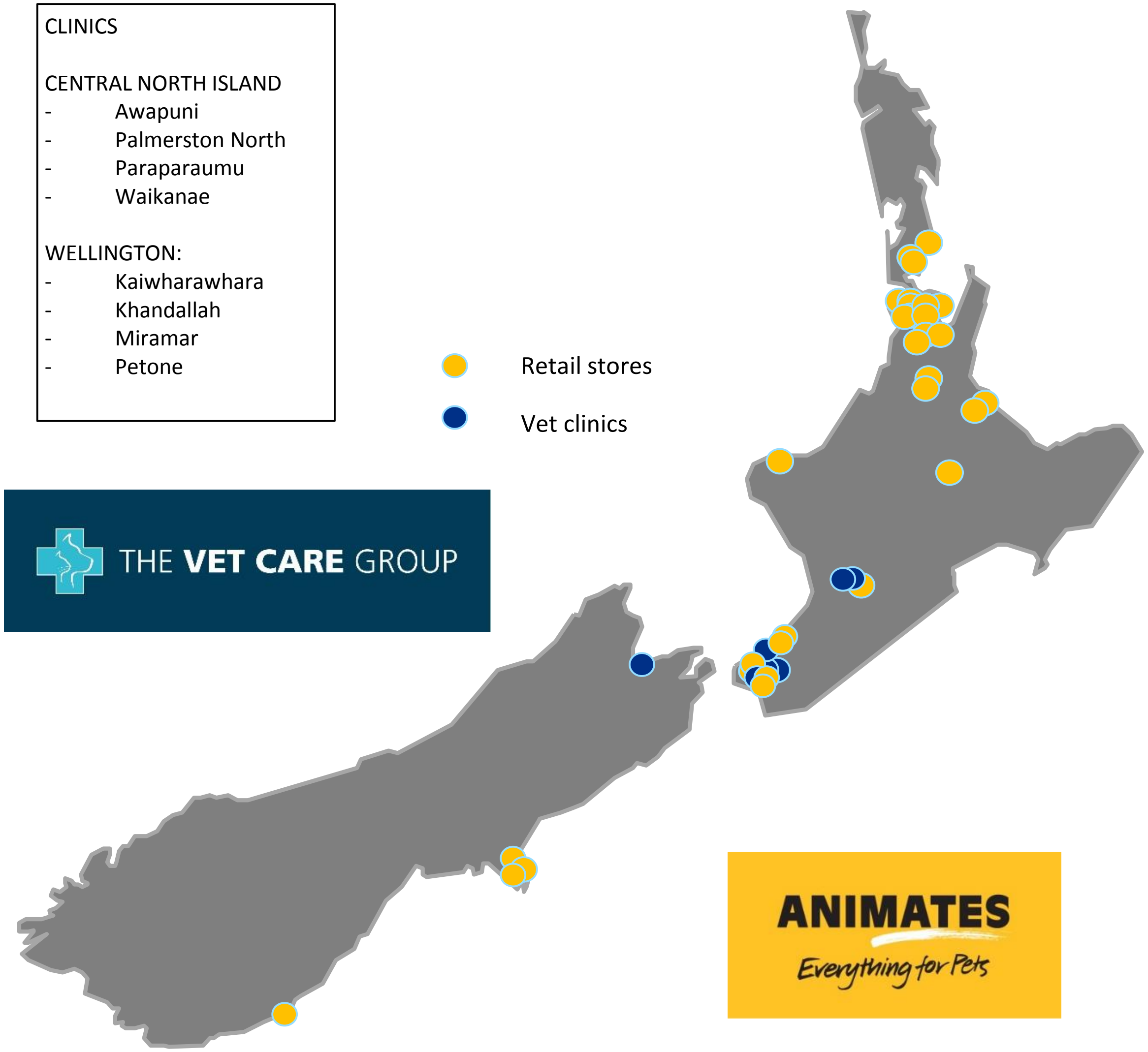
1. Based on revenue contribution in H1 FY2016

Animates has a network of 32 retail stores and 8 veterinary clinics in NZ

CLINICS

CENTRAL NORTH ISLAND
- Awapuni
- Palmerston North
- Paraparaumu
- Waikanae

WELLINGTON:
- Kaiwharawhara
- Khandallah
- Miramar
- Petone



THE VET CARE GROUP

ANIMATES
Everything for Pets

STORES

AUCKLAND:
- Albany
- Botany Downs
- Glen Innes
- Glenfield
- Grey Lynn
- Lincoln Road
- Lunn Ave
- Manukau
- Pukekohe
- Silverdale
- St Lukes
- Sylvia Park
- Takanini
- Three Kings
- Westgate

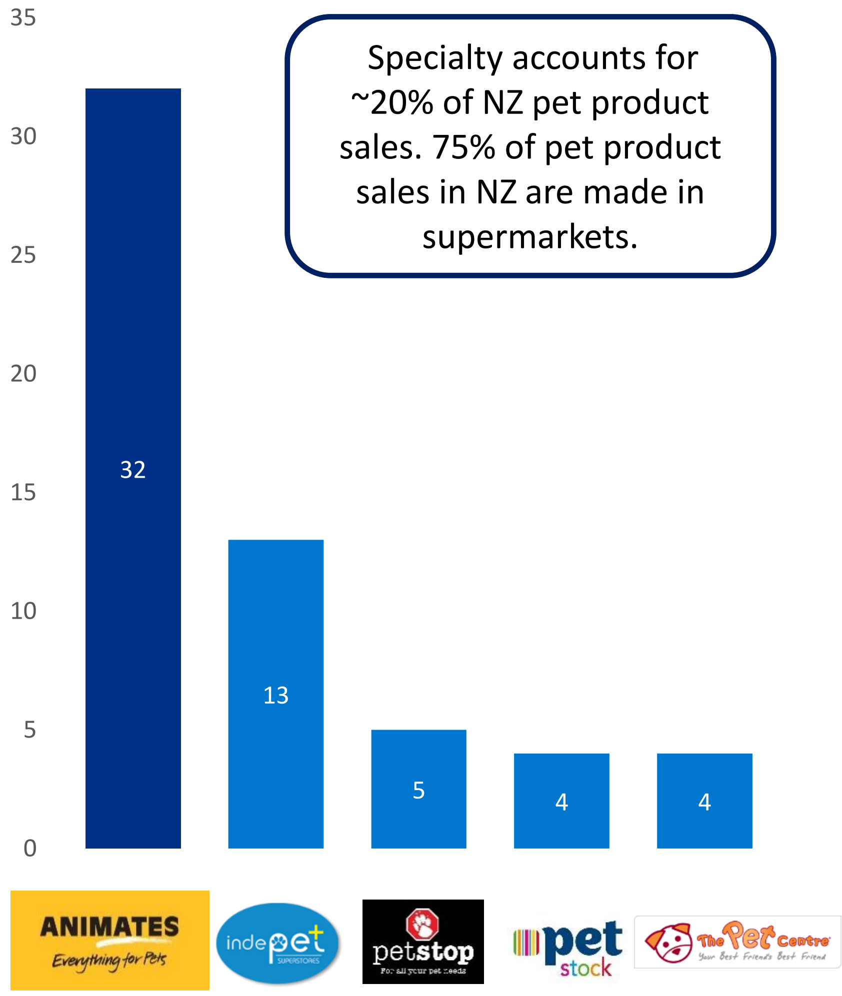
CENTRAL NORTH ISLAND:
- Anzac Parade
- Hastings
- Mount Maunganui
- New Plymouth
- Palmerston North
- Rotorua
- Tauranga
- Te Rapa

WELLINGTON:
- Coastlands
- Kaiwharawhara
- Lower Hutt
- Porirua

SOUTH ISLAND:
- Dunedin
- Nelson
- Linwood
- Papanui
- Tower Junction

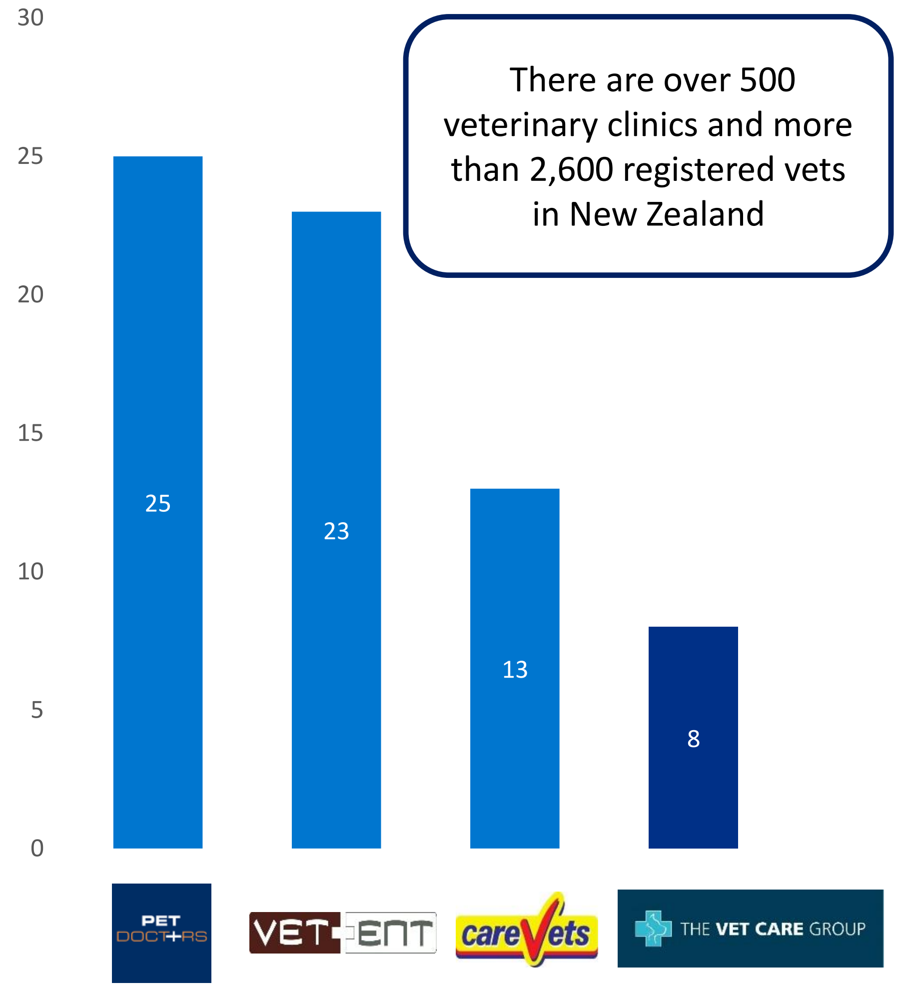
Animates is a leading player in the highly fragmented NZ pet market

#1 Pet Specialty Retailer in NZ



Specialty accounts for ~20% of NZ pet product sales. 75% of pet product sales in NZ are made in supermarkets.

#4 Veterinary Group in NZ

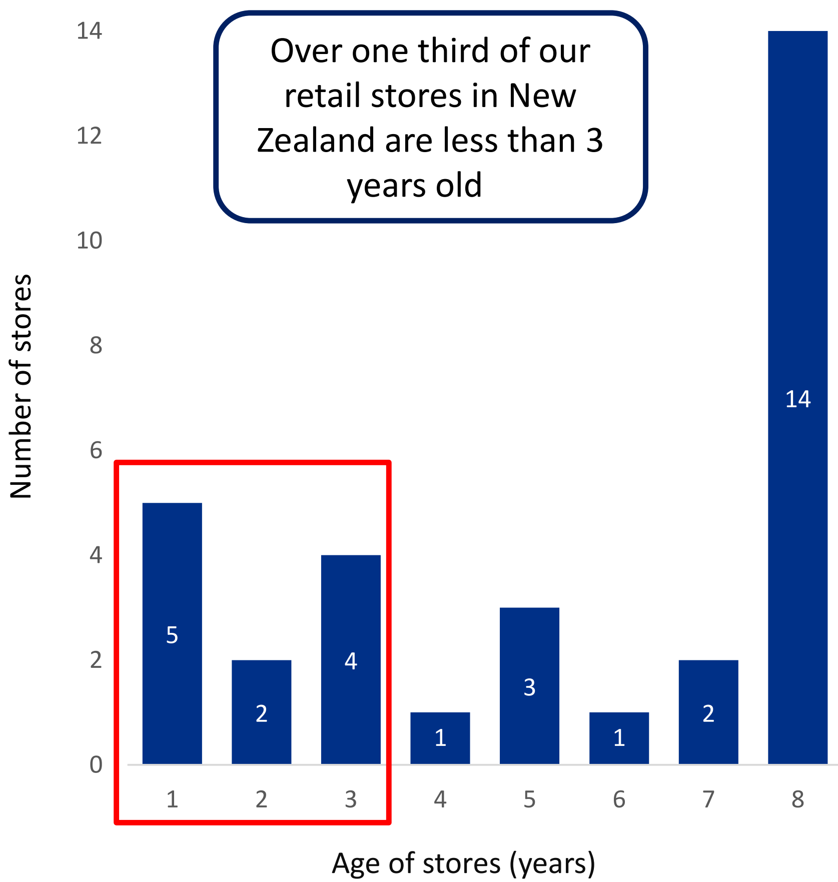


There are over 500 veterinary clinics and more than 2,600 registered vets in New Zealand

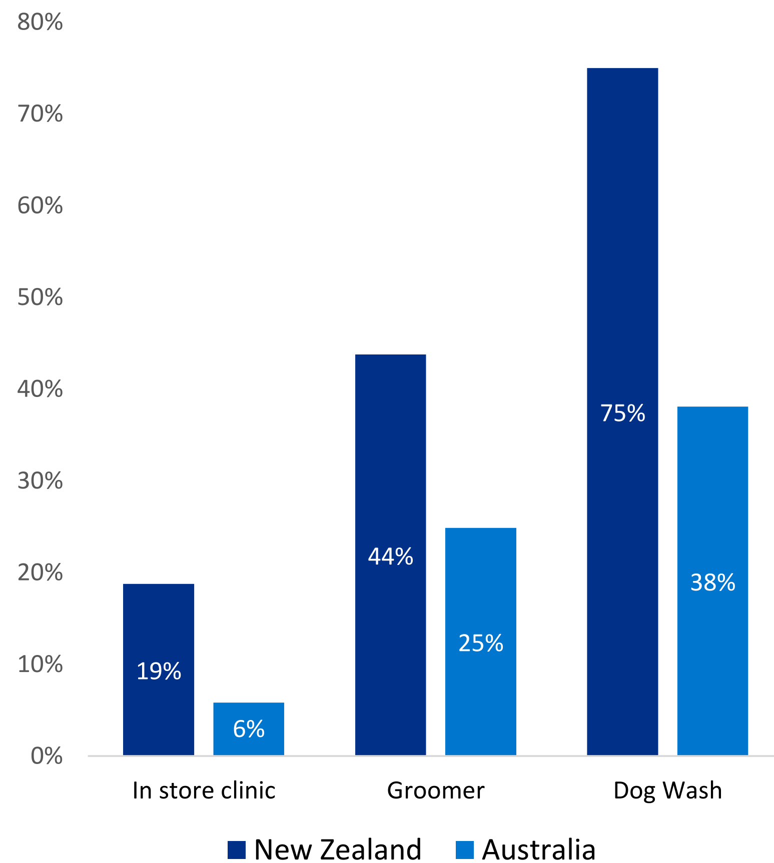
Key drivers of LFL sales in NZ

New store openings and high penetration of “in store” services are helping drive strong LFL sales in NZ

NZ store fleet maturity profile



% of stores with retail services



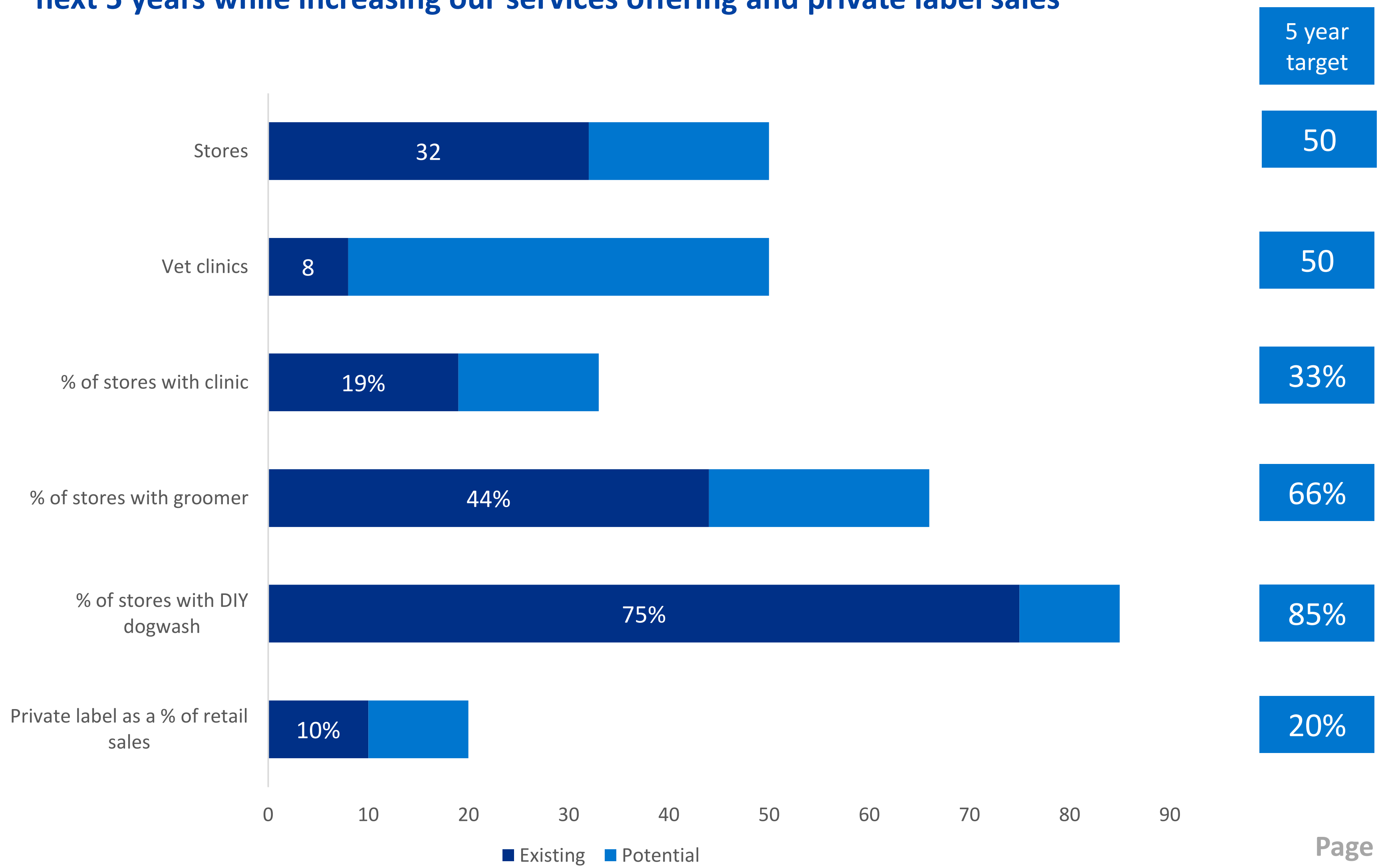
You are never far from your local Animates store

Creating a sense of community with NZ pet owners is key to our success

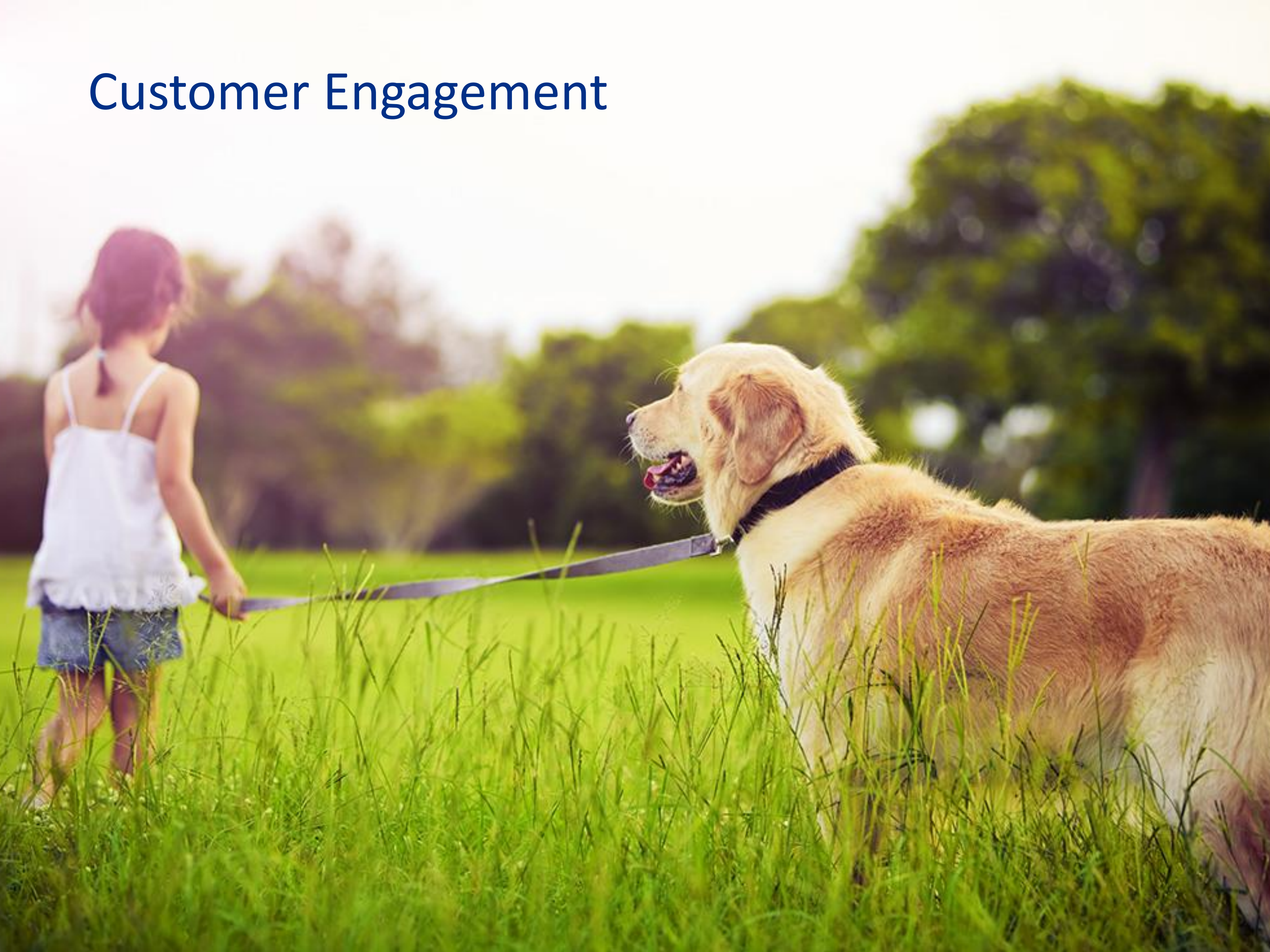
We are passionate about creating fun and informative events for pets and their owners

The opportunity in New Zealand is still large

Our aim is to grow the size of our NZ store & clinic network from 40 to 100 outlets over the next 5 years while increasing our services offering and private label sales



Customer Engagement



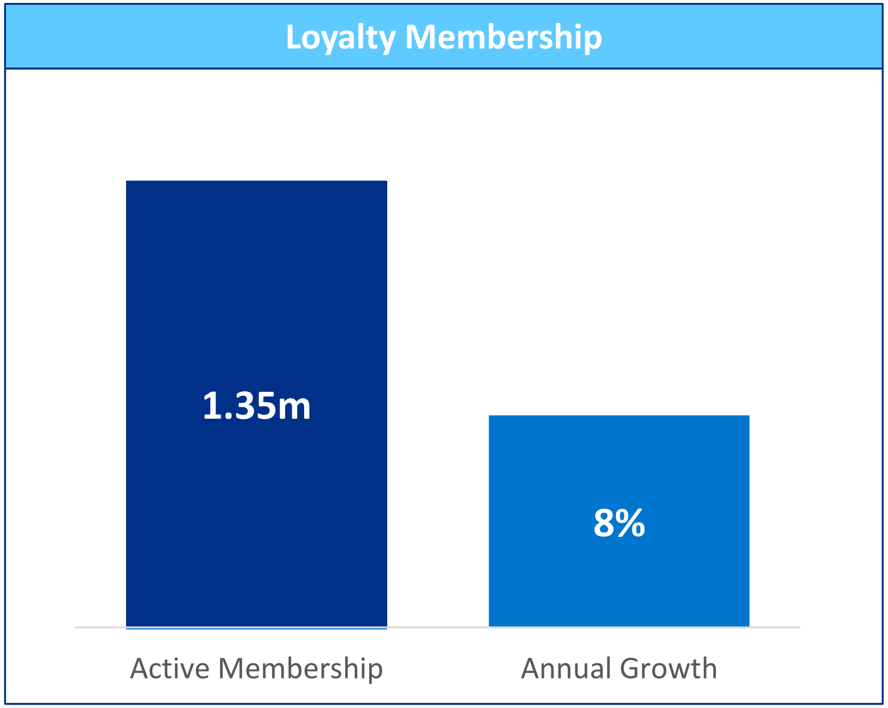
Our future vision for ultimate convenience - a seamless shopping experience

- AU/NZ – wide convenient accessibility
  - through shopping or pick-up in our stores, vet practices or home delivery
- Connecting customers to expert advice
  - whether in-store or online
- Endless product aisle, range, breadth, innovation
  - full access to the extended range whether you are in-store or online
- A seamless transaction
  - no route is easier than another, whether you are using a till, tablet in-store, mobile or PC
- Rewarding customer loyalty
  - with personalisation and value

"To make our world a happier place through the love of pets"

Our loyalty platform providing the data to drive shareholder value

- A growing active member base
- Representing the majority of our transactions and sales
- Driving greater levels of engagement and value
- Providing direct access to AU pet owning households



Australian loyalty data 12 months to April 2016.

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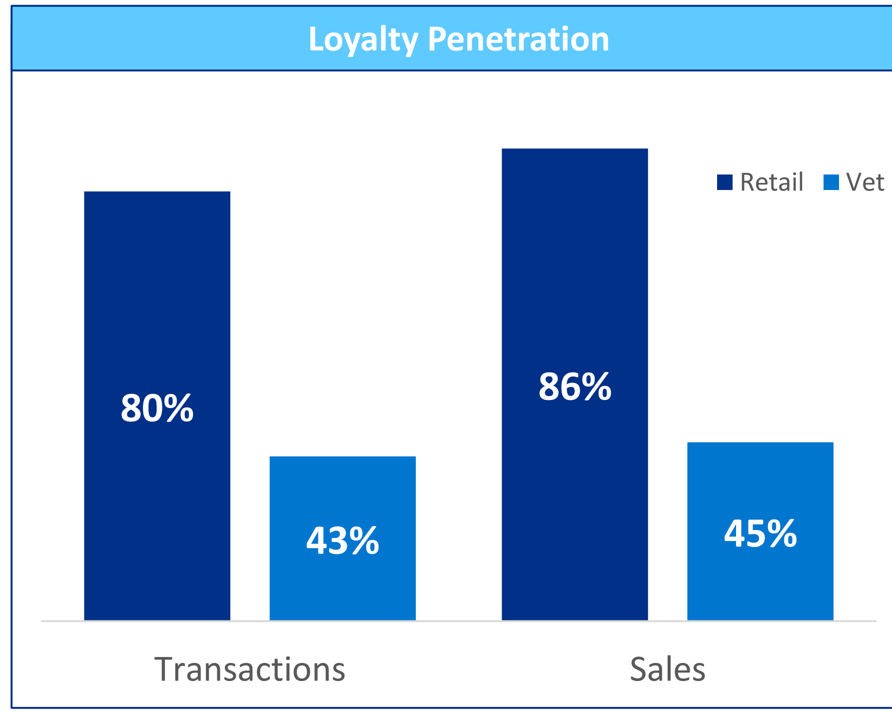

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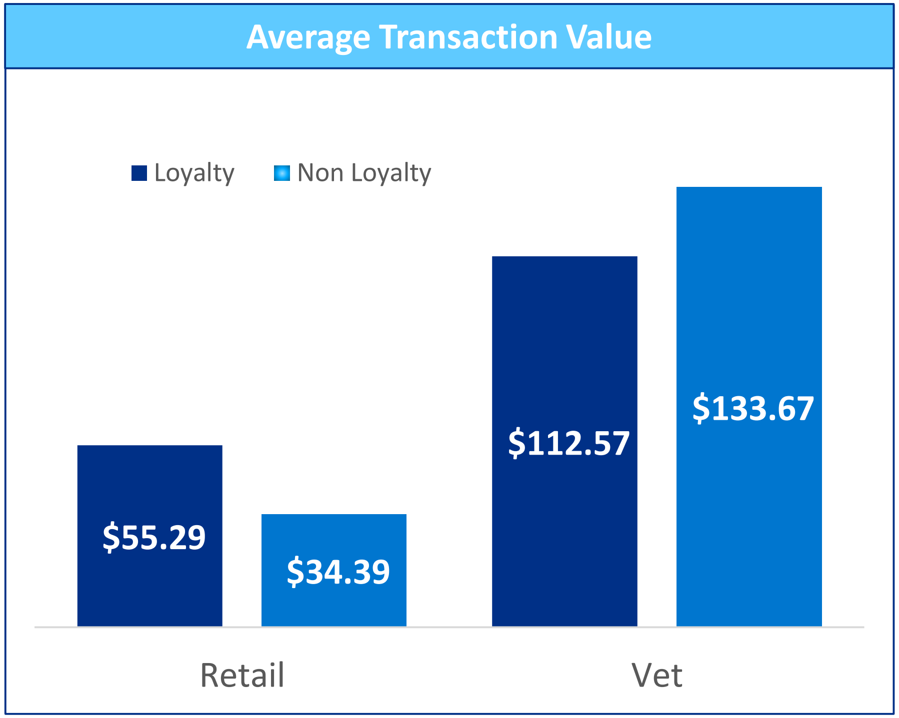

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27%

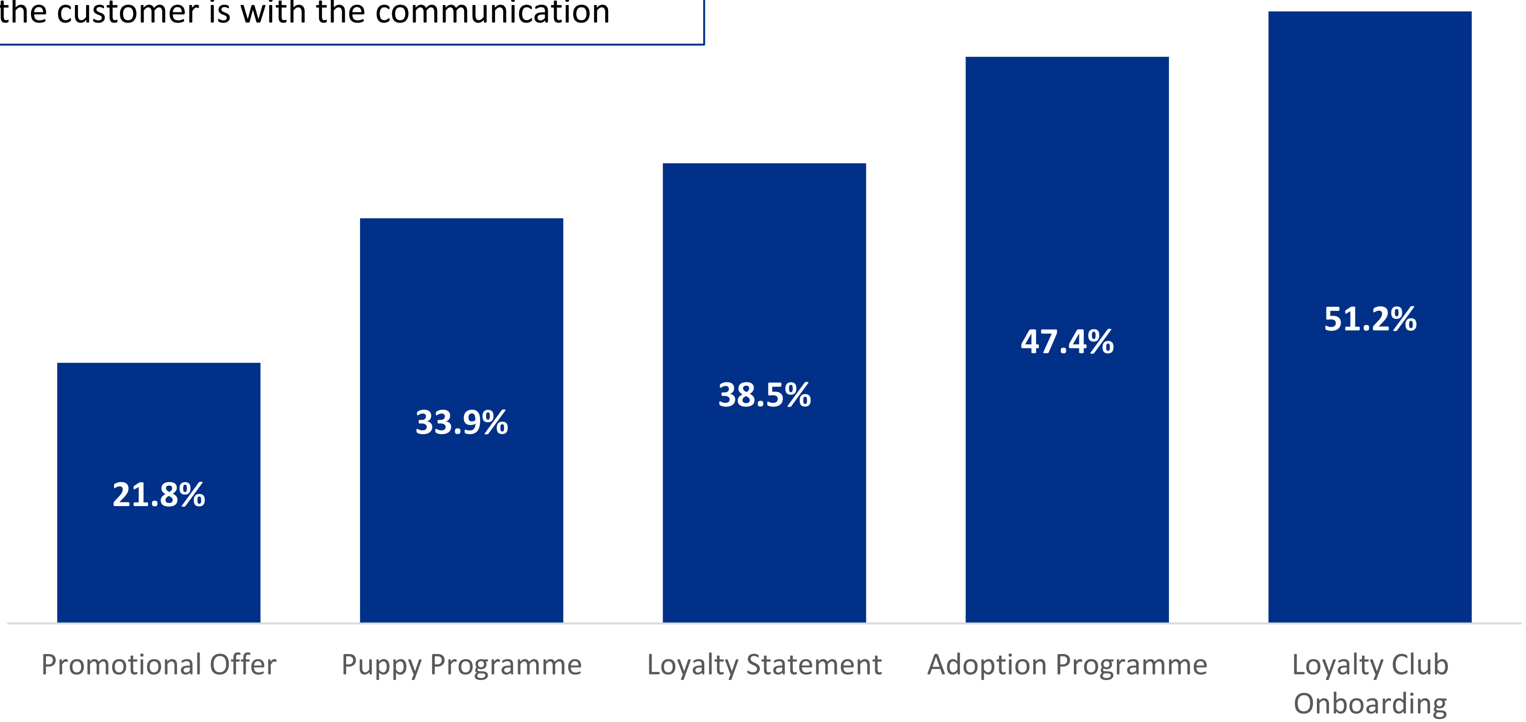
of 5m Pet Owning Households

Australian loyalty data 12 months to April 2016.

The loyalty program facilitates relevant and personal communication

Open rates of email campaigns

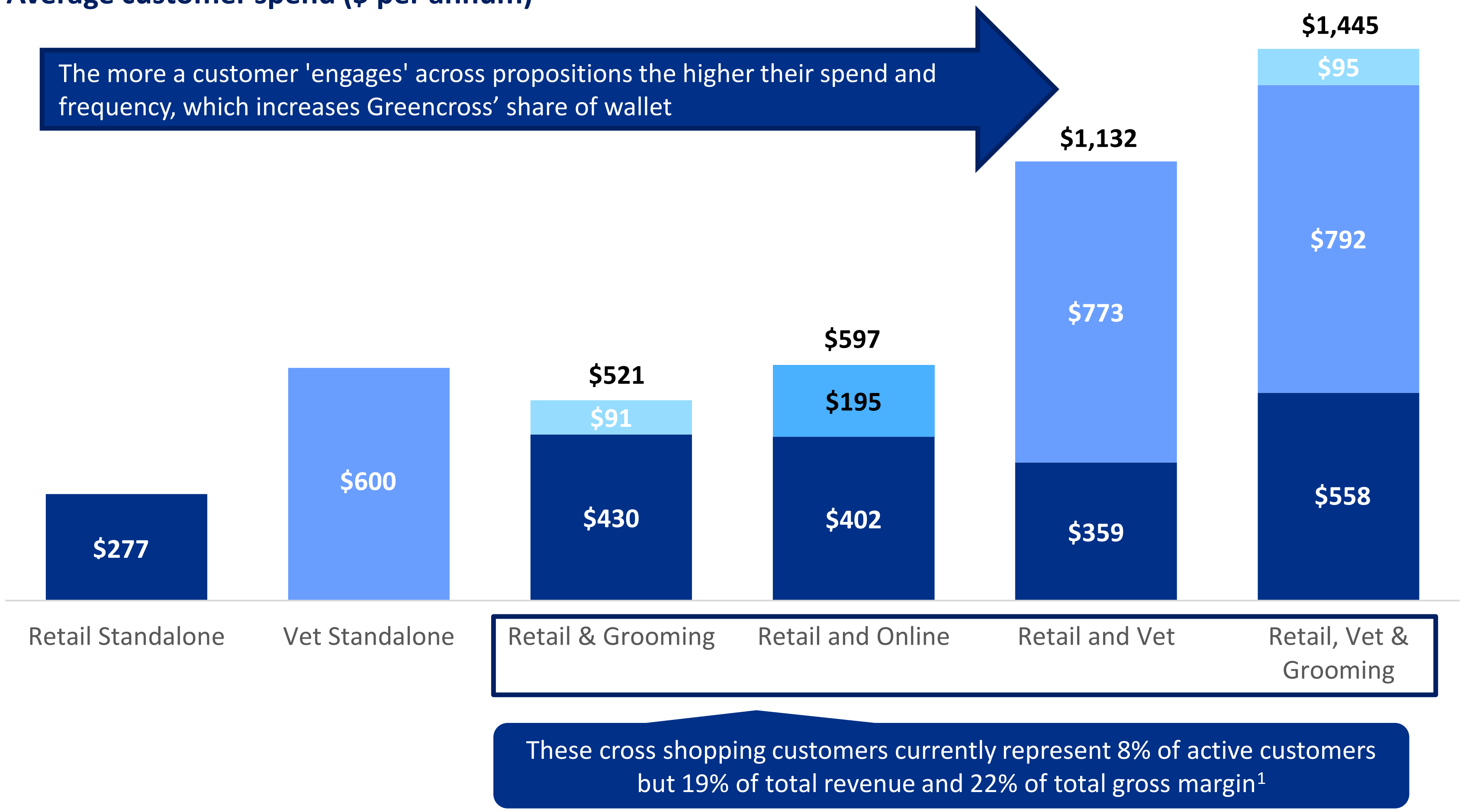
The more relevant and targeted the customer communication the more engaged the customer is with the communication



Open rates of email campaigns YTD April 2016, measure through Oracle Responsys Campaign Management tool.

Cross shoppers are more engaged, loyal and increase their spend across all categories

Average customer spend ($ per annum)[1]

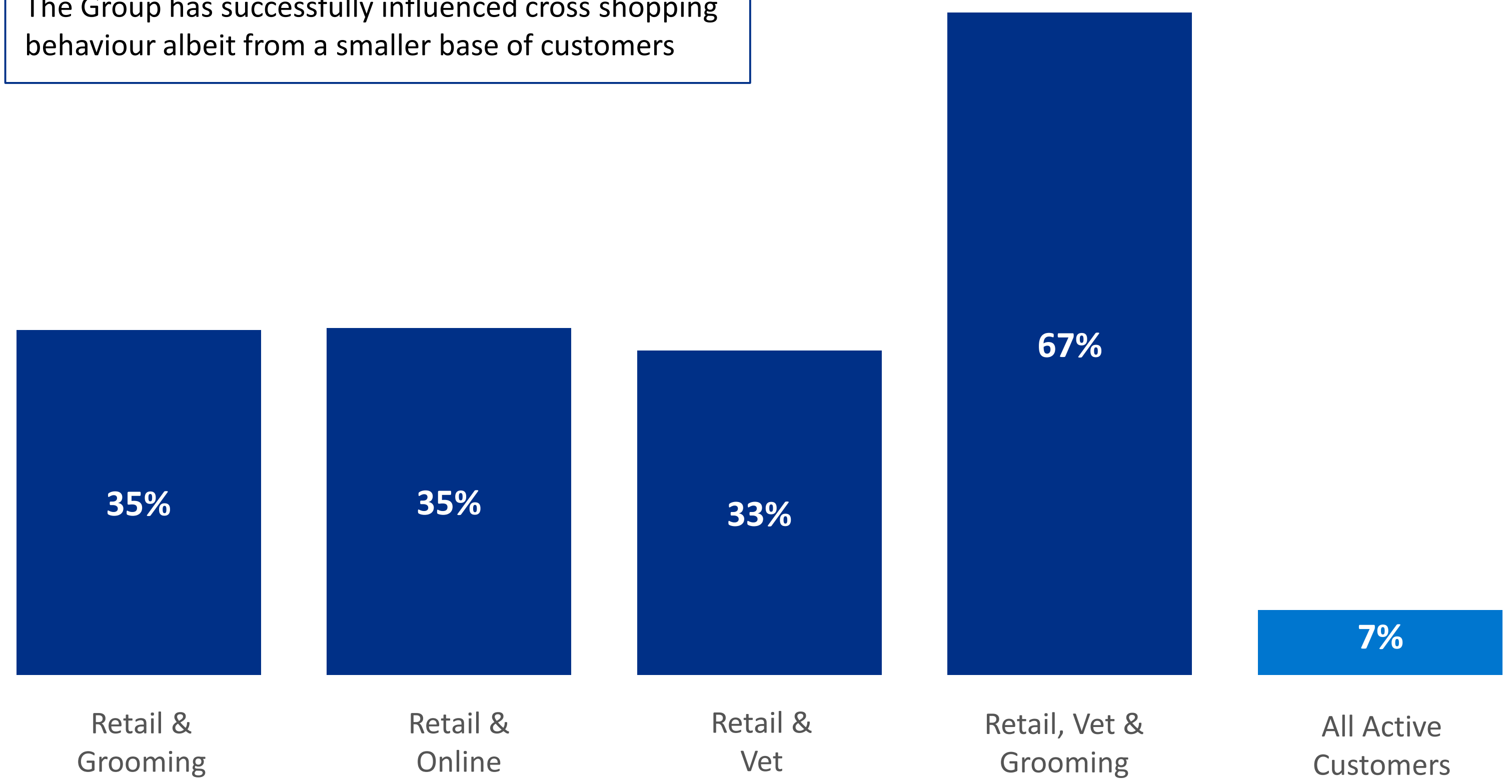


1. Actual Greencross Australian customer data for the 12 months ending March 2016. Active customers are customers who have shopped at Greencross in the last 12 months.

Multi-proposition shopping is showing the strongest customer growth

Annual growth of active customer base[1]

The Group has successfully influenced cross shopping behaviour albeit from a smaller base of customers



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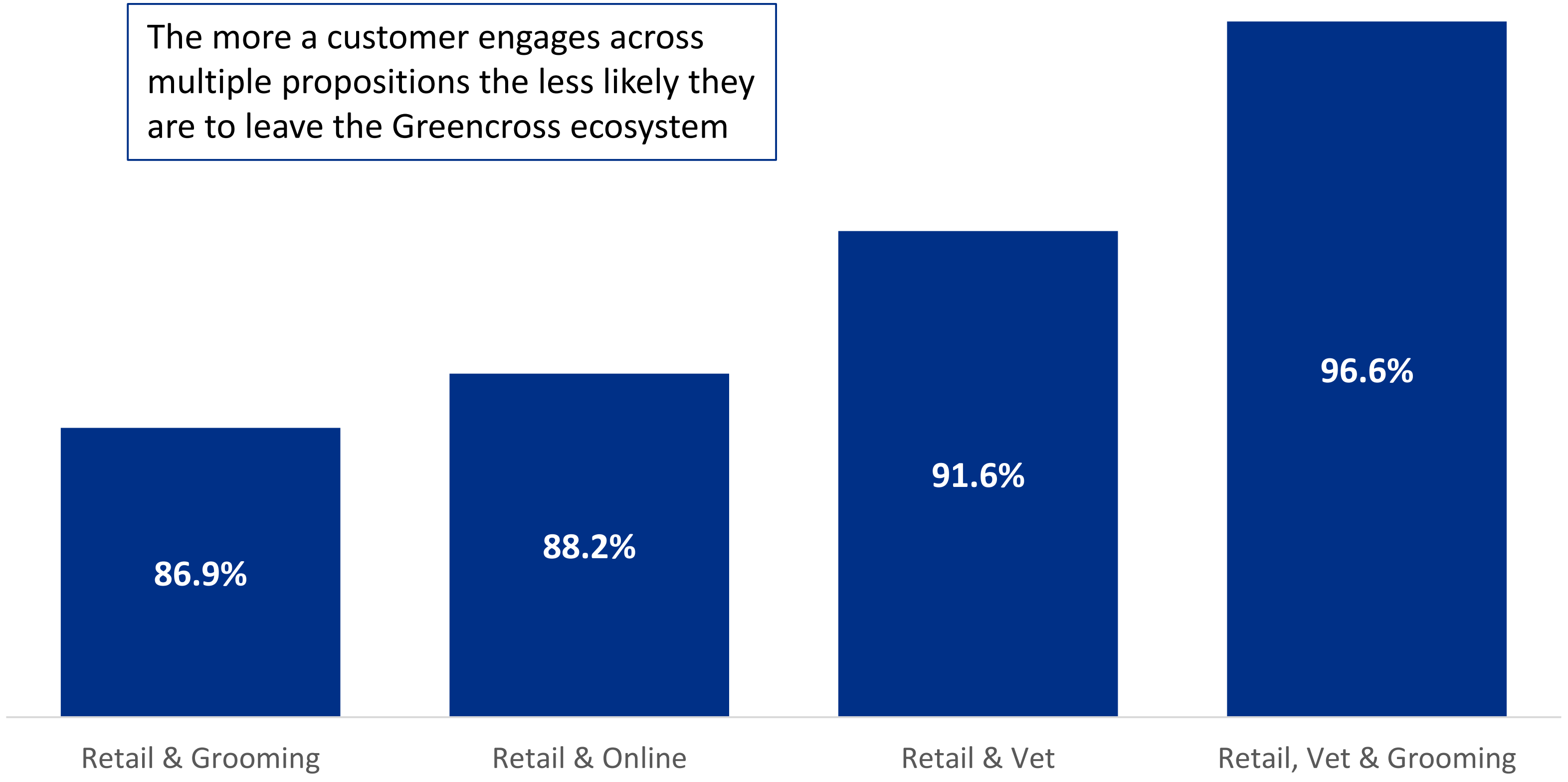
Higher engagement levels from cross shopping significantly improves retention

Retention rate on active customer base[1]

The more a customer engages across multiple propositions the less likely they are to leave the Greencross ecosystem



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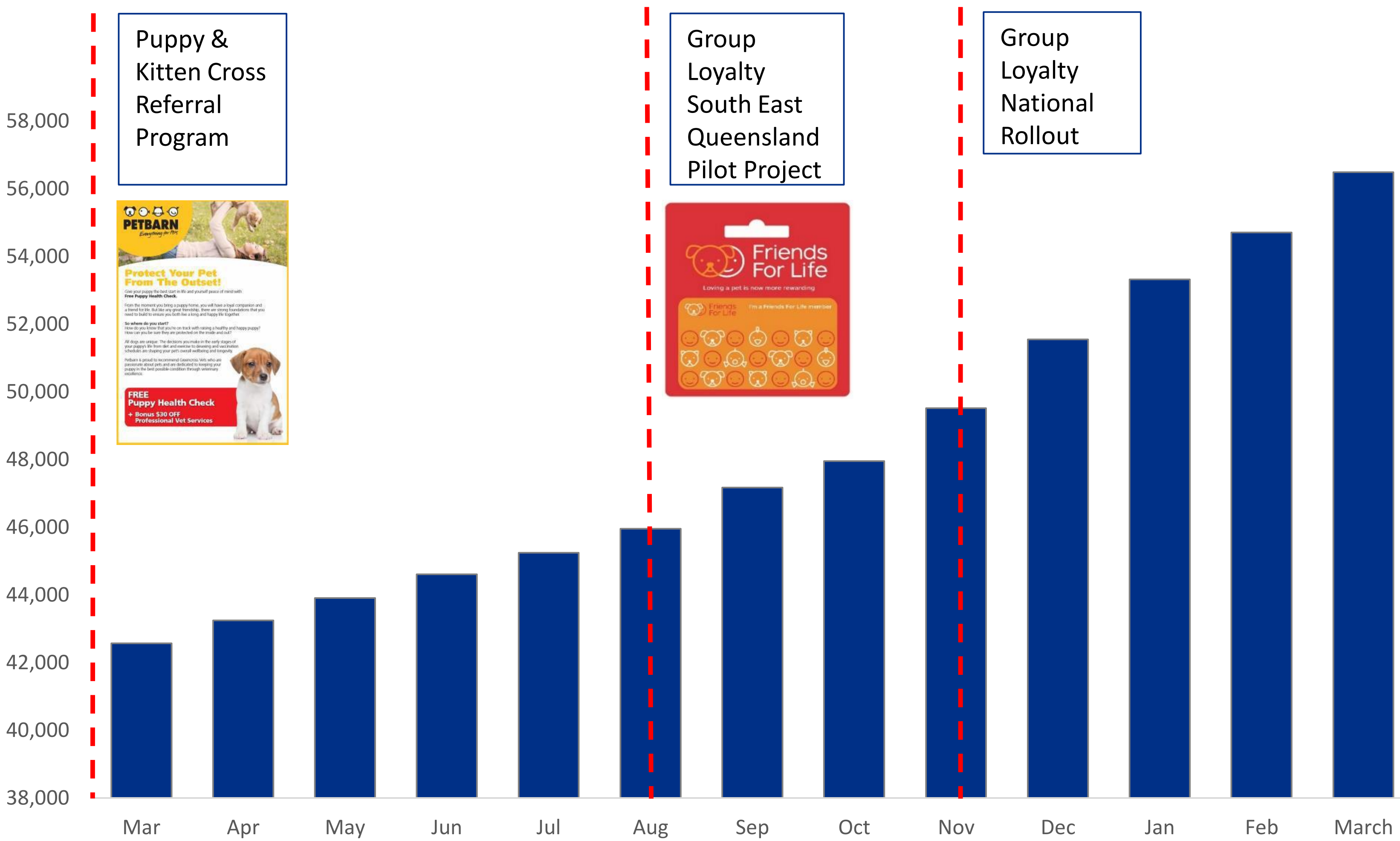
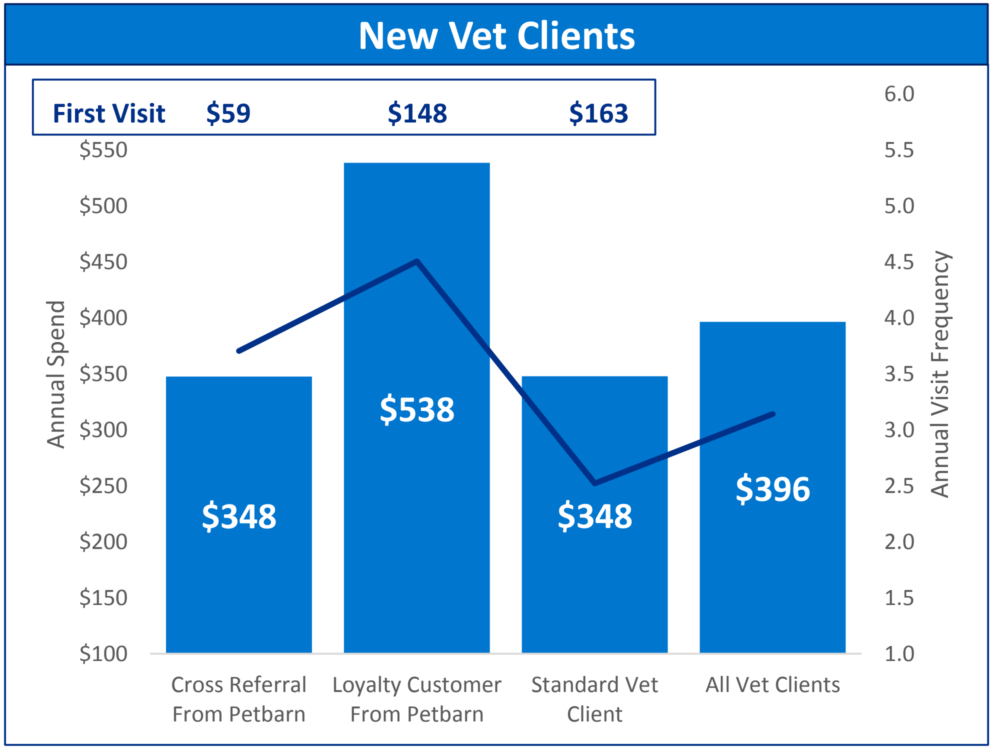
The number of cross shoppers is rapidly increasing

Customers who cross shop across retail and vet services has increased by 33% over the past 12 months to over 56,000. Including all services, Greencross has over 120,000 cross shoppers (+20,000 versus December 2015)



Cross shopping customers are highly attractive

- Referred customers from Petbarn into vet are highly valuable:
  - Significant source of new client growth
  - Visit frequency is higher and annualised value is strong
- Over indexing against the lucrative puppy and kitten client
  - Engaged, loyal and high spenders
  - Opportunity to drive lifetime values
- And buying into a broad range of medical services
  - Engaged pet owners caring for their pet
  - Friends For Life Loyalty customer strong across the mix



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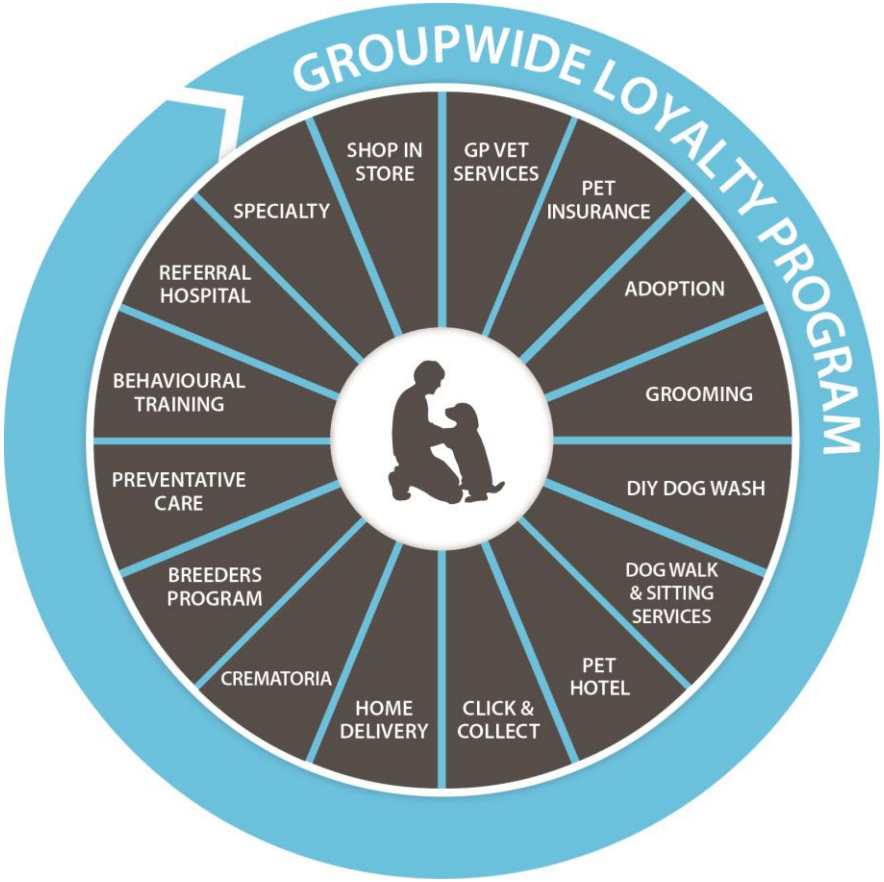
- Rewarding customer loyalty



Making it easy for pet owners to access all of the solutions they need to be a better pet parent and, in turn, drive shareholder value

"To make our world a happier place through the love of pets"

Trading Update

Trading update

- **Trading update as at Week 43**
  - Group total sales growth 14.5%
  - Group LFL sales growth 5.1%
  - Vet LFL sales growth 4.1%
  - Retail LFL sales growth 5.5% (>6% excluding WA)
    - East Coast and NZ retail performing well
    - Market share gain in WA retail in challenging conditions
  - Online sales growth 78%
  - Group gross margin in line with H1 FY2016
  - Cashflow generation remains strong

- **Network expansion targets**
  - Greencross will add 21 stores and 14 “in store” co-located vet clinics in FY2016
  - Roll out of “in store” co-located vet clinics has been accelerated and Greencross now expects to have 30 co-located vet clinics by the end of FY2017

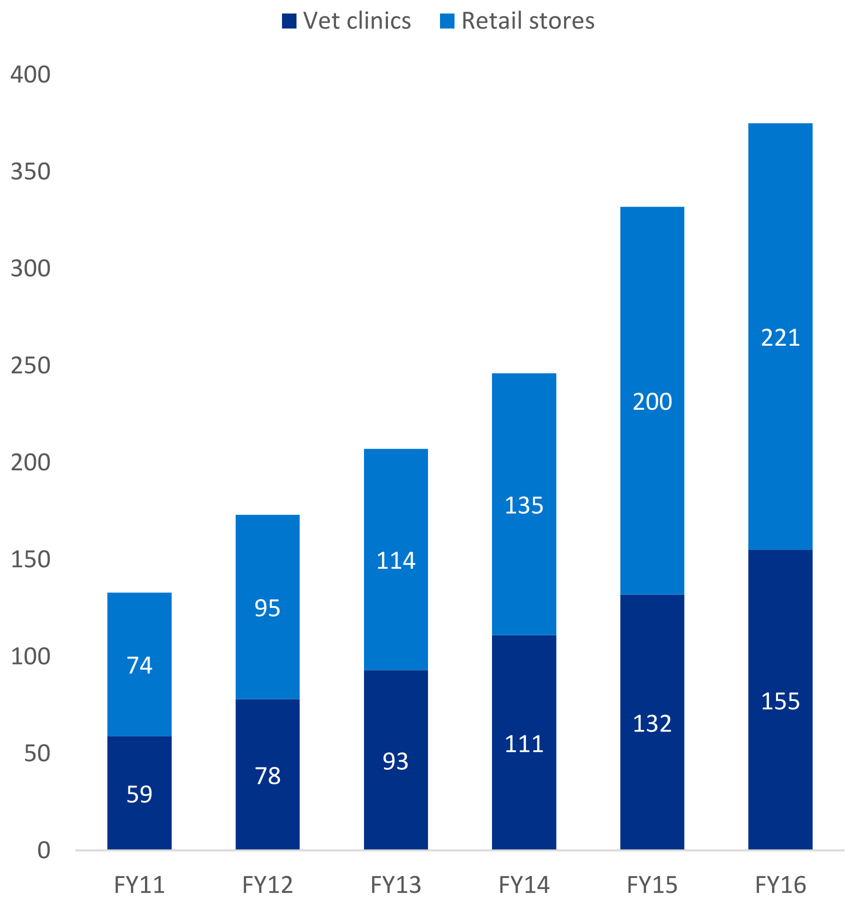
Appendix

Rapid network expansion driving growth

Greencross Limited
The Pet Company

Greencross network comprises 376 stores and clinics

Store and Clinic Numbers[1]



Year	FY12	FY13	FY14	FY15	FY16
New stores & clinics	+40	+34	+39	+86	+44

Network Expansion in FY2016

- Retail stores (+21)
  - Added 18 stores at Gladesville (NSW), Rozelle (NSW), Singleton (NSW), Box Hill (VIC), Burnside (VIC), Sunbury (VIC), Mentone (VIC), Woden (ACT), Robina (QLD), Bundaberg (QLD), Holden Hill (SA), Busselton (WA), Albany (WA), Glen Innes (NZ), Poirua (NZ), Dunedin (NZ), Coastlands (NZ) and Linwood (NZ)
  - 4 stores under construction at Townsville (QLD), Mt Gambier (SA), Rosny Park (TAS) and Belrose (NSW)
  - 1 store closed at Northmead (NSW)
- Standalone vet clinics (+9)
  - added 9 clinics at Maroochydore (QLD), Townsville (QLD), Mt Barker (SA), Five Dock (NSW), Awapuni (NZ), Palmerstone North (NZ), Paraparaumu (NZ), Waikanae (NZ) and Nedlands (WA)
- “ In store clinics” (+14)
  - added 11 clinics at Campbelltown (NSW), North Parramatta (NSW), Chatswood (NSW), Box Hill (VIC), Kenmore (QLD), Mitchelton (QLD), Noosa (QLD), Browns Plains (QLD), Bundaberg (QLD), Holden Hill (SA) and Wellington (NZ)
  - 3 clinics under construction at Kedron (QLD), Townsville (QLD) and Subiaco (WA)

1. FY16 includes 4 stores and 3 “in store” clinics currently under construction and due to open by the end of FY2016

End