



Green Cross Health Limited Full Year Result Announcement

Auckland 27 May 2014

Green Cross Health (NZX:GXH), today reported a net profit of \$15.0 million for the 12 months to 31 March 2014, an improvement of \$2.0 million (15.6%) on the same period last year. The result was achieved on consolidated operating revenues of \$257.9 million (2013: \$248.5 million).

The company's financial position is strong with a cash position, net of borrowings, of \$16.0 million, \$9.2 million up on last year.

Total assets of Green Cross Health are now \$134.4 million (2013: \$123.3 million) with total liabilities of \$45.0 million (2013: \$48.5 million).

"This is a very pleasing result," said Peter Merton, Chairman of Green Cross Health. "Our profit growth has been achieved through improved performance of all business units together with contributions from new pharmacy and medical acquisitions."

Dividend

The Directors have resolved to pay a fully imputed final dividend of 3.5 cents per share to shareholders on the register as at 5pm on 11 June 2014. The dividend will be paid on 23 June 2014. The dividend reinvestment plan continues to operate.

Business Highlights

Corporate

The company's name changed from Pharmacybrands to Green Cross Health to better reflect the greater diversity of the group and to signal the development of the business as a primary health care company.

"In time we would like Green Cross Health to be recognised as a quality mark that consumers can trust to help them manage their health needs," Mr Merton commented. "We believe the silo approach to care and funding in primary care is approaching its use by date. By having a range of services that span primary care we can develop better offerings to ensure the patient is at the centre of a coordinated care approach."

The company's growth as a provider of primary health care services was strengthened with \$7 million invested in the acquisition of medical centres and pharmacies and, in March 2014, an investment in Auckland based community health care provider, Total Care Health Services.

Pharmacy

Under the leadership of Grant Bai, who was appointed CEO in October 2013, activity was focused on brand consolidation, an enhanced consumer loyalty programme and reorganising the operations team to deliver improved in-store experience.

“We have rationalised our pharmacy brands from five to two - Life Pharmacy and Unichem - and relaunched our customer loyalty programme, Living Rewards. In future we envisage the Living Rewards loyalty programme applying across all our business units,” added Mr Merton.

Medical

The medical business continued to grow through appropriate equity acquisitions and expanding The Doctors brand across the medical group.

“The contribution to the group of our medical business is now substantial”, said Mr Merton. “We are confident that the platform we have established will create further opportunities for growth.”

Community Health Services

In March 2014 the company invested in Total Care Health Services, a business offering predominantly nursing services to a mixture of private and government funded clients.

“We are pleased to have made our first move into this sector of the health care market. We intend to invest in further acquisition opportunities in this sector,” commented Mr Merton.

Looking Forward

Over the last 12 months the company has been focused on structuring the business for future growth, improved sales and enhanced service offerings.

“We are confident that in time there will be opportunities for synergy across our pharmacy, medical and community health businesses,” said Mr Merton. “We have the building blocks in place and the desire to turn Green Cross Health into a leading primary health care brand.”

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Contacts:

Debbie Yardley, Communications, Green Cross Health

Phone: +64 21 470 773

Email: Debbie.yardley@greencrosshealth.co.nz

Peter Merton, Chairman, Green Cross Health

Phone: +64 21 916 296

Email: pmmerton@vodafone.co.nz



Results for announcement to the market

Reporting Period			12 months to 31 March 2014
Previous Reporting Period			12 months to 31 March 2013
	Amount (000s)	Percentage change	
Revenue from ordinary activities*	\$257,949	3.81%	
Profit from ordinary activities after tax attributable to security holders*	\$15,034	15.57%	
Net profit attributable to security holders*	\$15,034	15.57%	
Dividend	<p>Directors have resolved to declare a final dividend of a net 3.5 cents cash per share, fully imputed at 28% making a full year fully imputed dividend of total 7.0 cents cash per share.</p> <p>The final dividend will be paid on 23 June 2014 to shareholders on the register as at 5 pm on 11 June 2014. The DRP will be operative for this dividend payment.</p>		
Comments	<p>Please refer to the attached Audited Consolidated Financial Statements for the year ended 31 March 2014.</p> <p>*The amounts and percentages included in these rows are on a different basis than previous year due to changes in accounting policy (Refer note 30 of the Consolidated Financial Statements). The prior year comparatives for the year ended 31 March 2013 are restated applying the new policy.</p>		

