



Green Cross Health Limited Full Year Result Announcement

Auckland 26 May 2015

Green Cross Health (NZX:GXH) today reported a net profit of \$14.4 million for the 12 months to 31 March 2015 (2014: \$15.0 million). The result was achieved on consolidated operating revenues of \$322.5 million (2014: \$257.9 million), up 25% on the previous year.

Total assets of Green Cross Health are now \$191.1 million (2014: \$134.5 million) with total liabilities of \$91.6 million (2014: \$45 million).

“We believe we have achieved a significant amount during the year that sets the company up well for the future,” says Peter Merton, Chairman of Green Cross Health. “The acquisitions of Peak Primary medical centres and Access Homehealth establish us as a leading player in New Zealand’s primary health care market, a development we have successfully managed while achieving strong sales and franchisee growth in our pharmacy business.”

Dividend

The Directors of Green Cross Health have resolved to pay a fully imputed final dividend of 3.5 cents per share to shareholders on the register as at 5pm on 10 June 2015. The dividend will be paid on 19 June 2015. The dividend reinvestment plan continues to operate and it is pleasing to see the significant number of shareholders who are participants in this plan.

Business Highlights

Pharmacy Division

The pharmacy business achieved same store sales growth of 5.1% (2014: negative 1.3%) with a notably higher rate of growth in the second half of the year, achieving same store sales growth of 11.5%. In addition, group numbers continued to grow, with 13 additional franchisees joining the group, plus equity acquired in two pharmacies and increased equity in a further three. The



rebranding project, to consolidate pharmacies under the Unichem and Life Pharmacy brands, progressed rapidly, with more than 200 pharmacies rebranded. A strategic focus on the Living Rewards customer engagement programme resulted in membership growing to 958,000 cardholders.

“It is extremely encouraging to see the positive results of the investment in pharmacy rebranding and our customer engagement strategy,” says Mr Merton. “We also increased our market share in dispensary across our pharmacy group to 44% and we continue to lead the development of professional services for the pharmacy industry in our Unichem and Life Pharmacies.”

Medical Division

The acquisition in October 2014 of **Peak Primary**, a group of 12 wholly owned general practices, was preceded by the acquisition of Tucker Consulting, a management services company serving six practices.

The Medical Division’s net profit result for the year reflects the cost of borrowing associated with the Peak Primary acquisition and lower than expected patient co-payments during the last six months of the financial year.

“The focus is now on profitably expanding our medical business, by developing patient centric services that enable practices to grow. Growth will be via both equity investments and practices using Green Cross Health service offerings,” says Mr Merton.

Community Care Division

The acquisition of Access Homehealth in December 2014, a specialist in community based healthcare and support, servicing 18,000 clients, was a highlight for the group.

“We are delighted to have made a major investment in community and home health care which increases our ability to offer an integrated health solution,” says Mr Merton.



Access contributed operating revenue of \$32.5 million and NPAT of \$189,000 for the four months of ownership, in line with expectations.

In March 2014 Green Cross Health invested in Community Nursing through Total Care Health. Total Care Health's profit was up 126% on their previous year, with Green Cross Health equity accounted profit being \$257,000.

“Total Care Health had a very good year and continued to provide us insight into the community nursing market which will fit well with our Access Homehealth business in terms of market penetration and service offerings,” said Mr Merton.

Looking Forward

The future focus for Green Cross Health is on profitable growth by developing patient centric services and providing enhanced care through the integration of services in a primary care model.

“We want to be the first choice for patients and clients across all the areas in which we provide services,” says Mr Merton. “We are in a very strong position to expand our healthcare services and use our green cross symbol as a trustmark for easily accessible quality health care in every New Zealand community.”

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