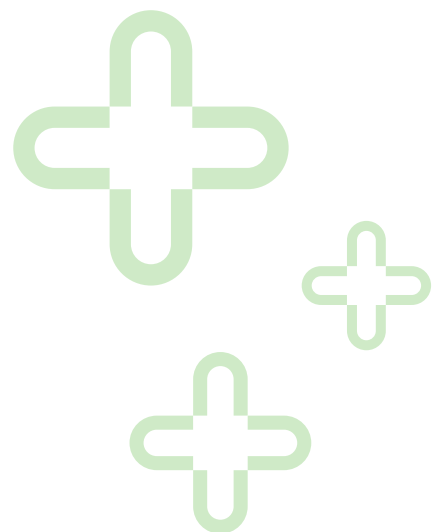


Half Year Report 2015





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Business summary

For the six months ended 30 September 2015

19.5%

Increase in net
profit after tax

The Group recorded a net profit after tax attributable to our shareholders of \$8.3 million, up 19.5% on the same period last year. This was underpinned by a solid performance from our Pharmacy division.

Our income statement shows the significant change due to the acquisitions made in the second half of last year with revenue up \$78.2 million, with \$51.6 million being contributed from our new Community Health division.

During the six month period the Group refinanced the Group debt position and paid out a special dividend of \$20.4 million being 15 cents per qualifying ordinary share to shareholders fully imputed to 28%.

In August we welcomed Dr Tony Edwards to the Green Cross Health Board of Directors. Dr Edwards was a founding shareholder and Director of "The Doctors" Group which is the group upon which the current Green Cross Health Medical division has evolved. Dr Edwards wealth of experience in the medical sector will significantly add to the governance and growth of our business.

Business highlights

- Pharmacy division revenues were \$138.4m, and same stores retail growth up 14.5% compared to the same period last year
- Medical division revenues were up by \$15.8 million on last year mainly due to the Peak Primary Limited acquisition
- Community Health division contributed \$51.6m in revenues
- Payment of a special dividend of 15 cents per share to shareholders with a further interim dividend of 3.5 cents per share payable in December 2015
- Pharmacy membership in the Group has increased to an all-time high of 326 pharmacies
- Acquisition of the remaining 50% shareholding in Total Care Health Services Limited.

Pharmacy division

Pharmacy net profit before tax was \$12.6 million up 13.7% on last year, largely resulting from retail sales being up 14.5% and dispensary sales up 3.8% on a same store basis. The key drivers for this have been the impact from the continued rollout of pharmacy re-branding, the growth of the Living Rewards customer engagement programme and targeted marketing and promotions.

Medical division

Revenue for the division was \$15.9 million higher than last year. However the Medical net profit before tax was \$0.9 million which is down on last year. We believe we are now well placed to take advantage of the larger scale business and other synergies, having completed the integration of Peak Primary Limited.

Community Health division

The Community Health division net profit before tax was \$0.5 million for the first six months of the year. This was in line with our expectations when we acquired Access Healthcare Limited.

During July the Group purchased the remaining 50% shareholding in Total Care Health Services Limited. This acquisition will enhance the divisions' offering in the Auckland region and will assist in growing the nursing business nationwide through the current Community Health division infrastructure.

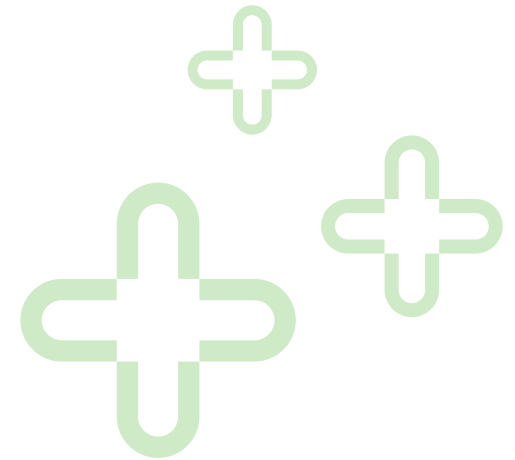
In October Simon Lipscombe was appointed as the CEO of the Community Health division.

14.5%

Increase in
pharmacy
retail sales

\$15.9m

Increase in medical
division revenue



Dividend

The Directors have resolved to pay a fully imputed interim dividend of 3.5 cents per share to shareholders on the register as at 5pm on 8 December 2015. The dividend will be paid on 18 December 2015. The dividend reinvestment plan continues to operate.

For and on behalf of the Board

Peter Merton
Chairman

Consolidated

Interim statement of comprehensive income

For the six months ended 30 September 2015

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Operating revenue		
Revenue	213,006	134,798
Cost of sales	84,927	77,695
	128,079	57,103
Share of equity accounted net earnings	496	455
Operating expenditure		
Employee benefit expense	90,066	28,286
Lease costs	8,513	6,875
Depreciation and amortisation	2,524	2,029
Other expenditure	12,848	8,142
	113,951	45,332

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Operating profit before interest and tax	14,624	12,226
Net interest	(621)	136
Profit before tax	14,003	12,362
Tax expense	(3,662)	(3,403)
Profit and total comprehensive income for the period	10,341	8,959
Profit after tax and total comprehensive income for the period attributable to:		
Shareholders of the Parent	8,296	6,941
Non-controlling interest	2,045	2,018
Earnings per share:		
Basic earnings per share (cents)	6.15	5.29
Diluted earnings per share (cents)	6.13	5.27

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Consolidated

Interim statement of changes in equity

For the six months ended 30 September 2015

September 2015	Note	Share capital \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total equity \$'000
As at 1 April 2015		69,767	26,514	3,140	99,421
Profit and total comprehensive income for the period			8,296	2,045	10,341
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,301			3,301
Dividends to shareholders	7		(24,988)		(24,988)
Distributions to non-controlling interests				(1,606)	(1,606)
Impact of other transactions with non-controlling interests			(1,200)	(20)	(1,220)
Share scheme amortisation		42			42
As at 30 September 2015		73,110	8,622	3,559	85,291



September 2014	Note	Share capital \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total equity \$'000
As at 1 April 2014		63,289	23,228	2,898	89,415
Profit and total comprehensive income for the period			6,941	2,018	8,959
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,126			3,126
Dividends to shareholders			(4,564)		(4,564)
Distributions to non-controlling interests				(1,169)	(1,169)
Impact of other transactions with non-controlling interests			(1,684)	(149)	(1,833)
Share scheme amortisation		32			32
As at 30 September 2014		66,447	23,921	3,598	93,966

Consolidated

Interim statement of financial position

As at 30 September 2015

	As at 30 Sep 2015 (Unaudited) \$'000	As at 31 Mar 2015 (Audited) \$'000
Current assets		
Cash and cash equivalents	15,178	23,554
Trade and other receivables	31,128	22,694
Inventories	27,655	24,951
Total current assets	73,961	71,199
Non-current assets		
Property, plant and equipment	16,014	13,434
Intangible assets	100,341	93,407
Deferred tax asset	5,866	5,869
Equity accounted group investments	4,834	7,142
Total non-current assets	127,055	119,852
Total assets	201,016	191,051

	Note	As at 30 Sep 2015 (Unaudited) \$'000	As at 31 Mar 2015 (Audited) \$'000
Current liabilities			
Payables and accruals		51,929	50,264
Income taxes payable		557	1,238
Borrowings		3,300	7,892
Total current liabilities		55,786	59,394
Non-current liabilities			
Payables and accruals		1,333	1,177
Borrowings		58,606	31,059
Total non-current liabilities		59,939	32,236
Total liabilities		115,725	91,630
Net assets		85,291	99,421
Equity			
Share capital	6	73,110	69,767
Retained earnings		8,622	26,514
Total equity attributable to shareholders of the Parent		81,732	96,281
Non-controlling interest		3,559	3,140
Total equity		85,291	99,421

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Consolidated

Interim statement of cash flows

For the six months ended 30 September 2015

	Note	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Cash flows from operating activities			
Dividend received		517	376
Receipts from customers		204,937	131,995
Payments to suppliers and employees		(198,142)	(119,435)
Net interest (paid) / received		(621)	136
Income taxes paid		(4,353)	(5,475)
Net cash inflow from operating activities	8	2,339	7,597

	Note	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Cash flows from investing activities			
Purchases of property, plant, equipment and software intangibles		(4,421)	(2,374)
Acquisition of interests in subsidiaries and associates		(7,207)	(6,450)
Proceeds from sale of shares in subsidiary		520	-
Proceeds from sale of interests in equity accounted investments		266	-
Net cash outflow from investing activities		(10,841)	(8,824)
Cash flows from financing activities			
Proceeds from new borrowings		30,927	3,078
Repayment of borrowings		(8,623)	(1,921)
Shares issued for cash	6	74	115
Dividends paid		(21,761)	(1,559)
Distributions to non-controlling interests		(1,606)	(963)
Net cash outflow from financing activities		(989)	(1,250)
Net decrease in cash and cash equivalents		(9,491)	(2,477)
Cash acquired: business combinations		1,115	-
Add opening cash and cash equivalents		23,554	25,274
Closing cash and cash equivalents		15,178	22,797

The consolidated interim financial statements should be read in conjunction with the accompanying notes



Notes to the financial statements

For the six months ended 30 September 2015

1. Reporting entity

Green Cross Health Limited (the “Parent”) is a New Zealand company registered under the Companies Act 1993 and listed on the NZX Main Board (“NZX”). The Parent is an issuer in terms of the Financial Reporting Act 2013 and a profit-oriented entity.

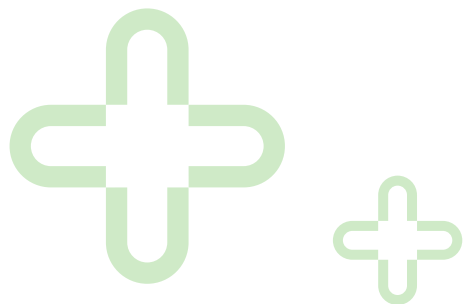
The consolidated interim financial statements of Green Cross Health Limited comprise the Parent, its subsidiaries, and its interest in associates and joint ventures (together referred to as the “Group”).

2. Basis of preparation of financial statements

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), NZ IAS 34 Interim Financial Reporting, and other applicable Financial Reporting Standards as appropriate for profit oriented entities. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2015.

The consolidated interim financial statements for the six months ended 30 September 2015 and the comparative information for the six months ended 30 September 2014 are unaudited.



2. Basis of preparation of financial statements (continued)

(b) Basis of measurement

The financial statements of the Group are prepared under the historical cost basis unless otherwise noted within the specific accounting policies below.

(c) Changes in accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2015. The Group has not applied any standards, amendments to standards and interpretations that are not yet effective.

(d) Comparatives

Where applicable comparative information has been reclassified to conform to the current period's presentation.

3. Accounting estimates and judgments

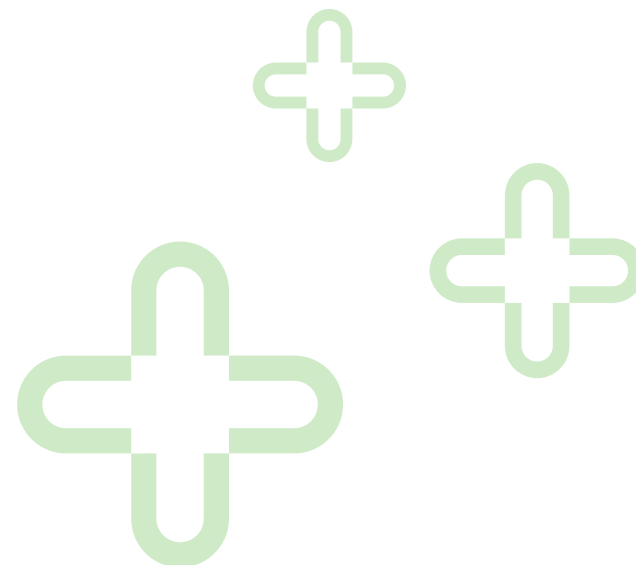
In authorising the consolidated interim financial statements for the six months ended 30 September 2015, the Directors have ensured that the specific accounting policies necessary for the proper understanding of the financial statements have been disclosed, and that all accounting policies adopted are appropriate for the Group's circumstances and have been consistently applied throughout the period for all Group entities for the purposes of preparing the consolidated interim financial statements.

Inherent in the application of certain accounting policies, judgments and estimates are required. The Directors note that the actual results may differ from the judgments and estimates made.

4. Segment reporting

The Group has three reportable segments: pharmacy retail services, medical services and community health services.

The Group's main operations are in the pharmacy industry providing pharmacy retail services through consolidated stores, equity accounted investments and franchise stores. The medical services segment includes fully owned and equity accounted medical centres, and support services provided to these medical centres, as well as medical centres outside the Group. The community health services segment provides services direct to the community to support independent living.



4. Segments reporting (continued)

September 2015	Pharmacy retail services \$'000	Medical services \$'000	Community Health services \$'000	Intersegment eliminations \$'000	Total \$'000
External revenues	138,418	23,030	51,558	-	213,006
Share of equity accounted net earnings	91	401	4	-	496
Net interest income / (expense)	26	(459)	(189)	-	(621)
Depreciation and amortisation	(1,924)	(342)	(258)	-	(2,524)
Segment profit before income tax	12,585	913	506	-	14,003
Tax expense	(3,420)	(198)	(44)	-	(3,662)
Profit after tax	9,165	715	461	-	10,341
Segment assets	167,817	27,520	26,487	(20,808)	201,016
Segment liabilities	92,761	20,638	23,133	(20,808)	115,725
September 2014					
External revenues	127,606	7,192	-	-	134,798
Share of equity accounted net earnings	71	290	94	-	455
Net interest income / (expense)	185	(49)	-	-	136
Depreciation and amortisation	(1,922)	(107)	-	-	(2,029)
Segment profit before income tax	10,979	1,289	94	-	12,362
Tax expense	(3,132)	(271)	-	-	(3,403)
Profit after tax	7,847	1,018	94	-	8,959
Segment assets	132,926	13,120	-	(4,626)	141,420
Segment liabilities	43,004	9,076	-	(4,626)	47,454





5. Business combinations

No individually material acquisitions have been made for the six months ended 30 September 2015.

6. Shares on issue

	As at 30 Sep 2015 (Unaudited) '000	As at 31 Mar 2015 (Audited) '000
Shares authorised and on issue		
Opening number of shares	134,388	130,740
Shares issued - fully paid	1,337	3,498
Shares issued - partly paid	300	150
	136,025	134,388
Shares held as treasury stock	(700)	(500)
Closing number of shares	135,325	133,888

7. Distribution to owners

On 19 June 2015 Green Cross Health Limited paid a dividend of 3.5 cents per qualifying ordinary share to shareholders fully imputed to 28%. Also, on 21 August 2015 Green Cross Health Limited paid a special dividend of 15 cents per qualifying ordinary share to shareholders fully imputed to 28%.

8. Operating cash flows reconciliation

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Profit after tax for the period	10,341	8,959
Add/(deduct) non-cash items:		
Equity accounted profits (net of dividends received)	21	(79)
Depreciation & asset write-off	2,524	2,029
Amortisation of lease incentive	(104)	(46)
Deferred tax	3	(2)
Share scheme amortisation	42	32
Gain on sale of associate and joint venture	(459)	-
Add/(deduct) changes in working capital items:		
Receivables and accruals	(7,603)	(2,803)
Inventory	(2,374)	(1,765)
Payables and accruals	(52)	1,272
Net cash inflow from operating activities	2,339	7,597

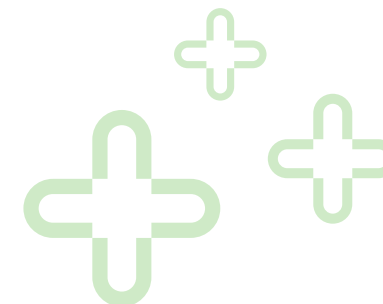
9. Subsequent events

On 24 November 2015 Green Cross Health Limited declared dividends of 3.5 cents per qualifying ordinary share which will be fully imputed to 28%.

No adjustments are required to these consolidated interim financial statements in respect to this event.

Company directory

As at 30 September 2015



Registered office

Green Cross Health Limited
Ground Floor, Building B
602 Great South Road
Ellerslie, Auckland 1542
Telephone: +64 9 571 9080

Board

P M Merton, Chairman

J A Bagnall, Non-Executive Director

J B Bolland, Non-Executive Director

A W Edwards, Independent Director

K R Rushbrook, Independent Director

K A Orr, Independent Director

P D Davies, Non-Executive Director

M M Millard, Independent Director

Board Secretary

J H Greenwood BCom, FCA
Green Cross Health Limited
Private Bag 11 906
Ellerslie, Auckland

Auditor

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland

Websites

www.greencrosshealth.co.nz
www.livingrewards.co.nz

Bankers

ANZ Bank New Zealand Limited
Ground Floor, ANZ Centre
23 – 29 Albert Street
Auckland 1010

Bank of New Zealand
80 Queen Street
Auckland 1010

Share registrar

Computershare Investor
Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, Auckland 0622

Managing your
shareholding online:

To change your address, update
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to view your registered details
including transactions, please visit
www.investorcentre.com/nz

General enquiries can be
directed to:

enquiry@computershare.co.nz
Private Bag 92119
Auckland 1142
Telephone: + 64 9 488 8777
Facsimile: + 64 9 488 8787

Please assist our registrar by
quoting your CSN or
shareholder number

Green Cross Health Ltd
Ground Floor, Building B
602 Great South Road
Ellerslie, Auckland 1542

Private Bag 11906
Ellerslie, Auckland 1542

www.greencrosshealth.co.nz

KPMG01496

**Because of
what we do,
everyone is
healthier**