



24 November 2015

## ANNOUNCEMENT

### Green Cross Health Limited Half Year Result Announcement

**Auckland** - Green Cross Health Limited (GXH:NZX) today reported a profit attributable to our shareholders for the six months to 30 September 2015 of \$8.3 million, up 19.5% on the same period last year. This was underpinned by a solid performance from the Pharmacy Division.

The six month period reporting also reflects the changes due to acquisitions during the second half of last year, with reported revenues of \$51.6 million from the new Community Health Division.

“Our growth into Community Health has strengthened our position as a provider of primary health care services throughout New Zealand,” said Peter Merton, Chairman, Green Cross Health.

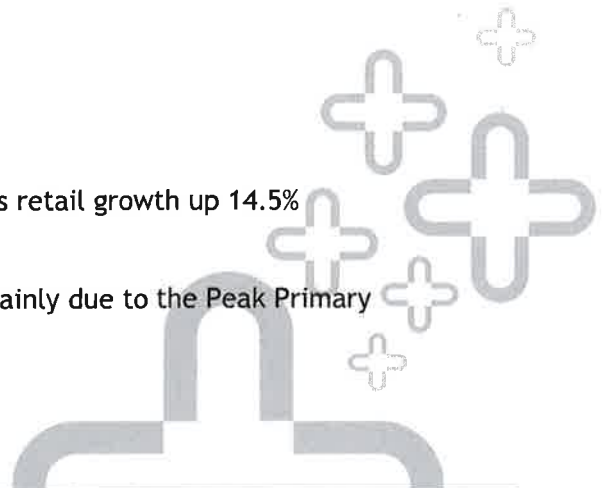
“It is also pleasing to see a solid result from our Pharmacy Division following the investment in the rebranding and loyalty strategies over the last two years, and growth in store numbers in the Unichem and Life Pharmacy store networks”.

Dr Tony Edwards, a founding shareholder and director of ‘The Doctors’ joined the Board of Directors in August 2015.

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%.

#### Business Highlights

- Pharmacy revenues were \$138.4m, and same stores retail growth up 14.5% compared to the same period last year
- Medical revenue up by \$15.8 million on last year mainly due to the Peak Primary acquisition



- Community Health contributed \$51.6m in revenues
- Payment of a special dividend of 15 cents per share to shareholders with a further interim dividend for the six month 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, down on last year.

“We believe we are now well placed to take advantage of the larger scale business, having completed the integration of Peak Primary Limited and this will be a focus for the group during 2016,” said Mr Merton.

### **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 roughly in line with expectations when Access Healthcare was acquired.

During July the Group purchased the remaining 50% shareholding in Total Care Health Services Limited.

“This acquisition will enhance our reach in the Auckland region and help us grow the nursing business nationwide,” said Mr Merton.

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

## 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.

Results for announcement to the market		
<b>Reporting Period</b>	6 months to 30 September 2015	
<b>Previous Reporting Period</b>	6 months to 30 September 2014	
	<b>Amount (000s)</b>	<b>Percentage change</b>
Revenue from ordinary activities*	\$213,006	58.0%
Profit from ordinary activities after tax attributable to security holders*	\$8,296	19.5%
Net profit attributable to security holders*	\$8,296	19.5%
<b>Dividend</b>	Directors have resolved to declare a dividend of a net 3.5 cents cash per share, fully imputed at 28%.	
<b>Comments</b>	Please refer to the attached Consolidated Financial Statements for the half year ended 30 September 2015.	

## ENDS

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