2 August 2017

New Zealand Exchange Limited
PO Box 2959
Wellington

**Annual Meeting Resolutions, Independent Director Confirmation and Meeting Presentations.**

This year's Annual Meeting of the shareholders of Green Cross Health Limited was held on Tuesday 1 August 2017.

All five resolutions proposed in the Notice of Meeting were considered and passed at the meeting on a show of hands.

In accordance with Listing Rule 3.3.3 the Board of Directors of Green Cross Health Limited has determined that, in its view, Dame Margaret Millard, Carolyn Steele and Kenneth Orr are the Independent Directors on the Board as defined in the Listing Rules.

Attached to this letter are the speeches and presentation slides given at the meeting.

By Order of the Board

JGreenwood

Jim Greenwood

Company Secretary

Phone 09 571 9080 Fax 09 571 9081
Ground Floor, Building B, Millennium Centre,
602 Great South Road, Ellerslie, Auckland
Private Bag 11906, Ellerslie, Auckland 1542

**Chairman**

**Mr Peter Merton**

This afternoon our 3 senior executives will take you through their areas of responsibility and will cover recent financial performance, progress on key initiatives and priorities going forward.

We continue to grow all 3 areas of the business and the 2017 after tax earnings growth and cash flow generation was very pleasing, allowing us to continue to focus on investments both in acquisitions and systems without increasing our debt load.

I take this opportunity to thank our staff around the country for their continued deliverance of excellent healthcare. Our staff at the frontline and head office have done a great job in serving the needs of our communities and are continually developing new ways of delivering better and more efficient care. In the storms, earthquakes and other local challenging situations they are the people that go the extra mile to care for their patients and clients.

I also thank the board for their support and welcome our two new board members, Peter and Carolyn. They will introduce themselves to you in a few minutes.

We are pleased that Keith Rushbrook a retiring Director could join us today. Keithjoined what was then Pharmacy Brands in 2007 as our independent director. He has been instrumental in helping shape the company into what it has become today. His leading of the Audit and Finance & Risk committees has been first rate. The reshaping of our reporting to make sense to laymen and experts alike has been complimented regularly and Keith is the architect of those changes. He has guided the business as it has moved from basically a cooperative services company to what we have today. We are all indebted to you Keith and many thanks for the work and the fun we have had along the way. We wish you all the best in your travels and I am sure our paths will continue to be intertwined.

[End]

**CEO Pharmacy and Medical**

**Mr Grant Bai**

We have a company vision.

Because of what we do, everyone is healthier.

As a group, we are passionate about reshaping the NZ primary health care industry, focusing on delivering better patient outcomes and experiences, and finding new ways to provide the best health support, care and advice to New Zealand communities.

With changes in consumer expectations through more accessible care and further advances in technology, there is an opportunity to develop a value proposition built around access, collaborative care and proactive management, delivered through a co-ordinated structure offering a wide range of services.

The ability to move seamlessly between different health care providers will improve the patient experience.

We have been focussed on promoting the easily accessible quality health care and advice that we deliver as a significant provider in the primary health care market, and giving people the support they need to manage their health in their own homes, for as long as possible which is clearly aligned with the NZ health strategy.

Our ability to collaborate between our divisions of pharmacy, medical, and community health is creating a hub for a patient centric health care model.

This gives us a unique point of difference offering a clinical overview, easy access and a large footprint with a presence in almost every New Zealand community. We aim to provide expert advice, easy referral, services and support at the customer's convenience.

In the Pharmacy division, we have put in place the systems, through our customer engagement platforms, to capture data and measure the effectiveness of innovation in patient care.

We are on the journey to change outdated healthcare models by validating that our collaborative approach really does improve patient outcomes.

A snapshot of our Pharmacy business shows same store operating profit before interest and tax grew 11%.

Life and Unichem pharmacies achieved 3.7% retail sales growth.

We have added four new pharmacies into our equity portfolio and 16 new Pharmacies to our branded group.

The total group has dispensed over 31.2 million prescriptions, which is up from 29.7 million dispensed last year, and we have continued to add to our range of health services with additional vaccinations, multidisciplinary health projects and the reclassification of oral contraceptives.

Looking to the future, we will continue to invest in health services such as further vaccinations, health checks, medicine management and minor ailment clinics.

Our pharmacy loyalty platform, which is currently a retail reward based system, will develop to be a health reward system, offering benefits for healthy behaviours and reward for proactive health management, extending outside of pharmacy and across the group.

There is potential in the overriding concept that with integrated data capture the benefit to the patient is they should only have to tell their story once and will become an active participant in their own health care plan.

By focussing on evidence based outcomes we will secure additional funding streams.

The retail part of pharmacy is constantly challenged by new competitors.

We have put in place strategies which will help to maintain our strong competitive position –

- consolidating our offer into two distinct brands (Life and Unichem) with a combined footprint of over 350 stores
- investing in our loyalty platform that now has almost 1.4 million members, continuing to invest in value-add health services and
- a soon to be launched eCommerce platform.
- We have invested in an award-winning training academy with courses accredited to NZQA level 4.
- TeachMe which is the online learning platform within the academy has over 3500 people enrolled.

And, we will continue to invest in new businesses in line with co-ordinated primary health care opportunities.

In the medical division, we have established a support function that offers great culture, collegial support and the resource to deliver high quality consistent patient care that is measurable.

Our emphasis is on a tailored business partnership complemented by full clinical governance. Our support is the enabler for the medical centres to prosper as individual units with the right business information tools to measure and benchmark their delivery of service.
A snapshot of the medical division shows operating profit before interest and tax up 5% over the previous year, operating revenue up 6% and we have continued our roll out of our Doctors brand.
Our growth strategy is to increase access to more patients by way of increased equity in more medical centres.
We are focusing on geographically similar areas to enable shared practice resources and also to assist with DHB and PHO engagement.
We have started to improve business performance through efficient and effective leadership changes within the practices.
We are working with strategic partners to assist with national and regional contracts for the delivery of targeted services.
These strategies are the baseline for growth, and we are looking to differentiate the services we offer in our practices with options tailored to local community needs and expectations.

We are introducing innovative options such as personalised health care, which has an enhanced ability to benefit high value populations with preventative and personalised services, and socially integrated health care working in partnership with higher needs populations. Some of the tools to assist in this growth are in trial now in a few of our medical centres and ultimately, shared technology platforms in pharmacy and medical will benefit patients and provide better health outcomes.

The ability to collaborate between our divisions is a point of difference for Green Cross Health in the New Zealand market. We are committed to creating improved patient outcomes and experiences and finding new ways to provide the best health support, care and advice to New Zealand communities.

[End]

**CEO Community Health**
**Mr Simon Lipscombe**

Access has had a long history as a leading provider of home and community services to New Zealanders, and in 2017 we are celebrating our organisations **90th anniversary**.

Today, we are known as Access Community Health – a proud division of Green Cross Health. We have completed a re-brand of our organisation, and established ourselves as a contemporary and innovative leader in the home and community services sector – complete with a strong people and operations base with which to launch our growth aspirations on.

Access has a comprehensive national footprint, and we now deliver more than **3.3m home visits** every year across the length and breadth of New Zealand. These home visit numbers will continue to grow as our client numbers grow, and Access did benefit significantly from securing the sole service provider opportunity for the greater Wellington region in late 2016. This major win was a large contributor to our **+10% client growth** and overall **market share growth** in the last year.

The Wellington contract has also been the catalyst for a number of new innovations we are using to augment our service proposition. We have invested in the development of a Contact Centre to continually improve client experience, and this function now handles more than **1.0m calls a year**. We are also using Wellington as a pilot region for our own bespoke mobile app technology for use by our support workers. We have called this our "Access Virtual Assistant", or **"AVA"**, and it is designed to drive roster efficiencies across the business.

We are very pleased with the results that our business has achieved off the back of a re-setting of our management team goals, and a commitment to delivering operations excellence across the balanced scorecard.

Improved recruitment and training practices, new health and safety initiatives, and staff engagement programmes, contributed to an improvement in **staff retention**. The introduction of regularisation (or Guaranteed Hours) and pay equity in recent times will only improve staff retention results in the year ahead.

Client experience measures also improved significantly in the past year. Most notably we saw a significant increase in overall client satisfaction results across all of our funder groups. We have also improved our on time service delivery measures, from 99.4% to 99.7%.

Finally, the team were very pleased with the **EBIT result** which reflected a dedicated effort to eliminate waste and inefficiency in the business, and to maximise the upside of new business wins and client growth across all of our regions.

As I mentioned before, the Access team has invested heavily in making our business and services more contemporary.
We have completed a major **re-branding exercise**, and just launched our new-look website – check it out for yourself at [www.access.org.nz](http://www.access.org.nz).
This is one of the crucial platforms for us to develop and to maximise our connection with the various potential revenue sources that we can secure growth from. Our primary goal is to keep our clients where they want to be cared for most – **in their own homes.** There is a growing market for privately funded home care in New Zealand, and this group of clients and their families all want the ease of connection to access our services and relevant information, and this includes how they can employ reverse mortgage facilities to fund care packages.
Our re-branding is also a critical strategic activity in relation to our funder groups (DHB's, ACC, MoH). There are a shrinking number of providers in our sector combined with the clear trend of funders procuring smaller numbers of providers to deliver services to their respective communities. As such, Access Community Health will stand out as a fresh and innovative provider and ensure that we build on our great reputation and secure all targeted growth opportunities in to the future.

The team, supported by Green Cross Health, are committed to the continual growth and enhancement of the Community Health Division. We have five key objectives for the year ahead:

**1. Maximise the benefits of a Regularised Workforce and the introduction of Pay Equity**

We are very pleased for our 3,500 Support Workers and the long overdue recognition that the Guaranteed Hours and Pay Equity initiatives gives them. We will benefit from improved staff retention, and that in turn will facilitate better service outcomes for our clients. Pay Equity does present well documented logistical challenges to service providers, and we continue to work with the Ministry of Health to alleviate these concerns.

**2. Build on our operations excellence platform to drive enhanced client experience**

Consumer expectations of high levels of service and experience continue to grow exponentially, and such expectations in the home and community sector are no different. Access must continue to take a leadership role in the sector and continually improve client experience with our services.

**3. Grow our District Nursing and Serious Injury services**

We have clear business plans and goals associated with growing our Total Care Health business, and our ACC services in the year ahead.

**4. Employ IT solutions to deliver improved workforce efficiency and patient outcomes**

We enjoy the benefit of employing our own in-house IT development expertise, and as such we can be highly nimble and effective in our execution of bespoke system innovations to improve our logistics management and to improve rostering efficiencies.

**5. Grow profit through operational improvement and new business**

Finally, we are confident in our ability to grow bottom line results. We have instilled a strong operations excellence foundation in the business, and we will continue to maximise margin outcomes via improved efficiency gains and new business wins in the year ahead.

[Ends]

**Group CFO**

**Mr Steve Browning**

1. Total Investment dollars over three years
   Spilt capital expenditure into Investment vs Maintenance of existing business operations
   Plus business acquisitions =

   $79.5m invested in 3 years … $71 of that in growth

2. Group Revenue and Profit
   Revenue in 2015 was $322m … grown to $488m in 2017 = 51% growth

   Operating Profit in 2015 was $25.7m … grown to $34.9m in 2017 = 36% growth

   2016 to 2017

   9% Revenue Growth
   16% Operating Profit Growth
   15% Profit attributable to Shareholders Growth at $19.6m vs $17m

3. Profitability by Division

   2016 to 2017

   5% Pharmacy Profit Growth = to $26.2m an incr of $1.2m
   5% Medical Profit Growth
   373% Community Health Profit Growth = to $3m an incr $2.3m

4. Return on Capital Employed
   Formula = Operating Profit / Total Net Assets
   (TNA = Total Assets - Cash - Current Liabilities + Current Borrowings)
   GXH consistently above 20%

   Armillary Private Equity ROCE benchmarking Study … 2016 financial results of 161 entities –
   NZX/NZAX/NXT listed + some unlisted + 8 Crown Entities
   GXH at 20% ranks 20th of 161 NZ entities; Mean = 6%

   [Ends]

**Presentation Slides follow:**

# GXH | GREEN CROSS HEALTH | 2017 Annual Meeting

GREEN CROSS HEALTH | Unichem | life Pharmacy | thedoctors | Access community health

**VISION**

Because of what we do, everyone is healthier

**BRAND PROMISE**

We are passionately committed to the health and wellness of New Zealand, and to providing the best support, care and advice to our communities

## GRANT BAI, CEO – PHARMACY & MEDICAL

GREEN CROSS HEALTH | Unichem | Life Pharmacy | thedoctors | Access community health


# PHARMACY

GREEN CROSS HEALTH | Unichem | Life Pharmacy | the doctors | Access community health


## FY17 Highlights

Same store operating profit **up 11%**

**3.7%** year on year retail sales growth

**4** new equity pharmacies

**16** new pharmacies into our group

Dispensed **31.2 million** prescription items

## Future Focus

Continued health services development

Strengthen retail offer through development of digital and personalised channels

Acquisitions in line with coordinated primary health care opportunities


# MEDICAL


## FY17 Highlights

Operating profit up 5%

Operating revenue up 6%

28 sites branded The Doctors

## Future Focus

Increase enrolled patients and equity in medical centres

Geographic focus: shared practice resources and PHO/DHB engagement

Improve performance through practice leadership

Win contracts for the delivery of targeted services

GREEN CROSS HEALTH | Unichem Life Pharmacy the doctors Access community health

Access Community Health will continue to set the standard for outstanding client experience in the home and community services sector

# SIMON LIPSCOMBE, CEO – COMMUNITY HEALTH

GREEN CROSS HEALTH | Unichem | life Pharmacy | thedoctors | Access community health

## COMMUNITY HEALTH DIVISION

Revenue growth **9.5%** year on year

**Operating profit of $3 million**

up $2.3 million on previous year

**3,500** support workers

**160** nurses

**Total clients up 10%** on prior year

2016 = 18,000
2017 = 20,000

**Total home visits 3.3 million**

**Client satisfaction survey**

**92% vs 86%** on prior year

**Contact Centre 1 million calls handled**

Access community health

Referral Staff Portal Select Language

0800 284 663

About | Our Services | Careers | What's Hot | Contact


Support Services

Getting Help

Private Health

Total Care Health

Our Clients Say

Videos

https://www.access.org.nz/

Access community health

Referral Staff Portal Select Language

0800 284 663

About | Our Services | Careers | What's Hot | Contact

"A community nurse brings my healthcare to my own home."

Support Services

Getting Help

Private Health

Total Care health services

Total Care Health

Our Clients Say

Videos

https://www.access.org.nz/

GREEN CROSS HEALTH | Unichem | life Pharmacy | thedoctors | Access community health


GREEN CROSS HEALTH

Unichem

life Pharmacy

the doctors

Access community health

# Community Health – Future Focus

- Maximise the benefits of a Regularised Workforce and the introduction of Pay Equity
- Build on our operations excellence platform to drive enhanced client experience
- Grow our District Nursing and Serious Injury services
- Employ IT solutions to deliver improved workforce efficiency and patient outcomes
- Grow profit through operational improvement and new business

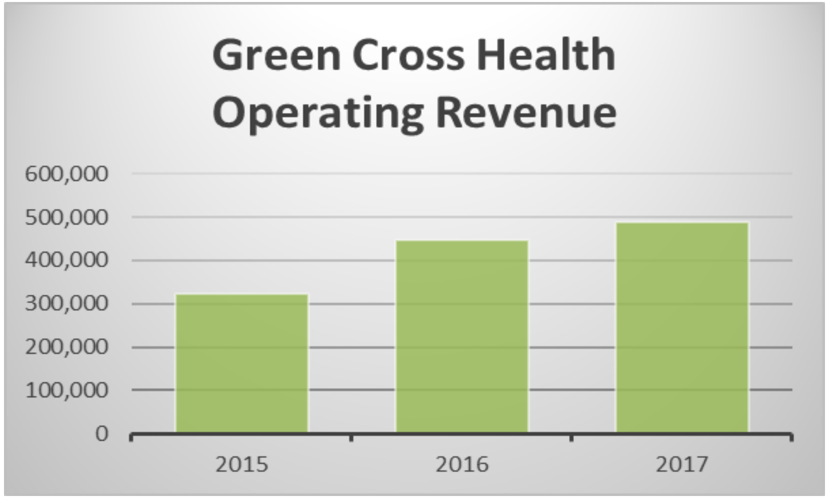
# Financial Health

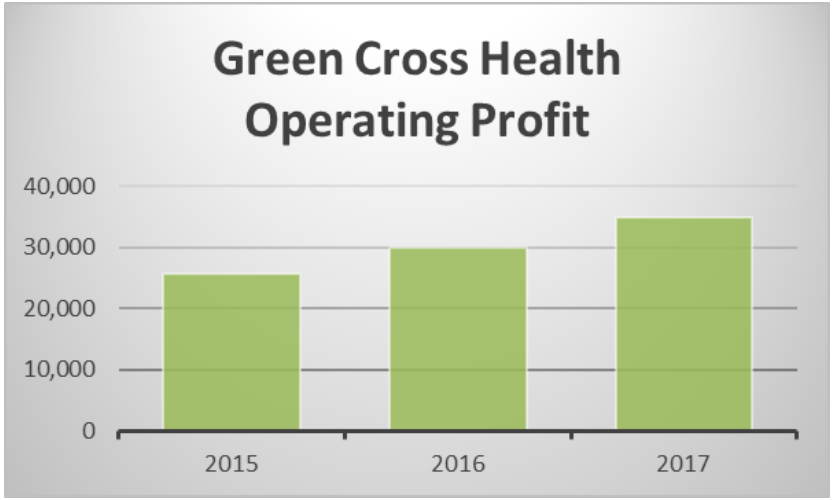
STEVE BROWNING, CFO

# Investment in Growth


| | 2015 | 2016 | 2017 | Total |
|---|---|---|---|---|
| Investment Capital | 4.0 | 6.0 | 7.3 | 17.3 |
| Maintenance Capital | 1.7 | 3.8 | 3.1 | 8.7 |
| Business Acquisitions | 25.3 | 14.8 | 13.4 | 53.6 |

# Group Revenue and Profit

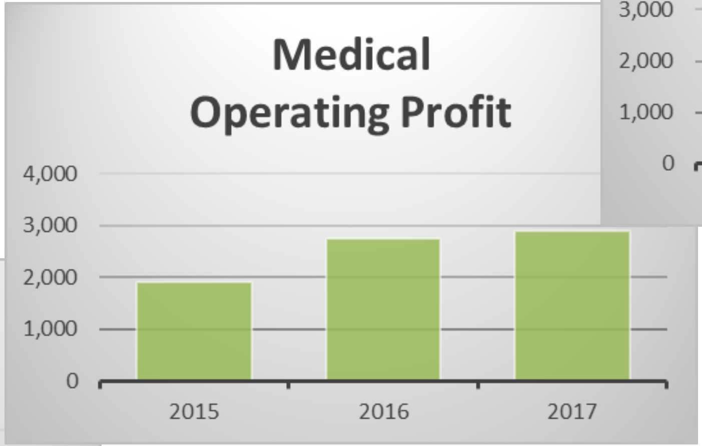



<u>2016 to 2017</u>

- 9% Revenue Growth
- 16% Operating Profit Growth
- 15% Profit attributable to Shareholders Growth at $19.6m vs $17m

# Profitability by Division

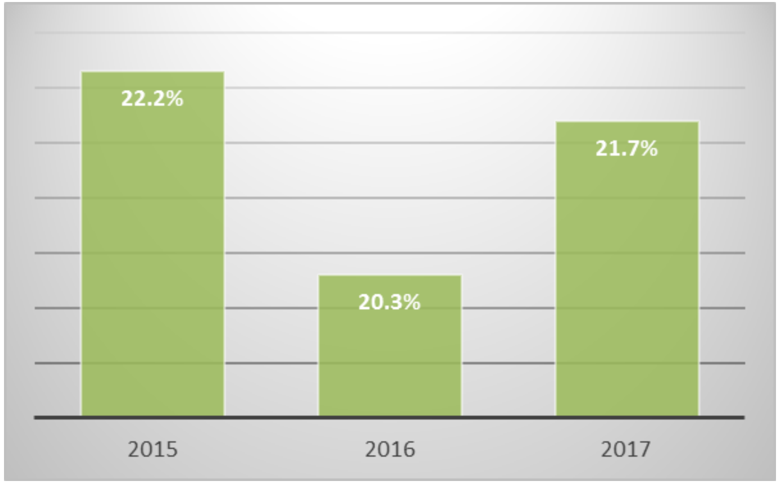





<u>2016 to 2017</u>

- 5% Pharmacy Operating Profit Growth
- 5% Medical Operating Profit Growth
- 373% Community Health Operating Profit Growth

# Return on Capital Employed




ARMILLARY
PRIVATE CAPITAL