

# **EBOS Group**

## **Acquisition of Symbion**

**29 May 2013**

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# Executive Summary

- 1 EBOS Group (“EBOS”) is seeking to acquire Zuellig Healthcare Holdings Australia Pty Ltd (“Symbion”) a 100% owned subsidiary of The Zuellig Group Incorporated (“Zuellig”) for an enterprise value of NZ\$1.1 billion (the “Transaction”)**
- 2 Symbion is the leading Australian pharmaceutical wholesaler and distributor, by revenue, and a leading veterinary wholesale provider in Australia**
- 3 The Transaction will create the largest diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products and a leading Australasian animal care products distributor**
- 4 Symbion is being acquired on a projected June 2013 EV/EBITDA multiple of 7.5x<sup>1</sup>. The Transaction is highly earnings accretive to EBOS and contributes to EBOS’ attractive dividend yield<sup>2</sup>**
- 5 The Transaction will be part funded by a NZ\$239 million equity capital raising (comprising a Placement and Entitlement Offer) which is fully underwritten by Forsyth Barr Group Limited and UBS New Zealand Limited**

<sup>1</sup> Symbion June 2013 EBITDA adjusted for NZ\$5.1m of APHS trading losses, which are underwritten by Zuellig as part of the sale and purchase agreement

<sup>2</sup> Refer to slide 23

# The Transaction

## EBOS is seeking to acquire 100% of Symbion from Zuellig for an enterprise value of NZ\$1.1 billion

- Consideration for the purchase will be structured as follows:
  - NZ\$498 million in EBOS shares issued to Zuellig at the theoretical ex rights price (“TERP”) post the Placement and Entitlement Offer
    - Zuellig (via 100% owned subsidiaries) will have a 40% shareholding in EBOS post the Transaction
  - NZ\$367 million in cash funded with NZ\$140 million of new EBOS debt and NZ\$239 million of new equity (consisting of a fully underwritten NZ\$90 million Placement and NZ\$149 million pro rata renounceable Entitlement Offer)<sup>1</sup>
  - NZ\$230 million of Symbion net debt assumed by EBOS (refer to slide 31 for further details on debt facilities)
- The Acquisition will be subject to a number of conditions including EBOS shareholder approval at a Special Meeting to be held on 14 June 2013
- Zuellig and EBOS have a long history of association including EBOS’ successful \$87 million (plus debt) acquisition of Pharmacy Retailing New Zealand (PRNZ) from interests associated with Zuellig in 2007
- EBOS have appointed Northington Partners to provide an Independent Report on the merits of the Transaction
  - Their report concludes that the Transaction is likely to be beneficial for EBOS shareholders and that the terms and conditions of the Transaction are fair to the EBOS shareholders who are not associated with Zuellig

<sup>1</sup> Excess cash raised to cover estimated transaction costs of \$11.8m



# OVERVIEW OF EBOS

# Overview of EBOS

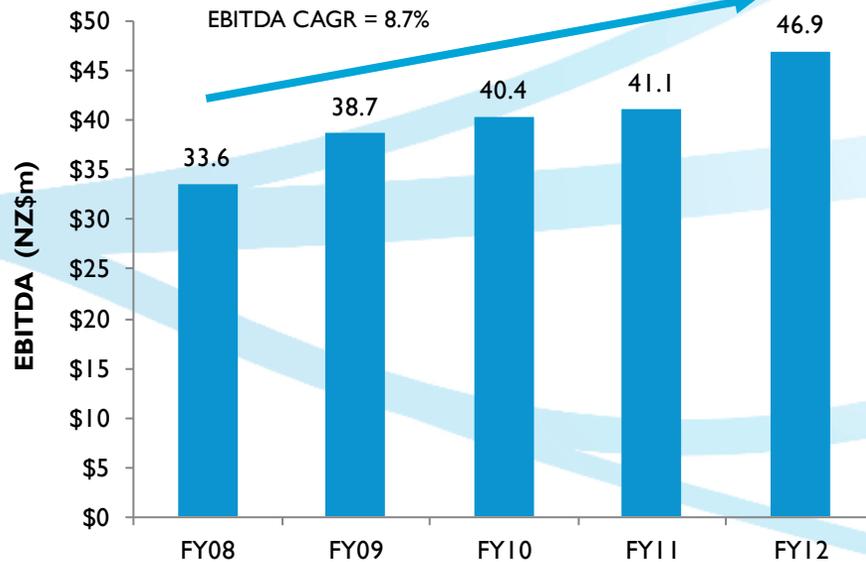
EBOS is New Zealand's largest diversified pharmaceutical, medical and animal care products group, focused on wholesaling, logistics and sales and marketing. EBOS has an established medical and animal care products business in Australia



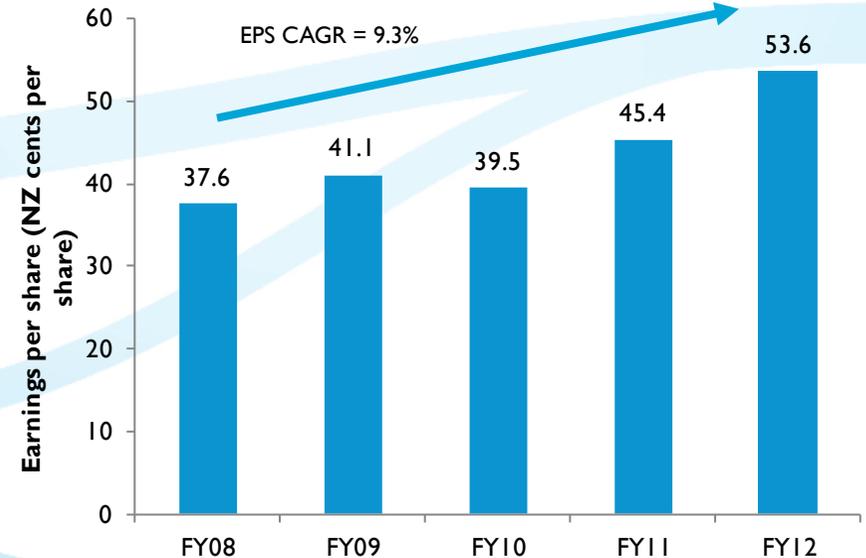
# EBOS' financial track record

Since the acquisition of PRNZ in FY08, EBOS has demonstrated its ability to grow earnings and has achieved an EBITDA compound annual growth rate (“CAGR”) of 8.7% and an earnings per share (“EPS”) CAGR of 9.3%

### Historical EBITDA



### Historical EPS<sup>1</sup>



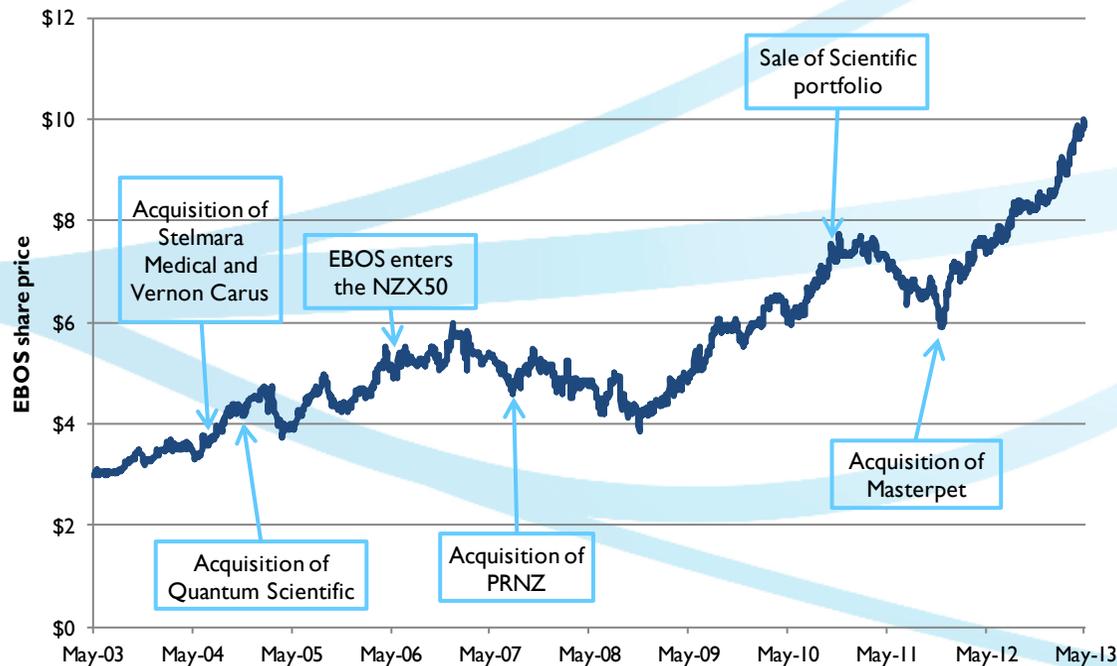
Source: EBOS Annual Reports. EBOS' financial information is for a June year end.

<sup>1</sup> Earnings per share from continuing operations

# EBOS' successful history

**EBOS has delivered outstanding returns to its shareholders over an extended period and has exhibited a successful track record of acquiring and integrating businesses**

- Investors in EBOS have received a compound average total shareholder return (including dividends) of 19% p.a. over the past 10 years<sup>1</sup>



## Current statistics:

<b>Market cap<sup>2</sup></b>	NZ\$519.0m
<b>Enterprise value<sup>3</sup></b>	NZ\$613.5m
<b>EBITDA by business segment<sup>4</sup></b>	<p>32% Healthcare 68% Animal care</p>
<b>FY12 sales</b>	NZ\$1.4bn
<b>FY12 EBITDA margin</b>	3.3%
<b>ROCE<sup>5</sup></b>	14.6%

<sup>2</sup> Based on EBOS' 15 day volume weighted average price ("VWAP") of \$9.80 as at 24 May 2013

<sup>3</sup> Based on EBOS net debt of NZ\$94.5m as at 31 December 2012

<sup>4</sup> Based on the half-year reported results to 31 December 2012

<sup>5</sup> Return on capital employed (ROCE) = FY12 EBITA / (FY12 net debt + FY12 equity)

Source: IRESS as at 24 May 2013

<sup>1</sup> Total shareholder return calculated as the CAGR of EBOS' share price appreciation and after assuming dividends are reinvested at the respective ex-dividend date

# The New Zealand healthcare and animal care markets

## The New Zealand healthcare and animal care markets have sound underlying fundamentals

### Trends for healthcare expenditure<sup>1</sup>

- New Zealand healthcare spending of \$22 billion (2012) represents 10.5% of GDP with the Government accounting for 84%
- Healthcare expenditure is forecast to grow at 4.0% p.a. over the five years from 2012 to 2017
- An ageing population and increased demand for health services is driving growth in healthcare spending

### Pharmaceutical sector

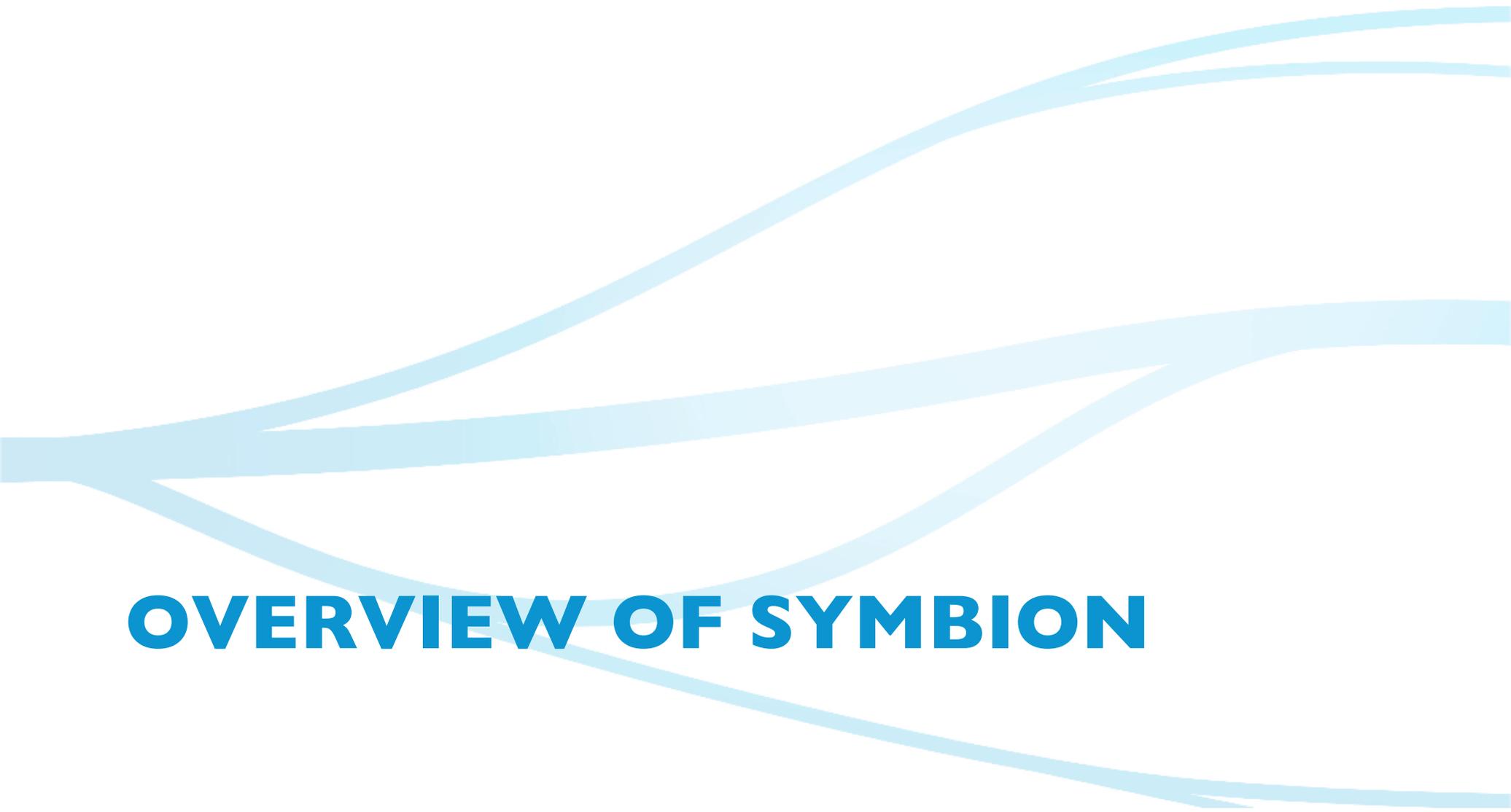
- The Pharmaceutical Management Agency (PHARMAC) is the New Zealand Crown agency that decides, on behalf of District Health Boards, which medicines and related products are subsidised for the use in the community and public hospitals
- PHARMAC subsidises the cost of the majority of ethical pharmaceuticals while OTC pharmaceuticals are not subject to PHARMAC's policies
- New Zealand pharmaceutical sales (ethical and OTC) are expected to grow at 1.9% p.a. from 2011-2016<sup>2</sup>
- The majority of multinational pharmaceutical companies operating in New Zealand use third party logistics providers, such as EBOS

### Animal care sector trends and drivers

- Increased humanisation of pets is driving demand for premium pet accessories and health products
- The pet care market has grown at a CAGR of 3.4% from 2007 to 2012. Growth is expected to remain attractive going forward

<sup>1</sup> Data sourced from Business Monitor International Limited

<sup>2</sup> Data sourced from Marketline



# OVERVIEW OF SYMBION

# Overview of Symbion

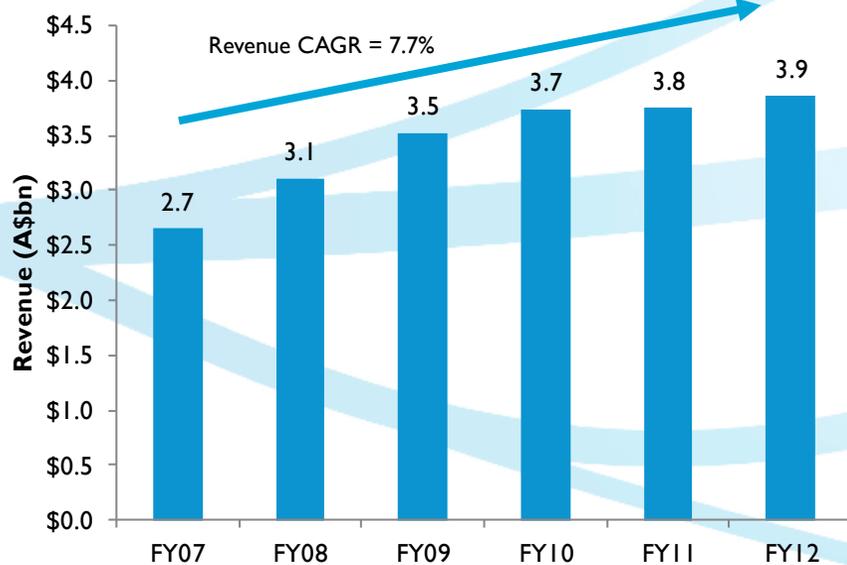
Symbion is the leading Australian pharmaceutical wholesaler and distributor, by revenue, and a leading veterinary wholesale provider in Australia



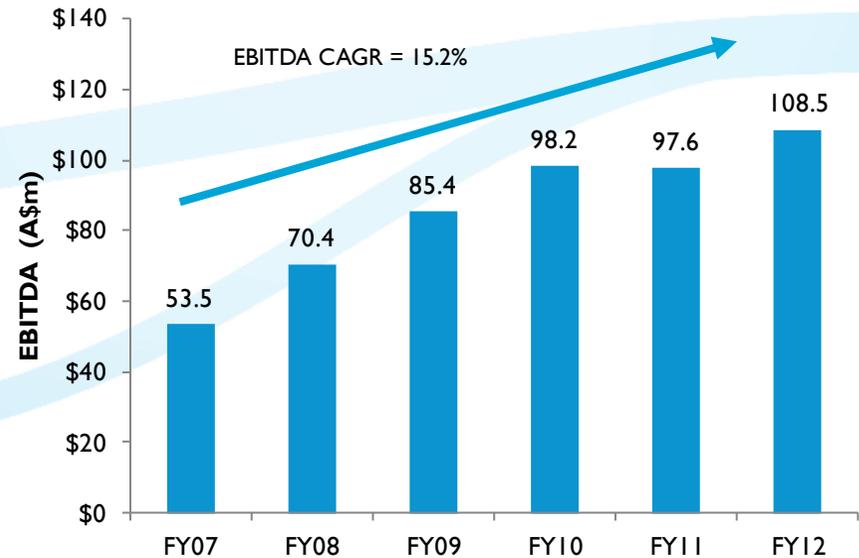
# Symbion's financial track record

Symbion has achieved strong growth over the 2007-2012 period with a 7.7% CAGR in revenue and a 15.2% CAGR in EBITDA

### Historical revenue<sup>1</sup>



### Historical EBITDA<sup>1,2</sup>



Source: Symbion management accounts. Symbion's financial information is for a June year end.

<sup>1</sup> FY09 includes interest income of A\$1.5m, FY10 includes interest income of A\$4.7m resulting from changes to the Symbion securitisation program, FY11 includes interest income of A\$1.8m, FY12 interest income of A\$1.7m

<sup>2</sup> Historical EBITDA has not been adjusted for APHS trading losses

# The Australian healthcare and animal care markets

## The Australian healthcare market is characterised by favourable long term trends while the animal care sector has experienced consistent growth

### Trends for healthcare expenditure<sup>1</sup>

- Healthcare spending is expected to grow at 4.5% p.a. over the five years from 2012 to 2017
- Total spending on healthcare services in 2012 was A\$135.8 billion with the Federal Government responsible for 68%

### Pharmaceutical sector

- The value of products supplied to the Australian retail and hospital pharmacy market is approximately A\$13.0 billion p.a. (retail pharmacy at A\$10.2 billion, hospital pharmacy at A\$2.8 billion)<sup>2</sup>
- The Australian Federal Government subsidises the cost of medicines through the operation of the Pharmaceutical Benefits Scheme (“PBS”). The PBS scheme provides a maximum distribution mark-up of 7.52% for wholesalers on all funded scripts. Actual wholesale margins vary based on individual wholesaler discount practices
  - While generic products will decrease average script values (and wholesale margins), this will generally be offset by new listings for innovative drugs. Overall, PBS funding is estimated to grow between 1-2% p.a. until 2017<sup>3</sup>
- Community Service Obligation (“CSO”) funding is available to all “full line” wholesalers. There are three national full line wholesalers (including Symbion) which provide the full range of PBS medications in all regions of Australia. CSO funding was A\$182 million in 2011 and is indexed annually

### Animal care sector trends and drivers

- Veterinary services have seen solid and consistent growth
- Veterinary services/animal care sector revenue is forecast to grow at 2.7% p.a. to total A\$2.9 billion by 2018<sup>4</sup>
- The primary source of revenue is pet care with companion animal care expected to account for 78% of revenue in 2012-13

1 Data sourced from Business Monitor International Limited

2 Symbion management

3 EBOS management

4 Data sourced from IBISWorld



# OVERVIEW OF THE COMBINED GROUP

# Investment highlights

- 1 Creation of the leading supply and distribution platform for pharmaceutical products in both Australia and New Zealand by revenue**
- 2 The combined group will have a greater range of capabilities and resources to take advantage of new and existing opportunities in the growing healthcare and animal care markets**
- 3 The combined group will have a diversified animal care offering, with a range of quality brands and products across the pet specialty, grocery and mass merchant segments, vet and veterinary wholesale**
- 4 EBOS and Symbion both have a proven track record of profit growth under the guidance of the existing experienced management teams**
- 5 The increased scale of the combined group will enhance its ability to provide the critical infrastructure required by healthcare and animal care customers and suppliers**
- 6 Highly earnings accretive transaction offering an attractive forecast dividend yield**
- 7 Increased market capitalisation, index weighting and intended ASX listing expected to increase liquidity and investor interest**

# An enhanced pharmaceutical market position

The Transaction creates the leading supply and distribution platform for pharmaceutical products in both Australia and New Zealand

## EBOS' post Transaction market positions

#1 in combined pharmacy and hospital pharmaceutical wholesale and distribution in Australia and in New Zealand

#1 pharmacy wholesaler in New Zealand

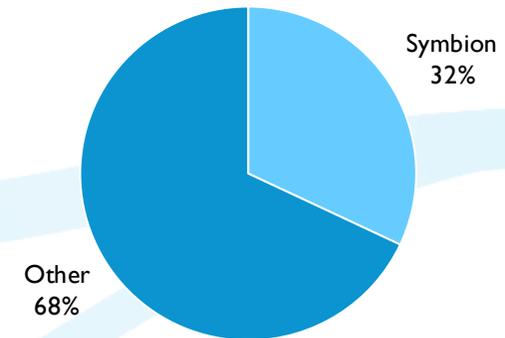
#2 pharmacy wholesaler in Australia

#1 in hospital pharmaceutical distribution in New Zealand

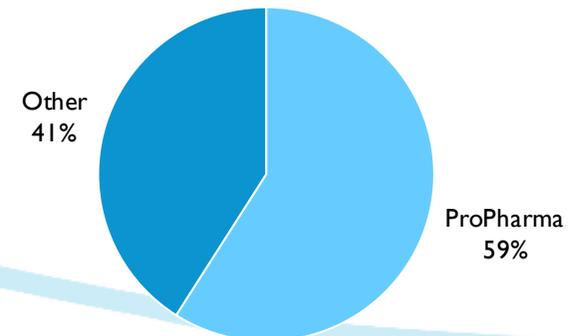
#1 in hospital pharmaceutical distribution in Australia

#1 or #2 in pre-wholesale/3PL in New Zealand

## Australian pharmacy wholesale market share<sup>1</sup>



## New Zealand pharmacy wholesale market share<sup>1</sup>



<sup>1</sup> Data sourced from IMS Statistics

# A greater breadth of service offering and capability

Complementary businesses with a high degree of alignment, 89% overlap

HEALTHCARE					ANIMAL CARE
Logistics and Distribution	Manufacturer Services	Pharm. & Hospital Wholesaling	Sales & Marketing	Retail brands & Services	Veterinary / pet products
<p>3<sup>rd</sup> party distribution &amp; logistics solutions. Distribution systems and electronic ordering of supplies for healthcare providers</p>	<p>Product management solutions to pharmaceutical companies. Clinical trial logistics and depot services</p>	<p>Specialist wholesaler and distributor of ethical, OTC and consumer products to pharmacies and public and private hospitals</p>	<p>Sales and marketing of a wide range of healthcare products across consumer, primary care, hospital, aged care and international markets</p>	<p>Retail pharmacy brand ownership, sales of branded product and operation of pharmacy support and management systems</p>	<p>Veterinary wholesaler, distributor and retailer of animal healthcare products, pet accessories and premium foods across Australasia</p>
  		 	  		  
 	 	 	 	   	

# Diversified animal care offering

The combined group will have a diversified animal care offering, with a range of quality brands and products across the pet specialty, grocery and mass merchant segments, vet and veterinary wholesale

- An expanded animal care business also provides earnings diversity into a higher growth, higher margin industry in a less regulated environment vis-à-vis pharmaceutical wholesale



masterpet

- Sales, marketing and distribution to pet specialty stores, mass merchants, grocery and veterinary practices
- Pet retail presence through 50% ownership of Animates retail chain



Animates  
Everything for Pets



VitoPet  
Make your life as easy as theirs



Eukanuba



Life's Better  
IAMS

Products distributed in New Zealand under license



Lyppard  
Australia Limited

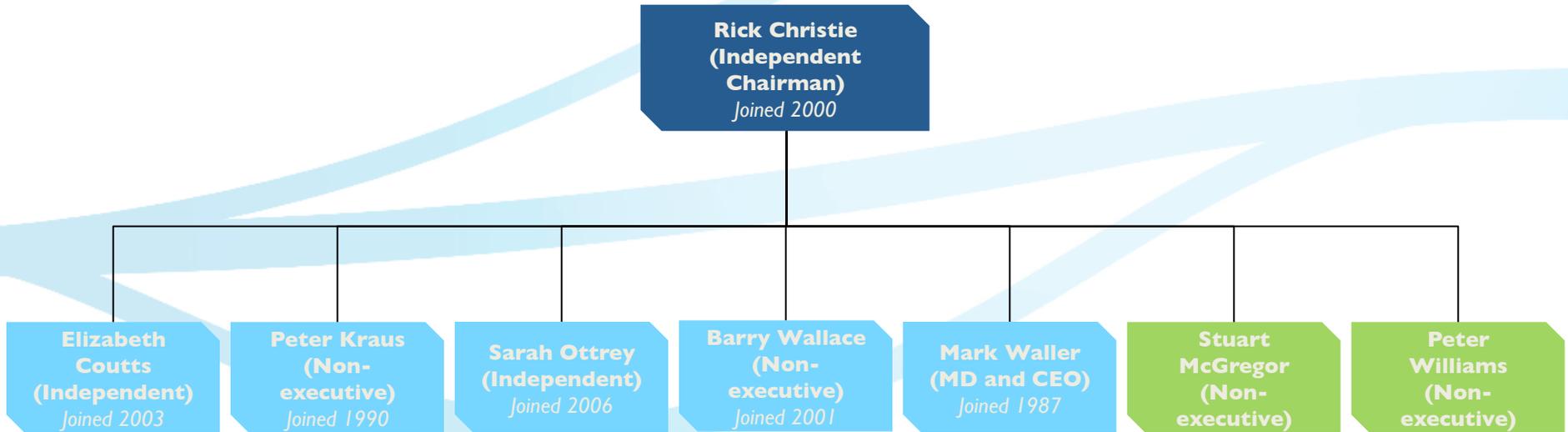
- A leading national veterinary wholesaler in Australia
- Estimated market share of 30%<sup>1</sup>
- Earnings diversified across animal medications, parasite control, pet foods, vaccines and other animal care products and consumables

<sup>1</sup> Symbion management estimate

# Board of Directors

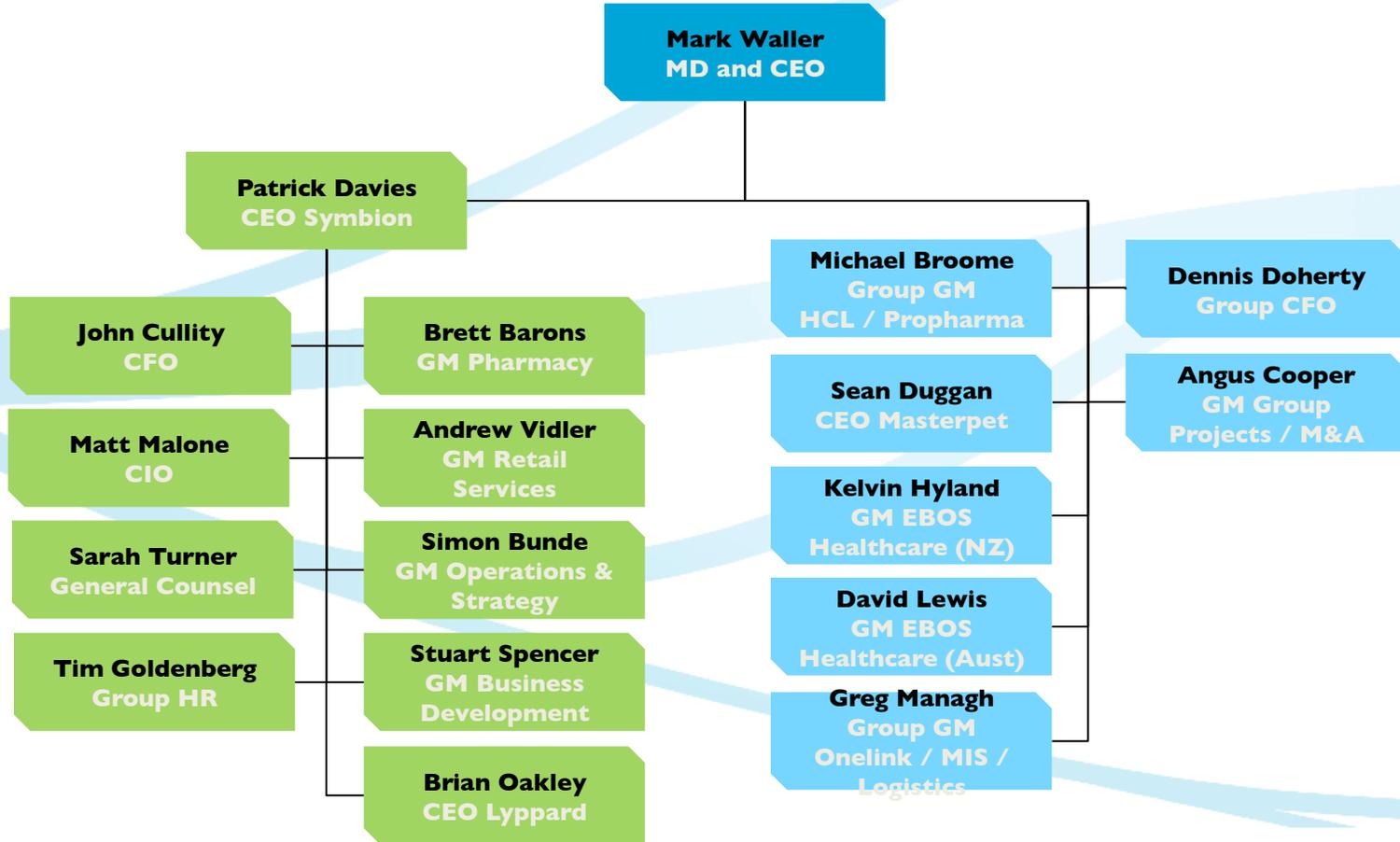
Experienced Board of Directors including two new Zuellig Director representatives

## EBOS Board structure post Transaction



# Management team

Highly skilled executive management team

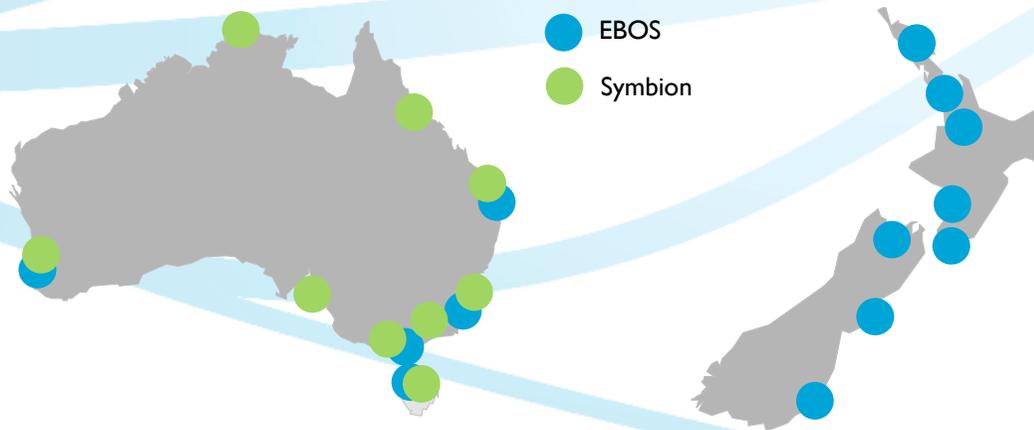


# Increased scale provides critical infrastructure

## The increased scale of EBOS will provide the critical infrastructure required by healthcare and animal care customers and suppliers

- The combined group will operate a trans-Tasman integrated network of distribution, manufacturing and retail assets generating pro forma FY13 revenue of NZ\$6.3 billion and EBITDA of NZ\$199 million<sup>1</sup>
- The combined group will distribute products through a network of warehouses across Australia and New Zealand
- Increased scale will allow for operational efficiency gains in premises, operations and back office functions

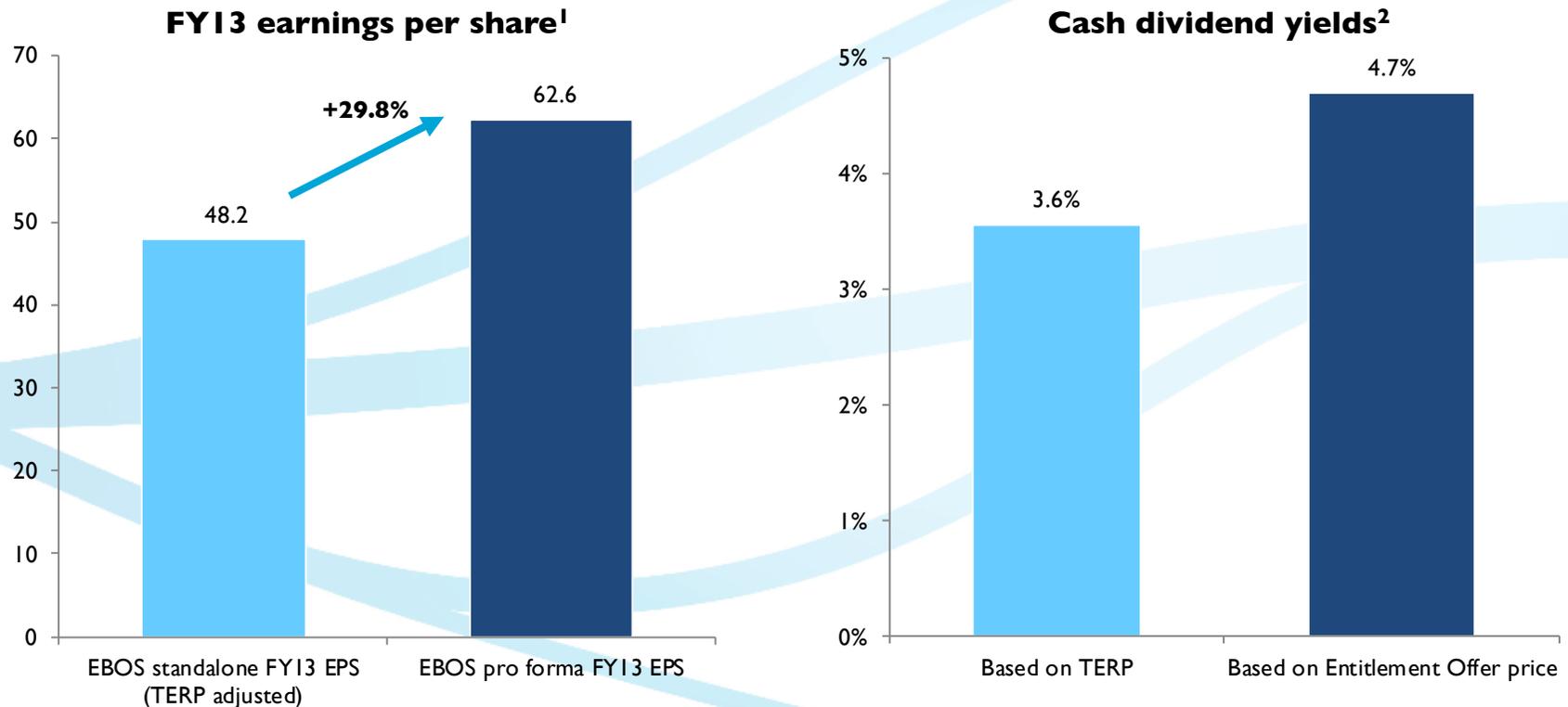
### EBOS and Symbion operating locations



<sup>1</sup> Refer to slide 29 for further detail

# Highly accretive transaction

Highly earnings accretive transaction (excluding synergies) offering an attractive dividend yield

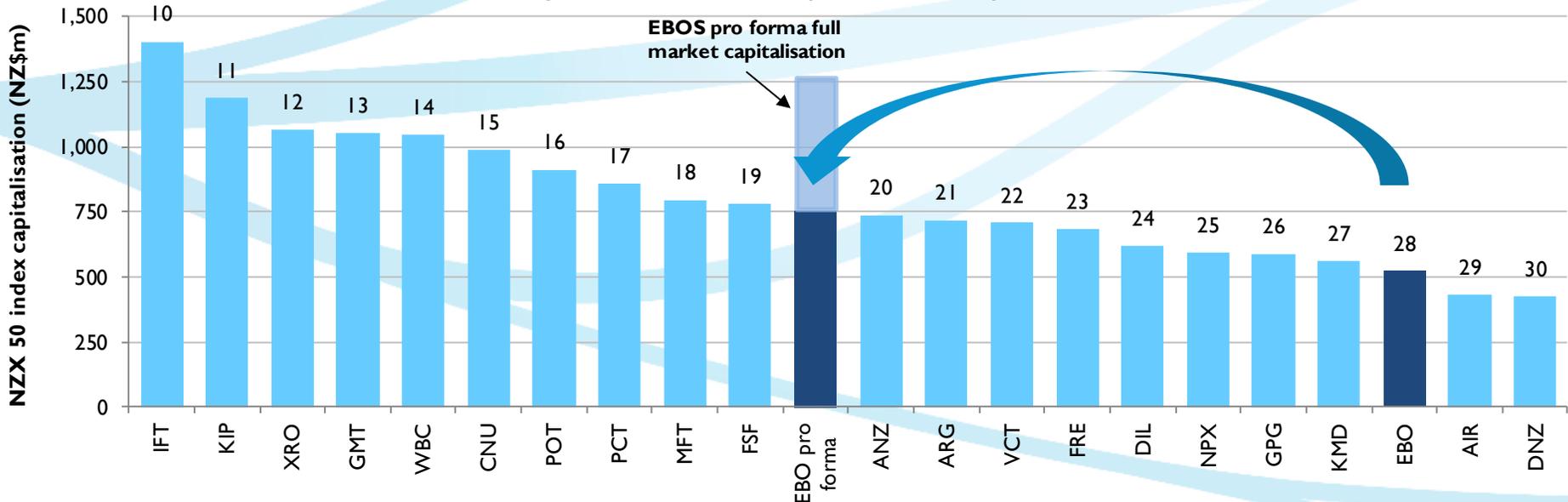


- 1 EBOS standalone FY13 EPS assumes that the Transaction does not occur and is TERP adjusted for the impact of the proposed Bonus Issue and Entitlement Offer (see slide 44 for a reconciliation of this TERP adjustment). EBOS pro forma FY13 EPS is based on pro forma fully diluted number of shares and EBOS' pro forma Net Profit After Tax assuming the Transaction occurred on 1 July 2012 and excludes any synergies and one-off transaction costs.
- 2 EBOS FY13 DPS of 30.6 cents per share includes the paid 1H13 dividend of 17.5 cents per share, adjusted for the Bonus Issue and TERP adjusted to 15.6 cents per share, plus an expected 15 cents per share dividend for 2H13. Cash dividend yields calculated using this 30.6 cents per share dividend and a TERP of \$8.57 and a Entitlement Offer price of \$6.50. All calculations exclude imputation credits and resident withholding tax.

# Increased market capitalisation and investor interest

## Increased market capitalisation, index weighting and intended ASX listing expected to increase liquidity and investor interest

- The Transaction will result in EBOS achieving a higher NZX 50 index rank and weighting
  - EBOS' NZX 50 free float index capitalisation will increase from NZ\$521 million to NZ\$754 million with a pro forma full market capitalisation of \$1.26 billion
  - EBOS' NZX 50 rank is projected to improve from 28<sup>th</sup> to 20<sup>th</sup> and EBOS' NZX 50 index weight is projected to increase from 1.0% to 1.5% (based on the current NZX 50 composition)
- The EBOS Board intends to seek a dual listing of EBOS on the ASX by the end of the year



Source: NZX Market Capitalisation report dated 24 May 2013. EBOS pro forma NZX 50 weighting and ranking based on 88.0m free float shares (excluding Zuellig holding only) on issue post the capital raising and the TERP of \$8.57

# Future strategy

**Leverage the combined group's scale and broad set of capabilities to enhance revenue growth and margin improvement**

## Healthcare

- Expand 3PL offering in Australia using Symbion's scale / infrastructure and EBOS' 3PL expertise
- Expand the existing EBOS Australian medical consumables business utilising Symbion's scale and infrastructure
- Increase contribution from business activities that are less reliant on government policy e.g. OTC products and clinical trials
- Leverage group buying power and management expertise

## Animal care

- Expand into veterinary wholesale in New Zealand
- Utilise combined Australian resources to improve Lyppard's and Masterpet's operations and performance
- Leverage group buying power and management expertise

# Overview of The Zuellig Group

**Symbion Holdings Pte Ltd (“Symbion Holdings”) (a 100% owned subsidiary of Zuellig) will become a new cornerstone shareholder in EBOS with a 40% shareholding post acquisition, together with its associates**

## **About Zuellig**

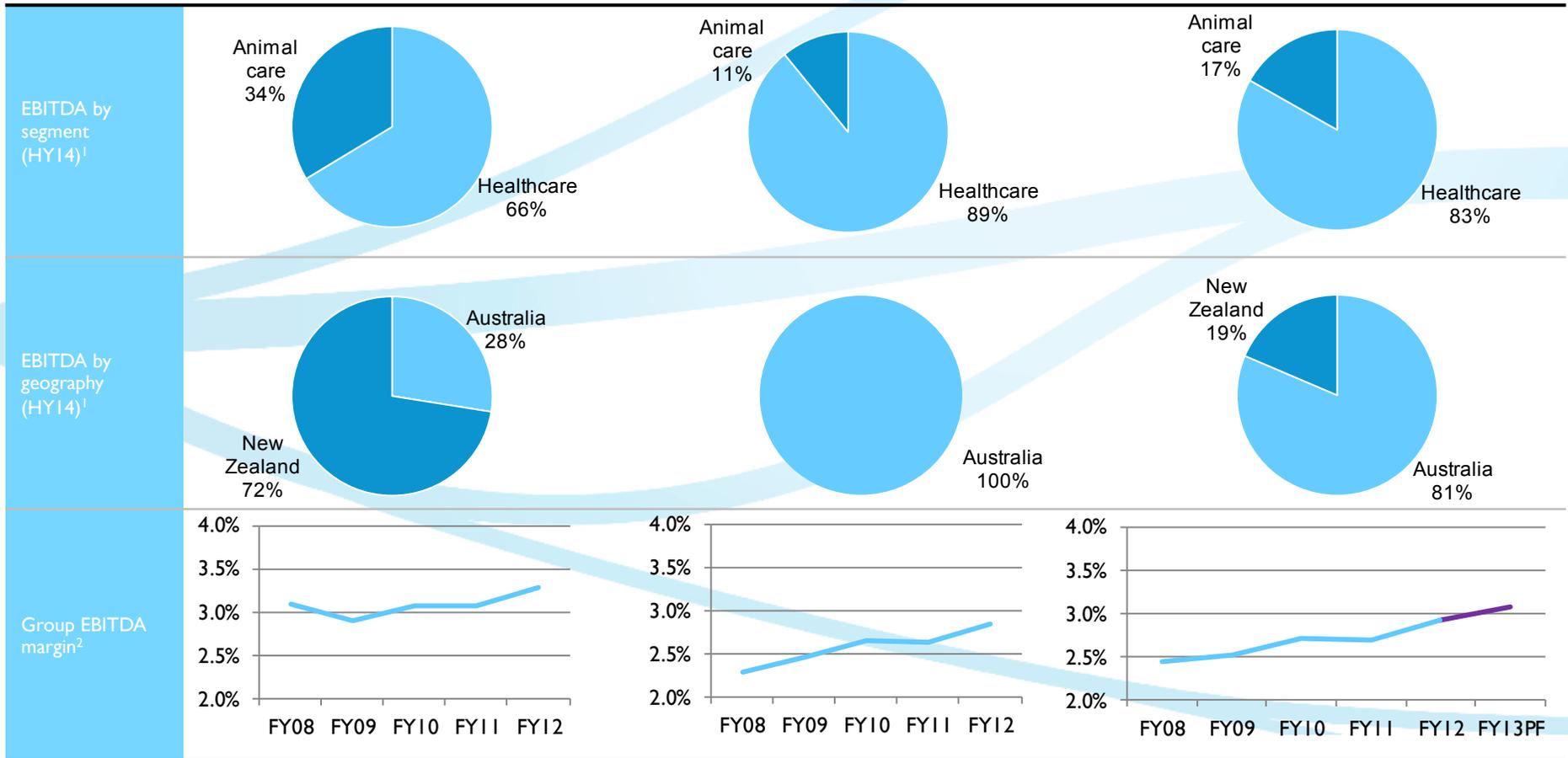
- Established in 1912, Zuellig is active in the healthcare, agribusiness and agricultural equipment sectors throughout the Asia Pacific region
- Zuellig’s healthcare businesses operate across Asia Pacific and includes pharmaceutical distribution and manufacturing, and nutraceutical operations
- Zuellig has an existing New Zealand presence through its investments in Pharmacybrands Ltd and CB Norwood Distributors Ltd
- Zuellig currently owns 0.94% of EBOS (via subsidiaries)

**Escrow** Symbion Holdings will enter into an escrow arrangement with EBOS under which Symbion Holdings is unable to sell (subject to certain customary exceptions, such as a takeover offer being made) any portion of its shareholding until the earlier of the release of EBOS’ June 2014 preliminary result or 30 September 2014



# **FINANCIAL OVERVIEW OF THE COMBINED GROUP**

# Segmental earnings and margins of the combined group



1 Data presented for the PFI half year to December 2013. An AUD:NZD exchange rate of 0.8200 has been applied. Excludes allocation of corporate overheads  
 2 An AUD:NZD exchange rate of 0.8200 has been applied

# Summary pro forma financial information

## The Transaction is expected to result in pro forma FY13 forecast EBITDA of NZ\$199 million and prospective HY14 forecast EBITDA of NZ\$104 million

- Pro forma FY13 forecast NPAT is NZ\$92 million which results in pro forma FY13 forecast EPS of 62.6 cents per share
- Standalone EBOS FY13 EBITDA is estimated to be NZ\$53 million
- The Transaction is expected to result in FY13 pro-forma EPS accretion of approximately 29.8%<sup>1</sup>

NZ\$m	FY11 <sup>2</sup>	FY12 <sup>2</sup>	FY13 <sup>2</sup>	HY14 <sup>3</sup>	Key assumptions
Revenue	6,239	6,372	6,275	3,170	Revenue expected to be inline with the previous HY period. Growth inline with market expected longer term
<b>EBITDA</b>	<b>168</b>	<b>187</b>	<b>199</b>	<b>104</b>	Margin increasing to 3.3% for the HY14 period
EBITA			186	97	Depreciation assumed to remain constant
EBIT			169	88	Amortisation to increase by c.\$4.7m for the HY14 period, due to revaluation of Symbion's finite life intangibles
NPAT			92	49	Effective tax rate of 30%
EPS (cents per share)			62.6	33.0	
Capital expenditure				15	Includes A\$8m on new Symbion Melbourne warehouse
Trade and other receivables				832	
Inventories				522	Accounts payable, receivable and inventory terms to remain constant
Trade and other payables				914	
Net debt				437	

<sup>1</sup> EBOS standalone FY13 EPS assumes that the Transaction does not occur and is TERP adjusted for the impact of the proposed Bonus Issue and Entitlement Offer (see slide 44 for a reconciliation of this TERP adjustment). EBOS pro forma FY13 EPS is based on pro forma fully diluted number of shares and EBOS' pro forma Net Profit After Tax assuming the Transaction occurred on 1 July 2012 and excludes any synergies and one-off transaction costs.

<sup>2</sup> Pro forma financials for FY13 have been calculated assuming that the Transaction occurred on 1 July 2012 and comprises 10 months of unaudited actual results and 2 months of forecast results for EBOS and 9 months of unaudited actual results and 3 months of forecast results for Symbion. FY11 and FY12 financial information is shown as an aggregation of EBOS and Symbion financials to the EBITDA line only due to the different historical capital structures and includes normalisation adjustments (such as increased directors fees) arising from the combination of EBOS and Symbion. The pro forma financials do not include any cost savings or revenue synergies.

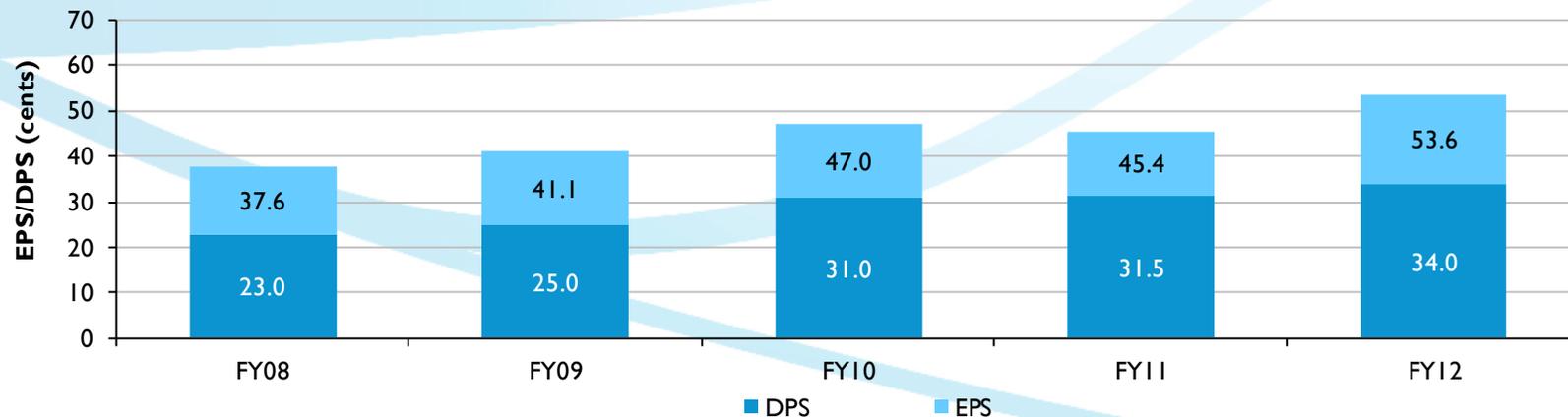
<sup>3</sup> Prospective financial information for HY14 assumes the Transaction occurs and has an effective Transaction date of 1 June 2013

# EBOS dividend policy

**EBOS has increased its dividend from 13 cents per share in FY2000 to 34 cents per share in FY12 and will seek to pay an attractive dividend going forward**

- The Board of EBOS has provided dividend guidance to pay a partially imputed dividend of 15 cents per share for 2H13 in October 2013 (including on shares issued under the Bonus Issue, Placement and Entitlement Offer)
- Going forward, the EBOS Board intends to pay 60-70% of normalised NPAT in dividends, after having regard to all relevant factors, including working capital and growth initiative requirements
- As a result of the increased Australian earnings contribution from Symbion, dividends are anticipated to be partially imputed in the future

**Historical EBOS DPS/EPS**



In addition to the above, a special dividend of 20.0 cents per share was paid in FY11, following the sale of the company's scientific division

# Capital structure

**EBOS will have an enterprise value of NZ\$1.7 billion comprising approximately 73.9% equity and 26.1% net debt on settlement**



Equity	Holder	Number of shares	%
EBOS equity <sup>2</sup>	Current shares on issue <sup>1</sup> :	53.0m	36%
	Bonus issue:	2.0m	1%
	Placement shares:	10.6m	7%
	Entitlement Offer shares:	22.9m	16%
	Scrip consideration to Zuellig:	58.1m	40%
	Shares on issue at completion:	146.6m	100%

Debt	Facility	Facility size	Maturity date
Symbion net debt <sup>3</sup>	Securitisation facility	A\$420m	2015
	Lyppard loan	A\$39.3m	2016
	Symbion working capital facility	A\$20m	2017
EBOS net debt	Term debt facilities	NZ\$130.0m	2016 and 2017
	Working capital facilities	NZ\$66.7m	2014 and 2015
Acquisition debt <sup>3</sup>	Term debt	A\$115m	2017

**Notes:**

- 1 Inclusive of existing Zuellig shareholding 0.5m (equivalent to 0.4% of total shareholding at completion)
- 2 Based on the TERP of \$8.57
- 3 An AUD:NZD exchange rate of 0.8200 has been applied



# ACQUISITION FUNDING AND OFFER DETAILS

# Sources and uses of funding for the Transaction

**Symbion is being acquired for an enterprise value of NZ\$1.1 billion and will be funded by equity issuance to Zuellig, rollover of Symbion debt, an extension of EBOS' debt facilities and the proceeds from the capital raising**

- Zuellig to receive:
  - NZ\$498 million of EBOS Shares<sup>1</sup> and
  - NZ\$367 million in cash
- Cash component to be funded out of a fully underwritten NZ\$239m equity raising and NZ\$140 million of new EBOS debt
- EBOS will also be assuming NZ\$230 million of Symbion debt
- EBOS pro forma net debt position post transaction of 2.2x pro forma FY13 EBITDA<sup>2</sup>

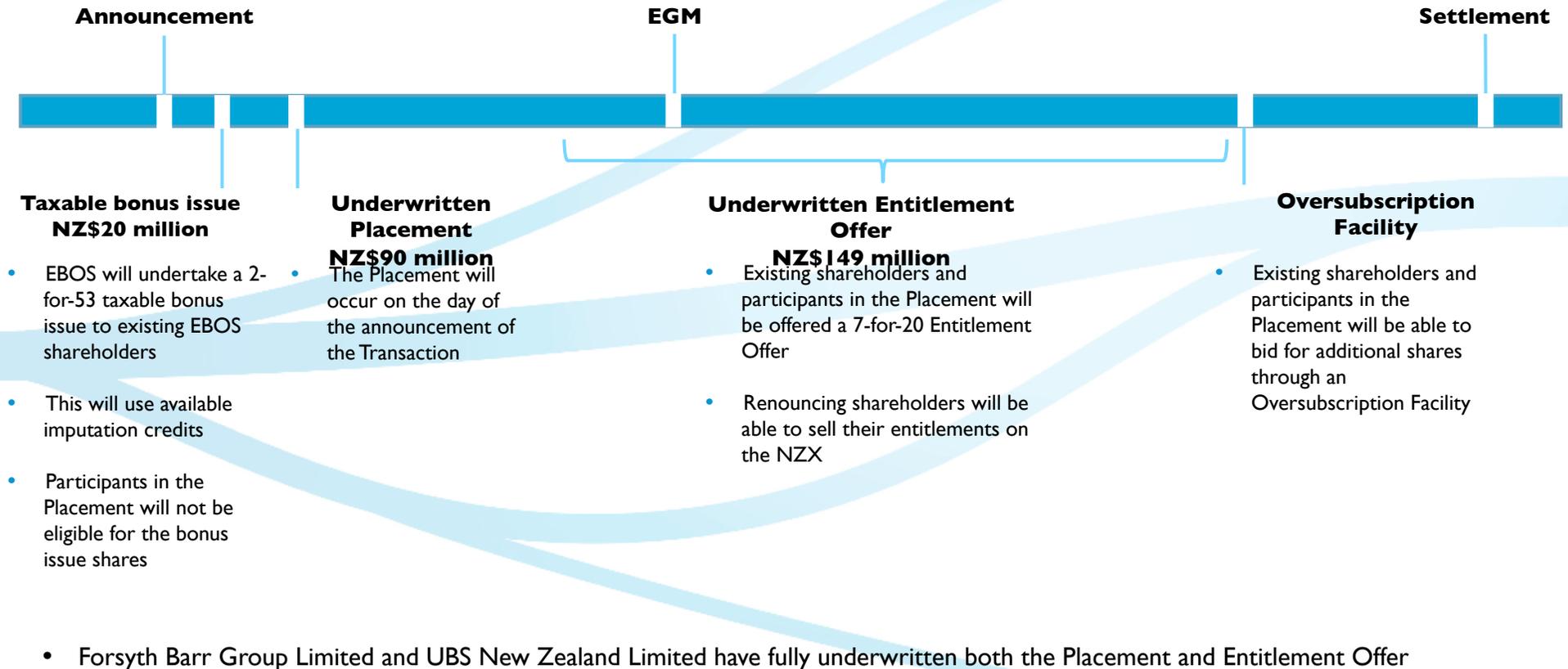
Sources	NZ\$m
Equity issued to Zuellig	498
New equity raised	239
Roll-over of Symbion debt facility	230
New debt facility	140
<b>Total</b>	<b>1,107</b>
Uses	NZ\$m
Acquisition of Symbion equity	865
Roll-over of Symbion debt facility	230
Transaction costs	12
<b>Total</b>	<b>1,107</b>

<sup>1</sup> Equates to 58.1m EBOS shares issued at the TERP of \$8.57 (see slide 44 for a reconciliation of how this figure is derived)

<sup>2</sup> Net debt position post transaction assumed to be FY13 pro forma net debt of \$304m plus \$140m of new EBOS debt, drawn 5 July 2013

# Capital raising structure

EBOS is raising NZ\$239 million via a Placement and Pro Rata Renounceable Entitlement Offer



## Offer Overview – Placement

- The Placement will occur on 29 May with settlement and allotment occurring prior to the Special Meeting and the Entitlement Offer record date
- Placement shares will be entitled to participate in the Entitlement Offer

<b>Current EBOS share price</b>	NZ\$9.80 <sup>1</sup>
<b>EBOS share price post taxable bonus issue</b>	NZ\$9.44
<b>Placement price</b>	NZ\$8.50
<b>Placement discount</b>	10.0%
<b>Placement shares</b>	10.6 million
<b>Total Placement proceeds</b>	NZ\$90.0 million
<b>Theoretical ex-Placement price</b>	NZ\$9.29 <sup>2</sup>

<sup>1</sup> Based on EBOS' 15 day VWAP as at 24 May 2013

<sup>2</sup> See slide 44 for a reconciliation of how this figure is derived

## Offer Overview – Entitlement Offer

<b>Theoretical ex-Placement price</b>	NZ\$9.29
<b>Entitlement ratio</b>	7-for-20
<b>Shares issued</b>	22.9 million
<b>Entitlement Offer price</b>	NZ\$6.50
<b>Total gross proceeds</b>	NZ\$148.9 million
<b>TERP</b>	NZ\$8.57 <sup>1</sup>
<b>Entitlement Offer price discount to TERP</b>	24%
<b>Entitlement Offer oversubscription facility</b>	Shareholders at the record date are entitled to apply for additional new shares in excess of their entitlements

<sup>1</sup> See slide 44 for a reconciliation of how this figure is derived

## Summary timetable

<b>Announcement of Transaction and capital raising</b>	29 May
<b>Placement offer completed</b>	29 May
<b>Taxable bonus issue record date</b>	6 June
<b>Placement settlement</b>	7 June
<b>Taxable bonus issue settlement date</b>	10 June
<b>Ex entitlement date (entitlement trading commences)</b>	12 June
<b>Entitlement Offer record date</b>	14 June
<b>EBOS Special Meeting of Shareholders</b>	14 June
<b>Entitlement Offer opening date</b>	17 June
<b>Entitlement trading ceases</b>	27 June
<b>Entitlement Offer closes</b>	1* July
<b>Entitlement Offer settlement and allotment</b>	5 July

\* Indicative closing date subject to approval of an NZX Waiver. If the waiver is not received, the Entitlement Offer closing date will be 3 July



# APPENDICES

# EBOS Group profile



## HEALTHCARE

## ANIMAL CARE

### Healthcare Supply Chain Logistics

### Pharmacy & Hospital Wholesale

### Healthcare Sales and Marketing

### EBOS brands

### Masterpet

**3<sup>rd</sup> party & 4<sup>th</sup> party logistics services for multinational pharmaceutical and medical device companies**

**Specialist wholesaler and distributor of ethical, OTC and consumer products to pharmacies and public and private hospitals**

**Sales and marketing of a wide range of healthcare products across consumer, primary care, hospital, aged care and international markets**

**Sales of EBOS-owned healthcare products**

**Distribution of animal healthcare products, pet accessories and premium foods in Australasia**

EBOS Group businesses:  
 •Healthcare Logistics  
 •Onelink

EBOS Group businesses:  
 •ProPharma  
 •PWR

EBOS Group businesses:  
 •EBOS Healthcare – New Zealand  
 •EBOS Healthcare – Australia  
 •EBOS Healthcare – International

EBOS Group Brands:  
 •Antiflamme  
 •Allersearch

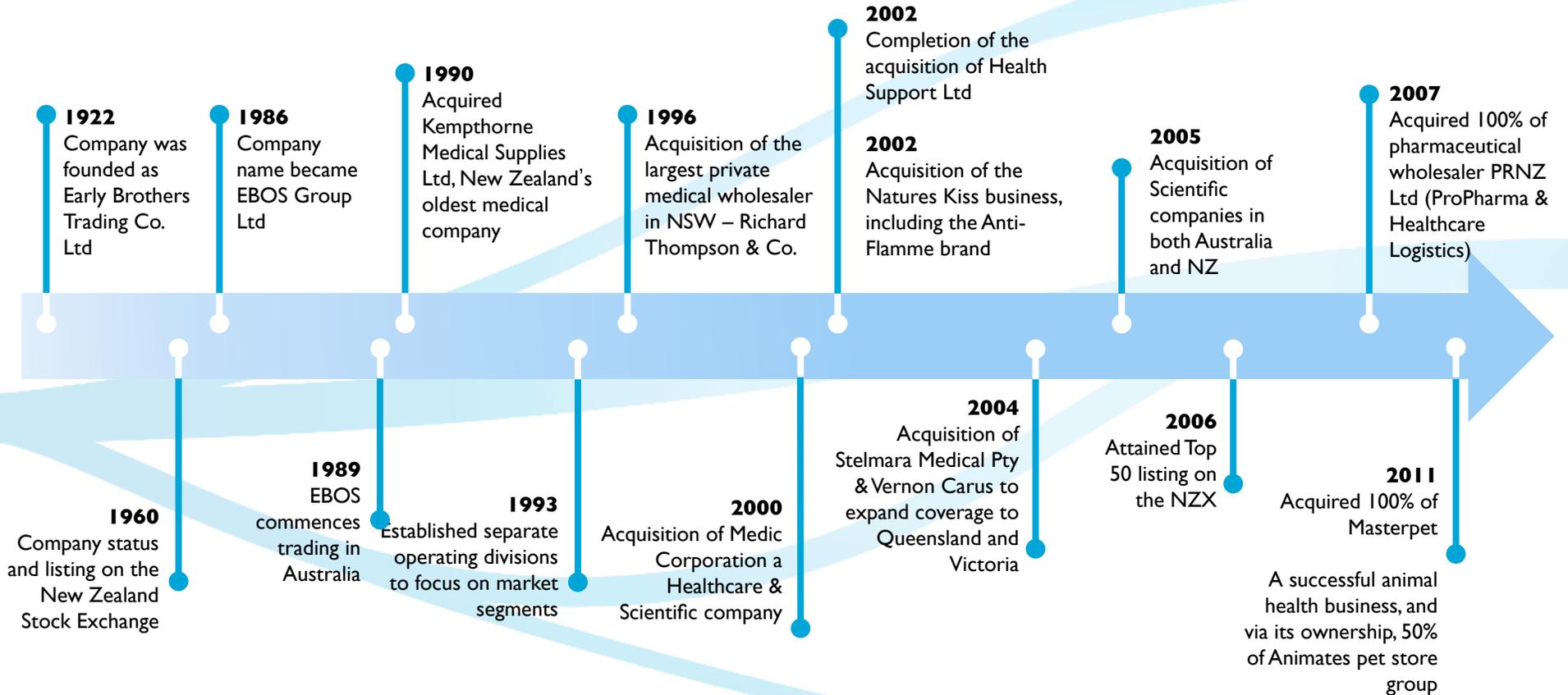
EBOS Group businesses:  
 •Masterpet  
 •Animates (50% owned)



Anti-Flamme



# EBOS' key milestones

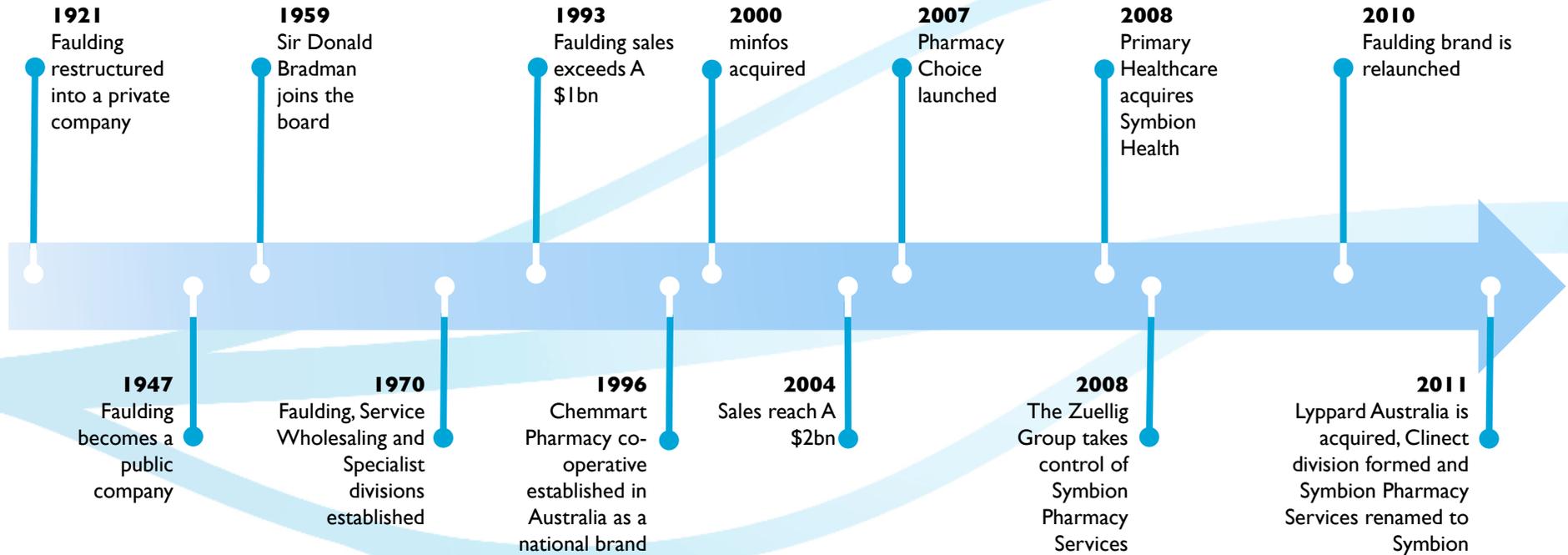


# Symbion profile



HEALTHCARE				ANIMAL CARE
Logistics	Manufacturer Services	Pharmacy and Hospital	Retail services	Lyppard
<p><b>3<sup>rd</sup> party logistics solutions for healthcare product manufacturers</b></p> <p><u>Symbion Group businesses:</u></p> <ul style="list-style-type: none"> <li>•Contract Logistics</li> </ul> 	<p><b>Product management solutions to pharmaceutical companies. Clinical trial logistics and depot services</b></p> <p><u>Symbion Group businesses:</u></p> <ul style="list-style-type: none"> <li>•Clinect</li> <li>•Symbion Clinical Trials</li> </ul>  	<p><b>National full line wholesaler of ethical, OTC and consumer products to retail pharmacies. Specialist wholesaler and distributor to public and private hospitals</b></p> <p><u>Symbion Group businesses:</u></p> <ul style="list-style-type: none"> <li>•Symbion Pharmacy Services</li> <li>•Symbion Hospital Services</li> <li>•Symbion Consumer Products</li> </ul>    	<p><b>Leading retail pharmacy brand ownership and operation of pharmacy support and management systems</b></p> <p><u>Symbion Group Brands:</u></p> <ul style="list-style-type: none"> <li>•Chemmart</li> <li>•Terry White chemists</li> <li>•Pharmacy Choice</li> <li>•minfos</li> </ul>    	<p><b>Leading national veterinary wholesaler in Australia</b></p> <p><u>Symbion Group businesses:</u></p> <ul style="list-style-type: none"> <li>•Lyppard</li> </ul> 

# Symbion's key milestones



## FY13 pro forma EPS reconciliation

- EBOS standalone EPS is adjusted using the TERP Adjustment Factor<sup>1</sup> which normalises the EPS for the terms of the Entitlement Offer in order to present the EPS on a comparable basis

Profit and loss (\$m)	EBOS standalone	Symbion standalone	Pro forma adjustments	Combined Group
Revenue	1,484	4,791	-	6,275
<b>EBITDA</b>	<b>53</b>	<b>141</b>	<b>5<sup>2</sup></b>	<b>199</b>
EBIT	49	125	-5 <sup>3</sup>	169
<b>NPAT</b>	<b>29</b>	<b>71</b>	<b>-8<sup>4</sup></b>	<b>92</b>
<b>Shares on issue (million shares)</b>	<b>55.0<sup>5</sup></b>			<b>146.6</b>
Basis EPS (cents per share)	52.2			62.6
TERP Adjustment Factor <sup>1</sup>	0.922			n/a
TERP adjusted EPS	48.2			62.6

1 See slide 44 for further detail on how the TERP Adjustment Factor is calculated

2 EBITDA adjustment includes a \$5.1 million adjustment for APHS trading losses and a \$0.5 million adjustment for Directors' fees.

3 EBIT adjustment includes \$9.5 million of amortisation, a \$5.1 million adjustment for APHS trading losses and a \$0.5 million adjustment for Directors' fees.

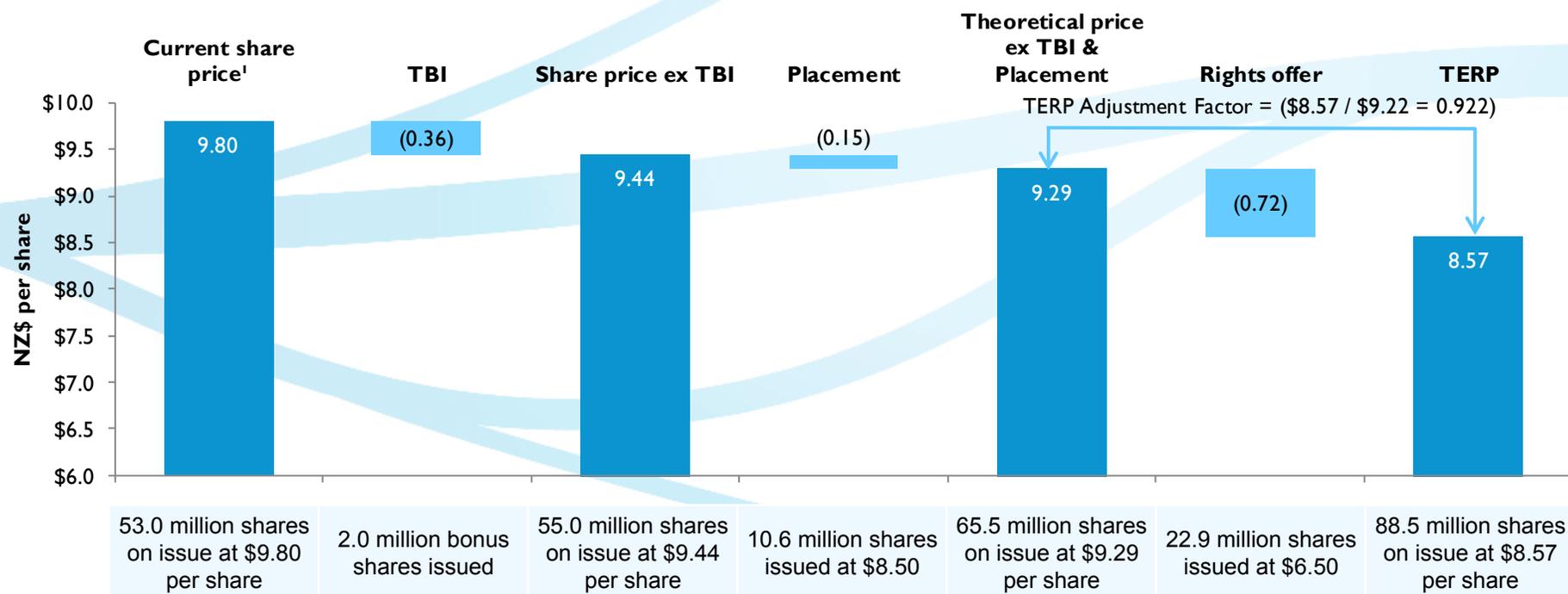
4 NPAT adjustments includes \$8.3 million of interest cost, \$9.5 million of amortisation, a \$5.1 million adjustment for APHS trading losses and a \$0.5 million adjustment for Directors' fees, and the tax effects of these adjustments.

5 Post the proposed 2-for-53 taxable Bonus Issue of approximately 2 million new Shares.

# TERP calculation and TERP adjustment calculation

The chart below illustrates the theoretical impact on EBOS's share price of the taxable bonus issue ("TBI"), Placement and Entitlement Offer based on EBOs' 15 day VWAP of NZ\$9.80 per share<sup>1</sup>

- The TERP Adjustment Factor of 0.922 is calculated as the ratio between the TERP of NZ\$8.57 and the theoretical pre-Entitlement Offer price of NZ\$9.29



<sup>1</sup> Based on EBOS' 15 day VWAP of \$9.80 as at 24 May 2013

## Pro forma financials and Prospective Financial Information (“PFI”)

NZ\$m	FY2011	FY2012	FY2013	HY2014
	12 MONTHS ENDED	12 MONTHS ENDED	12 MONTHS ENDED	6 MONTHS ENDED
	30-Jun-11	30-Jun-12	30-Jun-13	31-Dec-13
	Pro forma	Pro forma	Pro forma	PFI
<b>Continuing operations revenue</b>	<b>6,239.3</b>	<b>6,372.0</b>	<b>6,275.4</b>	<b>3,169.6</b>
<i>Growth</i>		2.1%	-1.5%	na
<b>EBITDA</b>	<b>167.9</b>	<b>187.4</b>	<b>198.8</b>	<b>103.6</b>
<i>Growth</i>		11.7%	6.1%	na
<i>EBITDA margin</i>	2.7%	2.9%	3.2%	3.3%
Depreciation			-12.9	-7.1
Amortisation of finite life intangibles			-17.1	-8.5
<b>EBIT</b>			<b>168.8</b>	<b>88.0</b>
<i>EBIT margin</i>			2.7%	2.8%
Finance costs			-38.2	-18.4
Profit before income tax			130.6	69.6
Income tax			-38.9	-20.9
<b>Profit for the period</b>			<b>91.7</b>	<b>48.7</b>
<b>Earnings per share</b>				
Number of shares outstanding			146.6	147.3
Basic (cents per share)			62.6	33.0

### Notes:

- 1 Pro forma financials for FY13 have been calculated assuming that the Transaction occurred on 1 July 2012 and comprises 10 months of unaudited actual results and 2 months of forecast results for EBOS and 9 months of unaudited actual results and 3 months of forecast results for Symbion. FY11 and FY12 financial information is shown as an aggregation of EBOS and Symbion financials to the EBITDA line only due to the different historical capital structures and includes normalisation adjustments (such as increased directors fees) arising from the combination of EBOS and Symbion. The pro forma financials do not include any cost savings or revenue synergies.
- 2 FY13 EBITDA excludes \$4.8 million of one off costs relating to the Transaction
- 3 FY13 income tax expense excludes a \$1.8 million one off non cash tax expense relating to the Transaction
- 4 FY13 and 1H14 assume additional amortisation expense of NZ\$9.6 million and NZ\$5.7 million respectively
- 5 FY13 and 1H14 financing costs assume an additional NZ\$140.0 million term debt with a weighted average interest rate of 5.4% p.a.
- 6 FY13 and 1H14 assume an implied effective tax rate of 30% due to the non-tax deductibility of amortisation of finite life intangibles

## PFI – statement of comprehensive income

NZ\$m	HY2014
	6 MONTHS ENDED
	31-Dec-13
	PFI
<b>Continuing operations revenue</b>	<b>3,169.6</b>
<b>Profit before depreciation, amortisation finance costs and income tax expense</b>	<b>103.6</b>
Depreciation	-7.1
Amortisation of finite life intangibles	-8.5
<b>Profit before finance costs and tax</b>	<b>88.0</b>
Finance costs	-18.4
<b>Profit before income tax expense</b>	<b>69.6</b>
Income tax (expense)	-20.9
<b>Profit for the period</b>	<b>48.7</b>
<b>Other comprehensive income</b>	
Items that may be reclassified subsequently to profit or loss	-
Cash flow hedges (losses)/gains	-
Related income tax	-
(Losses)/gains on translation of foreign operations	-
<b>Total comprehensive income net of tax</b>	<b>48.7</b>

## PFI – statement of financial position

NZ\$m	HY2014	NZ\$m	HY2014	NZ\$m	HY2014
	31-Dec-13		31-Dec-13		31-Dec-13
	PFI		PFI		PFI
<b>Current assets</b>		<b>Current liabilities</b>		<b>Equity</b>	
Cash and cash equivalents	74.9	Bank overdraft	-	Share capital	849.2
Trade and other receivables	832.0	Trade and other payables	913.6	Foreign currency translation reserve	-1.3
Prepayments	8.2	Acquisition consideration payable	-	Other reserves	0.5
Inventories	521.8	Finance leases	0.3	Retained earnings	130.8
Current tax	-	Bank loans	211.3	Cash flow hedge reserve	-0.9
Investments	54.8	Current tax payable	16.2	<b>Total equity</b>	<b>978.3</b>
<b>Total current assets</b>	<b>1,491.7</b>	Employee benefits	21.3		
<b>Non-current assets</b>		Other financial liabilities - derivatives	0.9		
Property, plant and equipment	94.6	<b>Total current liabilities</b>	<b>1,163.6</b>		
Deferred tax assets	10.2	<b>Non-current liabilities</b>			
Goodwill	729.2	Bank loans	300.0		
Indefinite life intangibles	30.8	Trade and other payables	17.9		
Finite life intangibles	137.6	Deferred tax liabilities	47.4		
Prepayments	0.2	Finance leases	0.9		
Investment in associates	19.5	Employee benefits	5.7		
<b>Total non-current assets</b>	<b>1,022.1</b>	<b>Total non-current liabilities</b>	<b>371.9</b>		
<b>Total assets</b>	<b>2,513.8</b>	<b>Total liabilities</b>	<b>1,535.5</b>		
		<b>Net assets</b>	<b>978.3</b>		

## PFI – statement of cash flows

NZ\$m	HY2014
	31-Dec-13
	PFI
<b>Cash flows from operating activities</b>	
Receipts from customers	3,113.1
Interest received	0.4
Payments to suppliers and employees	-3,035.0
Taxes paid	-17.4
Interest paid	-18.4
<b>Net cash inflow from operating activities</b>	<b>42.7</b>
<b>Cash flows from investing activities</b>	
Sale of property, plant & equipment	-
Purchase of property, plant & equipment	-14.6
Sale/(acquisition) of subsidiary companies	-369.3
<b>Net cash (outflow) from investing activities</b>	<b>-383.9</b>
<b>Cash flows from financing activities</b>	
Proceeds from issue of shares	148.2
(Increase)/Decrease of investments in Class B Note	-5.3
Proceeds from borrowings	140.0
Repayment of borrowings	-19.2
Dividends paid to equity holders of parent	-22.0
<b>Net cash inflow/(outflow) from financing activities</b>	<b>241.7</b>
<b>Net increase/(decrease) in cash held</b>	<b>-99.5</b>
Effect of exchange rate fluctuations on cash held	-
Net cash and cash equivalents at beginning of the year	174.4
<b>Net cash and cash equivalents at the end of the year</b>	<b>74.9</b>

## PFI – other information

NZ\$m	HY2014	
	31-Dec-13	
	PFI	
<b>Revenue</b>		
Healthcare	2,979.5	
Animal care	190.1	
<b>Total</b>	<b>3,169.6</b>	
<b>EBITDA</b>		<b>EBITDA margin</b>
Healthcare	86.3	2.9%
Animal care	17.3	9.1%
<b>Total</b>	<b>103.6</b>	<b>3.3%</b>
<b>Revenue</b>		
Australia	2,508.2	
New Zealand	661.3	
<b>Total</b>	<b>3,169.6</b>	
<b>EBITDA</b>		<b>EBITDA margin</b>
Australia	82.6	3.3%
New Zealand	21.0	3.2%
<b>Total</b>	<b>103.6</b>	<b>3.3%</b>

## Symbion's securitisation program

- Facility limit A\$420m
- Average utilisation in FY13 (YTD) of 51%
- Program rated Aa2 (sf) by Moody's (rating subject to Moody's consent to change of control)
- Program funds a revolving portfolio of receivables from over 2,600 trade debtor accounts consisting of pharmacists and public and private hospitals in Australia
- Receivables portfolio is highly diversified with the 10 largest debtors comprising approximately 10% of the portfolio value
- Symbion controls the Securitisation Trust
- Facility is very effective in managing the interest costs associated with financing the company's working capital requirements
- Potential for program to be extended to the NZ market