



Interim Report 2008

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Financial Highlights

	Six Months 31 Dec 07 \$'000	Six Months 31 Dec 06 \$'000	Year Ended 30 Jun 07 \$'000
Revenue	402,421	150,312	307,276
EBITDA	15,228	7,916	18,842
Profit before income tax expense	10,419	5,348	14,942
Profit attributable to members of the parent entity	7,064	3,788	10,319
Equity attributable to company shareholders	138,885	91,306	94,150
Dividends paid	6,075	3,592	7,092
Dividends paid cents per share	13.0	13.0	22.5
Earnings per share	16.7	13.4	31.7
Interest cover	4.0	4.2	7.8
Net interest bearing debt to net interest bearing debt plus equity	41.9%	13.3%	9.5%
Total equity to total assets	31.0%	67.8%	68.6%

Shareholder Calendar

Record date for profit distribution plan	11 April 2008
Release of full year result	Late August 2008
Annual General Meeting	28 October 2008

EBOS Group Limited

Directors' Report

The Board of Directors of EBOS Group Limited are pleased to report a significant increase in first half profit for the six months ended 31 December 2007.

Strong half year result

EBITDA was up 92% to \$15.2 million and net profit after tax up 86% to \$7.06 million on the corresponding six month result last year. Results are unaudited and are NZ IFRS compliant.

The acquisition of PRNZ Limited during the first half was a very significant transaction for EBOS and these results include four months trading for PRNZ, which performed exactly in line with our forecasts.

The traditional business portfolios of Healthcare and Scientific in Australia and New Zealand all performed well during our first half, with profitability more than 50% ahead of the prior year.

Highlights of the first half

- Completion of four acquisitions including PRNZ.
- Successful capital raising of \$42 million.
- Above target contributions by recently acquired Australian businesses.
- Record results for EBOS Australia.
- A strong first half for scientific businesses on both sides of the Tasman.

Outlook

Directors and management anticipate continued good progress in our second half year with all businesses and have a range of initiatives underway to improve operating efficiencies.

Bonus share issue distribution

In lieu of dividend the Directors have declared a bonus share issue distribution of 9.5 cents per share, on the recently increased capital base, with an option for shareholders to elect to have these shares (or a portion of them) bought back by the company for cash.

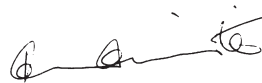
The record date for the bonus share issue distribution is 11 April 2008, and the issue date will be 9 May 2008. Details of the bonus share issue distribution will be mailed to shareholders on 22 April 2008.

Principal activities

EBOS Group Limited is listed on the NZSX Board of the New Zealand Exchange (NZX) under the securities code EBO and is quoted on the NZX Top 50 Index.

EBOS operates in two key areas, being Healthcare and Scientific. EBOS is the largest New Zealand owned independent national distributor and marketer of medical, dental, pharmaceutical and scientific supplies in New Zealand. Significant business operations are also conducted in Australia, Papua New Guinea and the Pacific.

We thank both existing and new shareholders for your tremendous support of the Company during our recent capital raising.



Rick Christie
Chairman



Mark Waller
Chief Executive and Managing Director

EBOS Group Limited
Consolidated Income Statement
For the Six Months ended 31 December 2007 (unaudited)

		Six Months 31 Dec 07	Six Months 31 Dec 06	Year Ended 30 Jun 07
	Notes	\$'000	\$'000	\$'000
Revenue	2	402,421	150,312	307,276
Profit before depreciation, amortisation finance costs and income tax expense		15,228	7,916	18,842
Depreciation	2	(1,183)	(874)	(1,711)
Amortisation of finite life intangible	2	(147)	-	-
Profit before finance costs and tax		13,898	7,042	17,131
Finance costs	2	(3,479)	(1,694)	(2,189)
Profit before income tax expense	2	10,419	5,348	14,942
Income tax expense		(3,355)	(1,560)	(4,623)
Profit for the period		7,064	3,788	10,319
Earnings per share				
Basic (cents per share)		16.7	13.4	31.7
Diluted (cents per share)		16.7	13.4	31.7

Calculated on a weighted average basis of the numbers of shares on issue.

EBOS Group Limited
Consolidated Statement Of Movements In Equity
For the Six Months ended 31 December 2007 (unaudited)

		Six Months 31 Dec 07	Six Months 31 Dec 06	Year Ended 30 Jun 07
	Notes	\$'000	\$'000	\$'000
Equity at start of period		94,150	55,763	55,763
Profit for the period attributable to members of the parent entity		7,064	3,788	10,319
Movement in foreign currency translation reserve		177	(986)	(1,153)
Total recognised income and expenses for the period		7,241	2,802	9,166
Dividends paid to company shareholders	4	(6,075)	(3,592)	(7,092)
Shares issued	3	42,475	36,333	36,313
Asset revaluation reserve on acquisition of subsidiary		1,094	-	-
Equity at end of period		138,885	91,306	94,150

EBOS Group Limited
Consolidated Balance Sheet

As at 31 December 2007 (unaudited)

	Notes	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
Current assets				
Cash and cash equivalents		2,498	1,368	1,772
Trade and other receivables		140,386	37,506	41,230
Prepayments		3,683	1,462	1,090
Inventories		122,339	45,872	45,211
Current tax refundable		1,582	920	624
Other financial assets – derivatives		12	26	12
Finance leases		97	57	86
Deferred sale proceeds		–	1,276	–
Total current assets		270,597	88,487	90,025
Non-current assets				
Property, plant and equipment		18,321	10,696	10,525
Deferred tax assets		2,012	898	1,129
Goodwill		135,880	27,462	27,387
Indefinite life intangibles		10,971	6,339	6,316
Finite life intangibles		4,939	–	–
Capital work in progress		3,428	–	240
Prepayments		1,336	507	1,432
Finance leases		143	201	172
Total non-current assets		177,030	46,103	47,201
Total assets		447,627	134,590	137,226
Current liabilities				
Bank overdraft		3,351	1,023	635
Trade and other payables		198,412	25,947	29,679
Finance leases		363	75	74
Bank loans		73,150	7,480	1,101
Current tax payable		1,234	931	1,082
Employee benefits		4,750	2,295	2,305
Other financial liabilities – derivatives		110	56	95
Total current liabilities		281,370	37,807	34,971
Non-current liabilities				
Bank loans		22,261	5,320	7,985
Trade and other payables		4,242	–	–
Finance leases		869	157	120
Total non-current liabilities		27,372	5,477	8,105
Total liabilities		308,742	43,284	43,076
Net assets		138,885	91,306	94,150
Equity				
Share capital	3	105,625	63,170	63,150
Foreign currency translation reserve		(308)	(317)	(485)
Retained earnings		33,568	28,453	31,485
Total equity		138,885	91,306	94,150

EBOS Group Limited
Consolidated Cash Flow Statement

For the Six Months ended 31 December 2007 (unaudited)

	Notes	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
Cash flows from operating activities				
Receipts from customers		404,330	150,877	302,802
Interest received		48	56	102
Payments to suppliers and employees		(402,122)	(148,254)	(289,258)
Taxes paid		(4,296)	(1,359)	(4,203)
Interest paid		(3,479)	(1,694)	(2,189)
Net cash (outflow)/inflow from operating activities	6	(5,519)	(374)	7,254
Cash flows from investing activities				
Sale of property, plant & equipment		40	94	1,388
Receipt of deferred sale proceeds		–	691	691
Purchase of property, plant & equipment		(1,077)	(1,380)	(2,183)
Payments for capital work in progress		(2,419)	–	(240)
Acquisition of businesses	5	(99,047)	–	(4,500)
Payment of deferred purchase consideration		–	(4,500)	–
Net cash (outflow) from investing activities		(102,503)	(5,095)	(4,844)
Cash flows from financing activities				
Proceeds from issue of shares	3	42,475	36,333	36,313
Proceeds from borrowings		107,161	6,500	6,500
Repayment of borrowings		(37,566)	(31,778)	(35,319)
Dividends paid to equity holders of parent		(6,075)	(3,592)	(7,092)
Net cash inflow from financing activities		105,995	7,463	402
Net (decrease)/increase in cash held		(2,027)	1,994	2,812
Effect of exchange rate fluctuations on cash held		37	(79)	(105)
Net cash and cash equivalents at the beginning of the period		1,137	(1,570)	(1,570)
Net cash and cash equivalents at the end of the period		(853)	345	1,137
Cash and cash equivalents		2,498	1,368	1,772
Bank overdrafts		(3,351)	(1,023)	(635)
		(853)	345	1,137

EBOS Group Limited
Notes to the Interim Financial Statements

For the Six Months ended 31 December 2007

1. FINANCIAL STATEMENTS

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) "Interim Financial Reporting" and other applicable reporting standards appropriate for profit oriented entities.

These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 30 June 2007.

2. PROFIT FROM OPERATIONS

	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
(a) Revenue			
Revenue consisted of the following items:			
Revenue from the sale of goods	400,307	149,596	305,002
Revenue from the rendering of services	2,066	660	1,996
Interest revenue	48	56	102
Other revenue	-	-	176
	402,421	150,312	307,276

(b) Profit before income tax expense

Profit before income tax has been arrived at after crediting/(charging) the following gains and losses from operations:

Gain on sale of property, plant and equipment	-	595	541
Change in fair value of derivative financial instruments classified at fair value through profit or loss	(15)	(1,079)	(1,123)
	(15)	(484)	(582)

Profit before income tax has been arrived at after (charging) the following expenses by nature:

Cost of sales	(345,686)	(117,231)	(235,428)
Write-down of inventory	-	-	(851)
Amortisation of finite life intangibles	(147)	-	-
Finance costs	(3,479)	(1,694)	(2,189)
Net bad and doubtful debts	-	-	(23)
Depreciation of property, plant & equipment	(1,183)	(874)	(1,711)
Operating lease expenses	(1,844)	(1,630)	(3,045)
Donations	-	-	(12)
Employee benefit expense	(20,122)	(12,530)	(25,802)
Other expenses	(19,526)	(10,521)	(22,691)
Total expenses	(391,987)	(144,480)	(291,752)
Profit before income tax expense	10,419	5,348	14,942

EBOS Group Limited
Notes to the Interim Financial Statements (continued)

For the Six Months ended 31 December 2007

3. SHARE CAPITAL

The Company issued 9,289,550 shares during the six months to 31 December 2007 raising \$42.475 million net of expenses of \$1.024 million. The number of shares on issue at balance date was 46,133,513.

4. DIVIDENDS

	Six months 31 Dec 07 \$'000		Six months 31 Dec 06 \$'000		Year ended 30 Jun 07 \$'000	
	Cents per share	Total \$'000	Cents per share	Total \$'000	Cents per share	Total \$'000
Recognised amounts						
Fully paid ordinary shares						
· Final – prior year	13.0	6,075	13.0	3,592	13.0	3,592
· Interim – current year	-	-	-	-	9.5	3,500
	13.0	6,075	13.0	3,592	22.5	7,092
Unrecognised amounts						
Final dividend	-	-	-	-	13.0	6,075
Interim dividend	-	-	9.5	3,500	-	-
	-	-	9.5	3,500	13.0	6,075

5. ACQUISITION OF BUSINESSES

Name of Business Acquired	Principal activities	Date of acquisition	Cost of acquisition \$'000
100% of business assets of Vital Medical Supplies (Australia) Pty Limited (Vital)	Medical supplies	1 July, 2007	6,020
100% PRNZ Limited	Medical supplies	29 August, 2007	86,444
100% of business assets of Tasmanian Medical Supplies Pty Limited (TasMed)	Medical supplies	1 October, 2007	3,511
100% of business assets of Crown Scientific Pty Limited (Crown)	Scientific supplies	1 November, 2007	7,627
			103,602

5. ACQUISITION OF BUSINESSES (Continued)

Description of Acquisition Activity

	Business assets of Vital, TasMed, Crown	100% of PRNZ Limited	Total fair value on acquisition
	Book and fair value on acquisition \$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents	–	4,555	4,555
Trade and other receivables	7,342	93,308	100,650
Prepayments	99	251	350
Inventories	8,149	58,651	66,800
Non-current assets			
Property, plant and equipment	1,479	6,548	8,027
Capital work in progress	–	769	769
Deferred tax assets	–	873	873
Goodwill	–	10,931	10,931
Indefinite life intangibles	–	4,621	4,621
Finite life intangibles	–	5,086	5,086
Current liabilities			
Trade and other payables	(8,303)	(163,241)	(171,544)
Finance leases	(551)	(145)	(696)
Bank loans	–	(12,750)	(12,750)
Current tax payable	–	(115)	(115)
Employee benefits	(516)	(1,095)	(1,611)
Non-current liabilities			
Bank loans	–	(3,750)	(3,750)
Finance leases	(139)	(319)	(458)
Trade and other payables	–	(4,492)	(4,492)
Net assets acquired	7,560	(314)	7,246
Asset revaluation reserve on acquisition	–	(1,094)	(1,094)
	7,560	(1,408)	6,152
Goodwill on acquisition	9,598	87,852	97,450
Consideration	17,158	86,444	103,602
Less cash and cash equivalents acquired	–	(4,555)	(4,555)
Net cash outflow on acquisition	17,158	81,889	99,047

The company is undertaking a process to review the indefinite and finite life intangibles acquired which may result in a reclassification of those assets at year end.

The contribution to net surplus for the half year attributable to the purchase of the net assets of Vital, TasMed and Crown was \$455,000 and to the purchase of PRNZ Limited was \$2,380,000.

Had these business combinations all been effected 1 July 2007, the revenue of the consolidated entity would have been approximately \$530,000,000, and the net profit before tax approximately \$11,000,000.

6. NOTES TO THE CASH FLOW STATEMENT

	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
Reconciliation of profit for the period with cash flows from operating activities			
Profit for the period	7,064	3,788	10,319
Add/(less) non-cash items:			
Depreciation	1,183	874	1,711
(Gain)/loss on sale of property, plant & equipment	–	(595)	(541)
Amortisation of finite life intangibles	147	–	–
Loss on derivatives	15	1,079	1,123
Deferred tax	(9)	188	(43)
Provision for doubtful debts	(53)	–	(66)
Effect of exchange rate fluctuations on translation of working capital balances	192	(1,195)	(1,375)
	1,475	351	809
Movements in working capital:			
Trade and other receivables	(99,103)	724	(2,962)
Finance lease receivables	18	–	28
Prepayments	(2,497)	119	(434)
Inventories	(77,128)	(2,402)	(1,741)
Current tax refundable/payable	(806)	7	454
Trade and other payables	172,975	(2,905)	827
Employee benefits	2,445	(56)	(46)
	(4,096)	(4,513)	(3,874)
Movements in items treated as investing activities	(9,962)	–	–
Net cash (outflow)/inflow from operating activities	(5,519)	(374)	7,254

EBOS Group Limited
Notes to the Interim Financial Statements (continued)

For the Six Months 31 December 2007

7. SEGMENT INFORMATION

Information on business segments (primary reporting format)

	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
Revenue			
Healthcare	391,705	134,509	273,936
Scientific	25,034	18,771	39,009
Inter-segment	(14,318)	(2,968)	(5,669)
	402,421	150,312	307,276
Profit before finance costs and tax			
Healthcare	11,354	5,854	13,462
Scientific	2,544	1,188	3,669
	13,898	7,042	17,131
Profit for the period			
Healthcare	5,523	3,150	8,549
Scientific	1,541	638	1,770
	7,064	3,788	10,319
Segment assets			
Healthcare	407,736	103,683	105,647
Scientific	39,891	30,907	31,579
	447,627	134,590	137,226
Segment liabilities			
Healthcare	302,590	33,239	38,351
Scientific	6,152	10,045	4,725
	308,742	43,284	43,076
Acquisition of segment assets:			
Healthcare	124,394	1,114	1,805
Scientific	3,438	284	361

Information on geographical segments (secondary reporting format)

	Six months 31 Dec 07 \$'000	Six months 31 Dec 06 \$'000	Year ended 30 Jun 07 \$'000
Revenue			
New Zealand	354,432	114,713	232,922
Australia	62,307	38,567	80,023
Inter-segment	(14,318)	(2,968)	(5,669)
	402,421	150,312	307,276
Profit before finance costs and tax			
New Zealand	8,375	3,796	8,997
Australia	5,523	3,246	8,134
	13,898	7,042	17,131
Profit for the period			
New Zealand	3,804	1,798	5,550
Australia	3,260	1,990	4,769
	7,064	3,788	10,319
Segment assets			
New Zealand	381,923	98,824	98,502
Australia	65,704	35,766	38,724
	447,627	134,590	137,226
Acquisition of segment assets:			
New Zealand	116,555	1,212	1,785
Australia	11,277	186	381

EBOS Group Limited
Directory

Corporate Office

108 Wrights Road
 PO Box 411
 CHRISTCHURCH
 Telephone (03) 338-0999
 Fax (03) 339-5111
 E-mail: ebos@ebos.co.nz
 Internet: www.ebos.co.nz

Other Locations

Auckland Office
 243-249 Bush Road
 PO Box 302-161
 Albany, Auckland
 NEW ZEALAND

Wellington Office
 498 Hutt Road
 Lower Hutt
 NEW ZEALAND

Subsidiaries

Health Support Limited & Health
 Support Properties Limited
 56 Carrington Road, Pt Chevalier
 Auckland
 NEW ZEALAND

EBOS Group Pty Limited
 Unit 2, 109 Vanessa Street
 Kingsgrove, NSW 2208
 AUSTRALIA

PRNZ Limited
 54 Carbine Road
 Mt Wellington
 Auckland
 NEW ZEALAND

EBOS Health & Science Pty Limited
 Unit 2, 109 Vanessa Street
 Kingsgrove, NSW 2208
 AUSTRALIA

EBOS Health & Science (PNG) Limited
 GB House, Kunai Street
 Hohola, Waigani NCD
 PAPUA NEW GUINEA

Global Science & Technology Limited
 241 Bush Road, Albany
 Auckland
 NEW ZEALAND

Vital Medical Supplies (Australia)
 Pty Limited
 Unit 29-31, 276-278 Newline Road
 Dural, NSW 2158
 AUSTRALIA

Quantum Scientific Pty Limited
 31 Archimedes Place
 Murarrie, Qld
 AUSTRALIA

Shareholder Enquiries

Shareholders with enquiries about share transactions, change of address or dividend payments should contact the Share Registrar – Computershare Investor Services Ltd.

Directors

R.G.M. Christie
 Chairman

M.B. Waller
 Chief Executive and Managing Director

P.F. Kraus
 Deputy Chairman

E.M. Coutts

S.C. Ottrey

B.J. Wallace

P. Merton
 Appointed 12 September 2007

Executives

M.B. Waller
 Chief Executive

D.Brown
 Managing Director – Scientific

A.J. Cooper
 General Manager – Business Development

D.C. Doherty
 Chief Financial Officer

K.R. Hyland
 General Manager – Sales & Marketing
 Healthcare

G. Managh
 General Manager – Health Support Ltd

P. Merton
 Executive Director – PRNZ Limited

A. Norris
 General Manager – EBOS Group Pty Ltd

Auditor

Deloitte
 Christchurch

Bankers

ANZ National Bank Limited
 Christchurch

Solicitor

Chapman Tripp
 Christchurch

Share Register

Computershare Investor Services Ltd
 Private Bag 92119
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 Telephone: (09) 488-8777

