

19 February 2013

DIRECTORS REPORT – 6 MONTHS TO 31/12/12

STRONG EARNINGS GROWTH CONTINUES AND INTERIM DIVIDEND INCREASED

KEY POINTS

- Earnings before interest, taxation, depreciation and amortisation (EBITDA) of \$27.2m, 35.8% increase from \$20.05m in the prior corresponding period.
- Net profit after tax (NPAT) of \$14.96m, 29.2% increase from \$11.57m.
- Interim dividend of 17.5 cents per share, up 30% on the last interim dividend.
- Earnings per share at 29 cents, up 31.8% on 22 cents.

TRADING

Healthcare

Earnings of the Healthcare segment were consistent, with EBITDA of \$19.6m. Focus for the first half year has been on seeking new business opportunities, new product lines and investment for future growth.

In a market sector influenced by government policy and regulatory changes in New Zealand and Australia, EBOS is continually looking to see how best to add value for customers to maximise the use of their health budget dollars.

Animal Care

Animal care segment performed strongly with EBITDA of \$9.4m in line with expectations. The focus has been on growth opportunities, new products, and adding value to key customer channels. Investment in Australia offers good growth prospects compared with the higher market share of Masterpet in New Zealand.

DIVIDEND

Directors have declared a fully imputed interim dividend of 17.5 cents per share, an increase of 4.0 cents per share over the last interim dividend.

The dividend will be payable on 3 April 2013 to shareholders on the register at close of business 8 March 2013.

The Dividend Reinvestment Plan will be operative for this dividend payment, with a 2.5% discount to market.

OUTLOOK

EBOS is constantly evaluating new opportunities that can be value accretive to its shareholders. Masterpet is the most recent example of a large acquisition adding value. Prior to this the PRNZ acquisition achieved a similarly positive result. EBOS will continue its acquisitive strategy when the strategic fit is right, and there is real benefit for shareholders.

EBOS directors anticipate a strong full year result.



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