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26 August 2011

EBOS GROUP CONTINUES EARNINGS GROWTH

RESULT ANNOUNCEMENT FOR THE FULL YEAR TO 30 JUNE 2011

RESULT KEY DETAILS:

	FY11	FY10
Net Profit from continuing operations	\$23.4m	\$19.69m
Net Profit after tax	\$31.58m	\$23.44m
Earnings per share	61.2 cents	47.0 cents
Earnings per share from continuing operations	45.4 cents	39.5 cents
Final Dividend	18 cents	17.5 cents
Full Year Dividend	51.5c	31 cents

COMMENTARY:

EBOS Group Ltd has achieved an outstanding year to 30 June 2011 with net profit from continuing operations up 18.8%.

The profit after tax of \$31.58m included a one off net gain of \$8.18m on divestment of the Scientific portfolio.

EBITDA was \$41.12m.

This result adds to the decade long achievement of profit growth. In the past four years since we expanded our interests in pharmaceutical wholesaling and logistics, earnings have more than doubled.

EBOS has focused on consolidating the acquisitions made by the group, and pursuing operational efficiencies. Further gains have been extracted from our investments in internal integration, new information and on-line ordering technology. This will deliver ongoing benefits.

Earnings per share are 45.4 cents, up from 39.5 cents.

Revenue increased to \$1.34 billion, compared with \$1.32 billion in 2010, based on the diversified position of EBOS across several healthcare markets. The group is a leading supplier and distributor of both specialty and generic medical and pharmaceutical products to the New Zealand, Australian and Pacific Islands public and private healthcare sectors.

Sales revenue is regarded as a robust outcome in demanding market conditions, particularly because the year included the effects on discretionary healthcare spending of the three devastating earthquakes in Canterbury, New Zealand, and the disastrous flooding in eastern Australia. The group's Christchurch operations came through the earthquakes with only minor damage. Similarly our Australian distribution centres were fortunate to avoid any flood damage. The group was therefore able to maintain the supply of crucial pharmaceutical and medical supplies on time to key public healthcare customers with minimal disruption to the supply chain.

The directors have declared a fully imputed final dividend of 18 cents per share; following the interim dividend of 13.5 cents per share, paid on 21 April 2011. In addition, the group paid a special dividend of 20 cents per share, following the Scientific sale, making a total payout of 51.5 cents per share.

The dividend reinvestment plan will not be operative for the final dividend. The share register will close at 5 p.m. on 16th September 2011 for the purpose of determining entitlement to the dividend.

Cash flow has been sound, with net cash inflow from operations of \$21.7m, while the proceeds from the Scientific divestment were a net \$45.2m. This generated a strong balance sheet with a net cash position at the end of the year of \$42.5m, up from (\$2.50m) a year earlier.

OUTLOOK

Our diversification geographically in the Health sector will assist stability of sales as the Australasian economies work their way back from soft conditions.

We have an excellent platform for growth with a deleveraged balance sheet and cash on deposit.

We continue to evaluate promising acquisition opportunities.

For further information, please contact:



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