



Interim Report 2009



People are the building blocks and strength of EBOS.

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Financial Highlights

	Six Months 31 Dec 08 \$'000	Six Months 31 Dec 07 \$'000	Year Ended 30 Jun 08 \$'000
Revenue	691,568	465,690	1,092,020
EBITDA	18,104	15,228	33,634
Profit before income tax expense	12,065	10,419	22,543
Profit attributable to members of the parent entity	8,483	7,064	16,663
Shareholders' interest	150,630	135,836	147,304
Earnings per share	17.8c	16.7c	37.6c
Interest cover	3.9	4.0	3.7
Net interest bearing debt to net interest bearing debt plus equity	32.1%	41.8%	32.0%

Shareholder Calendar

Interim dividend payable	April 2009
Release of full year result	Late August 2009
Final dividend payable	Late October 2009
Annual General Meeting	22 October 2009

EBOS Group Limited

Directors' Report

The diversity of earning streams established by EBOS Group Ltd during the last few years has provided a strong first half profit for the six months to 31 December 2008.

EBITDA was up 19% to \$18.1 million and net profit after tax was up 20% to \$8.5 million on the corresponding six month result last year. Considering the wider regional slowdown and general uncertainty as to the length of the recession the directors are pleased with this positive momentum.

In any equity market that is struggling to find good news, it is important to stress that this result supports our strategy to create a resilient business with multiple business units capable of withstanding adverse economic cycles.

Earnings per share improved to 17.8 cents, compared with 16.7 cents in the prior corresponding period. Results are unaudited.

All of EBOS businesses in the Healthcare portfolio performed up to expectation and ahead of last year despite the prevailing macroeconomic environment. Our Australian healthcare business was once again our strongest performer.

Of significant importance, given the global liquidity problems, is that EBOS has secured bank facilities for the next three years. EBOS debt to debt plus equity ratio has reduced to 32.1% as at 31 December 2008 against 41.8% in December 2007. This sound position means EBOS is well placed for further expansion.

In the first half, our scientific businesses suffered from their market sector being challenged with capital equipment sales.

We anticipated a cyclical industry downturn in equipment sales when we made the acquisition of the largely consumable based Crown Scientific. Our restructuring of this business to allow for future profitable growth is almost completed.

Outlook

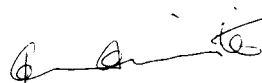
Directors and management will continue to drive operational efficiencies, manage costs, reduce working capital and focus on creating the best structure for all of our businesses, in what is widely regarded as a volatile and challenging business environment.

In this environment, the board expect a number of investment opportunities to arise and will evaluate these to continue with the EBOS growth story.


Bonus share issue distribution

Shareholder support for our bonus share plan, as an alternative to a dividend payout, has historically been high whilst for the Company it preserves cash for expansion.

For our first half result Directors have declared a bonus share distribution of 10.5 cents per share (9.5 cents the previous half year). As before shareholders can elect to redeem these bonus shares, or a portion of them, for cash. The record date for the bonus share distribution is 20 March 2009, and the issue date will be 21 April 2009.



Rick Christie
Chairman



Mark Waller
Chief Executive and Managing Director

EBOS Group Limited
Consolidated Income Statement
For the Six Months ended 31 December 2008 (unaudited)

		Six Months 31 Dec 08	Six Months 31 Dec 07	Year Ended 30 Jun 08
	Notes	\$'000	\$'000	\$'000
Revenue	2	691,568	465,690	1,092,020
Profit before depreciation, amortisation, finance costs and income tax expense		18,104	15,228	33,634
Depreciation	2	(1,620)	(1,183)	(2,620)
Amortisation of finite life intangibles	2	(322)	(147)	(137)
Profit before finance costs and tax		16,162	13,898	30,877
Finance costs	2	(4,097)	(3,479)	(8,334)
Profit before income tax expense	2	12,065	10,419	22,543
Income tax expense		(3,582)	(3,355)	(5,880)
Profit for the period		8,483	7,064	16,663
Earnings per share				
Basic (cents per share)		17.8	16.7	37.6
Diluted (cents per share)		17.8	16.7	37.6

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

EBOS Group Limited
Consolidated Statement Of Changes In Equity
For the Six Months ended 31 December 2008 (unaudited)

		Six Months 31 Dec 08	Six Months 31 Dec 07	Year Ended 30 Jun 08
	Notes	\$'000	\$'000	\$'000
Equity at start of period		147,304	92,195	92,195
Profit for the period attributable to members of the parent entity		8,483	7,064	16,663
Movement in foreign currency translation reserve		(1,517)	177	2,529
Cash flow hedges (loss) taken to equity		(2,136)	-	(137)
Total recognised income and expenses		4,830	7,241	19,055
Dividends paid to company shareholders	4	(1,504)	(6,075)	(6,548)
Shares issued	3	-	42,475	42,602
Equity at end of period		150,630	135,836	147,304

EBOS Group Limited Consolidated Balance Sheet

As at 31 December 2008 (unaudited)

	Six months 31 Dec 08	Six months 31 Dec 07	Year ended 30 Jun 08
Notes	\$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents	12,712	2,498	16,136
Trade and other receivables	162,620	140,386	150,426
Prepayments	923	3,683	2,789
Inventories	140,713	122,339	126,704
Current tax refundable	2,712	1,582	3,428
Other financial assets – derivatives	267	12	130
Finance leases	109	97	108
Total current assets	320,056	270,597	299,721
Non-current assets			
Property, plant and equipment	19,490	18,321	22,103
Capital work in progress	434	3,428	916
Finance leases	86	143	115
Prepayments	1,016	1,336	1,176
Deferred tax assets	4,552	2,012	3,992
Goodwill	133,331	125,753	133,062
Indefinite life intangibles	23,676	23,590	23,756
Finite life intangibles	1,030	1,353	1,353
Total non-current assets	183,615	175,936	186,473
Total assets	503,671	446,533	486,194
Current liabilities			
Bank overdraft	513	3,351	277
Trade and other payables	246,049	198,412	233,039
Finance leases	347	363	225
Bank loans	2,500	73,150	82,971
Current tax payable	2,273	1,234	1,886
Employee benefits	5,027	4,750	4,851
Other financial liabilities – derivatives	3,253	110	387
Total current liabilities	259,962	281,370	323,636
Non-current liabilities			
Bank loans	80,121	22,261	1,250
Trade and other payables	5,283	4,242	5,318
Deferred tax liabilities	7,119	1,955	7,796
Finance leases	556	869	890
Total non-current liabilities	93,079	29,327	15,254
Total liabilities	353,041	310,697	338,890
Net assets	150,630	135,836	147,304
Equity			
Share capital	3 105,752	105,625	105,752
Foreign currency translation reserve	527	(308)	2,044
Retained earnings	46,624	30,519	39,645
Cash flow hedge reserve	(2,273)	-	(137)
Total equity	150,630	135,836	147,304

EBOS Group Limited Consolidated Cash Flow Statement

For the Six Months ended 31 December 2008 (unaudited)

	Six months 31 Dec 08	Six months 31 Dec 07	Year ended 30 Jun 08
Notes	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	678,519	404,330	1,086,298
Interest received	40	48	234
Payments to suppliers and employees	(673,462)	(402,122)	(1,041,501)
Taxes paid	(2,829)	(4,296)	(8,151)
Interest paid	(4,097)	(3,479)	(8,334)
Net cash (outflow)/inflow from operating activities	6 (1,829)	(5,519)	28,546
Cash flows from investing activities			
Sale of property, plant & equipment	2,721	40	295
Purchase of property, plant & equipment	(747)	(1,077)	(6,315)
Payments for capital work in progress	(434)	(2,419)	(150)
Businesses acquired	5 (1,452)	(84,797)	(86,968)
Net cash inflow/(outflow) from investing activities	88	(88,253)	(93,138)
Cash flows from financing activities			
Proceeds from issue of shares	3 -	28,225	28,351
Proceeds from borrowings	800	107,161	59,793
Repayment of borrowings	(1,250)	(37,566)	(2,500)
Dividends paid to equity holders of parent	(1,504)	(6,075)	(6,548)
Net cash (outflow)/inflow from financing activities	(1,954)	91,745	79,096
Net (decrease)/increase in cash held	(3,695)	(2,027)	14,504
Effect of exchange rate fluctuations on cash held	35	37	218
Net cash and cash equivalents at beginning of period	15,859	1,137	1,137
Net cash and cash equivalents at end of period	12,199	(853)	15,859
Cash and cash equivalents	12,712	2,498	16,136
Bank overdrafts	(513)	(3,351)	(277)
	12,199	(853)	15,859

EBOS Group Limited
Notes to the Interim Financial Statements

For the Six Months ended 31 December 2008

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 2008.

1.1 Change in accounting estimate

During the six months to 31 December 2007 the group under stated sales revenue and cost of sales by \$63,269,000 respectively. Reassessment of the group's interpretation of NZ IAS 18 'Revenue' prior to 30 June 2008 concluded the group is acting as principal in these transactions.

Previously the group had determined it was acting as agent and the revenue was reported net, as commission. Revenue from the sale of goods and cost of sales for the six months to December 2007 have been re-stated having no effect on reported profit, earnings per share or equity.

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

For the Six Months ended 31 December 2008

2. PROFIT FROM OPERATIONS

	Six months 31 Dec 08 \$'000	Six months 31 Dec 07 \$'000	Year ended 30 Jun 08 \$'000
(a) Revenue			
Revenue consisted of the following items:			
Revenue from the sale of goods	686,105	462,418	1,083,068
Revenue from the rendering of services	3,871	2,066	6,101
Management fees	1,369	1,158	2,232
Interest revenue	40	48	234
Other revenue	183	-	385
	691,568	465,690	1,092,020
(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	294	-	(63)
Change in fair value of derivative financial instruments classified at fair value through profit or loss	273	(15)	75
Profit before income tax has been arrived at after (charging) the following expenses by nature:			
Cost of sales	(615,109)	(408,955)	(962,491)
Write-down of inventory	-	-	(878)
Finance costs:			
Bank interest	(3,893)	(3,479)	(7,667)
Other interest expense	(204)	-	(667)
Total finance costs	(4,097)	(3,479)	(8,334)
Net bad and doubtful debts	-	-	(40)
Depreciation of property, plant & equipment	(1,620)	(1,183)	(2,620)
Amortisation of finite life intangibles	(322)	(147)	(137)
Operating lease expenses	(3,712)	(1,844)	(6,176)
Donations	(22)	-	(50)
Employee benefit expense	(29,390)	(20,122)	(52,548)
Other expenses	(25,798)	(19,526)	(36,215)
Total expenses	(680,070)	(455,256)	(1,069,489)
Profit before income tax expense	12,065	10,419	22,543

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

For the Six Months ended 31 December 2008

3. SHARE CAPITAL

On 10 October 2008 the Company issued 1,114,978 bonus shares under a Profit Distribution Plan bringing the number of shares on issue at 31 December 2008 to 48,136,819 (2007 46,133,513).

4. DIVIDENDS

	Six months 31 Dec 08 \$'000		Six months 31 Dec 07 \$'000		Year ended 30 Jun 08 \$'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	13.5	1,504	13.0	6,075	13.0	5,998
· Interim – current year	-	-	-	-	9.5	550
	13.5	1,504	13.0	6,075	22.5	6,548
Unrecognised amounts						
Final dividend	-	-	-	-	13.5	1,504
Interim dividend	10.5	1,200				
	10.5	1,200	-	-	13.5	1,504

5. ACQUISITION OF BUSINESSES

Name of Business Acquired	Principal activities	Date of acquisition	Cost of acquisition \$'000
2009:			
100% of business assets of MedBio Limited	Scientific supplies	1 July, 2008	1,452
			1,452
Description of Acquisition Activity			
2009		MedBio Limited	
	Book value	Fair value adjustments	Fair value on acquisition
	\$'000	\$'000	\$'000
Current assets			
Trade and other receivables	233	-	233
Prepayments	7	-	7
Inventories	99	-	99
Non-current assets			
Property, plant and equipment	82	-	82

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

For the Six Months ended 31 December 2008

5. ACQUISITION OF BUSINESSES (Continued)

Current liabilities			
Trade and other payables	(100)	-	(100)
Net assets acquired	321	-	321
Goodwill on acquisition	1,131	-	1,131
Consideration	1,452	-	1,452

The contribution to net surplus for the half year attributable to the purchase of MedBio Limited was \$77,000.

6. NOTES TO THE CASH FLOW STATEMENT

	Six months 31 Dec 08 \$'000	Six months 31 Dec 07 \$'000	Year ended 30 Jun 08 \$'000
Reconciliation of profit for the period with cash flows from operating activities			
Profit for the period	8,483	7,064	16,663
Add/(less) non-cash items:			
Depreciation	1,620	1,183	2,620
(Gain)/loss on sale of property, plant & equipment	(294)	-	63
Amortisation of finite life intangibles	322	147	137
(Gain)/loss on derivative financial instruments	(273)	15	(75)
Deferred tax	(376)	(9)	(97)
Provision for doubtful debts	(76)	(53)	(37)
	923	1,283	2,611
Movements in working capital:			
Trade and other receivables	(12,118)	(99,103)	(109,159)
Finance lease receivables	28	18	35
Prepayments	2,026	(2,497)	(1,443)
Inventories	(14,009)	(77,128)	(81,493)
Current tax refundable/payable	1,103	(806)	(2,000)
Trade and other payables	12,975	172,975	208,678
Employee benefits	176	2,445	2,546
Foreign currency effect on translation of opening working capital balances	(1,655)	192	2,619
	(11,474)	(3,904)	19,783
Movements in items treated as investing activities			
	239	(9,962)	(10,511)
Net cash (outflow)/inflow from operating activities	(1,829)	(5,519)	28,546

7. SEGMENT INFORMATION

Information on business segments (primary reporting format)

	Six months 31 Dec 08 \$'000	Six months 31 Dec 07 \$'000	Year ended 30 Jun 08 \$'000
Revenue			
Healthcare	683,541	454,974	1,075,945
Scientific	34,247	25,034	61,719
Inter-segment	(26,220)	(14,318)	(45,644)
	691,568	465,690	1,092,020
Profit before finance costs and tax			
Healthcare	15,734	11,354	26,482
Scientific	428	2,544	4,395
	16,162	13,898	30,877
Profit for the period			
Healthcare	8,206	5,523	13,488
Scientific	277	1,541	3,175
	8,483	7,064	16,663
Segment assets			
Healthcare	458,607	406,642	442,525
Scientific	45,064	39,891	43,669
	503,671	446,533	486,194
Segment liabilities			
Healthcare	345,294	304,545	328,732
Scientific	7,747	6,152	10,158
	353,041	310,697	338,890

Information on geographical segments (secondary reporting format)

	Six months 31 Dec 08 \$'000	Six months 31 Dec 07 \$'000	Year ended 30 Jun 08 \$'000
Revenue			
New Zealand	633,529	417,701	986,001
Australia	84,259	62,307	151,663
Inter-segment	(26,220)	(14,318)	(45,644)
	691,568	465,690	1,092,020
Profit before finance costs and tax			
New Zealand	11,035	8,375	18,702
Australia	5,127	5,523	12,175
	16,162	13,898	30,877
Profit for the period			
New Zealand	5,457	3,804	9,073
Australia	3,026	3,260	7,590
	8,483	7,064	16,663
Segment assets			
New Zealand	420,161	380,359	411,491
Australia	83,510	66,174	74,703
	503,671	446,533	486,194

Corporate Office

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Other Locations

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 PO Box 302-161
 Albany, Auckland
 NEW ZEALAND

Wellington Office
 498 Hutt Road
 Lower Hutt
 NEW ZEALAND

Subsidiaries

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 54 Carbine Road
 Mt Wellington
 Auckland
 NEW ZEALAND

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

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

Quantum Scientific Pty Limited
 31 Archimedes Place
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EBOS Group Pty Limited
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 Kingsgrove, NSW 2208
 AUSTRALIA

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

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

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

P. Merton

S.C. Ottrey

B.J. Wallace

M. Stewart
 Appointed 8 September 2008

Executives

M.B. Waller
 Chief Executive

M. Broome
 General Manager – Healthcare Logistics

D.Brown
 Director Scientific Australia and New Zealand

A.J. Cooper
 General Manager – Business Development

D.C. Doherty
 Chief Financial Officer

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

D. Lewis
 General Manager – ProPharma

G. Managh
 General Manager – Health Support Ltd

A. Norris
 General Manager – EBOS Group Pty Ltd

Auditor

Deloitte

Bankers

ANZ National Bank Limited

Solicitor

Chapman Tripp

Share Register

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