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MARKET RELEASE

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EBOS REPORTS RECORD EARNINGS FOR 2017

- Group Revenue up 7.4% to \$7.6 billion
- Underlying Net Profit after Tax up 9.1% to \$138.6 million (+11.6% constant currency)
- Underlying Earnings per Share growth of 8.7% (+11.1% constant currency)
- Operating Cashflow of \$143.9 million
- Net Debt to EBITDA of 1.79x post the acquisition of HPS

Financial Highlights

| New Zealand Dollars ¹ | 30 June 2017 (audited) | Growth (actual FX) | Growth (constant FX) |
|--|---------------------------|-----------------------|-------------------------|
| Statutory Results | | | |
| Total Revenue | \$ 7.6 billion | +7.4% | +9.5% |
| EBITDA | \$234.4 million | +4.0% | +6.4% |
| Net Profit after Tax (NPAT)² | \$133.3 million | +4.9% | +7.3% |
| Earnings per Share (EPS) | 87.8 cents | +4.5% | +6.9% |
| Underlying Results³ | | | |
| Underlying EBITDA³ | \$241.4 million | +7.1% | +9.6% |
| Underlying NPAT³ | \$138.6 million | +9.1% | +11.6% |
| Underlying EPS³ | 91.3 cents | +8.7% | +11.1% |

Group Overview

EBOS Group Limited today announced record financial performance for the year ended 30 June 2017. Underlying, constant currency, net profit after tax growth of 11.6% was reported for the period. Strong profit growth was recorded by both the Healthcare and Animal Care segments as the Group realised the benefits from both organic growth and strategic investments undertaken in prior years.

The Group again generated good cash flows with cash from operating activities of \$143.9 million, resulting in Net Debt to EBITDA of 1.79x post the acquisition of HPS.

¹ All amounts included are denoted in New Zealand dollars unless otherwise stated.

² Net Profit after tax and non-controlling interests

³ Underlying result excludes \$7.0 million (\$5.3 million after tax and non-controlling interests) of transaction costs incurred on acquisitions undertaken in FY17.

EBOS Group CEO, Patrick Davies commented:

"EBOS is benefiting from a number of significant strategic investments undertaken over recent years in both our Healthcare and Animal Care divisions which has delivered record financial performance.

FY17 was another significant year for the Group with two major acquisitions completed and a major capital expenditure program underway.

In FY17 we continued to expand our healthcare businesses with the completion of the TerryWhite Chemmart merger in the first half, and more recently the acquisition of HPS, Australia's largest provider of outsourced pharmacy services to hospitals.

We are confident both businesses will complement and extend the Group's revenue and earnings streams in the future."

Segment overview

Healthcare

| Healthcare [NZD] | 30 June 2017 (audited) | Growth (actual FX) | Growth (constant FX) |
|----------------------|---------------------------|-----------------------|-------------------------|
| Total Revenue | \$7.2 billion | +7.7% | +9.8% |
| EBITDA | \$208.8 million | +7.1% | +9.5% |

The Healthcare business generated a 7.1% increase in EBITDA for the period, underpinned by an increase in revenues of 7.7%. The reported growth rates were negatively impacted by the stronger NZD/AUD exchange rate and in constant currency, revenues grew by 9.8% leading to EBITDA growth of 9.5%.

In the Australian pharmacy market, wholesale revenue growth (excluding hepatitis C medicines) was affected by the on-going impact of PBS reforms and lower levels of activity in the non-prescription over-the-counter (OTC) channel.

The Australian pharmacy business continues to successfully respond to the challenges of PBS reforms by expanding its revenue streams and improving productivity across its operations. Further productivity improvements are anticipated following the opening of the new distribution facility in Brisbane, Queensland.

In October 2016, EBOS completed the merger of its Chemmart business with Terry White Group to create one of Australia's largest retail pharmacy networks. FY17 has been a transformational year for TerryWhite Chemmart with the network undergoing an extensive rebranding and alignment program to bring the two franchise groups together.

EBOS Group's Institutional Healthcare division delivered further revenue and earnings growth. Total revenue grew 13.3% (constant currency) driven by a full year contribution of hepatitis C medicines sales, market growth and the contributions from Onelink Australia and Zest. The Group's recently acquired HPS business will form a key component of this division into the future, providing the Group with the benefit of an increasing trend from the hospital channel to outsource pharmacy services.

The Group's consumer products division, Endeavour Consumer Health, recorded very strong constant currency revenue growth (+23.5% to last year) with a full twelve month contribution from Red Seal (compared to seven months in FY16). Red Seal is performing strongly domestically, with export revenue growth subdued by lower Chinese demand. While the business experienced subdued demand from China it benefitted from strong growth in South Korea.

Animal Care

| Animal Care | 30 June 2017 | Growth | Growth |
|-----------------------|---------------------|--------------------|----------------------|
| [NZD] | (audited) | (actual FX) | (constant FX) |
| Total Revenues | \$423.2 million | +2.0% | +4.2% |
| EBITDA | \$44.7 million | +5.7% | +7.6% |

The Animal Care segment recorded 2.0% revenue growth and 5.7% EBITDA growth for the year. However, in constant currency, revenue grew 4.2% driven by very strong growth in our key brands, Black Hawk (+48% to last year) and Vitapet (+8.5%).

During the year the business undertook a number of initiatives to continue the growth of Black Hawk in Australia including the launch of Black Hawk's premium grain free product range and a national television advertising campaign.

In another exciting development, the Group recently launched Black Hawk in the New Zealand market effective July 2017. The company has commissioned an extensive advertising campaign in the first quarter of FY18 aimed at building brand awareness of Black Hawk in New Zealand and encouraging pet owners to join "the real food movement" for pets.

Vitapet's above-market revenue growth also demonstrated the continued strong performance of this key brand in both New Zealand and Australia.

Currency

Statutory results for the full year were negatively impacted by the stronger NZD/AUD exchange rate, which reduced EBITDA and NPAT by approximately \$5.1 million and \$2.8 million respectively.

Operating Cash Flow and Capital Expenditure

The Group recorded another year of strong operating cash flow of \$143.9 million reflecting a disciplined focus on cash flow management.

EBOS is committed to investing in its operational capability to further improve productivity and cater for the expansion of the business. The Group is currently undertaking two major capital expenditure projects being:

- 1) construction of a new wholesale distribution centre in Brisbane, Queensland; and
- 2) construction of a new contract logistics warehouse in Sydney, New South Wales.

Capital expenditure for the year was \$37.6 million, of which \$23 million related to the new Queensland facility. An additional spend of approximately \$40 million will be incurred in FY18 to complete these projects, both of which are expected to be operational in 2018.

Net Debt

The Group's net debt was \$435 million at 30 June 2017 with a net debt to EBITDA ratio of 1.79x, up from 1.14x at 30 June 2016. The increase in net debt for the year was primarily attributable to the cost of acquisitions and the Group's capital expenditure program.

Final Dividend

A final dividend of 33 cents per share has been declared, taking full year dividends to 63 cents per share an increase of 7.7% on the prior year.

The record date for the dividend will be 29 September 2017 and the dividend will be paid on 13 October 2017. The final dividend will again be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders.

The Group's dividend reinvestment plan (DRP) remains suspended and accordingly, will not apply in respect of the final dividend.

Outlook

EBOS Group has recorded a strong financial performance in FY17 and the Company is confident of further profit growth into FY18 on an underlying, constant currency basis.

A performance update will be provided to shareholders at the Annual Meeting on 17 October 2017.

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Financial Results Presentation webcast link:

<https://edge.media-server.com/m6/p/3zdqg4ww>

About EBOS Group

EBOS Group Limited NZBN 9429031998840 (NZX/ASX Code: EBO) is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading Australasian animal care products marketer and distributor.