

A full-page photograph of Mark Waller, a man with a mustache, wearing a dark pinstripe suit, a light blue shirt, and a patterned tie. He is standing in a large warehouse filled with tall stacks of cardboard boxes. The boxes are labeled with various text, including 'Codral Day & Night', 'DGLQ', and '9/13'. The warehouse has high ceilings with industrial lighting. In the background, another person is visible, blurred, moving through the aisles.

Mark Waller
Chief Executive Officer
& Managing Director

Every successful organisation has a strong central philosophy and sense of direction. For EBOS, we've essentially employed two key strategies that have seen us perform well over the years.

Firstly, our business model allows us to follow the patient through their life cycle. We provide literally a lifetime of products and services - from the needs of a new baby, through to aged care.

Secondly, we've been flexible and nimble enough to change our offering as the market landscape has changed. In fact looking back, you could say we've reinvented the company about every five years.

When we cast our minds back to the 1980s, the big focus was on new technologies. The multinationals were in acquisition mode, all clamouring to own the next great new technology. Then, over the space of a decade, almost the opposite trend came into play. A huge proportion of medical products started to be treated as commodities. Without the margins offered by unique products, the multinationals started to reduce their presence in the New Zealand market.

At EBOS, we recognised this was an important turning point. We asked ourselves the critical question, 'how can we be more valuable to the market we want to serve?'

Managing Director's Review

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The answer was to implement a business model that could meet all the market's needs.

For unique products, we'd have a business dedicated to providing sales and marketing support. Then as products become commoditised - and move through their life-cycle into wholesale and pre-wholesale categories - EBOS would be there too. We saw that the key was to offer market access right across the continuum.

In a nutshell, that was the strategy that drove us to create the unique platform we have today. EBOS Healthcare is our sales and marketing arm that services all different segments of the market. Our wholesale businesses are Health Support and ProPharma; and our pre-wholesale and third-party logistics business, Healthcare Logistics, provides manufacturers with a 'virtual company' option.

With this model, we aim to ensure all customers have the right product, at the right time, at a very competitive price, and with superb levels of service.

Having put this framework in place - and running it successfully for many years - we believe that EBOS is well-poised to assist the New Zealand government with their plans to improve healthcare delivery.

We're currently responsible for a significant percentage of the volumes provided into the local healthcare industry, which gives us a very unique view on the whole market in New Zealand. Our logistics and wholesale businesses are already making significant contributions to public health sector efficiencies.

Given our technology and proven experience, EBOS can be a key supply chain partner under a more centralised environment. We are capable of assisting the Government with many of the initiatives they're looking at - whether it's national product procurement, a national network of distribution centres, or even consolidating their IT platforms.

EBOS has ready-established networks, technologies and infrastructure in these key areas. This gives us considerable scope to contribute to the Government's vision for more cost effective healthcare delivered earlier with greater access.

So while our New Zealand-based business is certainly looking positive, it's actually only part of the story. What I find most exciting, personally, is our plans for international growth.

The past year has seen us undertake an unprecedented amount of activity, all aimed at making our business as efficient as possible. We have amalgamated parts of our business, lowered the cost base, and achieved efficiencies in back office and IT. We have reduced our net debt from \$110m three years ago, to nil.

EBOS is ready to embark on an important new phase. From now, our focus will be 100 percent on growing the business, through acquisition and other strategic alliances.

Geographically, we'll be looking at opportunities in New Zealand, Australia, and beyond. We're quite open-minded as to what form this might take - whether it's owning brands, or being an agency for brands; whether it's in wholesale, or manufacturing. The growth opportunities are as diverse as they are exciting.

There's also another field of opportunity which overlays our plans for geographical expansion. Having developed a suite of core competencies in pharmaceutical, medical devices and supply chain management; we're also looking at complementary industries where our skills could be profitably applied.

To sum up, our story so far has seen EBOS well-positioned in the New Zealand market, and with a strong and developing market in Australia and the Pacific. We're a credible and valuable part of the whole supply chain into health. The time has come for us to leverage off that expertise - to take it further afield internationally, and into different markets.

EBOS management and staff look forward to embarking on this journey with you.



Mark Waller
Chief Executive Officer