

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
ABN 91 092 593 774

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2009

Financial Statements

Provet Holdings Limited and Controlled Entities ABN 91 092 593 774

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DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the half year ended 31 December 2009. Provet Holdings Limited is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The names of the directors in office at any time during or since the end of the period are:

Dr Robert Leonard Emil Menrath

Dr John Kenneth Maclachlan

Dr Nigel Bruce Nichols

Dr Reginald Roland Roessler Pascoe (resigned 27 November 2009)

Mr Lindsay John Phillips (appointed 2 November 2009)

Mr Peter Gordon Carl Halstead (appointed 2 November 2009)

Dr Victor Hans Menrath

Dr William Anthony Nicholls

Dr Garth Alexander McGilvray

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review and Results of Operations

In October 2009, the company completed a successful non renounceable right issues of 1 new share for every 3 existing shares which raised \$12.4m and was underwritten by LCW Private Equity. Following the rights issue, further shares were issued in the form of placements totaling \$2.8m in November 2009. A share split of 4 new shares for every 1 existing share was then completed in December 2009, following shareholder approval at an Extraordinary General Meeting.

The financial results for the half year ending 31 December 2009 are very pleasing and support the focus that management have on completing the final bedding down of acquisitions that have occurred over the last few years and on improving profitability.

While sales for the group have increased marginally over the same period last year by \$3.2m or 2.3%, our Australian distribution operations have noted a satisfying sales increase over the prior year of 5% given the economy is still emerging from the effects of a difficult financial market and lower consumer confidence. The benefits of a diversified geographical sales market for the Provet group have been particularly evident given the profitability of our operations in New Zealand have come under pressure with the less than favourable economic and agricultural environment that currently exists, with particular impact on the dairy sector.

The total net profit before tax (NPBT) result for the group was \$4,728,336 (2008: \$2,826,651) which is up on last years reported profitability by \$1.9m or 67%. After adjusting the prior years result for the write off of \$282,000 (net of tax) in capitalised IPO costs, the result is a 52% increase in NPBT. This is a significant result for the Provet Group and follows on from a market profit guidance statement released in January 2010 indicating an increase in excess of 30% over last years NPBT result is anticipated for the full year June 2010. The improved result is due to a number of factors:

- Solid organic growth year to date for our Australian wholesale distribution operations;
- Increased efficiencies and cost savings for the wholesale distribution operations;
- Improved profitability of our value add business units incorporating the Practice Management Software and the Training and Consulting businesses; and
- Reduced interest expense on debt funding.

Subsequent Events

Provet now has a truly national footprint with the commencement of operations out of a purpose built warehouse in Cambridge in Tasmania on 11 January 2010. Provet is the only veterinary wholesaler to commit to a physical presence in Tasmania.

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES

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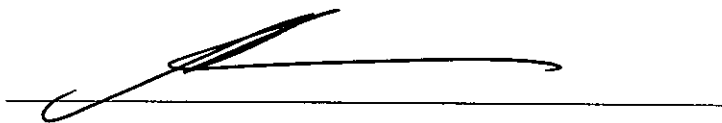
DIRECTORS' REPORT Continued

In January 2010, the company lodged a prospectus with the Australian Securities and Investment Commission (ASIC) associated with a limited Initial Public Offering of up to 1,173,036 ordinary shares in the company pursuant to a listing of the company on the Australian Securities Exchange (ASX). As at the date of this financial report, the company's application to list its shares on the ASX had been accepted by the ASX and the Board anticipates quotation of the company's shares to occur by the 15 March 2010.

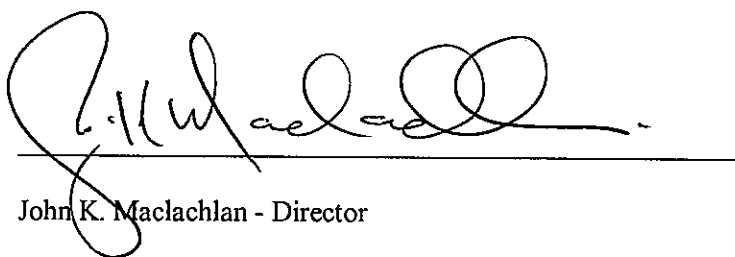
Auditor Independence and Non-Audit Services

The directors received a declaration from the auditor of Provet Holdings Limited. This is shown on page 19 of this report. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act and that auditor independence was not compromised.

Signed in accordance with a resolution of the board of directors.



Nigel B. Nichols – Director



John K. Maclachlan - Director

25 February 2010

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009	31 December 2008
		\$	\$
Income	3	143,567,570	140,330,805
Cost of goods sold		(113,965,241)	(112,201,123)
Employee benefits expenses		(11,686,893)	(11,716,507)
Depreciation and amortisation expenditure		(910,807)	(920,130)
Finance costs		(830,078)	(1,197,673)
Other expenses	3	(11,446,215)	(11,468,721)
Profit before income tax		4,728,336	2,826,651
Income tax (expense)/ benefit	4	(1,265,201)	(727,296)
Net Profit for the period		3,463,135	2,099,355
Earnings per share for profit attributable to the ordinary equity holders of the parent:		Cents	Cents
Basic earnings per share		10.24	7.09
Diluted earnings per share		10.24	7.09

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
A.B.N. 91 092 593 774

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009	31 December 2008
		\$	\$
Profit for the period		3,463,135	2,099,355
Other comprehensive income			
Cash flow hedge net movement taken to equity		2,043	(11,319)
Foreign currency translation		13,399	893,163
Revaluation of land and buildings		-	(332,159)
Appreciation/(Diminution) of listed investments		5,496	(20,986)
Income tax on items taken directly to equity		(1,649)	105,937
Other comprehensive income for period net of tax		19,289	634,636
Total comprehensive income for period		3,482,424	2,733,991

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009	30 June 2009
		\$	\$
Current Assets			
Cash and cash equivalents		6,691,156	6,727,059
Trade and other receivables		38,032,963	33,493,792
Inventories		30,895,456	25,277,616
Income tax receivable		-	80,277
Other		794,787	652,404
Total Current Assets		76,414,362	66,231,148
Non-Current Assets			
Investments available for sale		170,342	164,846
Property, plant and equipment	5	13,280,406	12,796,551
Intangible assets and goodwill		19,433,570	19,470,326
Deferred tax assets		2,893,917	2,509,330
Other		112,051	115,908
Total Non-Current Assets		35,890,286	35,056,961
Total Assets		112,304,648	101,288,109
Current Liabilities			
Trade and other payables		38,077,274	35,652,161
Interest bearing loans and borrowings	6	1,022,326	8,565,463
Revenue received in advance		229,339	325,107
Income tax payable		348,030	-
Derivatives		2,164	4,207
Provisions		2,460,714	2,396,236
Total Current Liabilities		42,139,847	46,943,174
Non-Current Liabilities			
Interest bearing loans and borrowings	6	13,577,663	14,900,507
Revenue received in advance		121,969	28,461
Provisions		420,606	362,322
Total Non-Current Liabilities		14,120,238	15,291,290
Total Liabilities		56,260,085	62,234,464
Net Assets		56,044,563	39,053,645
Equity			
Contributed Equity	8	37,501,713	22,392,366
Reserves		(1,130,166)	(1,149,455)
Retained Profits		19,673,016	17,810,734
Total Equity		56,044,563	39,053,645

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009	Consolidated						
	Ordinary Shares	Asset Revaluation Reserve	Fair Value Reserve	Cash flow Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
At 1 July 2009	22,392,366	1,195,557	(84,130)	(4,207)	(2,256,675)	17,810,734	39,053,645
Profit for the period	-	-	-	-	-	3,463,135	3,463,135
Other comprehensive income	-	-	3,847	2,043	13,399	-	19,289
Total comprehensive income for the period	-	-	3,847	2,043	13,399	3,463,135	3,482,424
Transactions with owners in their capacity as owners:							
Shares issued	15,737,360	-	-	-	-	-	15,737,360
Transaction costs on share issue net of tax	(628,013)	-	-	-	-	-	(628,013)
Dividends paid	-	-	-	-	-	(1,600,853)	(1,600,853)
At 31 December 2009	37,501,713	1,195,557	(80,283)	(2,164)	(2,243,276)	19,673,016	56,044,563

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008	Consolidated						
	Ordinary Shares	Asset Revaluation Reserve	Fair Value Reserve	Cash flow Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
At 1 July 2008	22,068,118	1,488,813	(76,635)	7,366	(2,484,796)	15,209,700	36,212,566
Profit for the period	-	-	-	-	-	2,099,355	2,099,355
Other comprehensive income	-	(232,521)	(14,687)	(11,319)	893,163	-	634,636
Total comprehensive income for the period	-	(232,521)	(14,687)	(11,319)	893,163	2,099,355	2,733,991
Transactions with owners in their capacity as owners:							
Shares issued	190,057	-	-	-	-	-	190,057
Dividends paid	-	-	-	-	-	(1,553,265)	(1,553,265)
At 31 December 2008	22,258,175	1,256,292	(91,322)	(3,953)	(1,591,633)	15,755,790	37,583,349

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009	31 December 2008
		\$	\$
OPERATING ACTIVITIES			
Receipts from customers		159,442,904	154,953,210
Payments to suppliers & employees		(159,013,374)	(153,887,137)
Interest received		192,711	259,177
Interest and costs of finance paid		(2,738,557)	(3,009,399)
Dividends received		324	143
Income tax paid		(949,076)	(1,161,832)
Net cashflows used in operating activities		(3,065,068)	(2,845,838)
INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		105,273	45,907
Purchase of property, plant & equipment		(1,550,453)	(988,817)
Net cash flows used in investing activities		(1,445,180)	(942,910)
FINANCING ACTIVITIES			
Repayment of borrowings		(9,076,205)	(47,896)
Proceeds from borrowings		620,584	2,911,505
Proceeds from issue of shares		15,193,382	-
Transaction costs of issue of shares		(897,157)	-
Principal repayments of finance leases		(308,714)	(342,322)
Dividends paid		(1,057,255)	(1,375,882)
Net cash flows used in financing activities		4,474,635	1,145,405
Net decrease in cash and cash equivalents		(35,612)	(2,643,343)
Cash and cash equivalents at beginning of period		6,727,059	3,248,350
Effects of exchange rate on cash balances		(290)	71,709
Cash and cash equivalents at end of period		6,691,156	676,716

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 1 – Corporate information

The financial report of Provet Holdings Limited (the Company) for the half year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 25 February 2010.

The financial report covers the economic entity of Provet Holdings Limited and its controlled entities. Provet Holdings Limited is a non-listed public company, incorporated and domiciled in Australia.

Note 2 – Summary of Significant Accounting Policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Provet Holdings Limited and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Provet Holdings Limited and its controlled entities as at 31 December 2009.

New Accounting Standards and Interpretations

AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

AASB 8 Operating Segments

AASB 8 replaced AASB 114 *Segment Reporting* upon its effective date. As the Group is in the process of listing its shares on the ASX it is required to comply with the disclosures outlined in the newly issued standard. AASB 8 disclosures are shown in note 12, including the related revised comparative information.

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	31 December 2009	31 December 2008
	\$	\$
Note 3 – Income and Expenses		
(a) Income		
Sale of goods	142,476,666	139,101,849
Interest	192,711	259,177
Dividends	324	143
Net foreign currency gain	-	19,387
Other	897,869	950,249
Total income	143,567,570	140,330,805
(b) Expenses		
Other expenses		
Administrative expenses	5,270,585	5,499,488
Freight and cartage	2,571,500	2,647,136
Merchant fees	1,901,284	1,820,985
Operating lease rentals	1,643,539	1,412,939
Bad and doubtful debts	30,005	70,470
Net foreign currency loss	21,644	-
Net loss on disposal of property, plant & equipment	7,658	17,703
	11,446,215	11,468,721

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated	
		31 December 2009	31 December 2008
Note 4 - Income Tax		\$	\$
The major components of income tax expense are:			
Current income tax			
Current income tax charge		1,380,673	743,485
Deferred income Tax			
Relating to the origination and reversal of temporary differences		(115,472)	(16,189)
Income tax expense reported in the consolidated income statement		1,265,201	727,296

Note 5 - Property, Plant and Equipment

Acquisitions and disposals

During the half-year ended 31 December 2009, the Group acquired assets with a cost of \$1,550,453 (2008: \$767,441).

Assets with a net book value of \$112,931 were disposed of by the Group during the half-year ended 31 December 2009 (2008: \$63,610), resulting in a loss on disposal of \$7,658 (2008: \$17,703).

Note 6 – Interest Bearing Loans and Borrowings

During the half year the Group recorded:

- net repayment of both short and long term bank debt of \$8,858,592 (2008: borrowings of \$2,863,609)
- foreign exchange gain on \$NZD short and long term debt of \$2,713 (2008: loss of \$30,121)
- net decrease in lease, hire purchase and chattel mortgage financing of \$5,215 (2008: decrease of \$108,606)

During the half year the Group renegotiated its loan facilities, at the Groups request the total bank facility limit was reduced from \$25,523,938 to \$19,419,337.

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Consolidated	
Note 7 – Dividends Paid and Proposed	31 December 2009	31 December 2008
	\$	\$
a) Dividends declared and paid during the half-year on ordinary shares.		
Final fully franked dividend for the financial year 30 June 2009: 21.5 cents (2008: 21cents)	1,600,853	1,533,265

	Consolidated	
Note 8 – Contributed Equity	31 December 2009	30 June 2009
	\$	\$
a) Issued capital		
Ordinary shares fully paid up	37,501,713	22,392,366
b) Movements issued and paid-up ordinary shares (\$)		
At the beginning of the reporting period	22,392,366	22,068,118
Shares issued during the period	10 d,e,f, 15,737,360	324,248
Transaction costs on share issue (net of tax)	(628,013)	-
At reporting date	37,501,713	22,392,366
c) Movements in number of ordinary shares on issue		
Shares at the beginning of the reporting period	29,783,292	29,578,500
Shares issued during the year	10 d,e,f, 12,589,884	204,792
Shares at the reporting date	42,373,176	29,783,292

The comparative 30 June 2009 movements in the number of ordinary shares on issue in the disclosure above, has been amended to reflect the 4 for 1 share split that was approved at an Extraordinary General Meeting of shareholders in December 2009.

d) During the reporting period 9,927,764 shares were issued at \$1.25 under a non-renounceable rights issue prospectus in October 2009.

e) During the reporting period the company issued 435,180 new shares under the dividend re-investment plan at \$1.25.

f) During the reporting period the company issued 2,226,940 new shares as placements at \$1.25, in accordance with the provisions of the Corporations Act.

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 9 - Commitments and Contingent Liabilities

There are no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

Note 10 – Events Subsequent to Balance Date

In January 2010, the company lodged a prospectus with the Australian Securities and Investment Commission (ASIC) associated with a limited Initial Public Offering of up to 1,173,036 ordinary shares in the company pursuant to a listing of the company on the Australian Securities Exchange (ASX). As at the date of this financial report, the companies application to list its shares on the ASX had been accepted by the ASX and the Board anticipates quotation of the company's shares to occur by 15 March 2010.

Note 11 – Related Parties

A number of the Directors are registered Veterinarians and as such may have a financial interest in a Veterinary practice.

Such practices trade on normal commercial terms and conditions with the Provet Group.

Sales to related parties:

Half year to 31 December 2009:\$328,860

Half year to 31 December 2008: \$440,640

Amounts owed by related parties:

31 December 2009: \$67,662

30 June 2009: \$66,800

a) Other Related Parties:

Certain shareholders have purchased inventory from the economic entity at normal commercial terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 12 – Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the product or service being provided by the operating business units. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Reportable Segments

Wholesale Operations

The wholesaling operations offer a full range of veterinary products to customers within the veterinary industry across Australia and New Zealand.

Information Technology

The information technology business unit develops, sells and supports Veterinary practice management software, internet business portals and other technological based services to the veterinary industry across Australia and New Zealand. The business unit also support the Groups internal information technology needs.

Training and Consulting

The Groups training and consulting operations provide value add services to the wider Veterinary profession.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts and in the prior period except as detailed below:

Inter-entity sales

Inter-entity sales are recognised based on an internally set transfer price. The price is set annually to reflect what the business operation could achieve if they sold their output and services to external parties at arm's length.

Corporate charges

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue so as to determine a segmental result.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

Inter-company Dividend revenue.

Appreciation/diminution of investments held for sale

Fair value gains/loss on cash flow hedges

Movements in Foreign Currency Translation reserves

Revaluation of land and buildings

Impairment of assets - impairment of assets are not included in the measurement of segment profit

The following table presents revenue and profit information for reportable segments for the half-years Ended 31 December 2009 and 31 December 2008.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 12 – Operating Segments (continued)

Half –year ended 31 December 2009	Wholesale	Information Technology	Training and Consulting	Total
	\$	\$	\$	\$
Sales to external customers	140,733,043	952,952	790,671	142,476,666
Other revenues from external customers	968,952	9,056	3,471	981,479
Inter-segment sales and other revenues	235,587	1,766,561	360,467	2,362,615
Total segment revenue	<u>141,937,582</u>	<u>2,728,569</u>	<u>1,154,609</u>	<u>145,820,760</u>
Inter-segment eliminations				(2,362,615)
Other Revenue				109,425
Total revenue per the Income Statement				<u><u>143,567,570</u></u>
Segment Profit/(Loss) after income tax	<u>3,343,212</u>	<u>57,605</u>	<u>(23,610)</u>	<u>3,377,207</u>
Other				85,928
Net Profit after tax per the Income Statement				<u><u>3,463,135</u></u>
Cashflow hedge gain				2,043
Foreign currency translation				13,399
Appreciation of listed investments				5,496
Income tax on items taken directly to equity				(1,649)
Net profit after tax per the Statement of Comprehensive Income				<u><u>3,482,424</u></u>

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 12 – Operating Segments (continued)

Half –year ended 31 December 2008	Wholesale	Information Technology	Training and Consulting	Total
	\$	\$	\$	\$
Sales to external customers	137,930,694	564,425	606,730	139,101,849
Other revenues from external customers	1,055,454	30,072	54,114	1,139,640
Inter-segment sales and other revenues	606,689	1,218,474	278,412	2,103,575
Total segment revenue	<u>139,592,837</u>	<u>1,812,971</u>	<u>939,256</u>	<u>142,345,064</u>
Inter-segment eliminations				(2,103,575)
Other Revenue				89,316
Total revenue per the Income Statement				<u>140,330,805</u>
Segment Profit/(Loss) after income tax	<u>2,772,487</u>	<u>(220,003)</u>	<u>(78,181)</u>	2,474,303
Other				(374,948)
Net Profit after tax per the Income Statement				<u>2,099,355</u>
Cashflow hedge loss				(11,319)
Foreign currency translation				893,163
Revaluation of land and buildings				(332,159)
Diminution of listed investments				(20,986)
Income tax on items taken directly to equity				105,937
Net profit after tax per the Statement of Comprehensive Income				<u>2,733,991</u>

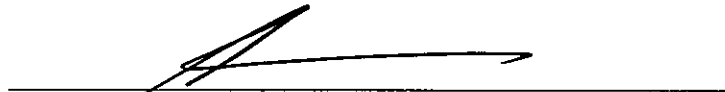
PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

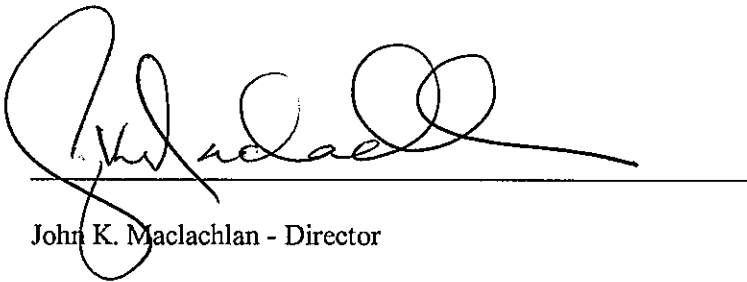
The directors of the company declare that:

1. The financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001; and
 - (b) giving a true and fair view of the financial position as at 31 December 2009 and of the performance for the half year ended on that date of the consolidated entity; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Nigel B. Nichols – Director

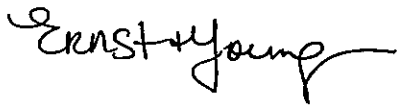


John K. Maclachlan - Director

25 February 2010

Auditor's Independence Declaration to the Directors of Provet Holdings Limited

In relation to our review of the financial report of Provet Holdings Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Winna Brown
Partner
25 February 2010

To the members of Provet Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Provet Holdings Limited, which comprises the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Provet Holdings Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

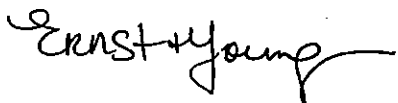
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any *matter that makes us believe* that the half-year financial report of Provet Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Winna Brown'.

Winna Brown
Partner
Brisbane
25 February 2010

PROVET HOLDINGS LIMITED AND CONTROLLED ENTITIES
A.B.N. 91 092 593 774

COMPANY PARTICULARS

Principal Place of Business

48 Bell-Are Avenue
Northgate,
Brisbane Queensland 4013

Company Secretary

Chris Lowndes (Chief Financial Officer)

Share Register

Link Market Services

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Brisbane, Queensland 4000

Auditor

Ernst & Young

1 Eagle Street
Waterfront Place
Brisbane, Queensland 4000

Solicitors

McCullough Robertson

Level 11, Central Plaza Two
66 Eagle Street,
Brisbane Queensland 4000

Bankers

Commonwealth Bank of Australia

Queen Street
Brisbane Queensland 4000