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Media Release

### **Merger to create one of Australia's largest retail pharmacy brand networks**

Leading Australian pharmacy groups Terry White Group and Chemmart will merge to form one of Australia's largest retail pharmacy networks with a combined retail turnover of \$2 billion and approximately 500 pharmacies.

The merged group will leverage scale and combined capabilities to increase the competitiveness and marketing strength of the pharmacies and to improve service levels and health delivery to customers to become a new force within Australian pharmacy.

EBOS Group Limited will sell the business assets of Chemmart to Terry White Group Limited in exchange for equity and will invest additional capital to achieve a 50% equity stake in the merged entity.

The proposed merger is subject to Terry White Group Limited shareholder approval and will be put to a vote at an Extraordinary General Meeting planned for late September 2016.

Terry White Group CEO Anthony White said both networks had complementary retail offerings, strong cultural synergies and a mutual focus on value for money and front line health services that would deliver a stronger, more capable network of pharmacies.

"The merger of the two networks creates a comprehensive national footprint and increased scale which, when combined with capabilities across retail, merchandise and private label, will improve the group's competitiveness and front line health service delivery for the benefit of all our pharmacy owners and customers," said Mr White.

"We have a substantial array of core retail capabilities and support platforms which are scalable to handle this growth and support future network expansion.

"Significant investment in our Enterprise Resource Planning system is already driving efficiencies and improved operations, allowing pharmacists to raise customer service levels and drive strong retail sales growth."

EBOS Group CEO Patrick Davies said the merger would provide both immediate and long term benefits through building the strongest retail pharmacy network in Australia, underpinned by a substantial and sophisticated retail pharmacy model.

"Chemmart and Terry White Group have strong, vibrant brands that have high levels of customer awareness and established leadership positions within the market," Mr Davies said.

"This merger is about capitalising on those strengths and continuing to develop a competitive and sustainable offering for all pharmacy owners in the group while also significantly increasing our ability to meet the evolving needs of our customers."



The franchise management entity will be renamed to reflect the multiple brands within the group and a broader health focus. The management team will be led by Anthony White as Chief Executive Officer. Chemmart Executive Director Duncan Phillips will join the existing executive team as Chief Operating Officer.

Patrick Davies, the EBOS Group CEO, will join the existing Terry White Group directors on the board of the merged entity.

"Patrick will bring a broad business skill set, corporate experience and industry knowledge to the board," said Terry White, Chairman of Terry White Group Limited.

Mr White said the Terry White Group Board unanimously supported the merger.

"Directors recommend that shareholders vote in favour of all resolutions to approve the transaction and confirm that they intend to vote their shares in favour of the transaction."

## **ENDS**

### *Terry White Group Limited*

*Terry White Group is the parent company of pharmacy franchisors Terry White Management and Chemplus. Headquartered in Brisbane, the Group provides a sophisticated support structure to a network of approximately 230 pharmacies.*

### *EBOS Group Limited*

*EBOS is the largest Australasian wholesaler and distributor of healthcare, medical and pharmaceutical products across its key divisions of community pharmacy, institutional healthcare, contract logistics and animal care.*

### *Chemmart*

*Chemmart, part of the EBOS Group, is a leading wellbeing pharmacy franchisor with a network of approximately 270 pharmacies throughout Australia.*

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