



Provet Holdings Limited

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Chairman's Address, 2008 AGM

Good afternoon ladies and gentlemen.

I am Garth McGilvray, Chairman of Provet Holdings Limited.

On behalf of the Board, I welcome you all to our 26th Annual General Meeting. There being a quorum present, I declare the meeting open and inform the meeting that there have been received prior to the meeting proxies representing 2,002,710 shares and all are in favour of the resolutions put to proxy vote.

Firstly I wish to introduce my fellow Directors and Officers

John Maclachlan, Deputy Chairman.

Bob Menrath,

Vic Menrath,

Tony Nicholls

Reg Pascoe

Nigel Nichols, CEO,

Joe Best, COO

Chris Lowndes, CFO and Company Secretary.

I am also delighted to introduce our advisors who are present:

Reece Walker and Samantha Morris from or lawyers McCullough Robinson

Mark Phelps, the Audit Partner from Ernst and Young

Roger Harley, from our Corporate Advisors, Fawkner Capital.

We have a list of apologies, are there any further apologies for noting?

I wish to confirm that the final dividend mentioned in the Annual Report was paid on the 10th of October. I am also pleased to announce that shareholder participation in the dividend reinvestment plan exceeded expectations.

As to performance in 2008, we increased our revenue, profits and dividend payments. We also purchased the Darwin based business Monsoon Vet Supplies Ltd, now re-branded Provet NT. The rapid growth of business in Victoria and South Australia has resulted in a need to expand the Melbourne warehouse and move Provet SA into a new larger warehouse.

I am very happy to report that top line sales, normalised by excluding Northern Territory sales as we did not purchase that business until January 1st 2008, for core business are 8.2% up on last year for the first 4mths of 2008-09. Bottom line net profit before tax is exceeding our budget for core operations. Our operations in New Zealand continue to exceed budget, despite the economic crisis being further advanced over there. Our growth areas of Victoria and South Australia are continuing to expand. As is our export market.

We live in very interesting times! What a change there has been since the last AGM of Provet. At that time I mentioned 'that any decision to list on the Australian Stock Exchange will be influenced by strategic corporate considerations that may face the company at that time as well as the prevailing market conditions'. As everybody would be aware, virtually immediately after that announcement the sub-prime mortgage crisis in the USA started to have a major impact on the financial markets which lead to falls in the equity markets which spread worldwide and has now lead to an economic crisis with much of the world falling into recession. Consequently your Board has deferred an Initial Public Offering (IPO) under the current market conditions. Nobody is able to predict how long the current increased volatility and low confidence in the market will last.

When the budget for 2008-09 was being framed in May-June this year, the Board and management were well aware that many people were expecting a difficult year ahead for the world economy with subsequent impacts on the Australasian economy. Therefore, it was agreed that it would be prudent to frame a conservative budget for the year ahead. All levels of Provet have been aware of this prudent and conservative approach since the start of this financial year.

There has been much talk in the financial press about the risks some companies are facing because they have debt that requires refinancing in 2009. We have met with our bankers this week and they have indicated that while Provet continues with our current strategies they do not anticipate problems with refinancing those or debt that falls due in 2009. In fact they have offered to bring the arrangements forward so that we now expect to have the bills due in 2009 refinanced in the next 2 months.

I am confident that our sound and proven strategy and highly capable management team positions us well for the long-term. The investment in infrastructure, information technology and staff training will ensure sustainable relationships with our clients.

Ladies and gentlemen, we have traded strongly for the first four months of this financial year and we are well prepared for the more difficult markets ahead.

Garth McGilvray, BVSc, MRCVS, FAICD, FAVA
Chairman, Provet Holdings Limited