

**Provet Holdings Limited ACN 092 593 774**

# **PROSPECTUS**

A pro-rata non-renounceable rights issue of New Shares  
on the basis of 1 New Share for every 3 Shares held,  
at an issue price of \$5.00 per New Share issued,  
to raise approximately \$12.4 million before Offer Costs

Underwritten to \$9.2 million (subject to Shareholder Approval) by

**LCW**  
**PRIVATE EQUITY**

**LCW Private Equity Pty Ltd ACN 114 164 331**

**Offer closes at 5.00pm (AEST) on 26 October 2009**



# Table of contents

---

**Chairman’s letter ----- 2**

**1 Summary of the Offer ----- 5**

**2 Overview of the Offer ----- 6**

**3 Details of the Offer ----- 8**

**4 Overview of Provet ----- 16**

**5 Purpose and effect of the Offer----- 19**

**6 Action required by Eligible Shareholders----- 24**

**7 Financial information ----- 27**

**8 Material Agreements ----- 30**

**9 Additional information ----- 34**

**10 Glossary----- 39**

**11 Corporate Directory ----- 42**

## Important information

Eligible Shareholders should read this Prospectus (and the documents incorporated by reference in section 9.1) in its entirety before deciding to apply for the New Shares. This Offer does not take into account your investment objectives, financial or taxation situation or particular needs. Before deciding whether to take up your Entitlement, you should consider whether such an investment is appropriate to your particular needs, objectives and financial circumstances. If, after reading this Prospectus, you have any questions as to how to deal with it, you should contact your lawyer, accountant or other professional adviser.

This Prospectus is dated 22 September 2009 and was lodged with ASIC on that date with the consent of all of the Directors. No New Shares will be allotted or issued on the basis of this Prospectus after the expiry date of this Prospectus, being 21 October 2010.

The personalised Entitlement Acceptance Form accompanying this Prospectus is important. If you are an Eligible Shareholder and entitled to apply for New Shares under the Offer, your personalised Entitlement Acceptance Form shows the number of New Shares for which you are entitled to apply. Please refer to the instructions in section 6 of this Prospectus regarding the acceptance of your Entitlement. Applications may only be submitted using a valid personalised Entitlement Acceptance Form that is only available with this Prospectus. By returning a personalised Entitlement Acceptance Form or by paying by BPAY, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Neither ASIC nor its officers take any responsibility for the contents of this Prospectus.

This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make an offer. This Prospectus has been lodged in Australia and no action has been taken by the Company to lodge this Prospectus in any jurisdiction outside of Australia. This Prospectus is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia. Eligible Shareholders resident outside Australia should consult their professional adviser as to whether any consents are required or whether any formalities need to be observed in the jurisdiction of their residence to enable them to accept their Entitlement pursuant to the Offer. Any failure to comply with applicable restrictions may constitute a violation of applicable securities laws.

The Corporations Act prohibits Provet from processing Entitlement Acceptance Forms in the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC by up to a further seven days. Personalised Entitlement Acceptance Forms received during this exposure period will not be processed until after the expiry of that period. No preference will be conferred on personalised Entitlement Acceptance Forms received during the exposure period.

All references to currency are to Australian dollars and all references to time are to AEST, unless otherwise stated. Defined terms and abbreviations used in this Prospectus are explained in the Glossary in section 10.

## Short form prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this document does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in documents that have been lodged with ASIC.

This Prospectus refers to various information and documents listed in section 9.1 of this Prospectus, collectively referred to as the 'Incorporated Documents'. In referring to the Incorporated Documents, Provet:

- (a) identifies the Incorporated Documents as being relevant to the Issue pursuant to this Prospectus and containing information that will assist investors and their professional advisors in making an informed assessment of:
  - (i) the rights and liabilities attaching to the New Shares;
  - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company,
- (b) refers Eligible Shareholders and their professional advisors to section 9.1 of this Prospectus which lists the information and documents which are deemed to be incorporated in this Prospectus;
- (c) informs Eligible Shareholders and their professional advisors that they are able to obtain a copy of the Incorporated Documents, free of charge, by contacting the Company at its registered office during normal business hours within the currency of this Prospectus; and
- (d) advises that the information contained in the Incorporated Documents will be primarily of interest to Eligible Shareholders and their professional advisors.

# Chairman's letter

---

22 September 2009

Dear Shareholder

The Board of Provet Holdings Limited (**Provet**) is pleased to invite Eligible Shareholders to subscribe for New Shares in Provet by way of a non-renounceable rights issue of 1 New Share for every 3 Shares held in Provet on the Record Date at an Issue Price of \$5.00 per New Share.

Provet intends to raise up to approximately \$12.4 million before Offer Costs through the issue of approximately 2,481,941 New Shares.

## **Investment by LCW Private Equity**

The Offer is underwritten by LCW Private Equity Pty Ltd (**LCW**) to the amount of \$9.2 million.

As announced to Shareholders on 17 September 2009, Provet has entered into an agreement with LCW, under which LCW (and its associates) will, subject to Shareholder Approval at the EGM and the terms of the agreement, acquire a 19.9% investment in Provet, by way of the issue of New Shares through underwriting this Offer and, if required, the acquisition of additional Shares to achieve the 19.9% interest.

The investment by LCW (and its associates) represents an exciting opportunity for Provet for the following reasons:

- ❑ **Financial support** – the investment (subject to Shareholder Approval) provides a certain, comparatively cost-effective and timely means of capital raising;
- ❑ **Positioning for growth** – the Offer will allow Provet to strengthen its balance sheet and potentially take advantage of growth opportunities;
- ❑ **Institutional support** – LCW (and its associates) is an investor, with experience in assisting investee companies to grow and achieve their objectives; and
- ❑ **Liquidity** – the entry of LCW (and its associates) will strengthen Provet's share register and will potentially create more liquidity and may better position Provet for a future liquidity event.

Provet's Board and executive management will retain operational control of the Company. LCW's involvement will assist Provet to achieve its strategic goals, whilst still enabling Provet to retain its identity as the preferred business partner to the veterinary profession in Australasia, and continue to participate in growth opportunities.

The effect and terms of LCW's participation through the underwriting and possible subsequent placement of Shares, is detailed in sections 3.17 and 8.1 of this Prospectus. LCW's investment and as a consequence, this Offer, are subject to approval by Provet Shareholders as detailed in section 8.1 and the Notice of Meeting that was sent to Shareholders on 17 September 2009.

If the Offer did not proceed for this or any other reason, the Company will continue with current debt levels and it is not anticipated that there will be any material impact on the Company's current operations. A break fee of \$300,000 will be payable by Provet in certain events, including where the Offer does not proceed and an alternative capital raising underwritten by a party other than LCW (or its associates) is pursued by Provet within 6 months.

## The Offer

Funds raised under the Offer will be applied:

- primarily towards paying down bank debt (as described below); and
- for working capital, including:
  - warehouse infrastructure expansion;
  - Tasmanian business start up, including warehouse establishment and initial inventory; and
  - Group inventory purchase opportunities.

## Debt facilities

As at 1 September 2009, Provet had variable rate bank facilities with the Commonwealth Bank of Australia (CBA) drawn down to approximately \$8.9 million. It is proposed to use approximately \$8.9 million of funds raised under this Offer (assuming it is fully subscribed) toward paying down that debt, without penalty. Provet remains in good standing under its facilities. In the current economic environment however, there are no guarantees as to the availability of future debt funding on suitable terms. The Board has therefore decided that the repayment is a prudent management strategy which will allow Provet to strengthen its balance sheet, potentially maximise flexibility and create a strong platform for future growth.

## General

This Prospectus contains more detailed information about Provet's operations and financial position, which should be read in conjunction with the further details, including assumptions and policies, set out in the 2009 Annual Report. This Prospectus also outlines potential risks associated with this investment. We encourage you to read this document carefully before making your investment decision.

Eligible Shareholders may apply for their pro-rata entitlement under this Prospectus by completing and lodging their personalised Entitlement Acceptance Form or making payment by BPAY, following the directions set out in section 6 of this Prospectus.

Your Board is enthusiastic about the future of Provet and we commend the Offer for your consideration.

Yours sincerely



**Dr Garth McGilvray**  
Chairman

# 1 Summary of the Offer

---

## 1.1 Key details

New Share Issue Price	\$5.00 per New Share
Eligible Shareholder Entitlement	1 New Share for every 3 Shares held
The number of New Shares to be issued under the Offer	approximately 2,481,941 New Shares
The total amount to be raised (before Offer Costs)	approximately \$12.4 million
Underwritten Shares <sup>1</sup>	approximately 1,849,836 Shares (or approximately \$9.2 million)

1. This assumes Shareholder Approval is obtained at the EGM in the manner summarised in section 8.1.

## 1.2 Key dates<sup>2</sup>

Date of Prospectus and Announcement of Offer	22 September 2009
Record Date to determine Entitlements	7:00pm (AEST) 17 September 2009
Offer Opens	7 October 2009
EGM at which Shareholder Approval will be sought	2.00pm (AEST) on 19 October 2009
Closing Date (date by which Entitlement Acceptance Forms and payment in full must be received)	5.00pm (AEST) on 26 October 2009
Allotment of New Shares	by 30 October 2009
Despatch of holding statements	by 3 November 2009

2. These dates are indicative only and may be subject to change. Provet, reserves the right to amend this timetable in consultation with the Underwriter. In particular, Provet, reserves the right, subject to the Corporations Act, to extend the Closing Date of the Offer or to withdraw the Offer without prior notice, in consultation with the Underwriter.

## 2 Overview of the Offer

---

Provet is an established company with expertise in the supply and distribution of veterinary products.

### 2.1 Investment highlights

- the largest Australasian wholesale distributor of veterinary products;
- brand recognition and support from repeat industry participants in Australia and New Zealand;
- leveraging long-term relationships and sales volume in purchasing;
- 25 years experience, with established systems and robust supply chains;
- profitable, with solid cash flows;
- sophisticated, purpose-designed information systems;
- opportunity to expand products, training, and IT software, including vet practice management systems, to a large customer base;
- well positioned to participate in the underlying growth of the veterinary industry;
- poised to take advantage of acquisitive and intrinsic growth opportunities within Australia and overseas;
- demonstrated ability to execute acquisitions and deliver synergies;
- experienced management with a clear growth strategy and vision; and
- supply of value-added services, advanced inventory management and warehousing systems and electronic ordering capabilities.

### 2.2 Risks overview

Eligible Shareholders should read this entire Prospectus and, in particular, consider the risk factors that could affect the financial performance of Provet before deciding whether to take up their Entitlements. Risks applying to an investment in the Company include:

- general investment risks, including the uncertain global economic environment;
- limited liquidity in market for Shares;
- regulatory risks;
- supply risks (product and pricing);
- customer risks (including competition and loss of clients);
- reliance upon technology and systems;
- the ability to raise further debt and equity funding if required; and

- key personnel risk.

A break fee of \$300,000 will be payable by Provet in certain events, including where the Offer does not proceed and an alternative capital raising underwritten by a party other than LCW (or its associates) is pursued by Provet within 6 months. Provet will incur costs associated with this Offer as set out in section 9.5 (less the Underwriting Fee and Management Fee which would then not be payable).

General and specific risk factors are detailed in sections 5.5 through 5.7 of this Prospectus.

Eligible Shareholders should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice as necessary.

### **3 Details of the Offer**

---

#### **3.1 Introduction**

This Prospectus contains an Offer for a non-renounceable rights issue to Eligible Shareholders to apply for 1 New Share for every 3 Shares held at an Issue Price of \$5.00 per New Share. Provet intends to raise up to approximately \$12.4 million before Offer Costs.

The Offer is underwritten to \$9.2 million by LCW, subject to Shareholder Approval at the EGM. LCW is also lead manager to the Offer.

If you are an Eligible Shareholder, this document is important and requires your immediate attention. It should be read in its entirety and in conjunction with the documents incorporated by reference and listed in section 9.1.

Please read carefully the instructions on the accompanying Entitlement Acceptance Form regarding the acceptance of your Entitlement. If you are in any doubt as to the course of action you should take, you should consult your lawyer, accountant or other professional adviser immediately.

Eligible Shareholders are entitled to take up the Offer of 1 New Share for every 3 Shares held as at the Record Date by completing and returning the accompanying Entitlement Acceptance Form with Application Monies or by arranging payment by BPAY, before the Closing Date.

#### **3.2 Purpose of the Offer and use of proceeds**

It is the Board's intention that proceeds of the Offer will be used:

- primarily to pay down bank debt; and
- for working capital purposes, including:
  - warehouse infrastructure expansion;
  - Tasmanian business start up, including warehouse establishment and initial inventory; and
  - Group inventory purchase opportunities.

The table below sets out an approximate allocation of funds under two scenarios, being:

- if only the minimum subscription amount of \$9.2 million is raised; and
- if the Offer is fully subscribed and \$12.4 million is raised.

<b>Approximate use of funds raised</b>	<b>Minimum subscription amount \$000</b>	<b>Fully subscribed Offer \$000</b>
Offer Costs	717	875
Pay down bank debt (CBA Facility)	8,233	8,900
Working capital:		
▪ warehouse infrastructure expansion	250	500
▪ Tasmanian branch start up, including warehouse establishment and initial inventory	-	400
▪ Group inventory purchase opportunities	-	1,725
<b>Total</b>	<b>\$9,200</b>	<b>\$12,400</b>

Subject to Shareholder Approval, the Offer is underwritten to \$9.2 million which is the minimum subscription amount under this Prospectus as described in section 3.7.

### **3.3 Effect on capital structure**

#### **New Shares under the Offer**

The Company currently has 7,445,823 Shares on issue. The Company is offering 1 New Share for every 3 Shares held, under this Offer (with fractional entitlements rounded up to the nearest whole New Share). Up to 2,481,941 New Shares will be issued under the Offer, increasing the number of Shares on issue after the Offer to up to 9,927,764 Shares.

#### **DRP**

Provet operates a dividend reinvestment plan (**DRP**), under which Shareholders can elect to take up some or all their entitlement to shares in lieu of a cash dividend, subject to the rules of the plan.

On 10 September 2009, and in accordance with the **DRP** rules, the Board declared a final dividend of \$0.215 per Share in respect of the financial year ending 30 June 2009. The record date for determining the entitlement to receive the dividend and to participate in the **DRP** is 5.00pm (AEST) on 25 September 2009. Participation in the **DRP** does not give any additional entitlement to participate under this Offer. New Shares acquired under this Offer are ex-dividend. That is, they do not provide any cash dividend entitlement in respect of the final dividend declared on 10 September 2009 or ability to participate in the current **DRP** round.

Depending upon the participation level in the **DRP**, Provet may potentially issue up to a maximum 320,170 further Shares in the Company under the **DRP**, with an issue price of \$5.00 per Share and an anticipated allotment date in early November 2009.

The issue of **DRP** Shares will alter the capital structure of the Company that is set out in section 5.4. The issue will also have a dilutionary effect on shareholders entitled to receive dividends but who do not participate or only partially participate in the **DRP**.

## **LCW Investment**

Subject to the number of New Shares issued under the Offer and the DRP, and also subject to Shareholder Approval, LCW (and its associates) will acquire further Shares as described in section 3.17 and 8.1.

## **Options**

There are no options or other securities on issue.

### **3.4 Effect on the Company's financial position**

Set out below is the audited Balance Sheet of Provet as at 30 June 2009 and a pro forma Balance Sheet based on 30 June 2009 and containing adjustments for the impact of proceeds from the Offer on cash assets, interest bearing debt facilities and contributed capital after estimated Offer Costs.

The detailed transactions and adjustments are outlined below. The financial information set out in the Balance Sheet for 30 June 2009 should be read in conjunction with the further details, including assumptions and policies, set out in the 2009 Annual Report.

The Balance Sheet (and pro-forma adjustments) on the following page illustrate two capital raising scenarios under the Offer, being:

- if only the minimum subscription amount of \$9.2 million is raised; and
- if the offer is fully subscribed and \$12.4 million is raised.

LCW's investment and as a consequence, this Offer, are subject to approval by Provet Shareholders as detailed in section 8.1 and the Notice of Meeting that was sent to Shareholders on 17 September 2009.

If the Offer did not proceed for this or any other reason, the Company will continue with current debt levels and it is not anticipated that there will be any material impact on the Company's current operations. A break fee of \$300,000 will be payable by Provet in certain events including where the Offer does not proceed and an alternative capital raising underwritten by a party other than LCW (or its associates) is pursued by Provet within 6 months.

## CONSOLIDATED ACTUAL AND PRO FORMA BALANCE SHEETS

		Material Transaction \$12.4m <sup>1</sup>	Pro Forma \$12.4m	Material Transaction \$9.2m <sup>2</sup>	Pro Forma \$9.2m
	30 June 2009 audited \$	fully subscribed \$	fully subscribed based on 30 June 2009 \$	minimum subscribed \$	minimum subscribed based on 30 June 2009 \$
<b>Current Assets</b>					
Cash and cash equivalents	6,727,059	2,625,000	9,352,059	250,000	6,977,059
Trade and other receivables	33,493,792	-	33,493,792	-	33,493,792
Inventories	25,277,616	-	25,277,616	-	25,277,616
Income tax receivable	80,277	-	80,277	-	80,277
Other	652,404	-	652,404	-	652,404
<b>Total Current Assets</b>	<b>66,231,148</b>	<b>2,625,000</b>	<b>68,856,148</b>	<b>250,000</b>	<b>66,481,148</b>
<b>Non-Current Assets</b>					
Investments available for sale	164,846	-	164,846	-	164,846
Property, plant and equipment	12,796,551	-	12,796,551	-	12,796,551
Intangible assets and goodwill	19,470,326	-	19,470,326	-	19,470,326
Deferred tax assets	2,509,330	-	2,509,330	-	2,509,330
Other	115,908	-	115,908	-	115,908
<b>Total Non-Current Assets</b>	<b>35,056,961</b>	<b>-</b>	<b>35,056,961</b>	<b>-</b>	<b>35,056,961</b>
<b>Total Assets</b>	<b>101,288,109</b>	<b>2,625,000</b>	<b>103,913,109</b>	<b>250,000</b>	<b>101,538,109</b>
<b>Current Liabilities</b>					
Trade and other payables	35,652,161	-	35,652,161	-	35,652,161
Interest bearing loans and borrowings	8,565,463	(7,400,000)	1,165,463	(6,733,000)	1,832,463
Revenue received in advance	325,107	-	325,107	-	325,107
Derivatives	4,207	-	4,207	-	4,207
Provisions	2,396,236	-	2,396,236	-	2,396,236
<b>Total Current Liabilities</b>	<b>46,943,174</b>	<b>(7,400,000)</b>	<b>39,543,174</b>	<b>(6,733,000)</b>	<b>40,210,174</b>
<b>Non-Current Liabilities</b>					
Interest bearing loans and borrowings	14,900,507	(1,500,000)	13,400,507	(1,500,000)	13,400,507
Revenue received in advance	28,461	-	28,461	-	28,461
Provisions	362,322	-	362,322	-	362,322
<b>Total Non-Current Liabilities</b>	<b>15,291,290</b>	<b>(1,500,000)</b>	<b>13,791,290</b>	<b>(1,500,000)</b>	<b>13,791,290</b>
<b>Total Liabilities</b>	<b>62,234,464</b>	<b>(8,900,000)</b>	<b>53,334,464</b>	<b>(8,233,000)</b>	<b>54,001,464</b>
<b>Net Assets</b>	<b>39,053,645</b>	<b>11,525,000</b>	<b>50,578,645</b>	<b>8,483,000</b>	<b>47,536,645</b>
<b>Equity</b>					
Contributed equity	22,392,366	11,525,000	33,917,366	8,483,000	30,875,366
Reserves	(1,149,455)	-	(1,149,455)	-	(1,149,455)
Retained profits	17,810,734	-	17,810,734	-	17,810,734
<b>Total Equity</b>	<b>39,053,645</b>	<b>11,525,000</b>	<b>50,578,645</b>	<b>8,483,000</b>	<b>47,536,645</b>

### Notes to pro forma Balance Sheet

1. This is the pro forma balance sheet assuming the Offer is fully subscribed. A fully subscribed Offer will raise a total of \$11.53 million after Offer Costs.
2. This is the pro forma balance sheet which assumes the minimum subscription amount of \$8.48 million after Offer Costs.

### 3.5 Important dates<sup>1</sup>

Announcement of Offer	22 September 2009
Record Date to determine Entitlement to New Shares	7:00pm (AEST) 17 September 2009
Prospectus and Entitlement Acceptance Form despatched to Shareholders (on or before)	5 October 2009
Offer opens	7 October 2009
EGM to approve LCW investment (and amendments to the Constitution)	2:00pm (AEST) 19 October 2009
Last date for receipt of Entitlement Acceptance Form and payment - Closing Date	5.00pm (AEST) 26 October 2009
Expected date for allotment of New Shares	30 October 2009
Expected date for despatch of holding statements for New Shares	3 November 2009

1. These dates are indicative only. Provet reserves the right in consultation with the Underwriter, subject to the Corporations Act, to vary the dates and times of the Issue, without prior notice, including closing the Issue before the scheduled Closing Date.

The Closing Date will be 5.00pm (AEST) 26 October 2009, subject to the right of the Directors to extend the Closing Date.

### 3.6 Offer is non-renounceable

The Offer is non-renounceable. Eligible Shareholders do not have the right to sell their Entitlements. Eligible Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares. Entitlements are specified in the personalised Entitlement Acceptance Form.

### 3.7 Minimum subscription

Pursuant to section 723(2) of the Corporations Act, the minimum subscription for the Offer is \$9.2 million.

### 3.8 What will happen if I accept my full Entitlement?

If you take up your full Entitlement, your shareholding in Provet will not be diluted by the issue of New Shares under the Offer.

Your shareholding will however be diluted to the extent that:

- you do not fully participate in the DRP for the Current Dividend; and
- LCW (and its associates) are entitled to acquire further Shares in Provet to acquire a 19.9% interest. (This is explained in further detail in section 8.1.)

### **3.9 What will happen if I do not accept my full Entitlement?**

If you do not take up your full Entitlement under the Offer, your shareholding in Provet will be diluted as will your corresponding rights to future earnings and net assets of Provet.

In addition, your shareholding in Provet will be further diluted to the extent that:

- you do not fully participate in the DRP for the Current Dividend; and
- LCW (and its associates) are entitled to acquire further Shares in Provet to acquire a 19.9% interest. (This is explained in further detail in section 8.1.)

### **3.10 What will happen if I do not accept my Entitlement at all?**

As the Offer is non-renounceable, if you decide not to take up any of your Entitlement, the full Entitlement will lapse on the Closing Date.

If you allow your Entitlement to lapse, your shareholding in Provet will be diluted as will your corresponding rights to future earnings and net assets of Provet.

Additionally, your Provet shareholding will be further diluted to the extent that:

- you do not fully participate in the DRP for the Current Dividend; and
- LCW (and its associates) are entitled to acquire further Shares in Provet to acquire a 19.9% interest. (This is explained in further detail in section 8.1.)

### **3.11 Shortfall Shares**

As the Offer is non-renounceable, if you decide not to take up all of your Entitlement, it will lapse on the Closing Date to the extent that it is not taken up. If Entitlements lapse, these shall comprise the Shortfall Shares to be allotted to the Underwriter or the Sub-underwriters up to a maximum of 19.9% of the ordinary share capital of Provet. No Shareholder (other than LCW (and its associates)) will acquire a relevant interest in Shares exceeding 10% as a result of the Offer.

The Underwriting Agreement and the ability for LCW (and its associates) to acquire a relevant interest of 19.9% under the Offer are conditional upon Shareholder Approval at the EGM. The details of the Shareholder Approval required at the EGM are set out in section 8.1.

### **3.12 Stamp duty**

No stamp duty is payable by Applicants in relation to the Offer. However, you may have to pay stamp duty on any subsequent trading of your New Shares after they have been allotted to you.

### **3.13 Shareholders outside Australia**

The Company will only extend the Offer to Eligible Shareholders with registered addresses in Australia. The Company considers it would be unreasonable to extend the Offer to Shareholders with registered addresses in other jurisdictions having regard to the small number of such Shareholders, the small number and value of securities that would be offered in such jurisdictions and the costs of complying with legal and regulatory requirements in those jurisdictions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### **3.14 Ranking of New Shares**

The New Shares will be fully paid and rank equally with Existing Shares. The rights attaching to the New Shares will be the same as the rights attaching to the Existing Shares issued in Provet. The New Shares will be issued ex-dividend and do not attach the right to a dividend or participation in the DRP under the Current Dividend.

### **3.15 Allotment**

It is expected that allotment of the New Shares under the Offer will take place no more than 15 Business Days after the close of the Offer.

### **3.16 Application Money on trust**

All Application Monies received before the New Shares are issued will be held by Provet's Share Registry on trust in an account established solely for the purpose of depositing Application Monies received. Any interest that accrues in that account will be retained by Provet. After the New Shares are issued to successful Applicants, the Application Monies held on trust will be released to Provet.

### **3.17 Underwriter**

The Offer is underwritten by LCW and sub-underwritten in accordance with the terms of the Underwriting Agreement and the sub-underwriting agreements such that at no time will LCW (and its associates) acquire an aggregate interest under the Offer of greater than 19.9% of the ordinary voting shares in Provet. Subject to the Shareholder Approval at the EGM and the terms of the Underwriting Agreement and the sub-underwriting agreements, the Underwriter and Sub-underwriters are obliged to subscribe for any Shortfall Shares, within this limit, which amounts to \$9.2 million of New Shares.

If a 19.9% interest is not acquired by the Underwriter through acquisition of Shortfall Shares, LCW (and its associates) may acquire Shares from willing vendor Shareholders at \$5.00 per Share (the Transfer Top Up) or acquire further Shares under an issue of Shares from Provet (the Private Placement), such that LCW (and its associates) achieve a maximum aggregate interest of 19.9% of the ordinary voting Shares in Provet. The terms of this arrangement and the need for Shareholder Approval, are set out in further detail in section 8.1 of this Prospectus.

Any Shareholders wishing to sell their Shares to LCW (and its associates) at \$5.00 per Share may express their interest to Provet's Company Secretary. As at the date of this Prospectus, LCW (and its associates) has no agreement with any Shareholder in relation to any such acquisitions.

Following completion of the Offer and the DRP, the Underwriter (and any Sub-underwriters) will, subject to Shareholder Approval and following completion of the Transfer Top Up acquisitions (if any) and the Private Placement, hold (in aggregate) 19.9% of the fully diluted capital of Provet. LCW will not acquire an interest in contravention of section 606 of the Corporations Act at any time.

A summary of the material terms of the Underwriting Agreement and the sub-underwriting agreements appears in section 8 of this Prospectus.

### 3.18 Recent Share prices

#### Share transfers

Between 1 January 2009 and 30 June 2009, Shares in the Company have been transferred at prices ranging from a low of \$5.90 per Share and a high of \$6.10 per Share.

#### Share issues

The following changes have occurred in Provet's share capital in the past two full financial years:

Recent share issue events			
Shares issued	Financial year ending 30 June		
	\$ per Share	2008 No. of Shares	2009 No. of Shares
ESP	\$6.30	9,677	
Part of Remuneration Package	\$5.70	2,372	
	\$6.30	109	
Placements	\$7.00	13,000	
	\$6.00	306,666	
	\$5.70	40,000	
ESP	\$5.67		8,264
Part of Remuneration Package	\$6.75		1,877
	\$5.67		73
DRP – Final FY08	\$6.90	25,708	
DRP – Interim FY09	\$5.69		15,276
<b>Total Movement</b>		<b>397,532</b>	<b>25,490</b>
<b>Number of Shares on issue at 30 June</b>		<b>7,394,625</b>	<b>7,445,823</b>

There have been no new share issues between 30 June 2009 and the date of this Prospectus.

### 3.19 2009 Annual Report

A summary of major activities and financial information relating to the Company is contained in the 2009 Annual Report. The 2009 Annual Report also sets out further details, including assumptions and policies on which the financial reports were prepared. A full copy of the 2009 Annual Report has been lodged with ASIC.

Any person can download a copy of the 2009 Annual Report from the investor section of the company website at [www.provet.com.au](http://www.provet.com.au).

Any person may obtain a copy of the 2009 Annual Report by requesting a copy from the Company. The Company will provide a copy of the 2009 Annual Report free of charge to anyone who asks for it during the term of this Prospectus.

### 3.20 Enquiries

Further information about the Offer can be obtained by contacting the share registry, Link Market Services on the Provet Holdings Limited Offer Information Line, 1300 761 823 (within Australia) or +612 8280 7921 (outside Australia).

## 4 Overview of Provet

---

### 4.1 Business overview

Provet (through the Provet Group of Companies) specialises in the distribution of wholesale veterinary products throughout Australasia. In addition, Provet provides a diverse range of products and services targeted at the practice management of its veterinary customers, including practice management software, online e-ordering, website assistance and staff training.

Provet has experienced strong growth since its incorporation in 1982 and continues to be largely managed by veterinarians who know and understand the business of veterinary science and the business needs of the industry.

The Provet Group of Companies generate sales revenues of over \$270 million and have an extensive Australasian distribution network.

Provet is a dynamic and growing business. The Company's achievements in recent years include:

- establishment of wholesaling operations in South Australia;
- acquisition and integration of the Monsoon Veterinary Supplies business (veterinary product and equipment supplier) (now trading as Provet NT);
- \$13 million takeover of Westralian Holdings Limited (renamed Provet WA Pty Ltd) (supplier of veterinary products and services to registered practices);
- acquisition of VetCare (veterinary practice management software);
- acquisition of VisionVPM (veterinary practice management software);
- acquisition of CCG (Crampton Consulting Group) / AIRC (Animal Industries Resource Centre) – a leading registered training organisation in veterinary nursing in Australia, New Zealand and South East Asia; and
- further expansion of warehousing and distribution capabilities.

Provet offers far more than simply distribution services. Its businesses provide a number of veterinary related products and services, including:

- an extensive range of animal pharmaceutical and nutrition products;
- a full range of new and second hand, as well as custom made, quality products (instruments and equipment);
- advice on all aspects of the use and maintenance of equipment as well as advice on the right purchase for individual practice needs;
- repairs and service of equipment;
- equipment valuations;
- quotations for any equipment purchase from the purchase of single items to entire practice set-up;

- practice set-up support and on-going consulting services;
- sourcing of unusual and specialised products;
- electronic ordering and inventory management;
- veterinary practice management software; and
- staff training (including vet nursing and human resources).

## 4.2 Summary of financial information

The Company is incorporating its 2009 Annual Report into this Prospectus by reference and Shareholders are advised to read the 2009 Annual Report, including the assumptions and policies, for detailed financial information on the recent performance of the Company (as noted in section 3.19 and 9.1).

A summary of key financial information is shown below.

Performance for financial years ending 30 June	2008	2009
Income (\$000)	252,819	272,401
EBITDA (\$000)	9,914	10,069
EBIT (\$000)	8,112	8,117
Net Profit Before Tax (\$000)	5,953	6,015
Net Profit After Tax (\$000)	4,448	4,526
Total assets (\$000)	95,742	101,288
Net assets per Share (\$)	4.90	5.25
Total interest bearing debt (\$000)	25,764	23,466
Net tangible assets per Share (\$)	2.23	2.63
Earnings per Share (cents) <sup>1</sup>	60.83	61.01

Notes:

1. Earnings per Share have been calculated using the weighted average number of Shares as at the end of each financial year.

For further financial information, refer to section 7 of this Prospectus.

## 4.3 Investment by LCW

As announced to Shareholders on 17 September 2009, and detailed above and in section 8.1, Provet has entered into an agreement with LCW, under which LCW (and its associates) will, subject to Shareholder Approval at the EGM and the terms of the agreement, acquire a 19.9% investment in Provet. That investment includes underwriting this Offer up to the amount of \$9.2 million.

#### 4.4 Strategic benefits of LCW investment

The investment by LCW (and its associates) represents an exciting opportunity for Provet for the following reasons:

- **Financial Support** – the investment (subject to Shareholder Approval) provides a certain, comparatively cost-effective and timely means of capital raising;
- **Positioning for growth** – the Offer will allow Provet to strengthen its balance sheet and potentially take advantage of growth opportunities;
- **Institutional support** – LCW (and its associates) is an institutional investor, with experience in assisting investee companies to grow and achieve their objectives; and
- **Liquidity** – the entry of LCW (and its associates) will strengthen Provet’s share register and will potentially create more liquidity and may better position Provet for a future liquidity event.

LCW’s involvement will assist Provet to achieve its goals, whilst still enabling Provet to retain its identity as the preferred business partner to the veterinary profession in Australasia.

As set out in section 8.1, under the Underwriting Agreement terms and following the Offer, LCW will be entitled to appoint up to 2 directors to the Board. Provet’s Board and executive management will retain operational control of the Company. LCW’s involvement will assist Provet to achieve its strategic goals, whilst still enabling Provet to retain its identity as the preferred business partner to the veterinary profession in Australasia, and continue to participate in growth opportunities.

#### 4.5 Further information about LCW

LCW is the manager of a private equity fund. The Sub-underwriters are the trustees of the trusts which comprise the fund.

The fund’s investors are institutional and sophisticated investors. The investors do not exercise control over investment decisions of the fund or rights (including voting rights) attaching to investments of the fund. These matters are controlled by LCW. The fund has a very wide investment mandate and is not restricted to a particular type of security or geographic area or industry sector.

LCW (and the Sub-underwriters) are part of the Lazard group of companies, which are wholly owned subsidiaries of Lazard Ltd (Lazard). Lazard is listed on the New York Stock Exchange (NYSE:LAZ).

Lazard, one of the world’s pre-eminent financial advisory and asset management firms, operates from 39 cities across 24 countries in North America, Europe, Australia, Asia, Central and South America. With origins dating back to 1848, the firm provides advice on mergers and acquisitions, restructuring and capital raising, as well as asset management services, to corporations, partnerships, institutions, governments and individuals. For more information on Lazard, visit [www.lazard.com](http://www.lazard.com).

## **5 Purpose and effect of the Offer**

---

### **5.1 Use of proceeds**

The purpose of the Offer is to raise funds:

- primarily to pay down bank debt;
- for working capital to fund:
  - warehouse infrastructure expansion;
  - Tasmanian business start up, including warehouse establishment and initial inventory; and
  - Group inventory purchase opportunities.

### **5.2 Principal effects**

The principal effects on the Company of a fully subscribed Offer will be to:

- raise \$12.4 million (excluding Offer Costs); and
- issue and allotment of 2,481,941 New Shares.

The principal effects on the Company if only the minimum subscription amount is received under the Offer will be:

- to raise \$9.2 million (excluding Offer Costs); and
- the issue and allotment of 1,849,836 New Shares.

In each case, the exact number of New Shares may be subject to rounding, as well as adjustment for events occurring prior to the Record Date.

### **5.3 Effect on the Company's financial position**

Section 3.4 sets out the audited balance sheet of Provet as at 30 June 2009 and a pro forma Balance Sheet based on 30 June 2009 containing adjustments for the effects of the raising under the minimum and maximum subscription scenarios.

## 5.4 Effect on capital structure

The effect of the Offer on the capital structure of Provet is set out below:

	<b>Minimum subscription (\$9.2m)</b>	<b>Maximum subscription (\$12.4m)</b>
Shares on issue at the date of this Prospectus	7,445,823	7,445,823
New Shares to be allotted under this Prospectus	1,849,836	2,481,941
Total number of Shares after Issue of New Shares (excluding DRP participation)	9,295,659	9,927,764
Amount to be raised under the Issue (before Offer Costs)	\$9,249,181	\$12,409,705
Market capitalisation of Shares and New Shares at the Issue Price (excluding DRP participation)	\$46,478,295	\$49,638,820

The number of Shares on issue in Provet subsequent to the Prospectus will include New Shares, Shortfall Shares and Shares issued under the DRP, together with any Shares issued to LCW and the Sub-underwriters under the Private Placement and DRP Top Up (as explained in section 8.1).

## 5.5 Principal risk factors

### Introduction

This section identifies the areas that the Board considers to be the major risks associated with an investment in Provet. The risk factors identified are not exhaustive. The Provet business is subject to risk factors, both general investment risks and those specific to its business. Individually, or in combination, these might affect the future operating performance of Provet and the value of an investment in the Company. There can be no guarantee that Provet will achieve its stated objectives. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on Provet's operating performance and profits, its ability to pay dividends and the market price of the Shares.

Before deciding to take up your Entitlement for New Shares in the Company, Shareholders should:

- read the entire Prospectus;
- consider other documents incorporated by reference as noted in section 9.1, including the 2009 Annual Report and Annual Review for period to 30 June 2009, including in particular the assumptions and risk factors that could affect the financial performance of Provet;
- consider their personal circumstances; and
- seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

## **5.6 General investment risks**

### **General economic conditions**

Provet's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance. As a result of the global financial crisis, the general economic outlook remains uncertain.

### **Regulatory risks**

Regulatory changes, such as changes to the Australian Accounting Standards, changes to the taxation regime in Australia or overseas, changes to employment laws, and legislative changes both in Australia and other countries in which Provet operates or plans to operate may adversely affect one or more of Provet's financial performance and position, operations and business.

### **Exchange rate fluctuations**

Provet has foreign currency debt and is therefore exposed to foreign exchange rate movements. To the extent that Provet sells or acquires goods in a denomination other than the Australian dollar (which it does so regularly in New Zealand), movements in currency exchange rates have the potential to have an adverse impact on the future financial performance of Provet. Even where Provet sells or acquires goods in Australian dollars, if those goods are sourced from or exported to overseas countries, Provet will be exposed to potential adverse exchange rate movements. Provet may not be able to successfully mitigate such risks by use of hedging instruments, such as forward sales or futures markets.

## **5.7 Specific investment risks**

### **Illiquid market**

Shares cannot be traded in an illiquid market. The status of Provet as an unlisted public company means that there may not always be a market for trading in its Shares. As a result, potential investors may have only a limited opportunity to sell their Shares in Provet and may therefore have to bear the economic risk of holding the present investment in the Shares and New Shares for an indefinite period of time. The ability to sell (or buy) shares in Provet, after the close of this Offer, will depend upon Provet's progress and financial performance, the number and spread of shareholders and willing sellers and buyers, and the range of other factors associated with all of the risks highlighted in this Prospectus.

### **Competition and loss of brand reputation**

The veterinary wholesale and distribution sector is becoming increasingly competitive with regard to servicing customers and margins on products, particularly with online businesses and suppliers dealing directly with some larger clients.

Provet could potentially face increasing pressure on its margins from corporate practices and large buying groups. Competitors may act or consumer preferences may change in a manner that adversely affects Provet's brand reputation and, in turn, its operational results.

### **Client satisfaction and loyalty**

Provet does not typically have long term customer contracts. Provet's existing clients may decide to source their products and services from Provet's competitors and it may not be able to grow

and attract new business. Provet may lose market share as a consequence and Provet's business may be adversely affected by diminished client satisfaction and client loyalty or an increase in price sensitivity among clients.

### **Product liability**

Provet may potentially be exposed to liability for products it manufactures at its operations in New Zealand, which could in turn negatively affect Provet's brand reputation. Product liability insurance may not be available at a reasonable cost or at all. Additionally, an insurance policy may not validly cover a particular event or may not be sufficient to cover all losses and consequential costs.

### **Product suppliers**

There is no guarantee that Provet will be able to obtain continuity of supply of products from its existing and new suppliers on favourable commercial terms of trade. Changes in the terms of supply, wholesale purchase costs, distribution costs and insurance premiums may adversely affect Provet's business to the extent that it is required to either absorb the additional costs or pass them on to customers, reducing its competitive pricing advantage.

### **Mergers and acquisitions**

The Company's growth strategy may be impacted if it is unable to identify, fund or implement suitable mergers and acquisitions at an appropriate price and in a timely manner. Provet will also need to comply with requirements concerning foreign ownership and competition including requirements set by the Australian Competition and Consumer Commission (ACCC) and the New Zealand Commerce Commission (NZCC).

### **Future capital requirements**

The Company's ability to access further capital, or refinance its liabilities from time to time, through debt is dependent upon the availability and cost of debt finance at the time it is sought and the restrictions that may arise under the terms of any existing debt facilities at the time. Debt financing arrangements may contain restrictive covenants and may, in the event of default, provide the lender with rights to some or all of Provet's assets.

Provet's ability to raise further equity will be dependent upon the market for its Shares (and other securities) and the value of the Company at that time. The issue of securities from time to time may dilute the interests of existing Shareholders.

An inability to access funding may have an adverse effect on Provet's business and may:

- restrict or delay Provet's growth strategy;
- require Provet to sell or further encumber some or all of its assets; or
- reduce its operations.

### **Technology and information systems**

Provet's products, services and operations are heavily reliant upon technology and information systems. These may fail, or not operate effectively and this may result in a loss of business.

### **Dependence upon key personnel**

Provet depends on the talent and experience of its management personnel, including information technology and software development (IT) personnel. Should any of its key personnel leave Provet, this may have a negative impact on Provet's continued ability to manage and achieve its growth strategy. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key management personnel of the Company who leave to work for a competitor may adversely impact the Company.

### **Warehousing facilities**

Provet is reliant upon leased warehouse premises to store sufficient volumes of products to meet demand levels. There may be an adverse impact on Provet's distribution business and profitability if it is unable to renegotiate acceptable leases for its premises or locate additional premises to accommodate increased volumes of products to meet increased product demand levels and the general expansion of the business within appropriate time periods.

### **Permits and licences**

Provet's distribution operations depend on permits, licenses and other approvals under various state and territory based legislation. In particular, licences and permits are required to enable Provet to store and distribute restricted drugs to its veterinary clients. The failure to maintain these and other approvals could prohibit Provet's ability to access these product lines and therefore have a financial and reputation impact on Provet's business.

### **Force majeure risks**

Circumstances or events beyond Provet's control (such as terrorist activities, outbreak of hostilities and natural disasters) may adversely affect the performance of Provet's business operations in Australia or overseas. In particular, unseasonal weather (such as prolonged drought) and diseases or epidemics (particularly among animals) may affect Provet's operations in regional areas where customers in those regions are more likely to be affected.

## 6 Action required by Eligible Shareholders

### **Important Notice**

The Offer is non-renounceable which means that if Eligible Shareholders do not take up all of their Entitlement, their unaccepted Entitlement will lapse and may not be sold. Eligible Shareholders wishing to participate should either accept their Entitlement in whole or in part, as outlined below. Eligible Shareholders do not need to take up their full Entitlement, although their proportional interest in the Company will be diluted if they choose not to do so.

### 6.1 Acceptances

This Offer may be accepted in whole or in part by Eligible Shareholders prior to the Closing Date. You can only accept this Offer by completing the Entitlement Acceptance Form which accompanies this Prospectus and submitting it as set out below.

### 6.2 Action required by Eligible Shareholders

You may:

- take up your Entitlement in full;
- take up only part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

#### **Action to take up your Entitlement in full**

If you wish to take up all of your Entitlement, please complete the personalised Entitlement Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the Form.

Forward your completed Entitlement Acceptance Form, together with your Application Monies (cash should not be sent), in the reply paid envelope to reach the Company's Share Registry, Link Market Services, by **no later than 5.00pm (AEST) on the Closing Date**.

If you choose to make payment by BPAY, you do not need to return your Entitlement Acceptance Form.

**Cheques must be made payable to 'Provet Holdings Limited - Share Offer Account' and crossed 'Not Negotiable'.**

**BPAY option – Alternatively, you can pay the Application Money using BPAY in accordance with the instructions on the Entitlement Acceptance Form accompanying this Prospectus. If you do so, you do not need to complete and return the Entitlement Acceptance Form.**

#### **Action to take up part of your Entitlement**

If you wish to take up part only of your Entitlement, please complete the Entitlement Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer (being less than your Entitlement as specified on the Entitlement Acceptance Form), and forward the completed Entitlement Acceptance Form together with your

Application Monies (cash should not be sent) in the reply paid envelope to reach the Company's Share Registry, Link Market Services, by **no later than 5.00pm (AEST) on the Closing Date**. If payment is made by BPAY, you do not need to return your Form.

If you take up only part of your Entitlement, then the balance of your Entitlement will lapse.

**Cheques must be made payable to 'Provet Holdings Limited - Share Offer Account' and crossed 'Not Negotiable'.**

**BPAY option – Alternatively, you can pay the Application Money using BPAY in accordance with the instructions on the Entitlement Acceptance Form accompanying this Prospectus. If you do so, you do not need to complete and return the Entitlement Acceptance Form.**

### **Decline the Offer**

If you do not wish to take up any part of your Entitlement to New Shares, you are not required to take any action, in which case you will receive no New Shares and your Entitlement will lapse.

### **6.3 Entitlements and personalised Entitlement Acceptance Forms**

Entitlement Acceptance Forms will be mailed to Eligible Shareholders with this Prospectus and contain details of your Entitlement.

If you have not received an Entitlement Acceptance Form or you have any queries in relation to your Entitlement, you may contact the Share Registry on the Provet Holdings Limited Offer Information Line 1300 761 823 (within Australia) or +612 8280 7921 (outside Australia).

### **6.4 Applications and payment of Application Monies**

Personalised Entitlement Acceptance Forms and accompanying cheques must be lodged before the Closing Date. The Company will not be responsible for postal or delivery delays.

Payment of Application Monies will only be accepted in Australian Dollars as follows:

- cheques drawn on and payable by any Australian bank; or
- electronic payment by BPAY.

Other currency will not be accepted. Shareholders should not forward cash. Receipts for payments will not be issued.

### **6.5 Allotment**

All Shareholders who accept the Offer will receive their Entitlement in full (or part thereof as they may nominate on the Entitlement Acceptance Form). After this date, Link Market Services will notify Shareholders of the details of their allotment, in accordance with the indicative timetable noted above.

### **6.6 Shareholders resident outside Australia**

This offer is only open to Eligible Shareholders. It is the responsibility of any person who comes into possession of this Prospectus outside Australia to ensure compliance with all laws of any country relevant to their application. Any person not in Australia considering taking up, their Entitlement and Shareholders who are resident outside Australia should consult their professional

advisers as to whether or not any governmental or other consents are required or if other formalities need to be observed to enable them to accept the New Shares under this Prospectus.

Shareholders holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under this Prospectus does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement Acceptance Form will be taken by Provet to constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

This Prospectus does not constitute an offer in the United States of America or in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Provet reserves the right in its absolute discretion to reject any applications from persons who are not resident in Australia.

### **6.7 Australian Taxation implications of the Offer**

All Shareholders should seek and rely on their own advice regarding the possible tax consequences of accepting or declining the Offer. Neither Provet nor any of its Directors or officers, nor its taxation or other advisers, accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

### **6.8 Interest**

Any interest earned on Application Monies will be retained by Provet.

### **6.9 Withdrawal**

The Directors may, at any time in conjunction with the Underwriter, decide to withdraw this Prospectus and the Offer.

If this Prospectus and the Offer are withdrawn for any reason, Provet will return all Application Monies in accordance with the Corporations Act.

## 7 Financial information

---

### 7.1 Overview

This section contains a summary of the historical financial information for Provet and comprises audited Income Statement, Balance Sheet and Statements of Cash Flow for the year ended 30 June 2009. These statements comply with the measurement recognition rules of the Accounting Standards. The accounting policies adopted are detailed in the notes to the financial statements included in the Company's 2009 Annual Report.

### **INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>	<b>272,401,210</b>	<b>252,819,095</b>
Cost of goods sold	(217,578,003)	(200,866,967)
Employee benefits expenses	(22,727,208)	(21,688,286)
Depreciation, amortisation and impairment expenditure	(1,951,967)	(1,801,978)
Finance costs	(2,102,360)	(2,159,140)
Other expenses	(22,026,545)	(20,350,100)
<b>Profit before income tax</b>	<b>6,015,127</b>	<b>5,952,624</b>
Income tax expense	(1,489,300)	(1,504,940)
<b>Net profit attributable to members of Provet Holdings Limited</b>	<b>4,525,827</b>	<b>4,447,684</b>

## BALANCE SHEET

AS AT 30 JUNE 2009

	Consolidated	
	2009	2008
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	6,727,059	3,248,350
Trade and other receivables	33,493,792	29,269,366
Derivatives	-	7,366
Inventories	25,277,616	26,275,393
Income tax receivable	80,277	-
Other	652,404	706,855
<b>Total Current Assets</b>	<b>66,231,148</b>	<b>59,507,330</b>
<b>Non-Current Assets</b>		
Investments available for sale	164,846	175,554
Property, plant and equipment	12,796,551	14,288,721
Intangible assets and goodwill	19,470,326	19,709,744
Deferred tax assets	2,509,330	1,904,104
Other	115,908	156,946
<b>Total Non-Current Assets</b>	<b>35,056,961</b>	<b>36,235,069</b>
<b>Total Assets</b>	<b>101,288,109</b>	<b>95,742,399</b>
<b>Current Liabilities</b>		
Trade and other payables	35,652,161	31,046,539
Interest bearing loans and borrowings	8,565,463	10,550,123
Revenue received in advance	325,107	218,352
Income tax payable	-	81,995
Derivatives	4,207	-
Provisions	2,396,236	2,071,512
<b>Total Current Liabilities</b>	<b>46,943,174</b>	<b>43,968,521</b>
<b>Non-Current Liabilities</b>		
Interest bearing loans and borrowings	14,900,507	15,214,283
Revenue received in advance	28,461	42,183
Provisions	362,322	304,846
<b>Total Non-Current Liabilities</b>	<b>15,291,290</b>	<b>15,561,312</b>
<b>Total Liabilities</b>	<b>62,234,464</b>	<b>59,529,833</b>
<b>Net Assets</b>	<b>39,053,645</b>	<b>36,212,566</b>
<b>Equity</b>		
Contributed equity	22,392,366	22,068,118
Reserves	(1,149,455)	(1,065,252)
Retained profits	17,810,734	15,209,700
<b>Total Equity</b>	<b>39,053,645</b>	<b>36,212,566</b>

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	309,721,313	289,032,255
Payments to suppliers and employees	(294,295,767)	(278,947,946)
Interest received	373,728	399,091
Borrowing costs	(5,831,528)	(5,568,139)
Dividends received	13,858	8,999
Income tax paid	(1,755,789)	(2,368,658)
<b>Net cash flows from/ (used in) operating activities</b>	<b>8,225,815</b>	<b>2,555,602</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	2,932,711	2,762,999
Proceeds from sale of investments	-	19,719
Payment for property, plant and equipment	(3,287,826)	(1,447,566)
Purchase of intangibles	(250,834)	-
Purchase of business, net of cash acquired	-	(1,268,235)
<b>Net cash flows used in investing activities</b>	<b>(605,949)</b>	<b>66,917</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	721,484	1,933,830
Repayment of borrowings	(2,458,679)	(2,701,021)
Proceeds from issue of shares	-	1,930,998
Transaction costs from issue of shares	-	(408,899)
Payment of finance lease liabilities	(762,042)	(654,406)
Dividends paid	(1,660,881)	(1,962,512)
<b>Net cash flows from/ (used in) financing activities</b>	<b>(4,160,118)</b>	<b>(1,862,010)</b>
Net increase/(decrease) in cash and cash equivalents	3,459,748	760,509
Cash and cash equivalents at beginning of period	3,248,350	2,593,552
Effects of exchange rate on cash balances	19,411	(105,711)
<b>Cash and cash equivalents at end of period</b>	<b>6,727,509</b>	<b>3,248,350</b>

## 8 Material Agreements

---

### 8.1 Underwriting Agreement

The Company and the Underwriter have entered into an underwriting agreement as at the date of this Prospectus which sets out the terms on which LCW is appointed to underwrite and manage the Offer (**Underwriting Agreement**).

#### Management

LCW is appointed to manage the Offer and is entitled to a management fee as set out below.

#### Underwriting

The Company appoints the Underwriter to manage and underwrite the Offer to a maximum interest of 19.9% or 1,849,836 Shares (calculated on a fully diluted basis, which excludes the issue of Shares under the DRP). The underwriting, and therefore the potential investment in Provet by LCW (and its associates) is conditional upon Shareholder Approval as set out below.

The Underwriter may appoint sub-underwriters to underwrite all of the Underwritten Shares. Details regarding the sub-underwriting arrangements, are set out below.

#### Transfer Top Up, Private Placement and DRP Top Up

In the event that the Shortfall under the Offer represents less than 19.9% of the Company's share capital, in which case LCW (and its associates) do not acquire an interest of 19.9% by acquiring Shortfall Shares, Provet must seek to identify Shareholders who wish to sell Shares to LCW (and its associates) at \$5.00 per Share (**Transfer Top Up**).

If, within 10 Business Days of completion of the Offer and after any Transfer Top Up within that period, LCW (and its associates) hold less than 19.9% of the share capital of Provet, Provet must issue Shares to LCW (and its associates) by way of a private placement at an issue price of \$5.00 per Share for LCW (and its associates) to achieve a 19.9% interest (**Private Placement**).

Any Shareholders wishing to sell their Shares at \$5.00 per Share to LCW (and its associates) may express their interest to Provet's Company Secretary.

If, following completion of the issue of Shares under the DRP (as set out in section 3.3), LCW (and its associates) have less than 19.9% in aggregate of the share capital of Provet, Provet will be required to issue additional Shares (at an issue price of \$5.00 per Share) to LCW (and its associates) so that LCW (and its associates) achieve (in aggregate) a 19.9% interest in Provet (**DRP Top Up**).

The Private Placement Shares shall be issued pursuant to and in accordance with this Prospectus. It is emphasised that LCW will not at any time, as part of the issues or transfers of Shares contemplated by this Prospectus, have voting power in Provet in excess of the limits specified in section 606 of the Corporations Act or giving rise to an interest subject to section 615 of the Corporations Act. Any Private Placement Shares will have the same rights and obligations as the New Shares.

#### Shareholder Approval

The ability for LCW (and its associates) to exceed the 10% interest maximum contained in the Constitution and acquire a 19.9% interest in Provet, is conditional upon Shareholder Approval

being obtained at the EGM. A Notice of Meeting was lodged with ASIC and posted to shareholders on 17 September 2009 for the EGM which is scheduled for 19 October 2009.

The approval required is a special resolution which requires 75% in favour. If approved, LCW (and its associates) will be permitted to (**Shareholder Approval**):

- acquire an interest of 19.9% and to maintain such interest by way of an anti-dilution mechanism;
- acquire a further 3% interest in any 6 month period in accordance with section 611, exception 9 of the Corporations Act;
- participate in any subsequent rights issue made under section 611, exception 10 of the Corporations Act;
- further acquire securities under a dividend reinvestment plan made under section 611, exception 11 of the Corporations Act;
- have a first right of refusal to underwrite or manage subsequent capital raisings on normal commercial terms; and
- appoint up to 2 directors to the Board following the Offer. At the date of this Prospectus, no director has been appointed, however LCW intends to appoint two directors to the Board. These nominees will be drawn from senior personnel within LCW. LCW will be paid \$59,422 per annum for the services of each nominee director appointed.

In addition, Provet will be required to consider in good faith a listing on ASX within 18 months of completion of the Offer.

Further details are contained in the announcement dated 17 September 2009, including the Notice of Meeting in relation to these approvals. As detailed in section 9.1 below, this announcement is incorporated by reference under section 712 of the Corporations Act.

If Shareholder Approval is **not** obtained:

- the Underwriting Agreement will immediately terminate; and
- the Offer will be withdrawn and Application Monies refunded.

### **Applications and allotment**

The Offer and allotment of New Shares must be carried out in accordance with the timetable, the Prospectus, the Corporations Act, the Constitution and any other applicable law. The timetable may be varied by Provet in consultation with LCW.

### **Payments**

#### *Underwriting and management fees*

The Company must pay to the Underwriter:

- an underwriting fee of 5% of the Underwritten Amount, being approximately \$460,000 (subject to GST, if any) based on the maximum underwriting of \$9.2 million; and

- ❑ a management fee of 5% of the balance of funds raised under the Offer (excluding the Underwritten Amount), being approximately \$160,000 (subject to GST, if any) based on the maximum subscription of \$12.4 million.

The total fees payable to the Underwriter under a fully subscribed Offer would therefore be \$620,000 (subject to GST, if any).

#### *Offer Costs*

In addition to the fees described above, the Company has agreed to reimburse the Underwriter for professional fees incurred by them, with legal costs capped at \$40,000 (excluding GST). The Company has also agreed to reimburse the Underwriter for certain miscellaneous costs and expenses incurred by the Underwriter, including travel.

#### *Break fee*

In certain events, including where the Offer does not proceed or the Underwriter's appointment is terminated for specific reasons and Provet pursues an alternative capital raising within 6 months and where LCW is not the underwriter, Provet may be required to pay LCW a break fee of \$300,000 and the incurred costs associated with this Offer as set out in section 9.5 (less the Underwriting Fee which would then not be payable).

### **Termination**

The Underwriter may terminate the Underwriting Agreement in a number of circumstances, including:

- ❑ **(ASX Indices fall)** either the All Ordinaries Index or the S&P ASX 200 Index is, for three consecutive Business Days, at a level which is 90% or less than the level at the close of trading on the date of the Underwriting Agreement.
- ❑ **(Change in law)** changes in law which may prohibit, restrict or adversely affect the Offer or the Underwriting Agreement or the Underwriter's rights.
- ❑ **(Breach of significant contracts)** a significant or material contract referred to in the Prospectus is breached or terminated.
- ❑ **(Default)** the Company is in default of any of the terms and conditions of this agreement; which is either incapable of remedy or is not remedied within two Business Days after it occurs.
- ❑ **(Fails to comply)** the Company fails to comply with its Constitution or laws, or policies of ASIC.
- ❑ **(Capital structure)** the Company alters its capital structure (other than as contemplated by the Underwriting Agreement) without the prior written consent of the Underwriter.
- ❑ **(Constitution altered)** The constitution is amended (other than as contemplated by the amendments set out in the Notice of Meeting for the EGM) without the prior written consent of the Underwriter, which consent must not be unreasonably withheld.
- ❑ **(Financial assistance)** The Company or a related body corporate seeks the approval of shareholders under section 260B of the Corporations Act.
- ❑ **(Business)** the Company disposes, or agrees to dispose, of the whole, or a material part, of its business or property, or ceases or threatens to cease to carry on business.

- ❑ **(Hostilities)** there is an outbreak of hostilities (whether or not war has been declared) in Australia, the United Kingdom, the United States of America, the Peoples Republic of China, any of the republics formerly comprising the Union of Soviet Socialist Republics, Japan, Israel, Indonesia; or any member country of the Organisation of Petrol Exporting Countries.
- ❑ **(Financial position)** a materially adverse change, or development involving a prospective materially adverse change, occurs in the liabilities, assets, business, profits, losses, prospects, financial or trading position or performance of the Company or a Related Body Corporate.
- ❑ **(Prospectus)** there is a material omission from the Prospectus or the Prospectus contains a misleading or deceptive statement.
- ❑ **(Corporations Act)** certain actions by ASIC or under the Corporations Act concerning the Offer and Prospectus.
- ❑ **(Supplementary Prospectus)** the Underwriter reasonably forms the view that a supplementary or replacement document must be lodged with ASIC.
- ❑ **(Indictable offence)** a Director, the Chief Executive Officer, the Chief Financial Officer or the Chief Operating Officer is charged with an indictable offence relating to a financial or corporate matter.
- ❑ **(Insolvency Event)** an insolvency event occurs with respect to the Company or a related body corporate.
- ❑ **(Charge)** excluding any charge subsisting as at the date of the agreement, the Company or a related body corporate charges or agrees to charge, the whole, or a substantial part of its business or property.
- ❑ **(Change to Offer timetable)** the Company announces or makes a change to the timetable without the Underwriter's prior written consent.

### **Representations and warranties in the Underwriting Agreement**

The Company has provided comprehensive representations and warranties to the Underwriter in relation to the Prospectus, the Company and the Offer.

### **Company indemnity**

The Company indemnifies the Underwriter against claims, demands, damages, losses, costs, expenses and liabilities which the Underwriter, its officers, employees, related bodies corporate and advisers suffer, incur or are liable for in relation to the Offer, the Prospectus, the Underwriting Agreement, and in certain other related circumstances.

### **Sub-underwriting agreements**

Pursuant to the Underwriting Agreement, the Underwriter is entitled to involve associates to sub-underwrite the Offer on similar terms to those set out in the Underwriting Agreement. The Underwriter intends to enter into arrangements with the Sub-underwriters under which the Sub-underwriters will (collectively):

- fully sub-underwrite the Shortfall Shares; and
- take up the Underwriter's entitlements (if any) in the Private Placement, Transfer Top Up and DRP Top Up.

## 9 Additional information

### 9.1 Continuous reporting and disclosure obligations

This Prospectus is issued pursuant to Chapter 6D of the Corporations Act.

In accordance with section 712 of the Corporations Act, the Company wishes to identify documents lodged with ASIC containing important information for investors, professional analysts and advisers. Such information is taken to be included in this prospectus under section 712(3) of the Corporations Act.

The Directors rely upon section 712(3) of the Corporations Act with the inclusion by reference of material referred to below for full disclosure of relevant information to Shareholders for the purposes of section 710 and 711 of the Corporations Act, including the nature and extent of any Director's interests or of persons identified in section 711(4) of the Corporations Act.

The documents that are incorporated into this Prospectus by reference are:

Date	Description of the document
11 September 2009	Final dividend declaration and DRP information
17 September 2009	Shareholder Update (including announcement of LCW investment and capital raising) and Notice of Extraordinary General Meeting (amendment of Constitution)
22 September 2009	2009 Annual Report

These documents can be accessed via the Company's website at [www.provet.com.au](http://www.provet.com.au). In addition, copies of all documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide free of charge, to any person who requests it during the Offer Period under this Prospectus, a copy of the Annual Report and any other documents lodged by the Company with ASIC between 30 June 2009 and the date of this Prospectus. In particular, the information in the Annual Report may be of interest to investors and their financial advisers.

### 9.2 Continuous disclosure obligations

Provet considers that the most effective method of communicating with shareholders and investors is through direct disclosure on its website. It has elected to follow ASIC's good practice guidance for website disclosure as set out in Section C of Regulatory Guide 198 – Unlisted disclosing entities: continuous disclosure obligations (Good Practice Guidance). As a result, Provet will no longer be required to lodge continuous disclosure information with ASIC under section 675 of the Corporations Act.

Material information will be published on Provet's website (which can be accessed at [www.provet.com.au](http://www.provet.com.au)) as soon as practicable after Provet first becomes aware of the information. Material information will include information which a reasonable person would expect to have a material effect on the price or value of Provet's securities and may include:

- this Prospectus and any supplementary or replacement prospectus;
- financial statements and reports;

- material changes to financial forecasts, valuations or ratings;
- material changes to the status or terms of Provet's debt funding;
- the appointment of any external administrator;
- changes in key management personnel; and
- information about corporate actions that are likely to affect the value of investors' securities.

In accordance with ASIC's Good Practice Guidance for website disclosure, Provet will clearly indicate on its website the date each item of material information is first published, keep material information on the website for as long as it is material to a reasonable person's determination of the price or value of the relevant securities and keep a record of all website disclosures in accordance with its normal record keeping practices.

Investors will also be given the opportunity to elect to receive email alerts when material information is updated on Provet's website. Provet has, in conjunction with despatch of the 2009 Annual Report, included an election form for Shareholders to provide their email details. An election can be made at any stage in the future by contacting the Share Registry.

### 9.3 Interests of Directors

Other than set out above or elsewhere in this Prospectus:

- no Director or proposed Director of Provet has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of Provet, or the Offer of Shares, or in any property proposed to be acquired by Provet in connection with its formation or promotion of the Offer of the Shares; and
- no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Provet either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of Provet or the Offer of Shares.

### Shareholdings

The Directors of the Company or their associates have a beneficial interest in the following shares and options in the Company at the date of this Prospectus, which account for an aggregate of 1,874,177 Shares or 25.2% of the Shares on issue in Provet prior to the Offer:

Director	Shares
Garth McGilvray and his related entities	173,215
Nigel Nichols and his related entities	112,720
Robert Menrath and his related entities	485,928
Victor Menrath and his related entities	161,933
Reginald Pascoe and his related entities	352,131
William (Anthony) Nicholls and his related entities	510,000
John Maclachlan and his related entities	78,250

The Directors reserve the right to take up their respective pro-rata Entitlements and apply for New Shares under the Offer. Separately, the Directors reserve the right to participate in the DRP in respect of any Current Dividend to which they may be entitled.

#### **Directors' remuneration**

Full details of the remuneration of the Directors are disclosed in the 2009 Annual Report. As set out in section 8.1, LCW will receive fees for the services provided by the directors it nominates to the Board, rather than the directors receiving the funds directly.

#### **9.4 Interests of advisers**

Other than as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- has or had at any time in the last two years an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with the Offer or the formation or promotion of the Company, or in the Offer; or
- has been paid or agreed to be paid an amount or agreed to be given any other benefit, either to induce them to become, or to qualify them as a Director, or otherwise for services rendered by them in connection with the formation or promotion of the Company or the Offer.

#### **9.5 Offer Costs**

The expenses of the Offer payable by the Company are estimated to be up to approximately \$875,000 (excluding GST) based on the maximum subscription of \$12.4 million. These expenses include legal fees, professional fees, share registry, printing, underwriting and other miscellaneous expenses. The Offer Costs will be borne by the Company.

#### **9.6 Application Monies and interest**

Application Monies received from an Applicant on account of New Shares offered under this Prospectus will, until those New Shares are issued, be held by the Company in a bank account established and maintained by the Company for the purpose of depositing Application Monies.

If, after the New Shares are issued, the Company remains liable to repay those monies under section 723 of the Corporations Act, the Company will do so.

To the fullest extent permitted by law, each Applicant agrees that such monies do not bear interest as against the Company and that any interest earned in respect of the Application Monies paid into that account or kept in the separate account belongs to the Company, irrespective of whether or not all or any of the New Shares applied for by that Applicant are issued to that Applicant.

No New Shares will be issued on the basis of this Prospectus after the expiry date of this Prospectus, which is 13 months after the date of this Prospectus.

#### **9.7 Handling fees**

No handling fee will be payable on any Entitlement Acceptance Forms.

## 9.8 Consents to be named

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of these parties, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified below:

- McCullough Robertson has acted as legal adviser to the Company in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice in relation to the Offer, the LCW investment and the Shareholder Approval. McCullough Robertson will be paid an amount of up to \$130,000 (excluding GST);
- LCW has acted as lead manager and underwriter in relation to the Offer. LCW will be paid an amount of up to \$620,000 (excluding GST) in underwriting and management fees, assuming the Offer is fully subscribed, plus other costs as described in section 8.1;
- Ernst & Young Transaction Advisory Services Limited has acted as Investigating Accountant to the Offer and has prepared performed work in relation to due diligence enquiries. Ernst & Young Transaction Advisory Services Limited will be paid an estimated fee of \$25,000 (excluding GST) in respect to these services. Further amounts may be paid to Ernst & Young Transaction Advisory Services in accordance with their normal time-based charges;
- Ernst & Young has acted as independent auditor to the Company. Ernst & Young will be paid an estimated fee of \$205,000 (excluding GST) in respect of the audit of the financial report for the year ended 30 June 2009 and an estimated fee of \$42,000 (excluding GST) in relation to further services arising from the audit and this Offer. Further amounts may be paid to Ernst & Young in accordance with their normal time-based charges; and
- Link Market Services Limited has acted as share registry and provided services to the Company as its Share Registry.

## 9.9 Electronic Prospectus

This Prospectus is available in electronic form at [www.provet.com.au](http://www.provet.com.au). Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by Provet free of charge during the period of the Offer.

Applications must be made by completing a paper copy of the Entitlement Acceptance Form. Provet will not accept Entitlement Acceptance Forms electronically.

The Entitlement Acceptance Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Entitlement Acceptance Form included with this Prospectus contains a declaration that the Shareholder has personally received the complete and unaltered Prospectus prior to completing the Entitlement Acceptance Form.

Provet will not accept a completed Entitlement Acceptance Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While Provet believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, Provet can not give any absolute assurance that this will not occur. Any Shareholder in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the

Prospectus directly from the Share Registry by contacting them on the Provet Holdings Limited Offer Information Line 1300 761 823 (within Australia) or +612 8280 7921 (outside Australia).

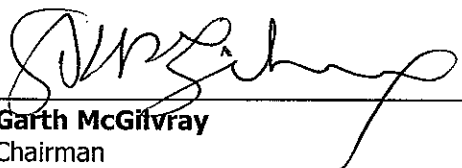
### **9.10 Privacy**

When applying for New Shares in the Company, Eligible Shareholders will be asked to provide personal information to Provet directly, and through the Share Registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the Share Registry collect, hold and use that personal information to assess Applications, provide facilities and services to Applicants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with such information under the *Privacy Act 1988* (Cth). Incomplete applications may not be processed. Under the *Privacy Act 1988* (Cth), Applicants may request access to their personal information held by or on behalf of the Company by contacting the Share Registry.

### **9.11 Authorisation**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 22 September 2009



**Garth McGilvray**  
Chairman

## 10 Glossary

---

<b>\$</b>	Australian Dollars unless otherwise stated.
<b>2009 Annual Report</b>	Annual Report of Provet for period to 30 June 2009, containing the following reports: <ul style="list-style-type: none"><li>▪ the finance report for the year;</li><li>▪ the directors' report for the year; and</li></ul> the auditor's report on the financial report.
<b>Accounting Standards</b>	Australian accounting standards set by the Australian Accounting Standards Board.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Applicant</b>	a person who, or body corporate which, submits an Entitlement Acceptance Form.
<b>Application Monies</b>	the Issue Price multiplied by the number of New Shares applied for.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Board</b>	the board of Directors of the Company.
<b>Business Day</b>	a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland or the place where an act is to be performed, notice received or a payment is to be made.
<b>CBA Facility</b>	the variable rate bank facilities with Commonwealth Bank of Australia which were drawn down to a total of approximately \$8.9 million as at 1 September 2009, and which are expected to be paid down by funds raised under the Offer.
<b>Closing Date</b>	5.00pm (AEST) on 26 October 2009.
<b>Company or Provet</b>	Provet Holdings Limited ACN 092 593 774.
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Current Dividend</b>	the final dividend declared by the Board for the financial year ending 30 June 2009, being \$0.215 per Share.
<b>Directors</b>	the directors of the Company.
<b>DRP</b>	the Provet Dividend Reinvestment Plan referred to in section 3.3.
<b>DRP Top Up</b>	means the potential placement of Shares to LCW (and its associates) by Provet on the terms summarised in section 8.1.
<b>EBIT</b>	earnings before interest and tax.
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation.
<b>EGM</b>	a notice of meeting was lodged with ASIC and posted to shareholders on 17 September 2009 for an extraordinary general meeting, scheduled for 19 October 2009, at which Shareholder Approval is sought.
<b>Eligible Shareholder</b>	a shareholder of Shares named on the register as at the Record Date and having a registered address in Australia.
<b>Entitlement</b>	the number of New Shares for which a Shareholder is entitled to apply, calculated in accordance with the terms of the Offer set out in this Prospectus.

<b>Entitlement Acceptance Form or Form</b>	the personalised entitlement acceptance form accompanying this Prospectus.
<b>ESP</b>	Employee Share Plan.
<b>Existing Shares</b>	those Shares on issue prior to the Issue.
<b>Group</b>	means Provet and its Subsidiaries.
<b>GST</b>	any goods and services tax imposed by any Australian Act which imposes GST.
<b>Issue</b>	the allotment and issue of New Shares under the Offer.
<b>Issue Price</b>	the price at which New Shares are offered and will be issued, which is \$5.00 per New Share.
<b>Link Market Services</b>	Link Market Services Limited ACN 083 214 537.
<b>LCW</b>	LCW Private Equity Pty Ltd ACN 114 164 331 (AFSL 290098).
<b>net assets</b>	total assets less total liabilities.
<b>net assets per Share</b>	net assets divided by the number of Shares on issue.
<b>net tangible assets</b>	net assets less intangible assets.
<b>net tangible assets per Share</b>	net tangible assets divided by the number of Shares on issue.
<b>New Shares</b>	the Shares in the Company offered under this Prospectus, including Shares issued pursuant to the Offer or to LCW and having the same rights and obligations as specified in this Prospectus.
<b>Offer</b>	The non-renounceable pro rata 1 for 3 entitlement offer of New Shares to Eligible Shareholders pursuant to this Prospectus.
<b>Offer Costs</b>	direct costs of the Offer including fees paid to the Underwriter, advisers and consultants and to providers of specific services to cover share registry, printing and postage costs, referred to in section 9.5.
<b>Private Placement</b>	the potential placement of Shares with LCW (and its associates) by Provet on the terms summarised in section 8.1.
<b>Prospectus</b>	this document.
<b>Record Date</b>	7.00pm (AEST) on 17 September 2009.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder Approval</b>	the approval of shareholders sought at the EGM, details of which are set out in section 8.1.
<b>Shareholders</b>	registered holders of Shares in the Company as at the Record Date.
<b>Share Registry</b>	Link Market Services.
<b>Shortfall Shares</b>	those New Shares (if any) forming part or all of the Offer that have not been taken up by Eligible Shareholders under their Entitlements and which form the pool of Shares to be taken up by the Underwriter.
<b>Subsidiary</b>	has the meaning given by section 46 of the Corporations Act.

<b>Sub-underwriters</b>	means one or more of: <ul style="list-style-type: none"> <li>▪ CWC COFA Pty Ltd ACN 113 611 911 as trustee for the CWC Corporate Opportunity 1A Trust;</li> <li>▪ CWC COFB Pty Ltd ACN 114 881 113 as trustee for the CWC Corporate Opportunity 1B Trust; and</li> <li>▪ CWC Investors Pty Ltd ACN 113 607 748 as trustee for the CWC Investment Unit Trust.</li> </ul>
<b>Transfer Top Up</b>	the potential transfer of Shares to LCW (and its associates) in the manner summarised in section 8.1.
<b>Underwriter</b>	LCW.
<b>Underwritten Amount</b>	\$9.2 million or 1,849,836 New Shares.
<b>Underwriting Agreement</b>	the underwriting agreement between Provet and LCW which sets out the terms of LCW's appointment as lead manager and underwriter, and which is summarised in section 8.1.

## 11 Corporate Directory

---

### **Company**

Provet Holdings Limited  
ACN 092 593 774

**[www.provet.com.au](http://www.provet.com.au)**

48 Bell-Are Avenue  
Northgate QLD 4013

Telephone: 07 3621 6000

Facsimile: 07 3621 6084

### **Directors**

Dr Garth McGilvray (Chairman)

Dr Nigel Nichols (CEO)

Dr Robert Menrath (Non-Executive Director)

Dr Victor Menrath (Non-Executive Director)

Dr Reginald Pascoe (Non-Executive Director)

Dr William (Anthony) Nicholls (Non-Executive Director)

Dr John Maclachlan (Non-Executive Director)

### **Company Secretary**

Mr Christopher Lowndes (CFO)

### **Share Registry**

Link Market Services Limited  
ANZ Building  
Level 19, 324 Queen Street  
Brisbane QLD 4000

### **Underwriter to the Offer**

LCW Private Equity Pty Ltd  
Level 44, Gateway  
1 Macquarie Place  
Sydney NSW 2000

**[www.lazard.com.au](http://www.lazard.com.au)**

### **Auditor**

Ernst & Young  
1 Eagle Street  
Brisbane QLD 4000

**[www.ey.com/au](http://www.ey.com/au)**

### **Investigating Accountant**

Ernst & Young Transaction Advisory Services  
Limited  
1 Eagle Street  
Brisbane QLD 4000

**[www.ey.com/au](http://www.ey.com/au)**

### **Lawyers**

McCullough Robertson  
Level 11, Central Plaza Two  
66 Eagle Street  
Brisbane QLD 4000

**[www.mccullough.com.au](http://www.mccullough.com.au)**

# Provet Holdings Limited

ABN 91 092 593 774

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 554 474  
From outside Australia: +61 2 8280 7454  
Facsimile: (02) 9287 0303  
Registry Code: PRVU  
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as  
at the Record Date, 7:00pm (AEST)  
on 17 September 2009

Entitlement to New Shares  
(on a 1 New Share for 3 basis)

Amount payable on full acceptance  
at A\$5.00 per Share

Offer Closes:  
5:00pm (AEST): 26 October 2009

## ENTITLEMENT ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 3 Existing Shares that you hold on the Record Date, at an Offer Price of A\$5.00 per New Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Prospectus dated 22 September 2009. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Provet Holdings Limited Offer Information Line on 1300 761 823 (within Australia) or +61 2 8280 7921 (from outside Australia).

## PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, you have two payment options detailed below.

### OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 26 October 2009. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will have deemed to have completed an Entitlement Acceptance Form for the number of Shares subject of your application payment.

### OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 26 October 2009.



Billers Code: 115816  
Ref:

### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement Acceptance Form.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

Please detach and enclose with payment

## Provet Holdings Limited

ABN 91 092 593 774

SRN/HIN:

Entitlement Number:

**A** Number of New Shares accepted (being not more than your Entitlement shown above)

**B** Payment amount  
(Multiply the number in section A by A\$5.00)

A\$

**C** PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Provet Holdings Limited - Share Offer Account" and crossed "Not Negotiable".

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

**D** CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

## PROVET HOLDINGS LIMITED

The Entitlement Offer to which this Entitlement Acceptance Form relates is not being made to investors located or resident outside of Australia. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

### ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement Acceptance Form with payment to the Registry, or making payment received by BPAY®.

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Provet Holdings Limited.

### HOW TO APPLY FOR NEW SHARES

#### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$5.00.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

#### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement Acceptance Form.

##### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

##### B. Payment Amount

Enter into section B the total amount payable to you. To calculate the total amount multiply the number in Section A by A\$5.00.

##### C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Provet Holdings Limited - Share Offer Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Provet Holdings Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

##### D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

### 3. HOW TO LODGE YOUR ENTITLEMENT ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

Provet Holdings Limited  
C/- Link Market Services Limited  
Locked Bag 3415  
Brisbane QLD 4001

#### Hand Delivery

Provet Holdings Limited  
C/- Link Market Services Limited  
Level 19, 324 Queen Street  
Brisbane QLD 4000 *(Please do not use this address for mailing purposes)*

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 26 October 2009. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Provet Holdings Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement Acceptance Form, please contact the Provet Holdings Limited Offer Information Line on 1300 761 823 (within Australia) or +61 2 8280 7921 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.