

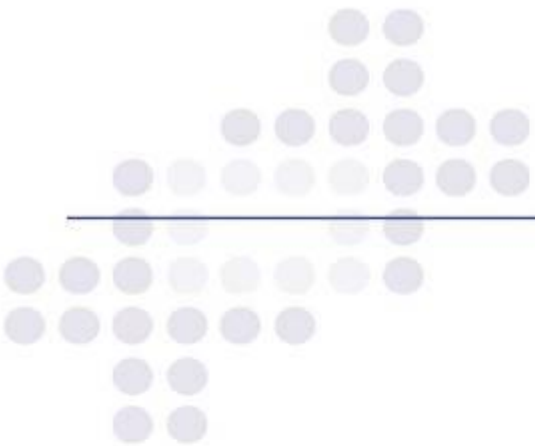
Jim Syme - Chairman

**Welcome to the 27 October 2006
annual meeting of shareholders**



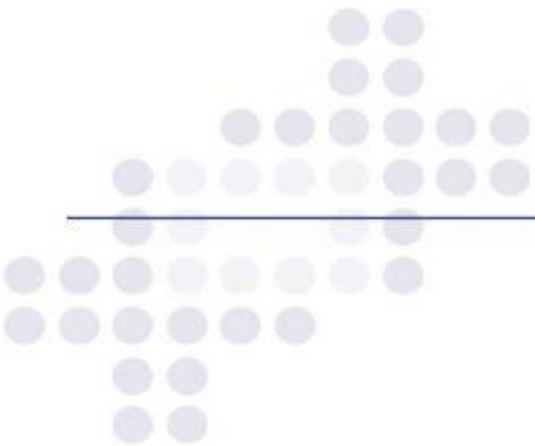
Meeting Structure and Agenda

- Chairman's Address
 - Managing Director's Address
 - Question Time
 - Resolutions as per the notice of meeting
 - Close of the meeting
-



Business of the Meeting

Apologies



Directors

- Jim Syme Independent chairman
 - Alison Paterson Independent director
 - Phil Newland Independent director
 - Trevor Janes Independent director
 - Susan Paterson Independent director
 - Alan Clarke Managing director
-

Senior Management

Corporate

- Richard Keys
- Suzanne Recchia

Chief financial officer
Group reporting manager

Sector Management

- Andy Tapper
- Dr Andy Tie
- Peter Hutson
- Dr David Rogers
- Wayne Howett
- Robin Cooper

Abano Dental
Aotea Pathology
Bay Audiology
Ascot Radiology
Orthotic Centre
Abano Rehabilitation

Chairman's Address

Creating a better standard of care and treatment for New Zealanders by bringing together core businesses within the fragmented healthcare and medical sectors, and offering multi-discipline solutions for clients and patients.



Highlights 2006

- Settled sale of ElderCare to The Macquarie Group for \$63.5 million
 - \$10 million share buyback and cancellation
 - Acquisition of 70 percent of Bay Audiology and 70 percent of Orthotic Centre
 - Appointed Trevor Janes and Susan Paterson as independent directors
 - Secured \$102 million DHB community pathology contract in Wellington and established a 55 percent holding in new JV pathology laboratory
-

Highlights 2006

- Acquired six new dental practices as part of the Lumino network
 - Opened three new Bay Audiology clinics
 - Established joint venture between leading cardiologists and Ascot Cardiology following investment in new 64 slice CT scanner
 - Increased private revenues from 25% in 2003 to 42% in 2006
-

NZ-IFRS

- NZ-IFRS adopted in 2006
 - Impact detailed in annual report
 - Summary
 - Stopped amortising goodwill
 - Now carry a put option interest charge with respect to put option agreements with minority shareholders
-

Financial Performance Under IFRS

(\$m)	04/05 Reported	04/05 Restated NZ IFRS	05/06 Opernal NZ IFRS	05/06 Conslted NZ IFRS
Revenue	66.7	66.7	65.2	65.2
EBITDA	7.6	7.5	6.7	19.8
EBIT	3.2	4.2	4.4	17.5
NPBT	0.3	1.3	3.3	16.4
NPAT	0.0	1.0	1.6	14.7
Net Bank Debt	33.1	33.1	9.9	9.9



Our People

Alan Clarke
Managing Director

Corporate

Sectors

Richard Keys
Chief Financial Officer

Suzanne Recchia
Group Reporting Manager

Sector General Managers
and Clinical Partners

Management Support
Office Team

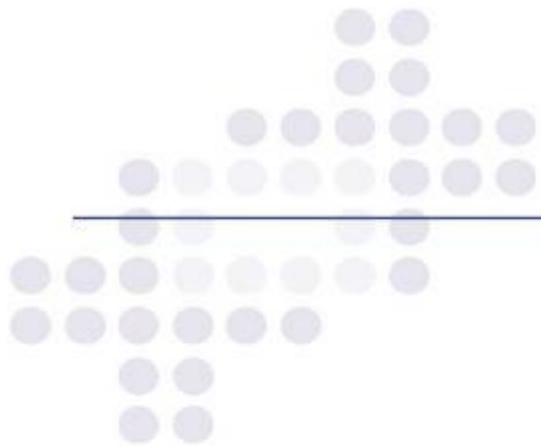
Clinical staff and caregivers

Shareholders

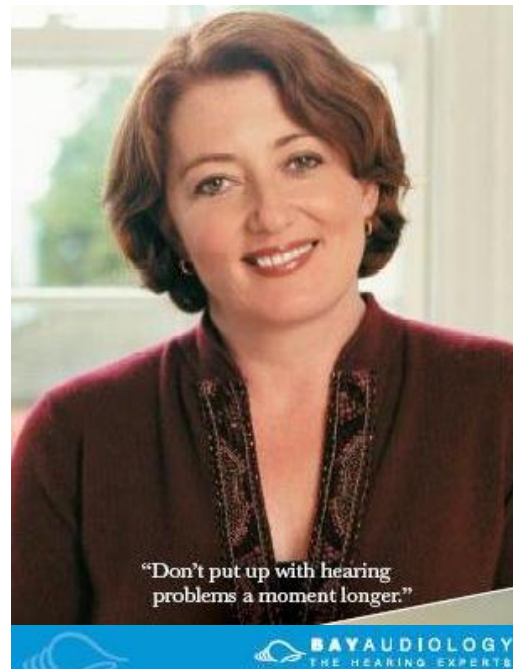
- Change to shareholder registry
 - Sell down by Eric Watson and associated companies of remaining 10% shareholding
 - Acquisition by Masthead Equities of 19.9% shareholding
-

Directors

- Phil Newland – December 2006 - resignation due to work commitments
 - Graeme Edmond has agreed to join the board
 - Graeme is currently Group Managing Director of Optical Holdings Limited and its subsidiary businesses, including Visique
 - Graeme has extensive experience in the healthcare and medical services sector with past roles as CEO of Auckland District Health Board and Midland Regional Health Authority
-



The Future



2007 Financial Guidance

- Guidance for six months ending 30 November 2006
 - Revenues between \$39.0 million and \$41.0 million
 - EBITDA between \$5.0 million and \$5.3 million
 - NPAT between \$1.8 million and \$2.1 million
- Guidance for twelve months ending 31 May 2007
 - Revenues between \$79.0 million and \$83.0 million
 - EBITDA between \$9.0 million and \$10.0 million
 - NPAT between \$2.6 million and \$3.1 million.

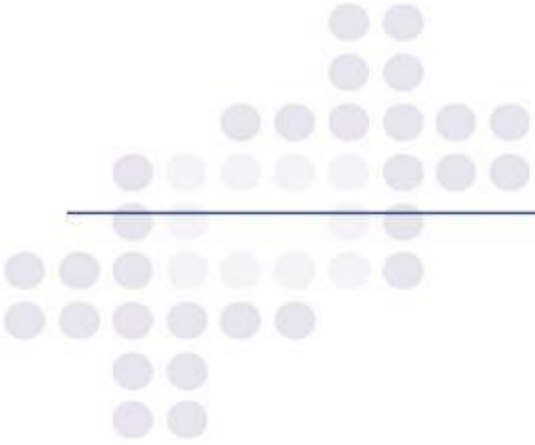


Dividend

- End of 2006/07 financial year
- Payment of 50 percent of Net Profit After Tax
- Full imputation credits



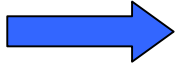




Alan Clarke – Managing Director

The Group's Future Direction

Operational Performance 2006

- Aged Care  Bay Audiology and Orthotic Centre
 - Diagnostics
 - Full period contribution from Ascot Radiology and pathology businesses
 - Improved overall return on investment
 - Rehabilitation
 - Introduction of Orthotics business in October
 - Stabilised residential brain injury services, continued to restructure community care
 - Dental
 - Adding six new practices to the Lumino network
 - Extended Prime Practice Management to more dentists
-

Financial Performance Under IFRS

Audiology	01/02	02/03	03/04	04/05	05/06
Revenue	-	-	-	-	\$13.6
Op-EBITDA	-	-	-	-	\$ 2.8
Rehab					
Revenue	\$10.7	\$12.4	\$14.4	\$12.3	\$14.6
Op-EBITDA	\$0.7	\$2.1	\$ 1.5	\$ 0.8	\$ 1.1
Diagnostic					
Revenue	\$6.1	\$17.9	\$18.0	\$18.5	\$19.2
Op-EBITDA	\$0.8	\$ 1.9	\$ 1.8	\$ 2.0	\$ 2.8
Dental					
Revenue	-	\$4.5	\$8.3	\$9.4	\$14.7
Op-EBITDA	-	\$(0.2)	\$0.1	\$0.2	\$ 0.3



Events Following Year-end

Pathology

- New five year \$102 million contract awarded to Aotea Pathology
 - Abano holds 55 percent of Aotea Pathology
 - Estimated \$10 million in additional revenue from private fee business
 - Change in laboratory service provider in Nelson.
 - Nelson Diagnostic sold as a going concern for \$375k
-



Events Following Year-end

Dental

- Appointment of Andy Tapper as general manager, Abano Dental
- Acquisition of a further two dental practices in Orewa and Wellington

Audiology

- New ACC contract signed
 - Continued expansion with a new clinic in Wanganui
 - Several investment opportunities currently under review
-

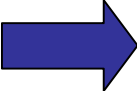
The Healthcare Workforce Challenge



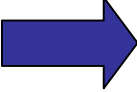


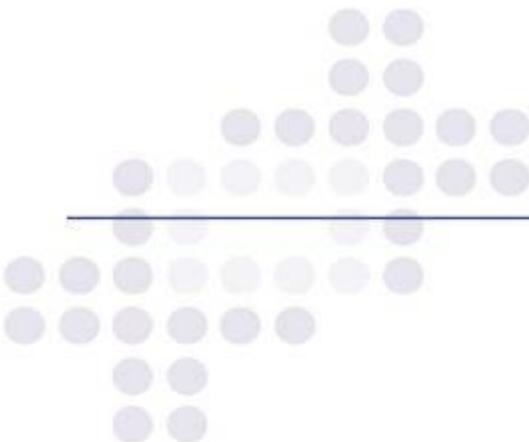
The Healthcare Workforce

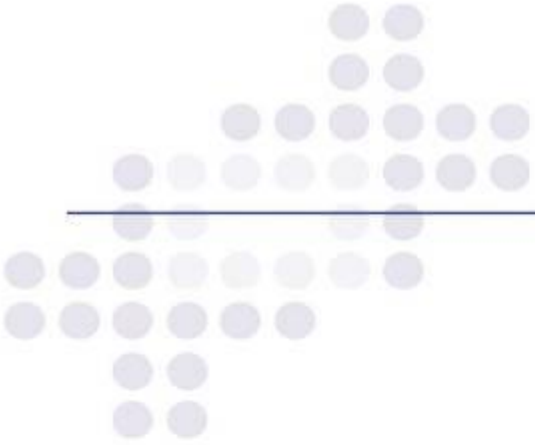
District Health Boards

- Short term cost reductions
- 
- Loss of jobs
 - Perception that no future in NZ

Government

- Immigration policy to attract skilled medical clinicians to New Zealand
- 
- Encourage immigration
 - Recruitment from overseas to fill national demand
-

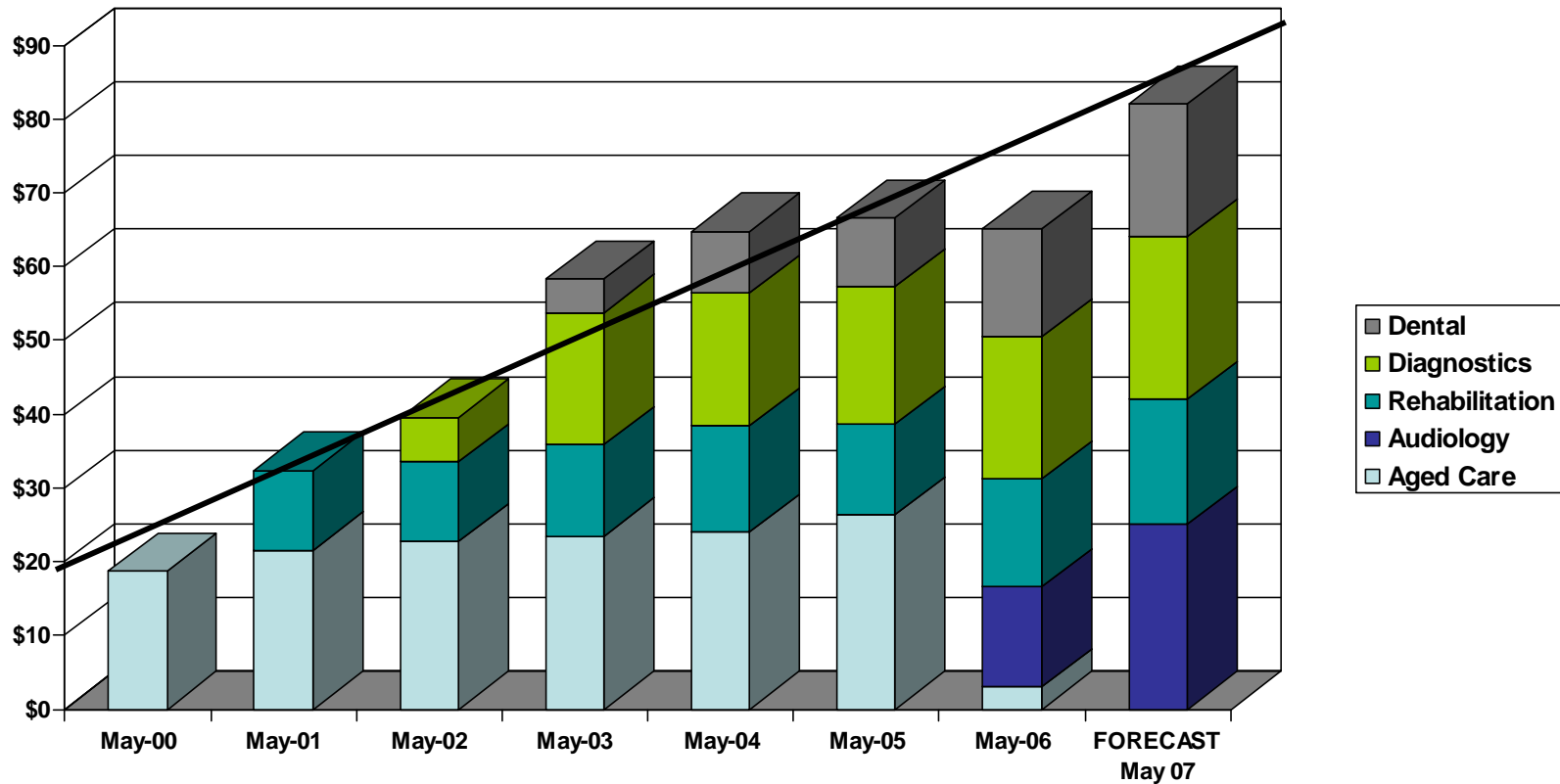




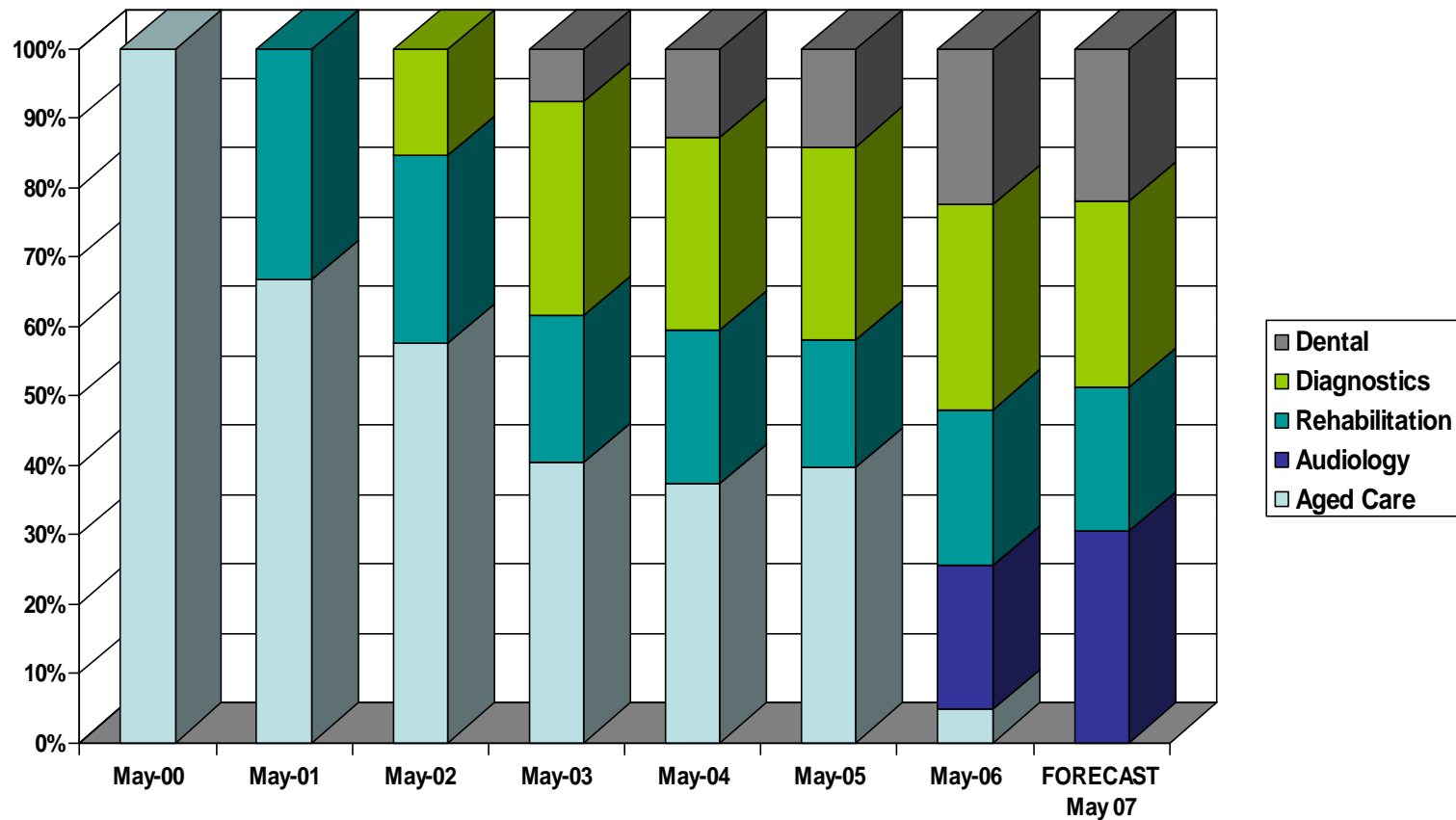
Abano's Progress



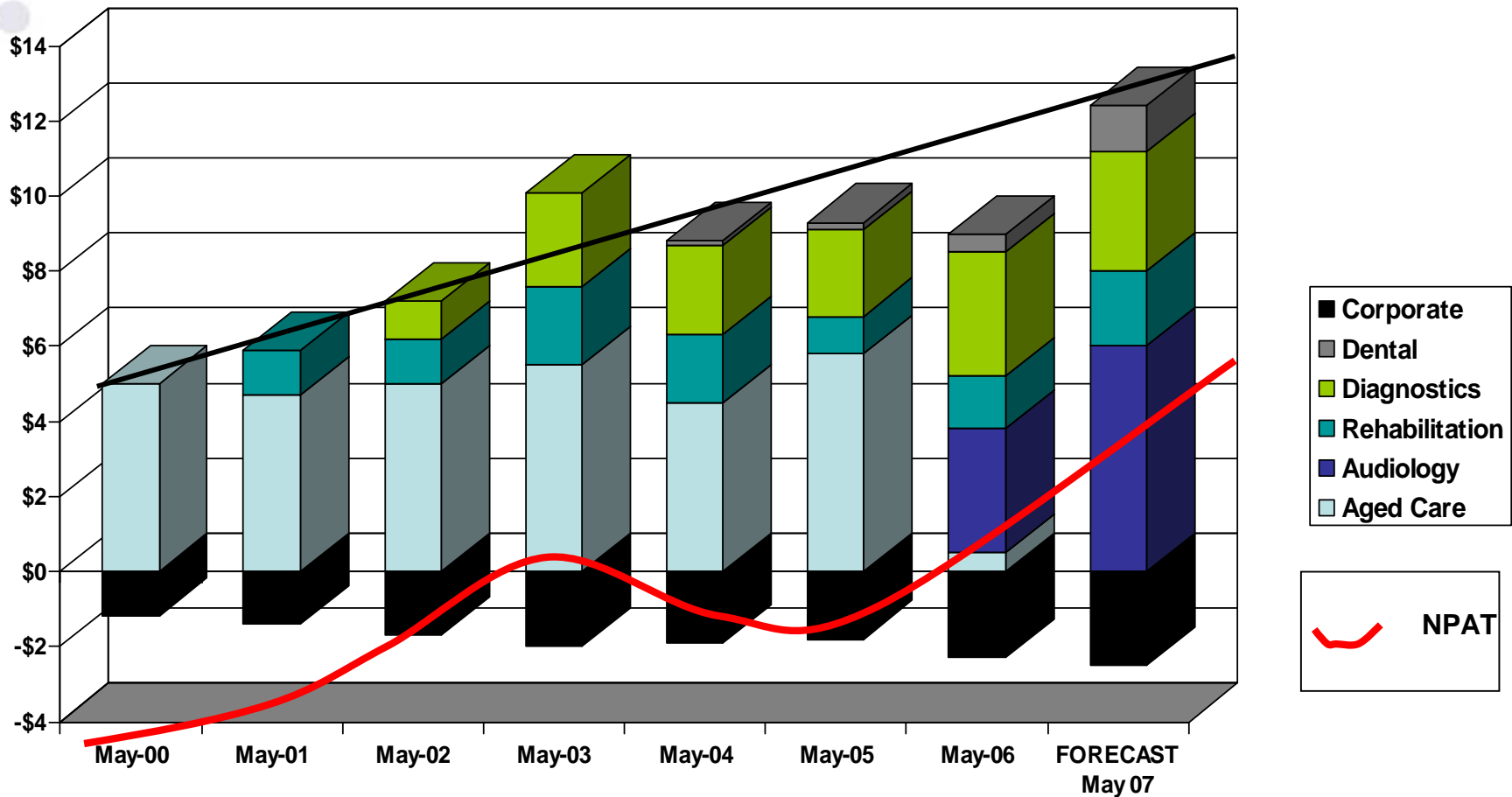
Revenue Progress - By Sector



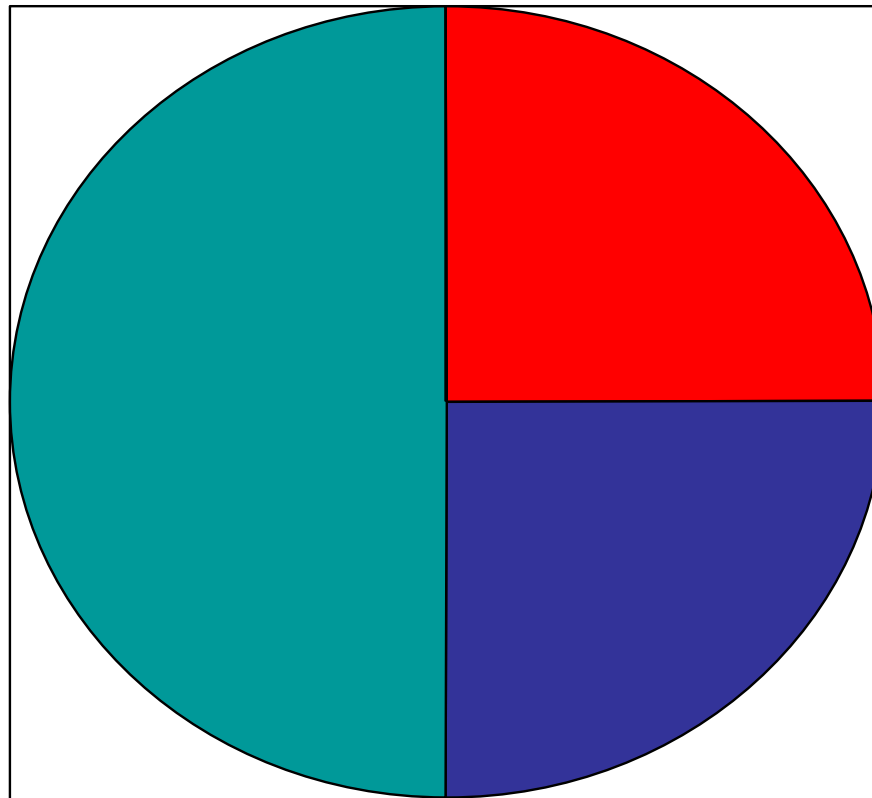
Revenue mix - By Sector



EBITDA Progress - By Sector



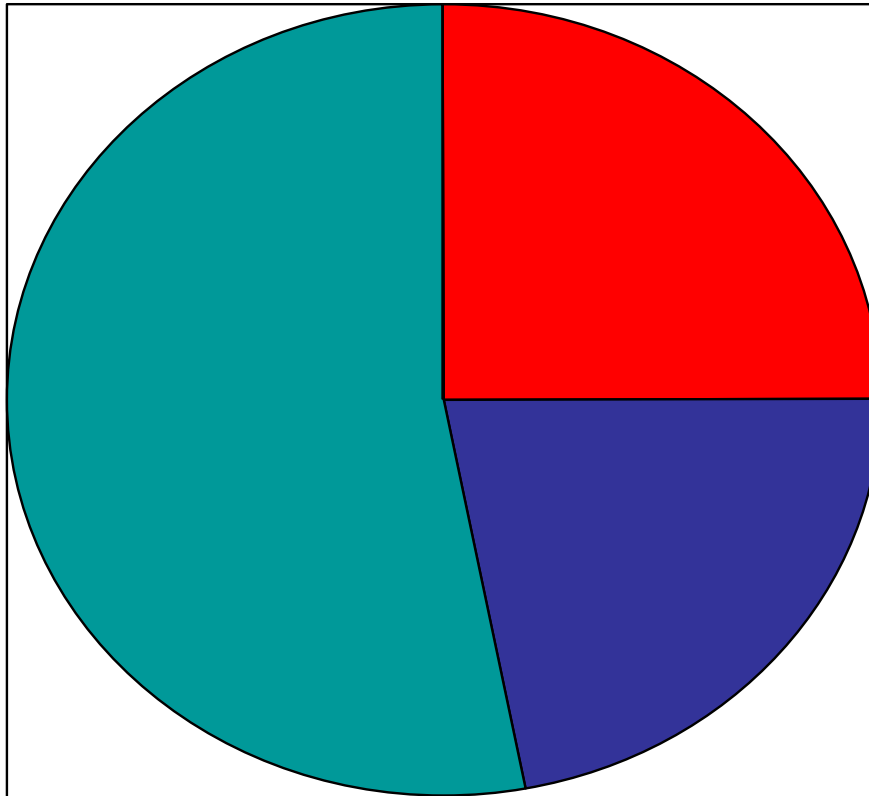
Change in Revenue Source



2001

-  Private
-  ACC
-  MOH
-  DHB

Change in Revenue Source

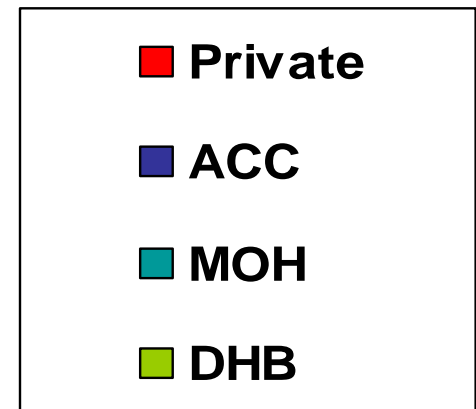
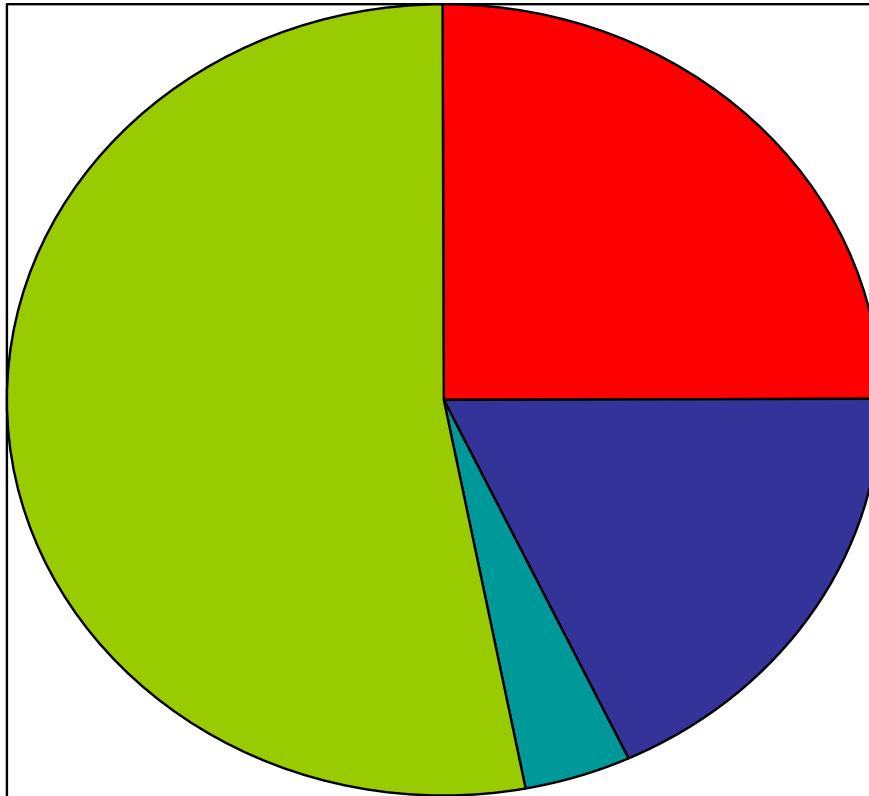


2002

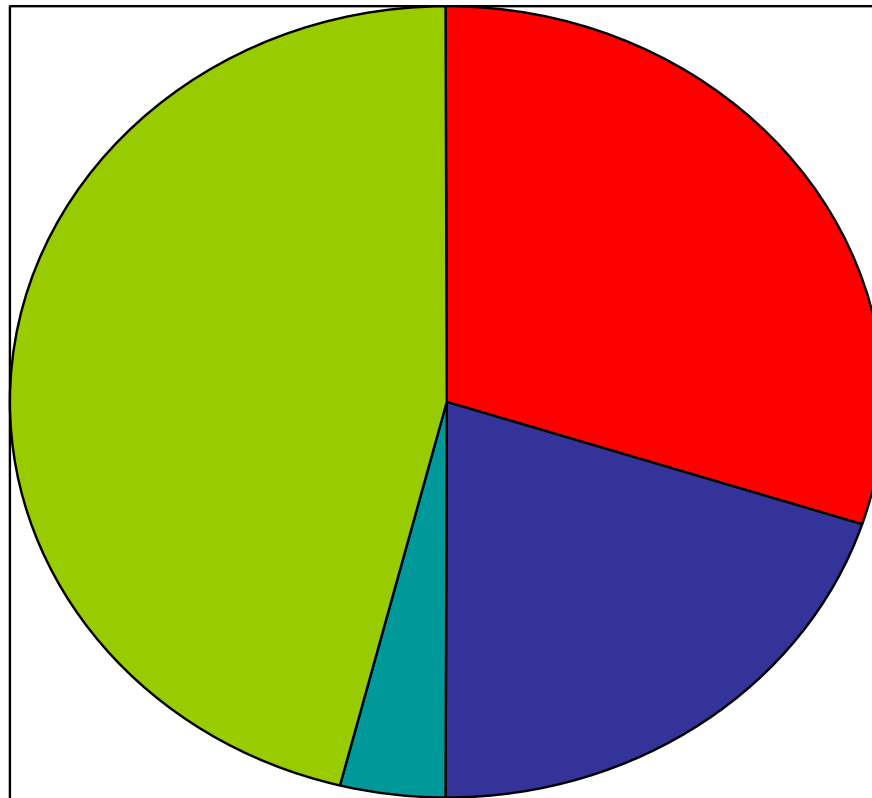


Change in Revenue Source

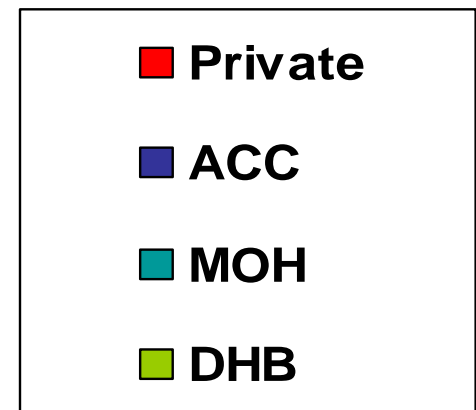
2003



Change in Revenue Source

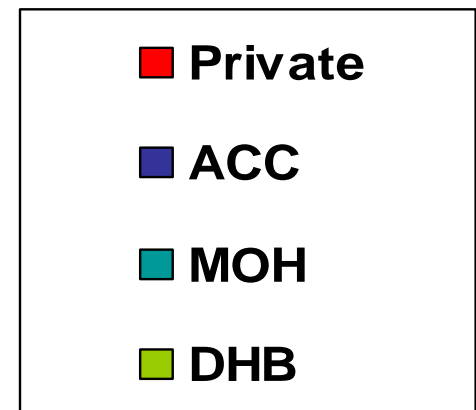
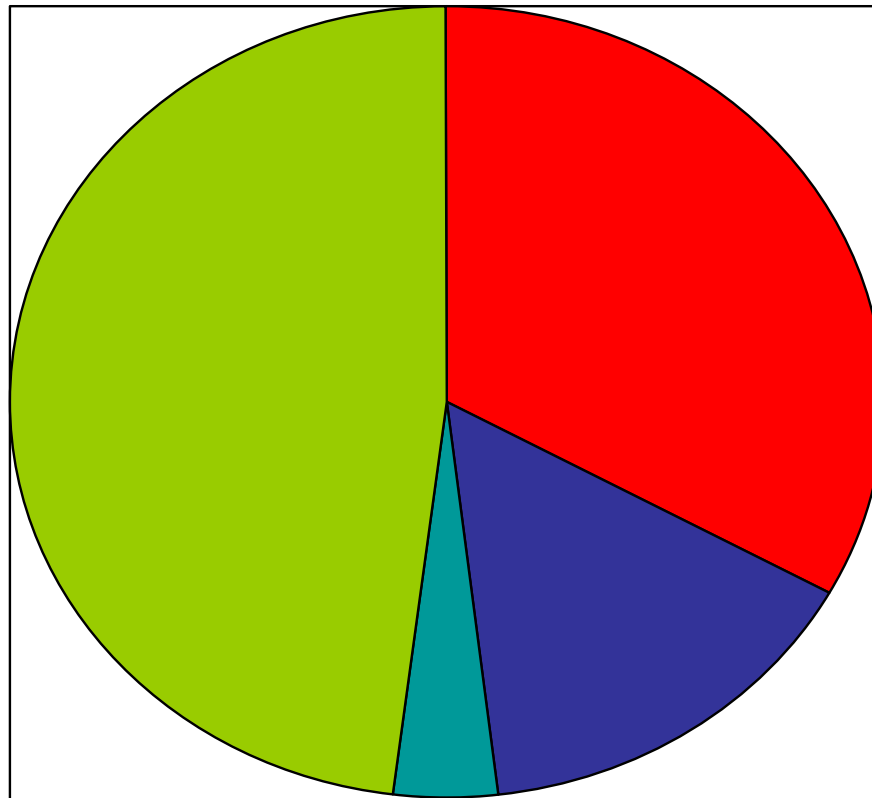


2004



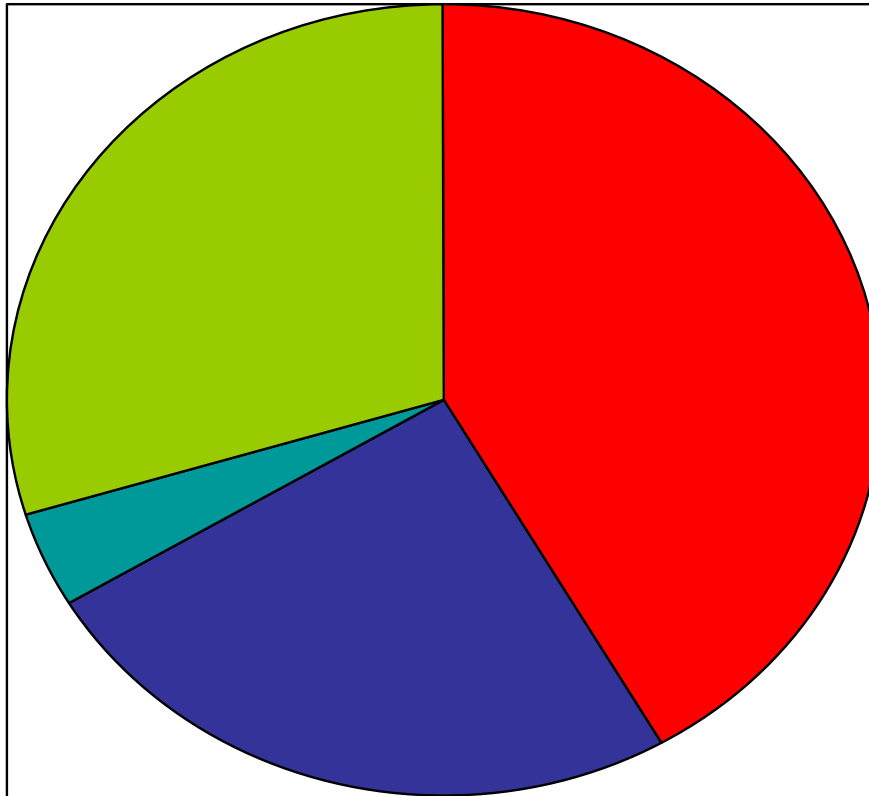
Change in Revenue Source

2005

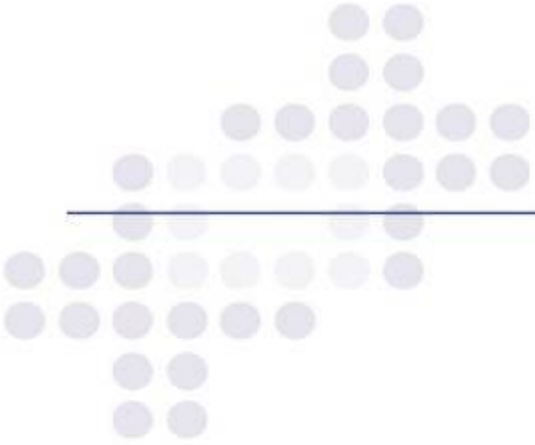


Change in Revenue Source

2006



- Private
- ACC
- MOH
- DHB



Where to From Here?

Abano's Three Year Strategic Development Plan



Abano Audiology

Grow and Expand



Market Size

The Audiology market is split 50% Private and 50% ACC payment

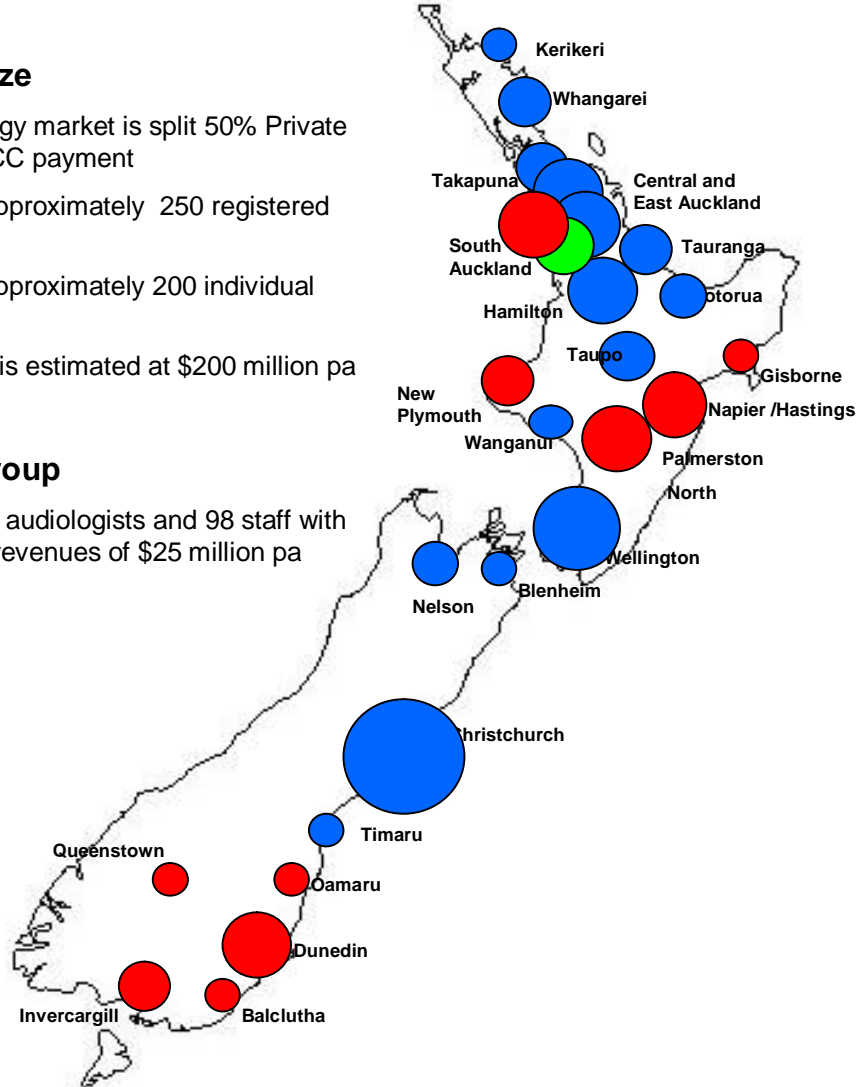
There are approximately 250 registered Audiologists

There are approximately 200 individual clinics

The market is estimated at \$200 million pa

Abano Group

We have 38 audiologists and 98 staff with annualised revenues of \$25 million pa



Bay Audiology existing clinics include:

- Kerikeri
- Wellington
- Whangarei
- Kapiti Coast
- Auckland
- Hamilton
- Christchurch
- Taupo
- Wanganui
- Nelson
- Blenheim
- Timaru
- Rotorua

Dilworth Audiology existing clinics

Owned 40% through Bay
 Auckland – Epsom, Remuera, Takapuna, St Heliers, Howick

Potential clinics

- Auckland
- Gisborne
- Napier/Hastings
- New Plymouth
- Palmerston North
- Otago
- Southland/Central

Abano Dental

Grow and Expand

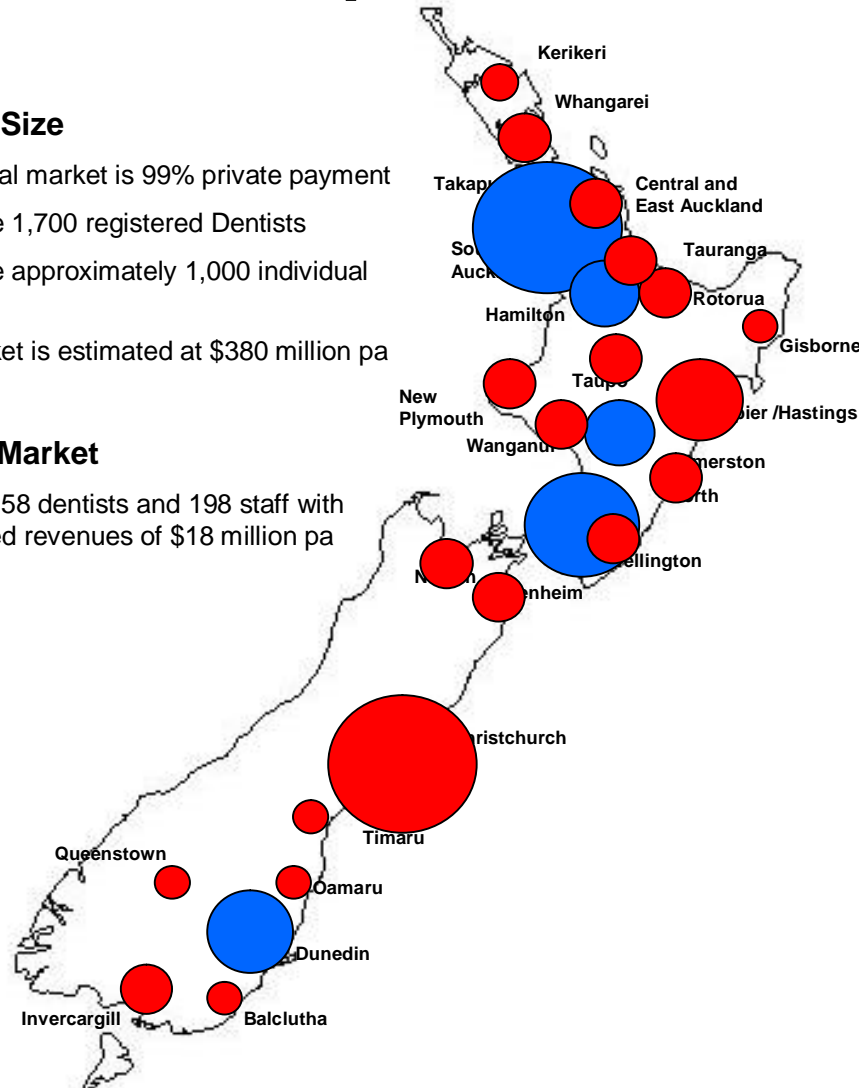


Market Size

The Dental market is 99% private payment
 There are 1,700 registered Dentists
 There are approximately 1,000 individual clinics
 The market is estimated at \$380 million pa

Abano Market

We have 58 dentists and 198 staff with annualised revenues of \$18 million pa



Existing clinics

Auckland

University
 Henderson
 Mt Roskill
 New Lynn

Botany Downs

Panmure
 Papakura

Victoria Ave
 Takapuna

Dunedin

Remuera Road
 Red Beach
 Dargaville

Te Awamutu

Palmerston North

Wellington

Miramar

The Terrace

Courtney Place

Potential clinics

Auckland

Whangarei

Central North Island

Tauranga

Rotorua

Nelson Marlborough

Christchurch

Otago

Southland

Abano Radiology

Grow and Expand



Market Size

The Radiology market is estimated to be 60% Private, 35% ACC and 5% DHB payment

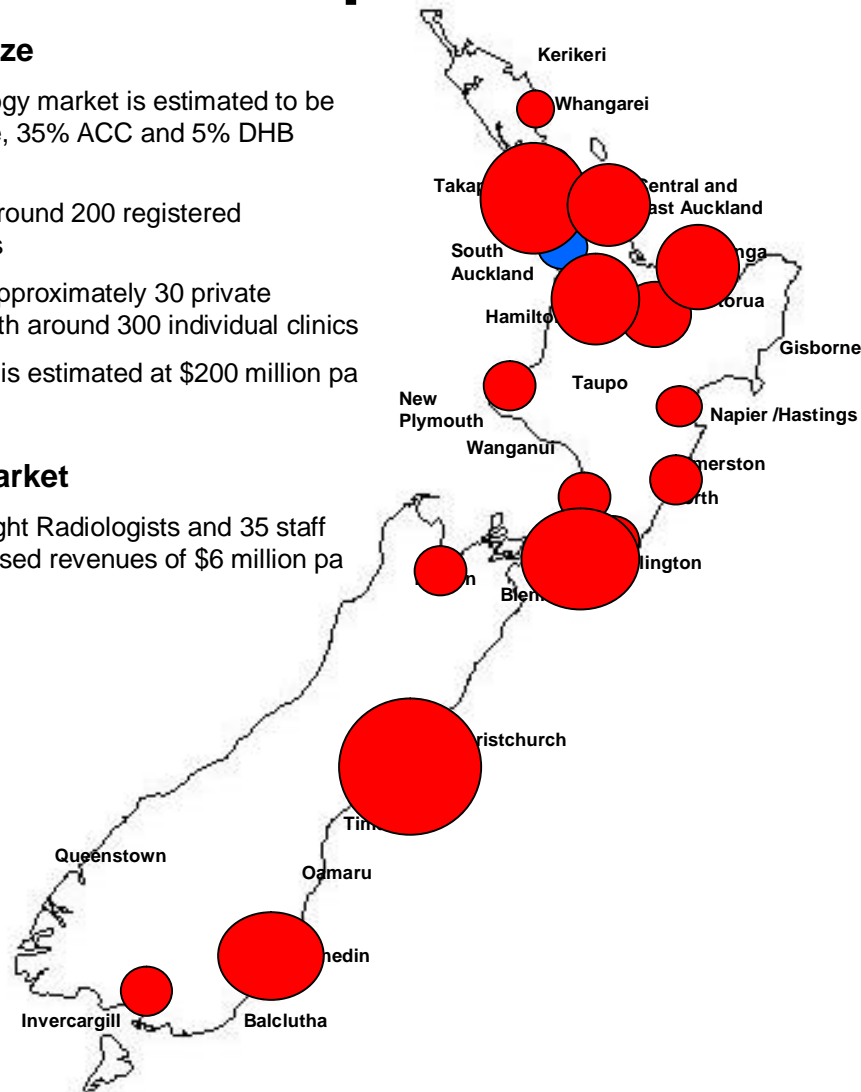
There are around 200 registered Radiologists

There are approximately 30 private practices with around 300 individual clinics

The market is estimated at \$200 million pa

Abano Market

We have eight Radiologists and 35 staff with annualised revenues of \$6 million pa



Existing Practice

Auckland - Ascot radiology



Potential practices

- Auckland
- Whangarei
- Central North Island
- Tauranga
- Rotorua
- Nelson Marlborough
- Christchurch
- Otago
- Southland

Abano Orthotics

Grow and Expand



Market Size

The Orthotics market is estimated to be 80% Private, 10% ACC and 10% DHB payment

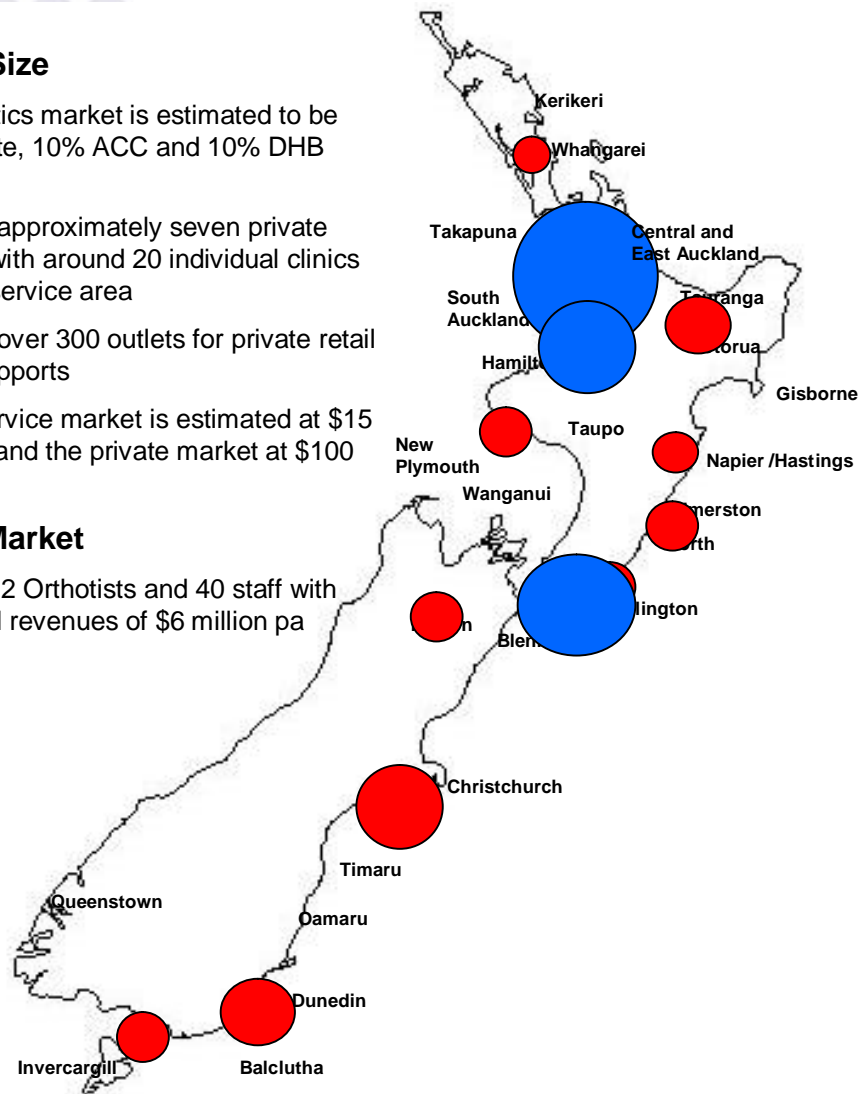
There are approximately seven private practices with around 20 individual clinics in the full service area

There are over 300 outlets for private retail orthotic supports

The full service market is estimated at \$15 million pa and the private market at \$100 million pa

Abano Market

We have 12 Orthotists and 40 staff with annualised revenues of \$6 million pa



Existing practices

- Auckland
- Hamilton
- Wellington



Potential practices

Private Market Development

- Auckland
- Whangarei
- Tauranga
- Hamilton
- Wellington
- Christchurch
- Dunedin

Full Service Development

- Christchurch
- Dunedin

Abano Brain Injury Service

Hold Stabilise and Maintain



Market Size

The Rehabilitation market is 95% ACC and MOH funded

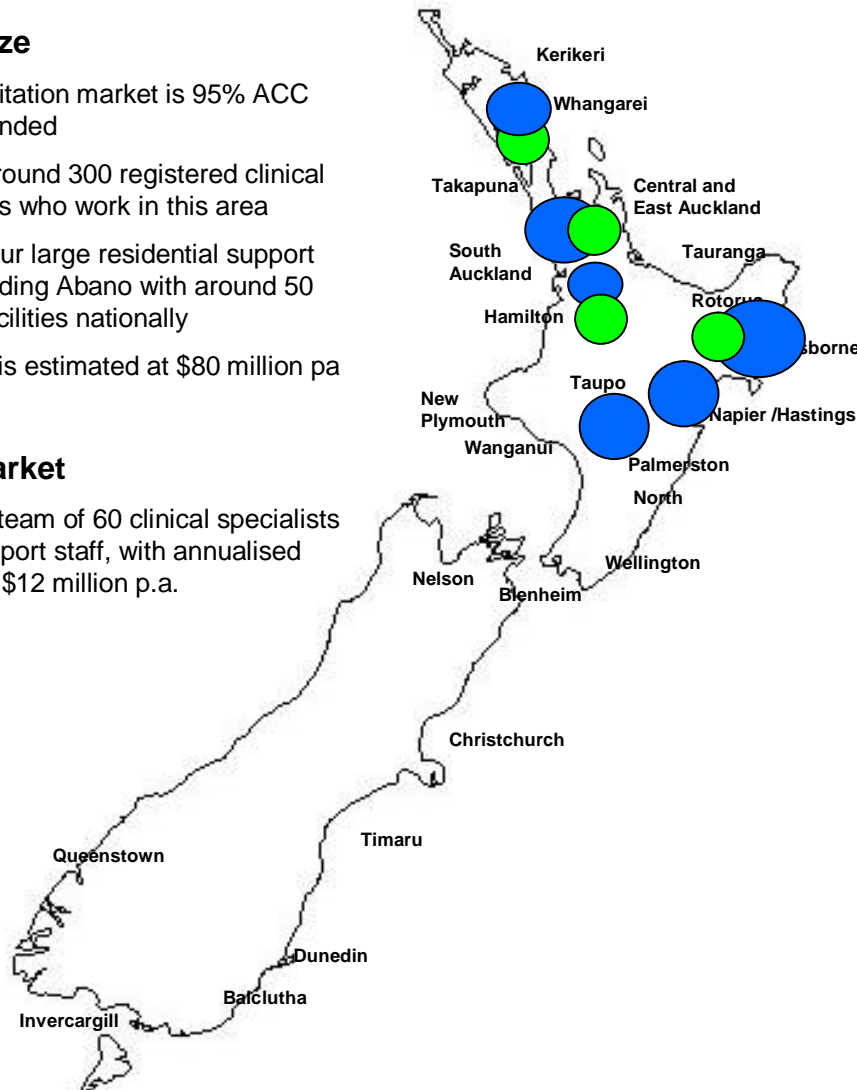
There are around 300 registered clinical professionals who work in this area

There are four large residential support groups including Abano with around 50 individual facilities nationally

The market is estimated at \$80 million pa

Abano Market

We have a team of 60 clinical specialists and 150 support staff, with annualised revenues of \$12 million p.a.



Existing Residential Facilities

Ranworth Healthcare

<u>Auckland</u>	Whangarei
West Auckland	Palmerston North
South Auckland	Hamilton
Central Auckland	<u>Gisborne</u>
Hastings	3 residential facilities



Existing Out Patient Facilities

Burtens Healthcare & Health Partners and Ranworth Community Support

Auckland	Gisborne
Hamilton	Whangarei

Abano Pathology



Hold Stabilise and Maintain

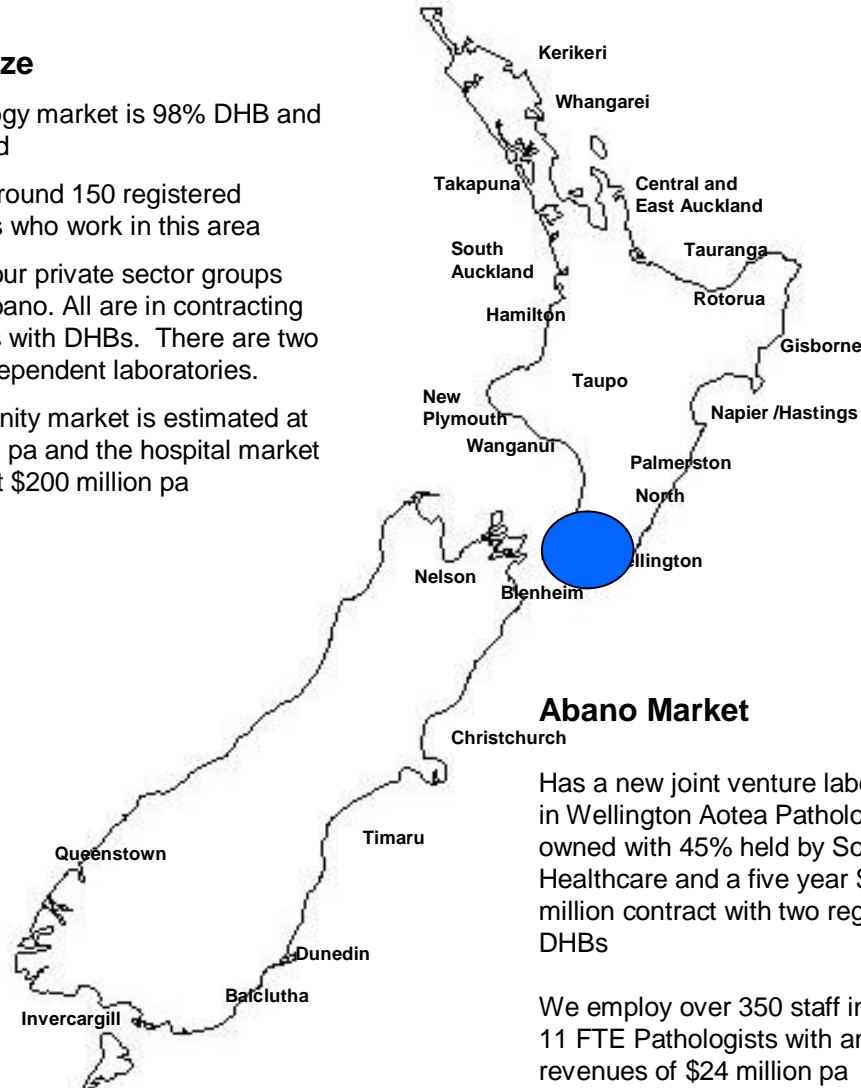
Market Size

The Pathology market is 98% DHB and MOH funded

There are around 150 registered Pathologists who work in this area

There are four private sector groups including Abano. All are in contracting negotiations with DHBs. There are two regional independent laboratories.

The community market is estimated at \$230 million pa and the hospital market estimated at \$200 million pa



Existing Laboratory Facilities and coverage

Aotea Pathology

Wellington

Hutt Valley

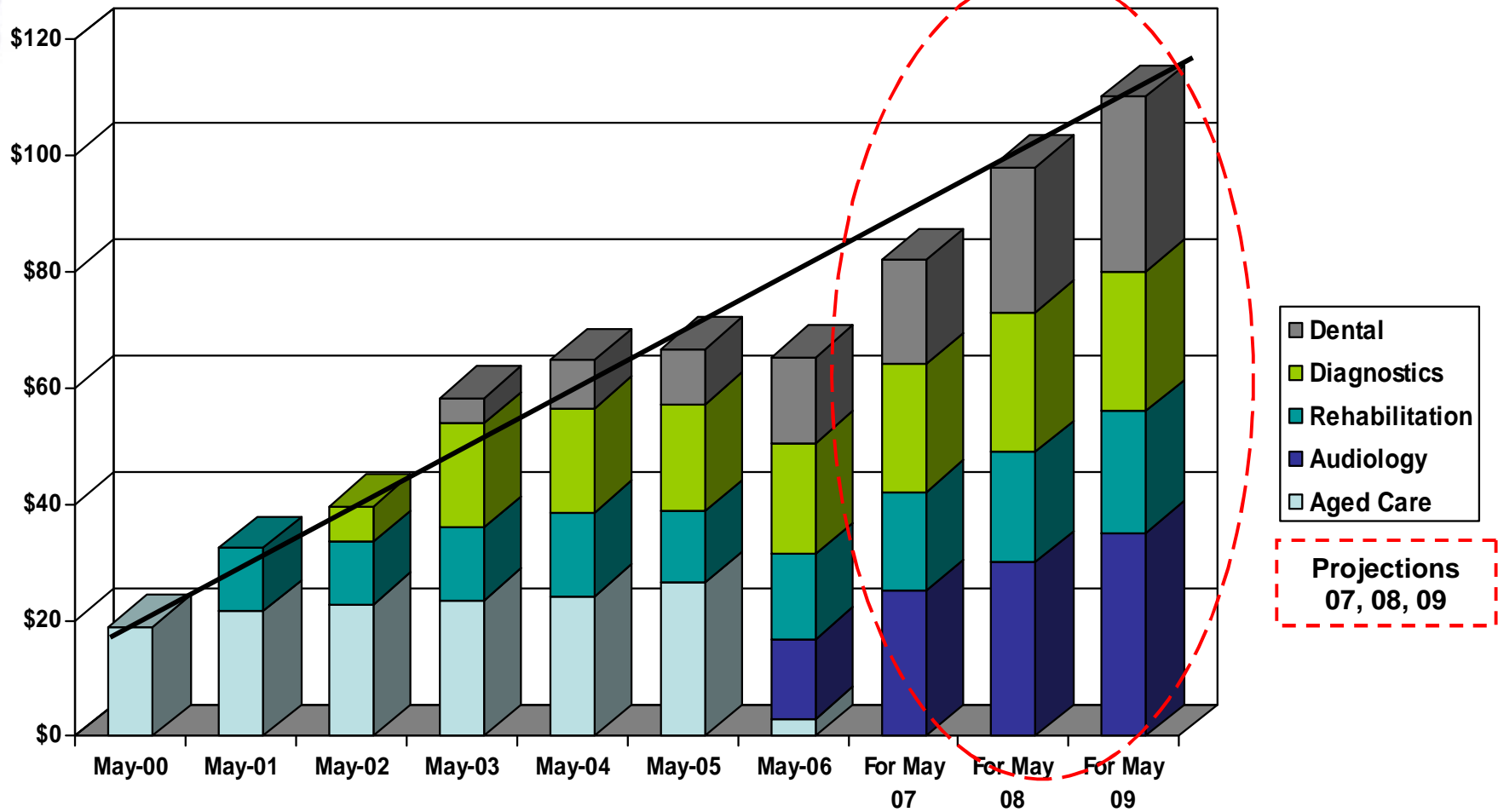
Kapiti Coast

Abano Market

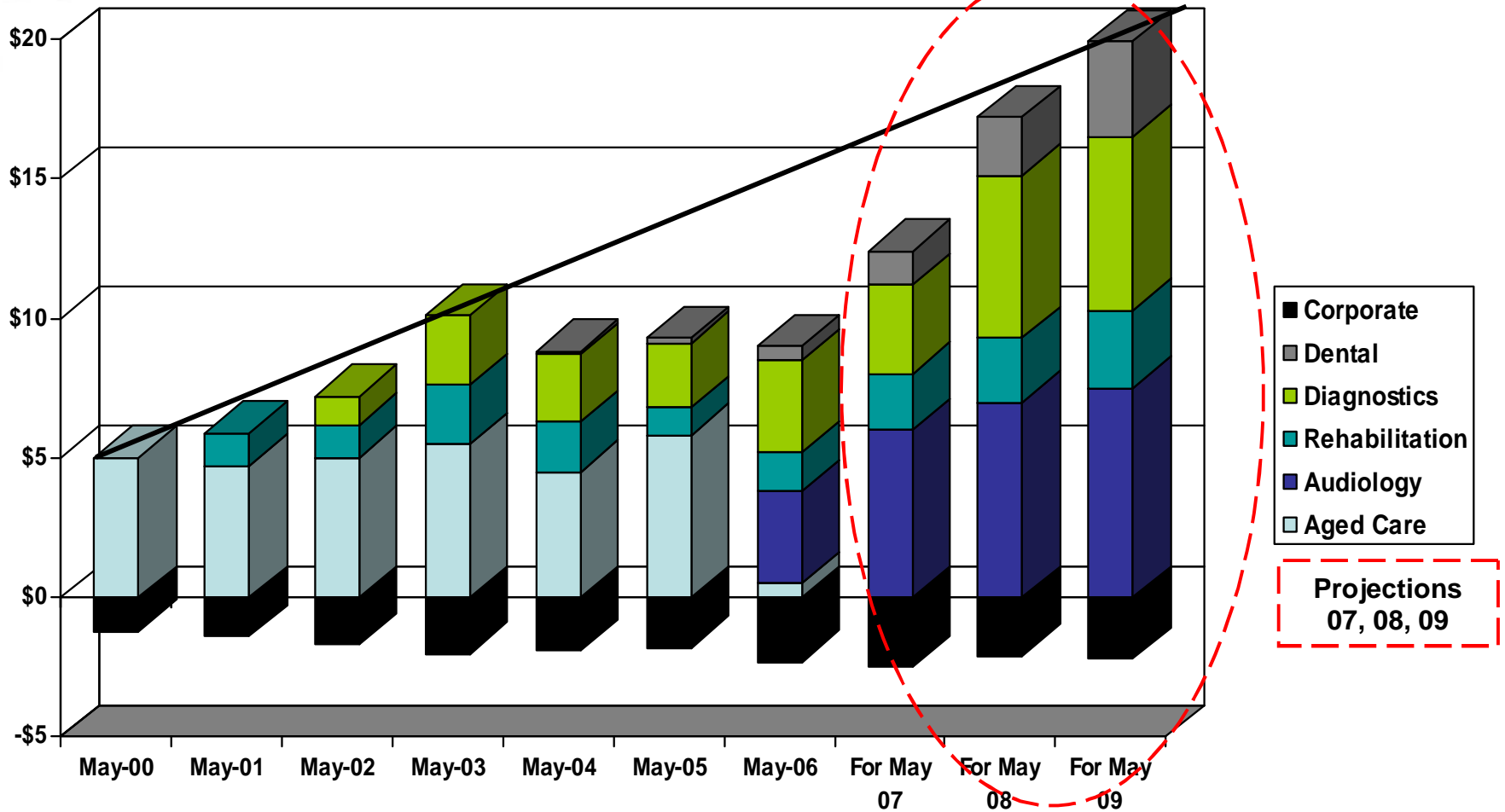
Has a new joint venture laboratory in Wellington Aotea Pathology 55% owned with 45% held by Sonic Healthcare and a five year \$102 million contract with two regional DHBs

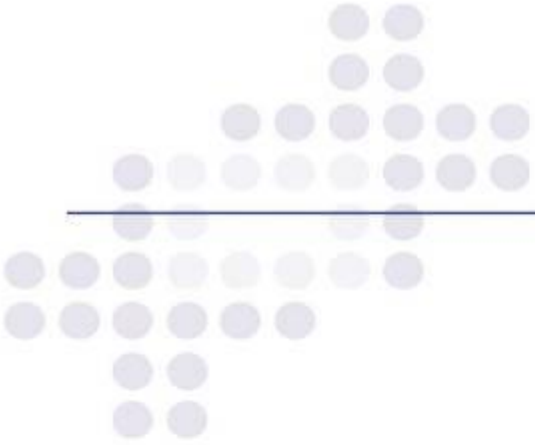
We employ over 350 staff including 11 FTE Pathologists with annualised revenues of \$24 million pa

Revenue Progress - By Sector



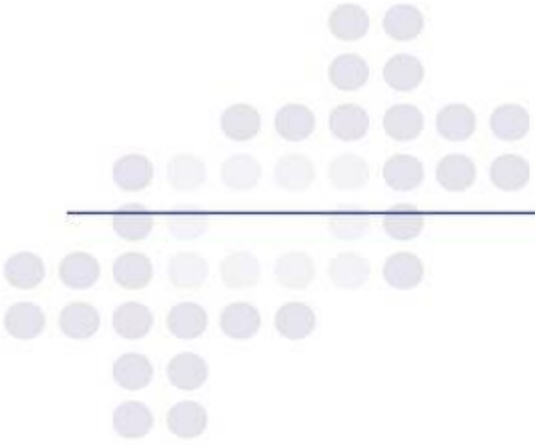
EBITDA Progress - By Sector





Question and Answer





Proxies held by the chair and other directors



Resolution One

Reappointment of auditors

Record the re-appointment of PricewaterhouseCoopers as auditors of the Company and to authorise the directors to fix the auditors' remuneration



PROXIES	<u>For</u>	<u>Against</u>	<u>Discretionary</u>
	110,636	7,267	1,199,465

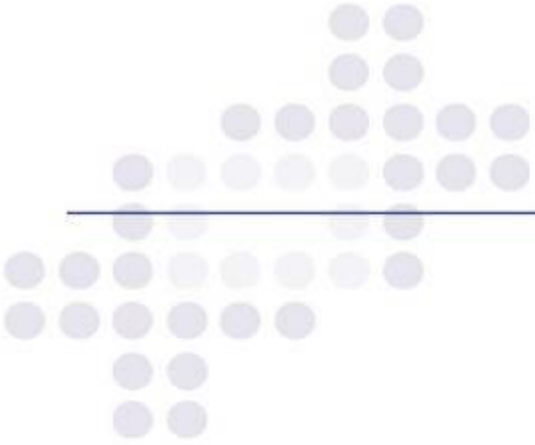
Resolution Two

Re-election of Mrs Alison Paterson

To re-elect Mrs Alison Paterson as a director of the Company in accordance with the Company's Constitution



PROXIES	<u>For</u>	<u>Against</u>	<u>Discretionary</u>
	97,636	20,267	1,199,465

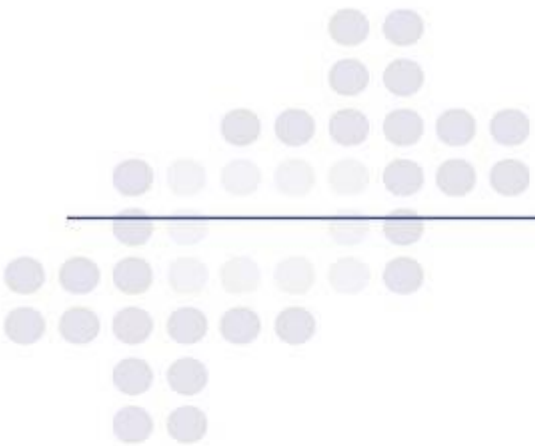


Conclusion

Presentations available online at www.abanohealthcare.co.nz

Alison Paterson New Abano Chair

- Appointed director 16 October 2002
 - Member of the Audit committee and chairman of the Remuneration committee
 - Background in corporate governance in both service and healthcare industry
 - Previous appointments as chairman of Waitemata District Health Board and District Health Boards NZ Ltd, deputy chairman of Health Waikato and director of Health Benefits Ltd
 - Currently chairman for BPAC NZ and Electricity Complaints Commission
 - Holds current directorships with Reserve Bank of NZ and Metrowater.
-



Annual General Meeting 2006

Abano Healthcare Group Limited

Thank You
