

Media Release
23 September 2005



PROFITABLE FUTURE FOR ABANO WITH NEW ACQUISITIONS

Chairman of Abano Healthcare Group, Mr Jim Syme, today confirmed the company's move into the audiology sector, after shareholders approved the purchase of 70 percent of Bay Audiology, with an option to acquire the remaining 30 percent in 2010, at the annual meeting in Auckland.

Bay Audiology is New Zealand's largest and only national service provider of a range of specialist audiology services, and will be an important cornerstone business in the Abano portfolio. Settlement is planned for early October 2005.

Mr Syme also confirmed the company was on track to produce positive core profit results in future years. This follows a year of significant change and growth for the company, including the sale of the aged care business, ElderCare, and investment into other less capital intensive healthcare sectors.

"The core financial performance for the six months ending on 30 November 2005 will be well down on last year, as it will exclude returns from the aged care business which was sold on 13 July, one month into the current financial year.

"However, following the additional planned acquisitions of the Orthotic Centre and Bay Audiology in October and returns from our existing businesses, the board remains confident that Abano will achieve a core consolidated, full year result to 31 May 2006, which will exceed last year's pre-tax profit performance and will allow us to introduce an annual dividend payment for shareholders."

Managing director, Mr Alan Clarke, provided shareholders with further information on the Group's recent acquisitions, including the acquisition of 70 percent of Orthotic Centre (NZ) Limited, to be settled in October 2005, and the continuing national rollout of its dental network, Lumino.

"We continually review the healthcare and medical services market, to identify businesses in new and existing sectors to add to our portfolio.

"We believe we now have a strong portfolio which will deliver balanced revenue streams, generate an improving return on investment that will be above our cost of capital and provide consolidated and sustainable bottom line profitability. "

Shareholders agreed to all resolutions, including:

- Re-electing Price Waterhouse Coopers as external auditors for the company;
- Re-electing Mr Phil Newland to the board;
- Electing two new independent directors – Mr Trevor Janes and Mrs Susan Paterson – to the board, following the retirement of Mr Maurice Kidd and Dr Clint Teague
- Approving the acquisition of 70 percent of Bay Audiology, with an option to acquire the remaining 30 percent in 2010;
- Approving a Long Term Incentive share scheme for key executives;
- Approving a new salary package for Mr Alan Clarke; and
- Ratifying previous increases in salary for Mr Alan Clarke, over the past five years, which was done to comply with New Zealand Exchange listing rules.

- ends -

For more information, please contact:

Alan Clarke

Managing Director, Abano Healthcare Group Limited

Tel: 09 3610482 Mob: 021 368 818.

Full copies of the chairman's address and managing director's speech are available at www.abano.co.nz.