



Investor Presentation November 2007



Partnership Philosophy

- Invest in successful medical and healthcare businesses with long term equity partnerships with the clinical founders.
- Work with equity partners to grow their business, creating additional shareholder value.
- Introduce new equity partners through recruitment and succession planning to replace retiring equity partners.



Directors

- Alison Paterson
Independent chairman
- Trevor Janes
Independent deputy chairman
Audit committee chairman
- Phil Newland
Independent director
- Susan Paterson
Independent director
Remuneration committee chairman
- Graeme Edmond
Independent director
- Alan Clarke
Managing director

Senior Management

Corporate

- Richard Keys
- Brendan O'Sullivan

Chief financial officer
Group financial controller

Sector Management

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

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



AGM Results

AGM Results



- All resolutions were passed.
 - Graeme Edmond elected and Susan Paterson re-elected as independent directors.
 - Director fees were increased to \$307,500 from \$223,000.
 - PricewaterhouseCoopers appointed as auditors.
 - Senior Management Long Term Share Incentive Plan adjusted to reflect shareholding changes.
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Key Events in 2007

Key Events to 31 May 2007



- Record operating Net Profit After Tax of \$5.0 million and Earnings Before Interest, Tax, Depreciation and Amortisation of \$13.9 million, with Revenues of \$89.5 million.
 - Lumino Care Dental network acquired six new clinic acquisitions, taking the total number of clinics to 24. Andy Tapper appointed Dental general manager in June 2006.
 - Bay Audiology network expands from 32 to 40 permanent and visiting clinics in New Zealand. Australian market opened in February and expanded to nine permanent and visiting clinics.
 - Pathology five year \$102 million contract for Wellington, Hutt and Kapiti Coast regions awarded to Aotea Pathology, Abano joint venture with Sonic Healthcare, which started operations in November 2006.
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Key Events to 31 May 2007



- Acquisition of remaining 30 percent shareholding in Orthotic Centre NZ in October 2006, taking ownership to 100 percent.
 - Acquisition of 80 percent of Greenlane Imaging in February 2007.
 - Exercised option to acquire a further 40 percent of Ascot Radiology in May 2007, taking total ownership of this business to 80 percent.
 - Invested in \$1.4 million 64 slice CT scanner for Ascot Radiology and established joint venture with leading cardiologists to utilise the technology in June 2006.
 - Retirement of director and chairman of the board, Mr Jim Syme, in October 2006. Alison Paterson elected as chairman and Graeme Edmond appointed as independent director on 27 October 2006.
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Consolidated and Sector Financial Performance

Group Financial Performance to 31 May 2007



(\$m)	Twelve Months To 31 May 2005	Twelve Months To 31 May 2006	Twelve Months To 31 May 2007
Revenue	66.7	65.2	89.5
Operating EBITDA	7.5	6.7	13.9
Operating EBIT	4.2	4.4	10.7
Reported NPAT	1.0	14.7	5.0
Operating NPAT	1.0	1.6	5.0
Operating NPAT Earnings / Share	3.7 cps	7.0 cps	21.9 cps
EBITDA/Revenue	11.2%	10.3%	15.5%
Net Bank Debt	33.1	9.9	12.3
EV/EBITDA	9.9x	4.8x	6.2x
1 August Market Capitalisation	58.3	27.4	87.1
ROIC @ EBITDA	9.7%	10.1%	15.7%



Sector Financial Performance to 31 May 2007



(after the allocation of Abano administration overhead)

AUDIOLOGY

- Bay NZ 70% along with Dilworth 40% and Australia 85% owned through Bay NZ. Total staff of 130. Performed very well, expanded to 40 clinics in NZ and 9 in Australia through acquisition and organic expansion.

REHABILITATION

- Residential and community rehabilitation – Ranworth, Burtons and Health Partners 100%. Total staff of 200. Stabilised the in and out patient services with good margin improvements.
- Orthotics - Auckland, Hamilton and Wellington, 100%. Total staff of 40. Steady progress but some margin erosion following staff restructure, improving performance in recent months.

DIAGNOSTICS

- Pathology – Aotea Pathology, 55%. JV with Sonic Healthcare commenced 1 Nov 06. Total staff of 250. Improving margins and physical merger achieved without job losses. Part period contribution from Medlab Wellington and Nelson Diagnostic to October 06.
- Radiology – Ascot Radiology and Greenlane Imaging 80%. Total staff of 45. Had a strong year exceeding plan again and adding Greenlane Imaging to its operations in February 07 and moving to 80% in Ascot in May 07. Planning an expansion into a new clinic building, doubling the existing footprint.

DENTAL

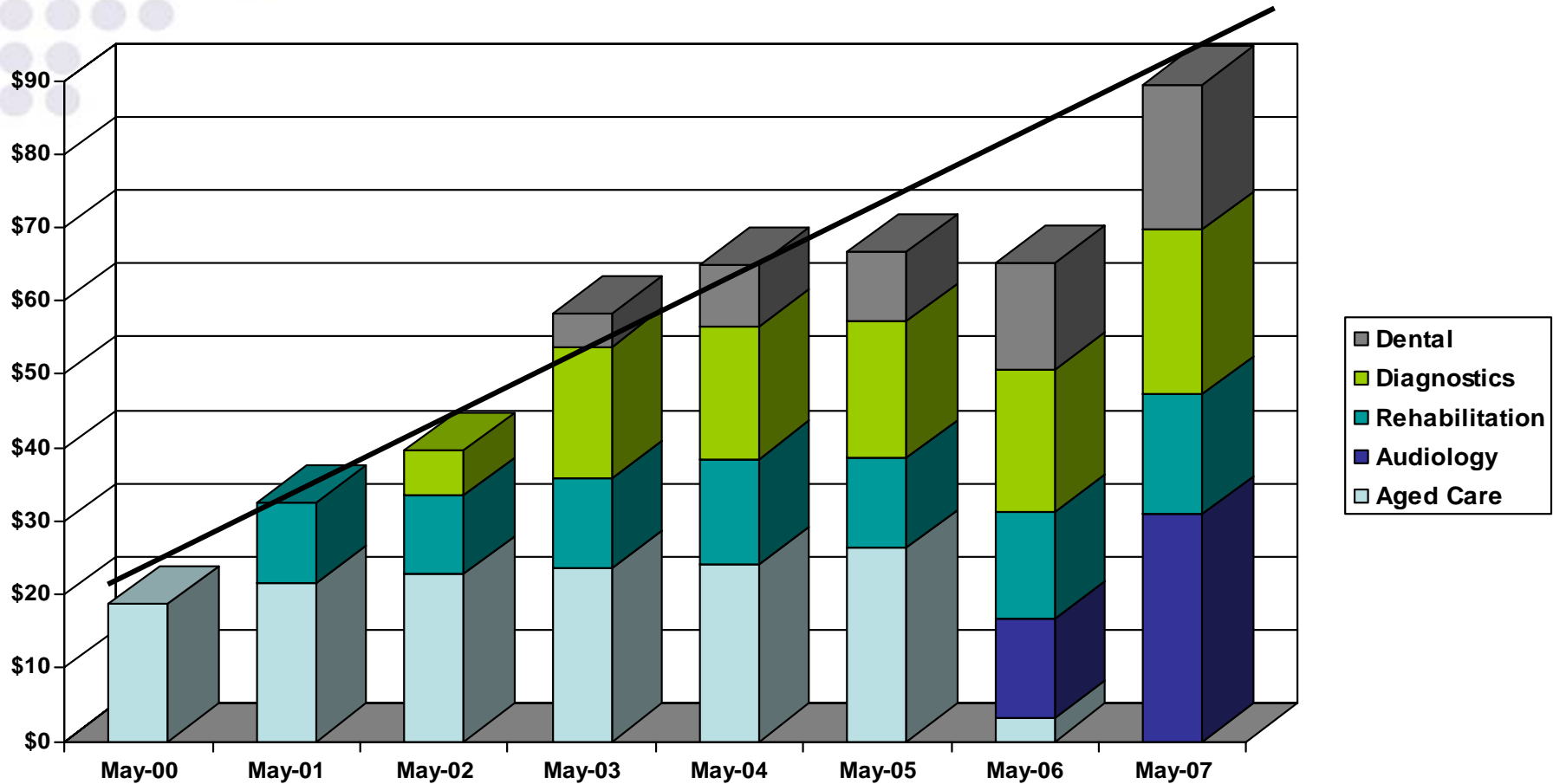
- Lumino Dental – 100%. Total staff of 210. Strong revenue growth and a steady improvement in margin. Added six new clinics with a national coverage of 24 clinics from Dargaville to Dunedin at year end.

Audiology	01/02	02/03	03/04	04/05	05/06	06/07
Revenue	-	-	-	-	13.6	30.9
Op-EBITDA	-	-	-	-	2.8	8.2
Rehab						
Revenue	10.7	12.4	14.4	12.3	14.6	16.4
Op-EBITDA	0.7	2.1	1.5	0.8	1.1	1.7
Diagnostic						
Revenue	6.1	17.9	18.0	18.5	19.2	22.5
Op-EBITDA	0.8	1.9	1.8	2.0	2.8	3.8
Dental						
Revenue	-	4.5	8.3	9.4	14.7	19.7
Op-EBITDA	-	(0.2)	0.1	0.2	0.3	1.0

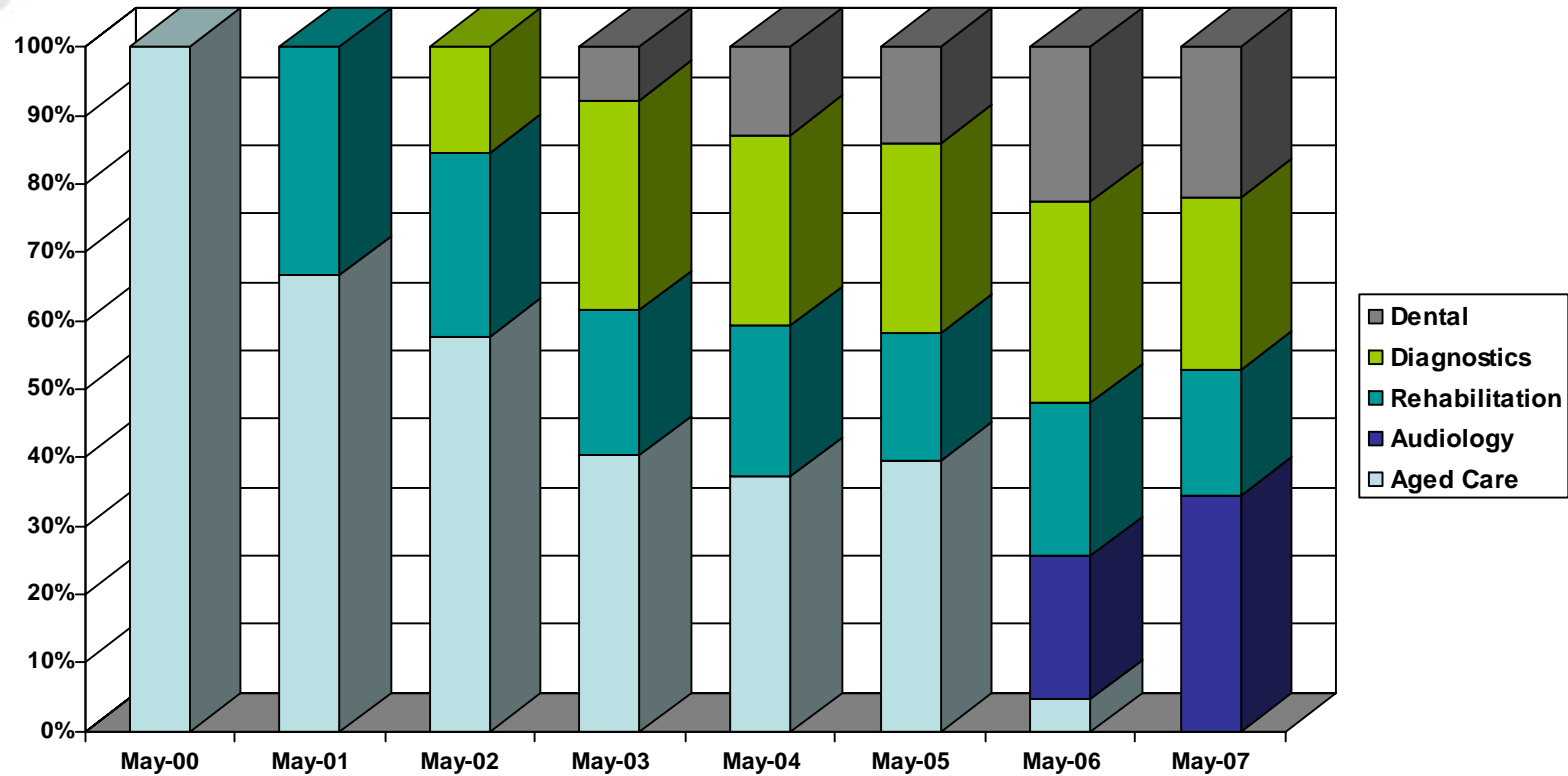


Progress to Date

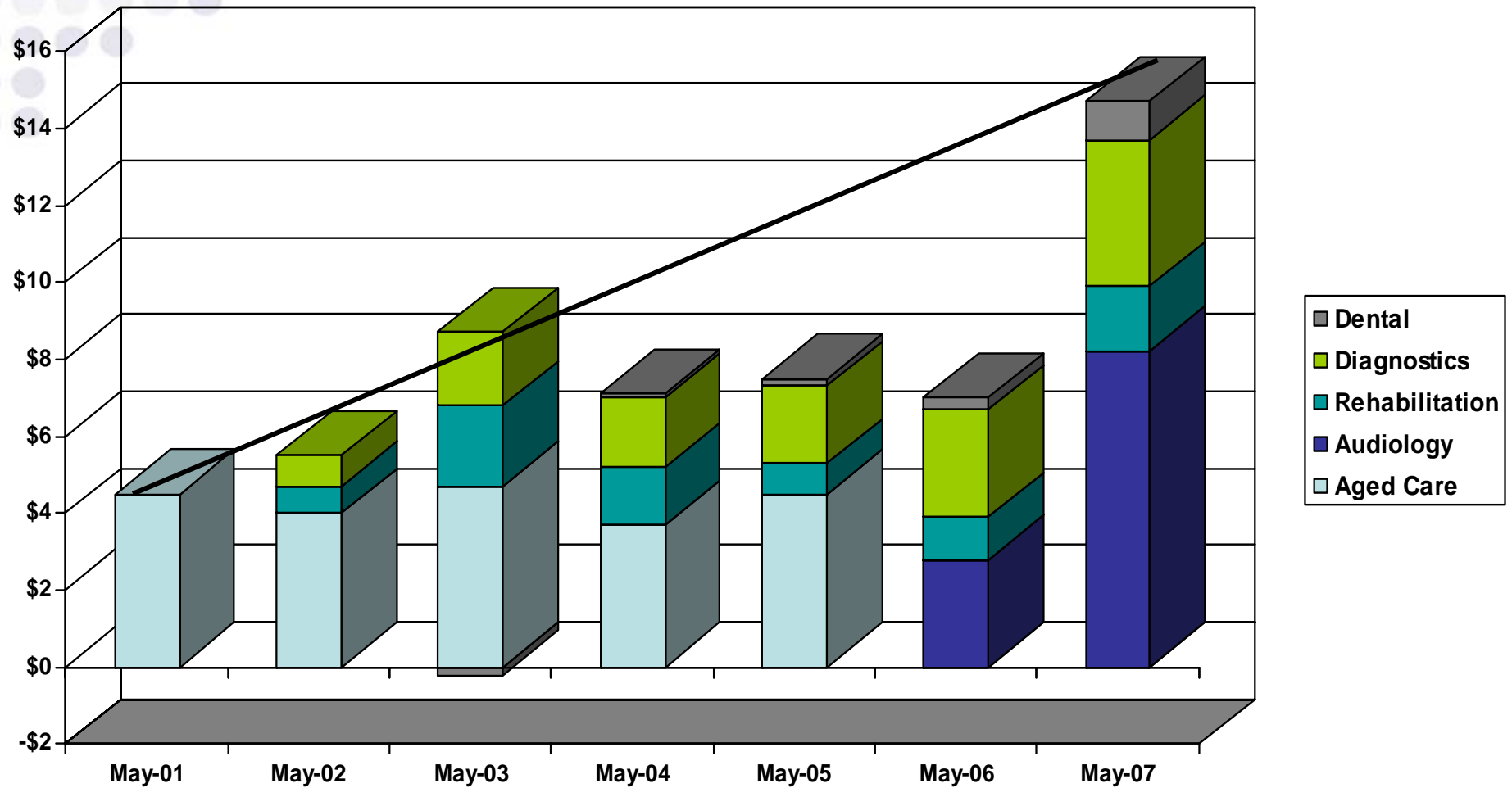
Revenue Progress By Sector



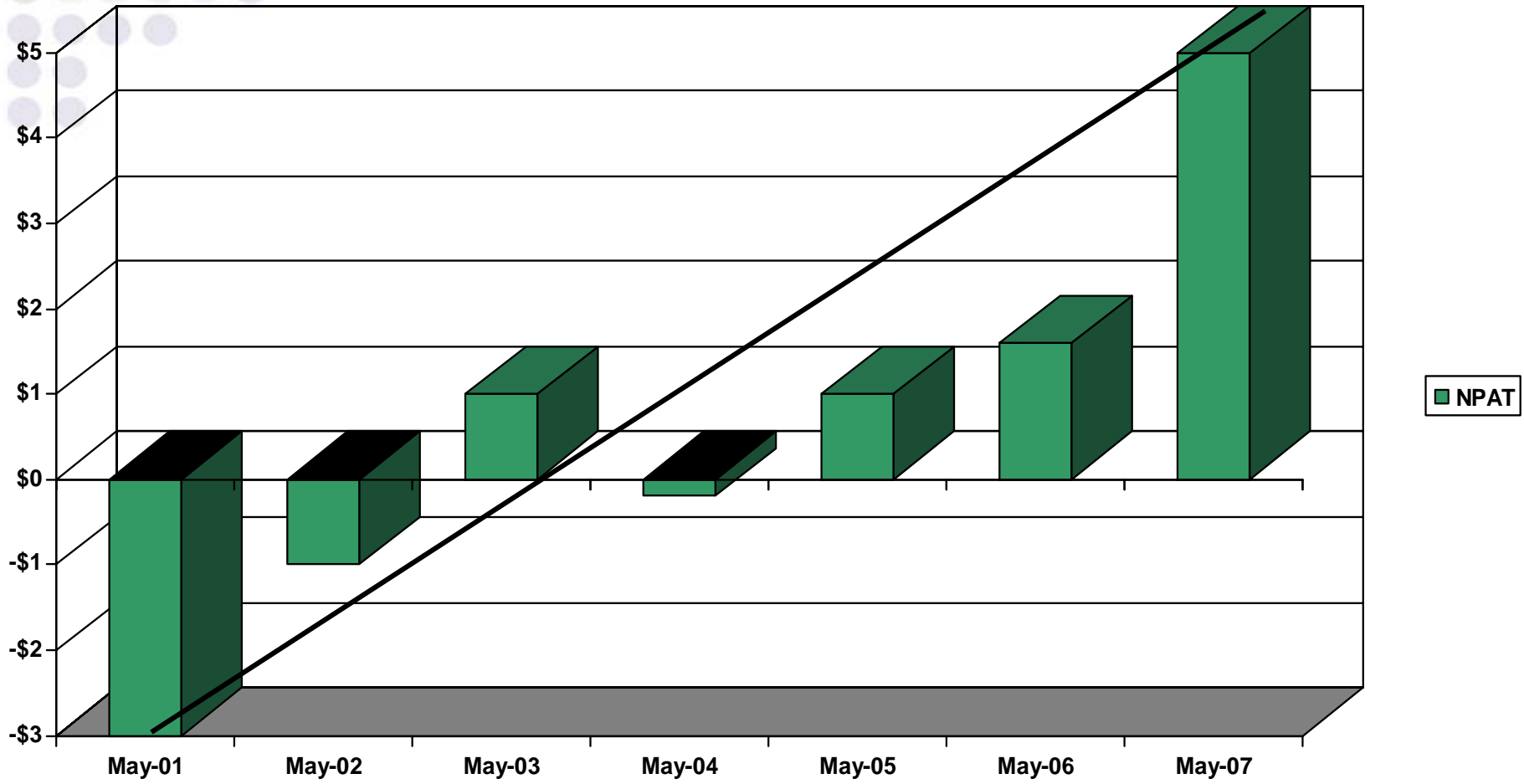
Revenue Mix By Sector



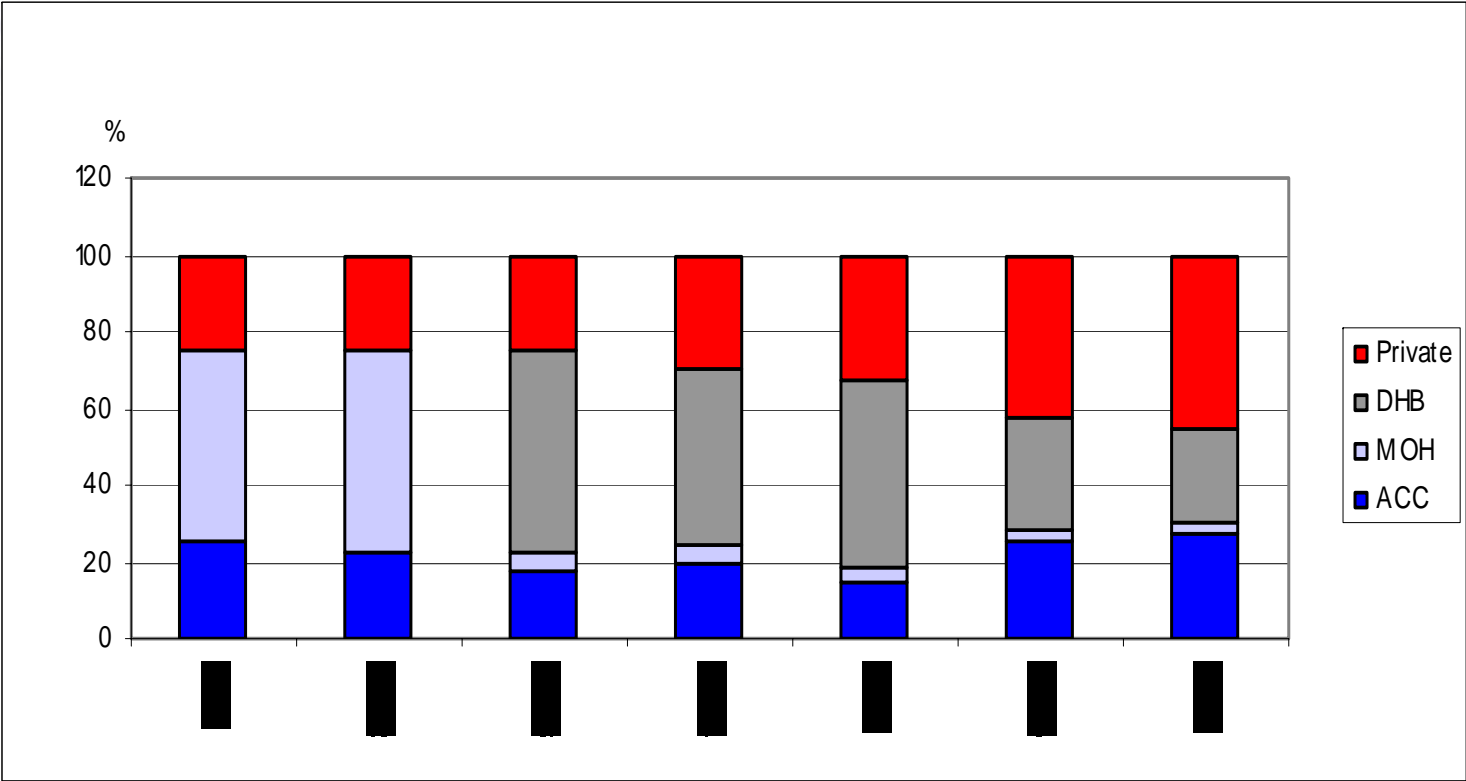
EBITDA Progress By Sector



Core Operating NPAT



Revenue Source





Operational performance for the first five months of 2008

2008 Performance YTD



- For the first five months of the new financial year all businesses are performing either in line or ahead of the full year forecast.
 - Fee increases, new ACC and DHB contracts and improved business processes boosting performance for Orthotics, Pathology and Rehabilitation.
 - Further improvement to margins and bottom line returns from growth strategies in Dental, Audiology and Radiology.
 - Seven Dental clinics acquired since June 2007 adding \$6.5 million annualised to revenues.
 - In Audiology 1 clinic was acquired and 3 opened in New Zealand and 9 clinics acquired and 1 clinic opened in Australia.
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Full Year Market Guidance to May 2008

05, 06 and 07 Performance plus 2008 Market Guidance



(\$m)	FY05 ¹	FY06 ²	FY07	FY08 Forecast
Revenue	66.7	65.2	89.5	122.7
EBITDA	7.5	6.7	13.9	22.2
EBIT	4.2	4.4	10.7	17.5
Net Interest Expense	(2.9)	(0.5)	(0.9)	(2.6)
Put Option "Interest"	0.0	(0.9)	(1.2)	(1.7)
NPBT	1.3	3.3	8.7	13.2
Tax	(0.3)	(1.7)	(3.4)	(5.4)
Minority Interests	0.0	0.0	(0.3)	(0.7)
NPAT	1.0	1.6	5.0	7.1

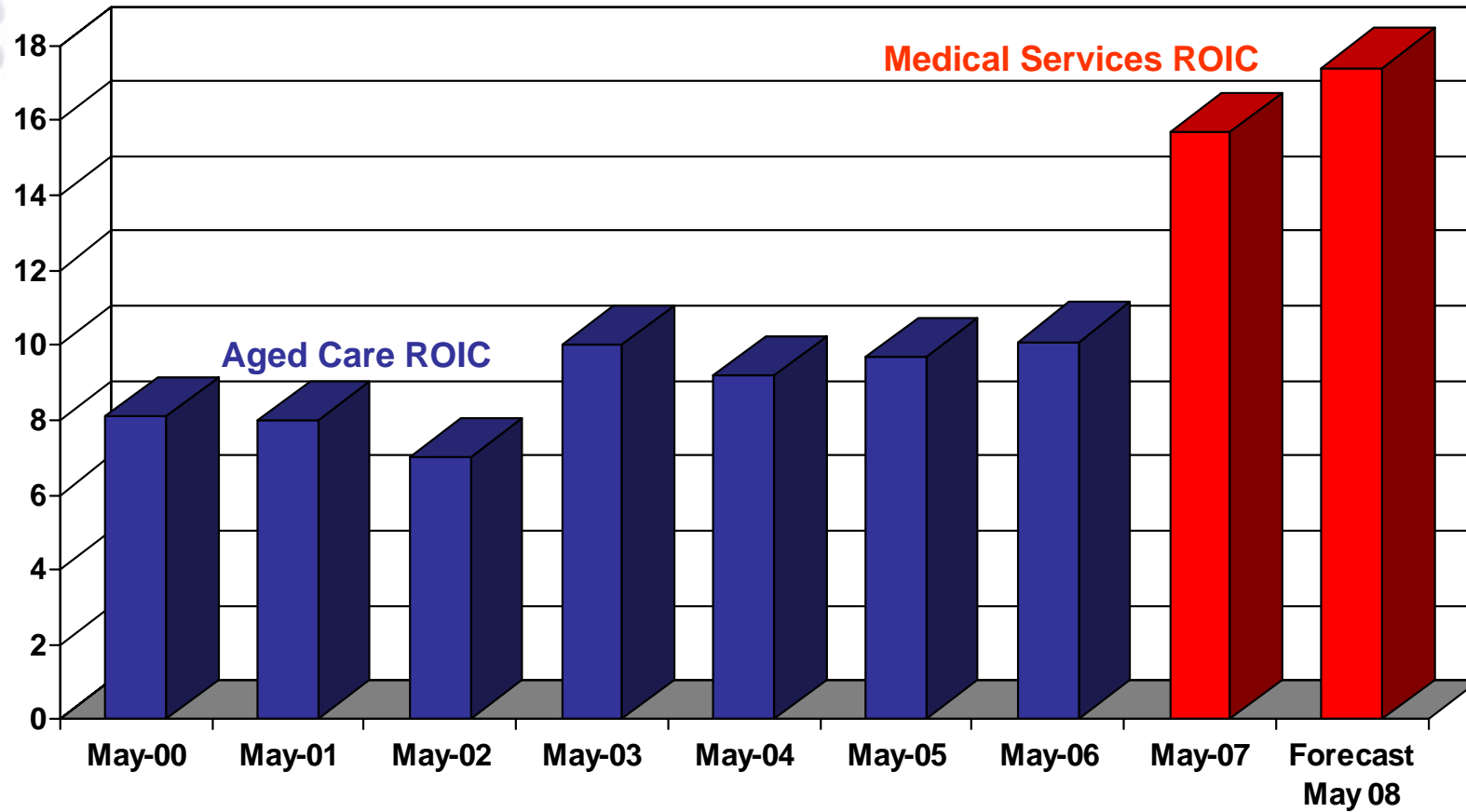
1. NZIFRS adopted in 06. FY 05 figures restated.

2. Excludes capital gain on sale of ElderCare



Return on Investment at EBITDA

ROIC at EBITDA





Shareholding

Dividend



- Payment of 50 percent of Net Profit After Tax.
 - Maiden Dividend of 11 cps.
 - Full imputation credits.
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Shareholding



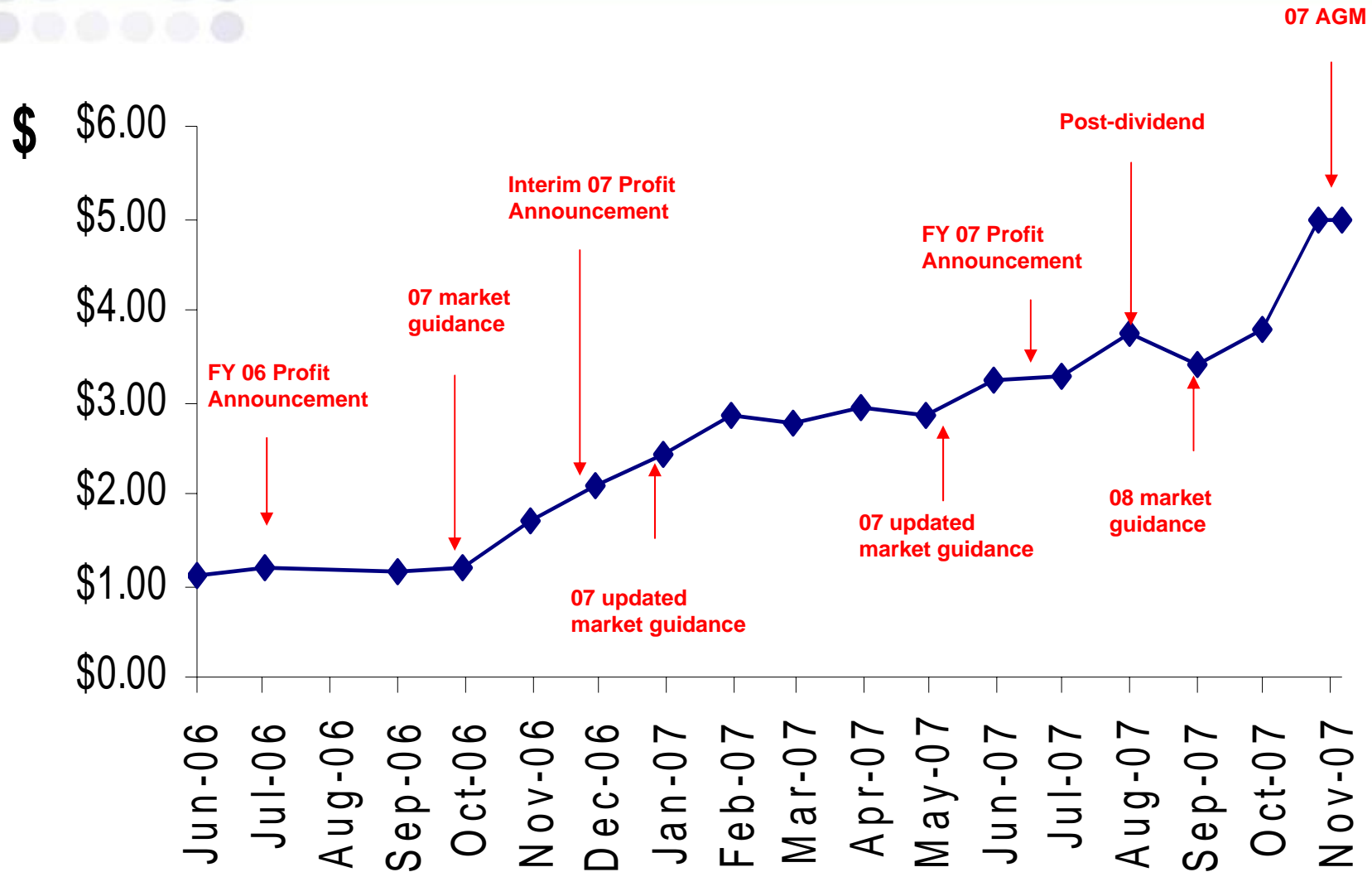
- October 2006: Sell down by Eric Watson and AXA to Masthead who now hold a 19.9% shareholding investing at \$1.55.
 - September 2007: Masthead makes a takeover offer for 51% at \$3.85 – Abano directors advise do not sell until they have evaluated the offer.
 - Abano Directors appoint independent experts Ferrier Hodgson to advise shareholders – Ferrier Hodgson provide valuation range of \$5.00 to \$5.80.
 - Abano Directors re-issue a do not sell notice and reject the offer - advise that other interested parties have been in contact and are undertaking due diligence.
 - Masthead increase their offer to \$5.00 for 51% of Abano.
 - Abano Directors re-issue a do not sell notice and reject the offer.
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Masthead Partial Offer



- Offer is a partial offer, but wanting control of Abano.
 - No certainty on how many shares shareholders can sell.
 - Premium may only be paid once for control.
 - ABN Amro Craigs and Forsyth Barr have valuations up to \$5.65.
 - Ferrier Hodgson provided a range between \$5.00 and \$5.80.
 - Board believe higher value will be achievable if successful in implementing strategic plan.
 - Discussions occurring with other parties, and confidentiality agreements signed to allow some parties to do due diligence.
 - Once accepted, shareholders can not withdraw.
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Abano Share Performance



The Future

A portrait of a woman with short brown hair, smiling warmly. She is wearing a dark red top with a patterned scarf. The image is part of an advertisement for BAYAUDIOLOGY.

"Don't put up with hearing problems a moment longer."

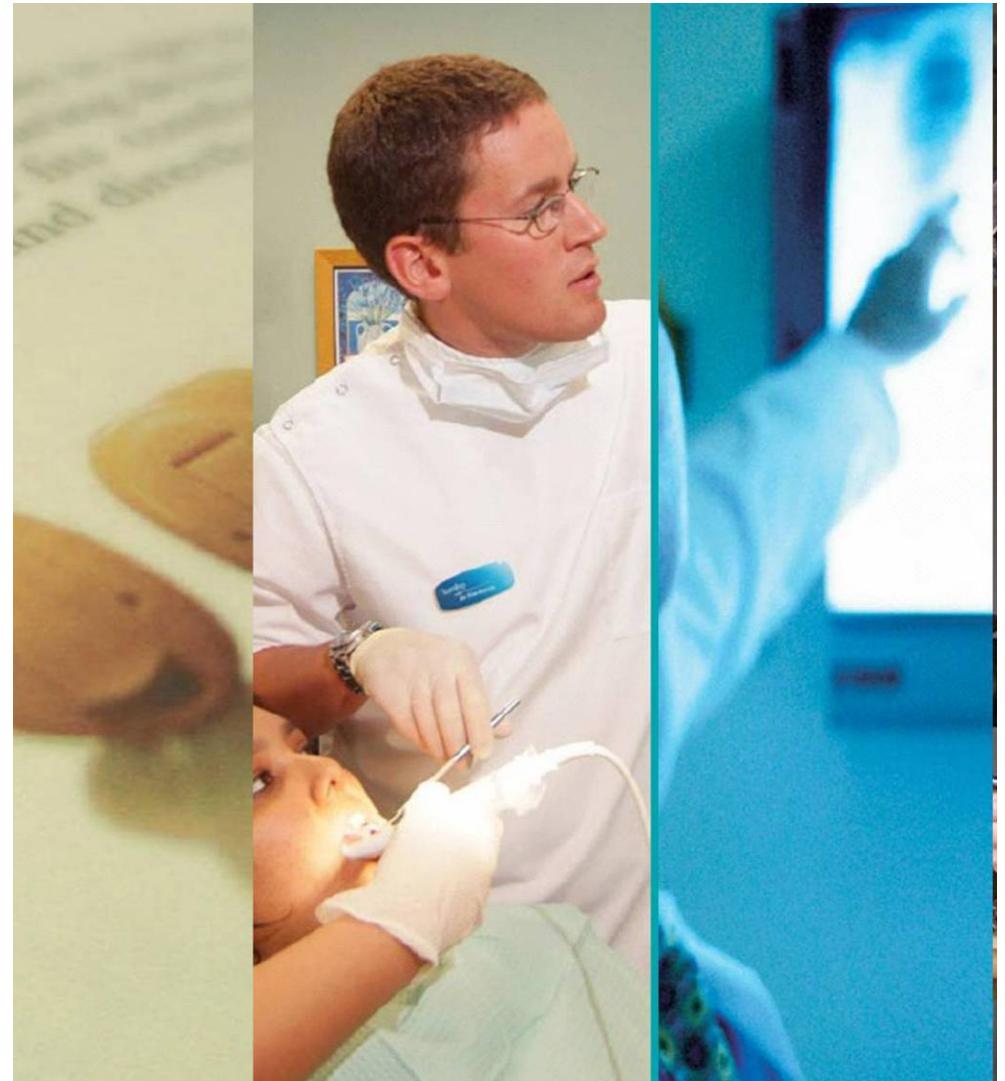
The logo for BAYAUDIOLOGY, featuring a stylized ear icon and the text "BAYAUDIOLOGY THE HEARING EXPERTS" in a blue banner.

Growth Strategy

Audiology

Dental

Radiology



Bay Audiology Strategy - Grow and Expand



NZ Market Size

The Audiology market is over 55% private payment and 45% ACC and other public funding sources.

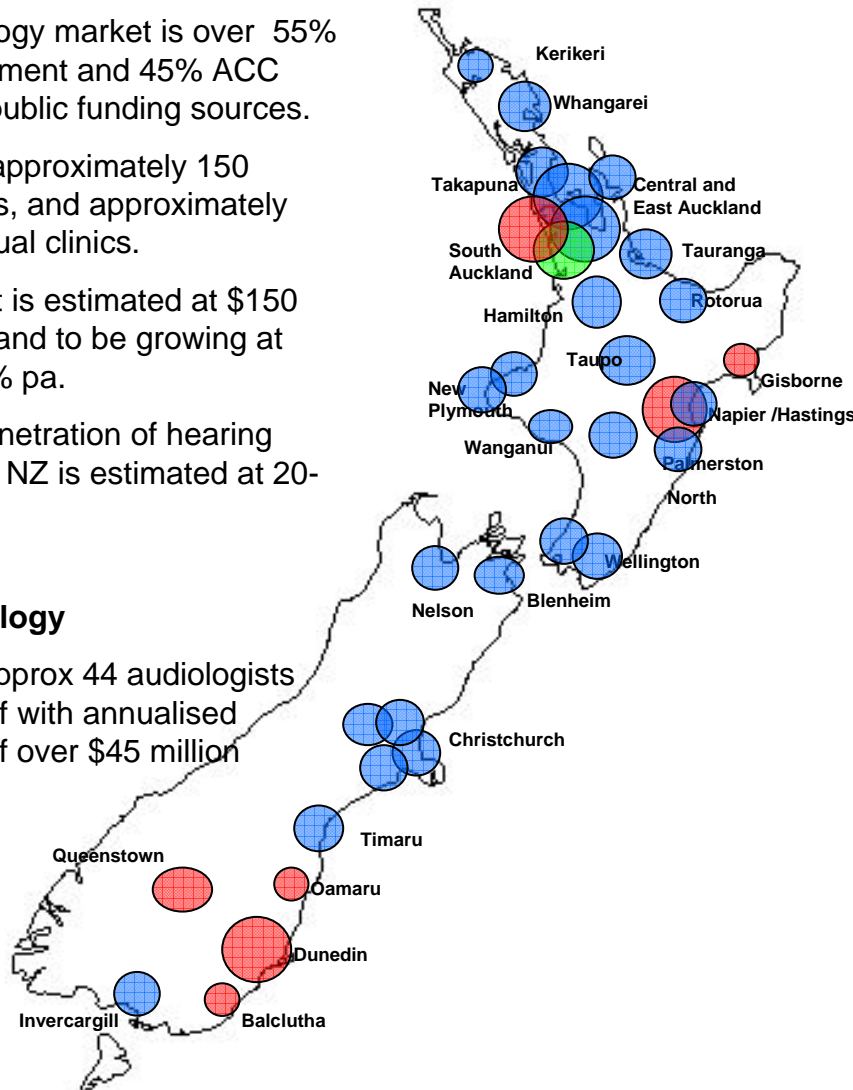
There are approximately 150 audiologists, and approximately 150 individual clinics.

The market is estimated at \$150 million pa, and to be growing at around 10% pa.

Level of penetration of hearing impaired in NZ is estimated at 20-30%.

Bay Audiology

We have approx 44 audiologists and 81 staff with annualised revenues of over \$45 million



Bay Audiology - 44 existing clinics including:

Kerikeri	Wellington	Taupo
Whangarei	Kapiti Coast	Hamilton
Auckland	Christchurch	Nelson
Wanganui	Hastings	Blenheim
Timaru	Rotorua	Thames
New Plymouth	Invercargill	



Dilworth Audiology - 5 existing clinics

Owned 40% through Bay

Auckland – Epsom, Remuera, Takapuna, St Heliers, Howick



Potential clinics

- Auckland
- Gisborne
- Napier
- Otago
- Dunedin
- Southland/Central

Bay Audio Australia Strategy - Grow and Expand



Market Size

The Audiology market is split 80% by OHS and 20% private payment.

There are approximately 1,350 Audiologists and approximately 350 full time clinics.

The market is estimated at over A\$800 million pa.

Market has grown by over 10%pa for the last ten years.

Level of hearing impaired in Australia is estimated at 20% – 30%.

Bay Audio

We have 8 audiologists and audiometrists and 14 staff with annualised revenues of over \$6 million



Bay Audio - 19 existing clinics

Queensland Brisbane, including:

- | | |
|------------|---------------|
| Clayfield | Cannon Hill |
| Newmarket | Browns Plains |
| Hervey Bay | Bulimba |
| Bundaberg | Wynnum |
| Cooparoo | Southport |



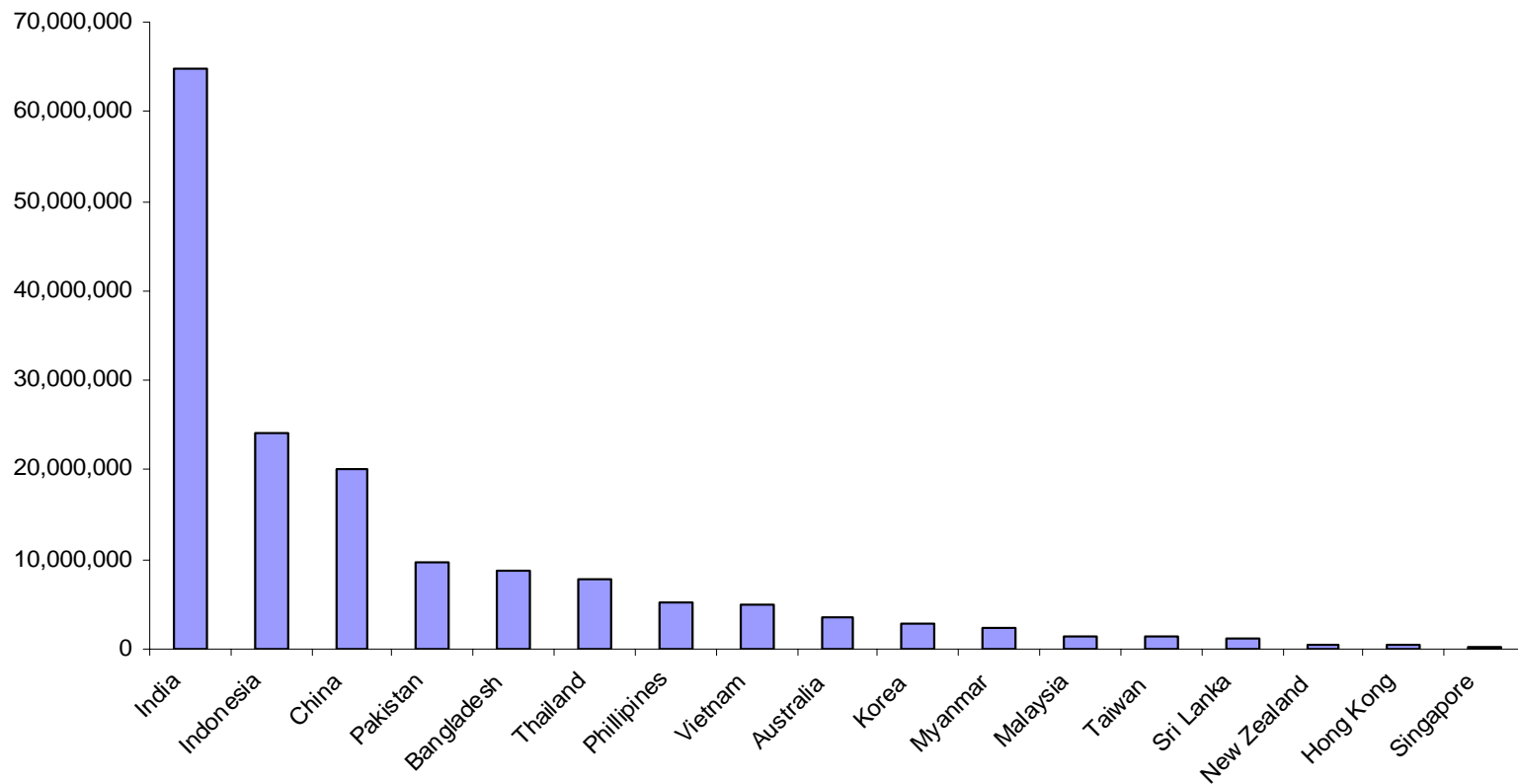
Potential clinics

- Queensland
- New South Wales
- Australian Capital Territory
- Victoria
- South Australia

Abano Audiology Asia Opportunity



Number of Hearing Impaired



Lumino Care Dental Strategy - Grow and Expand



Market Size

The Dental market is 99% private payment.

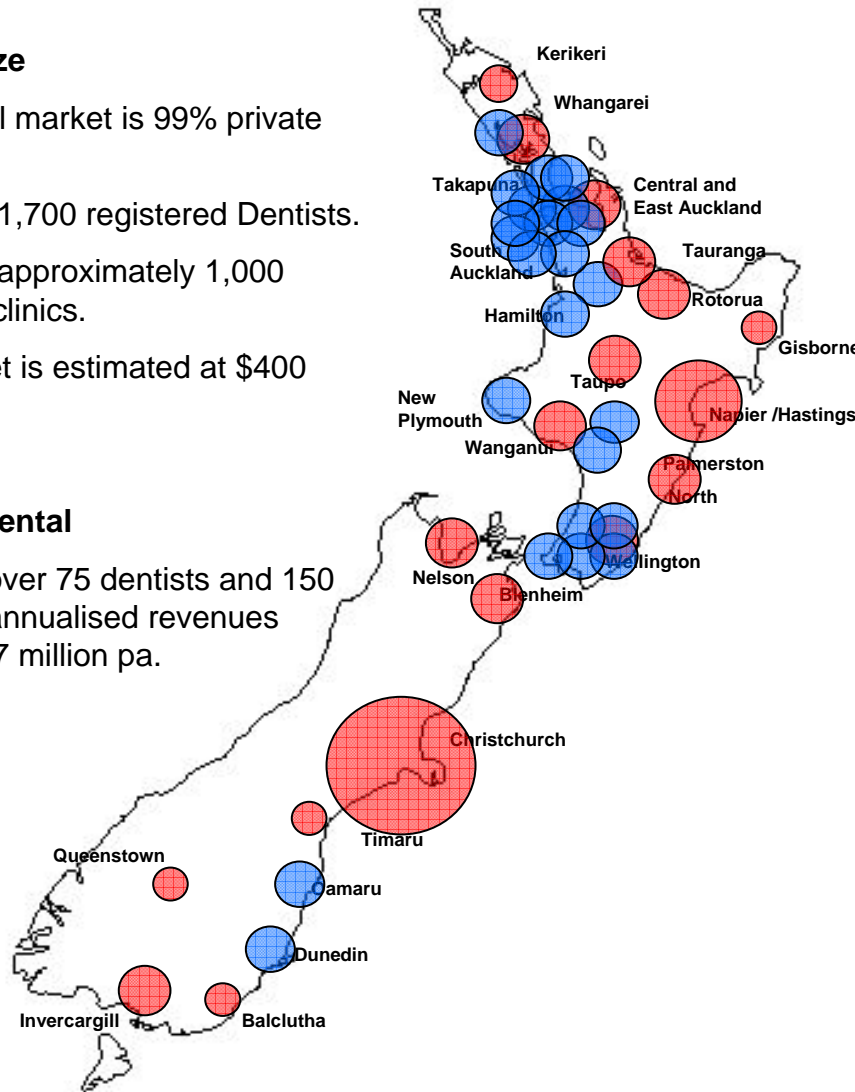
There are 1,700 registered Dentists.

There are approximately 1,000 individual clinics.

The market is estimated at \$400 million pa.

Lumino Dental

We have over 75 dentists and 150 staff with annualised revenues of over \$27 million pa.



Abano Dental – 30 existing clinics including:

Auckland

- University
- Henderson
- Mt Roskill
- New Lynn
- Botany Downs
- Takapuna
- Panmure
- Victoria Ave
- Remuera Road

Wellington

- Miramar
- The Terrace
- Courtney Place
- Dixon Street
- Lower Hutt

- Whangarei
- Dargaville
- Orewa
- Red Beach
- Hamilton
- Te Awamutu
- Palmerston North
- New Plymouth
- Oamaru
- Dunedin



Potential Clinics

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

Ascot Radiology Strategy - Grow and Expand



Market Size

The Radiology market is estimated to be 65% Private, 30% ACC and 5% DHB payment.

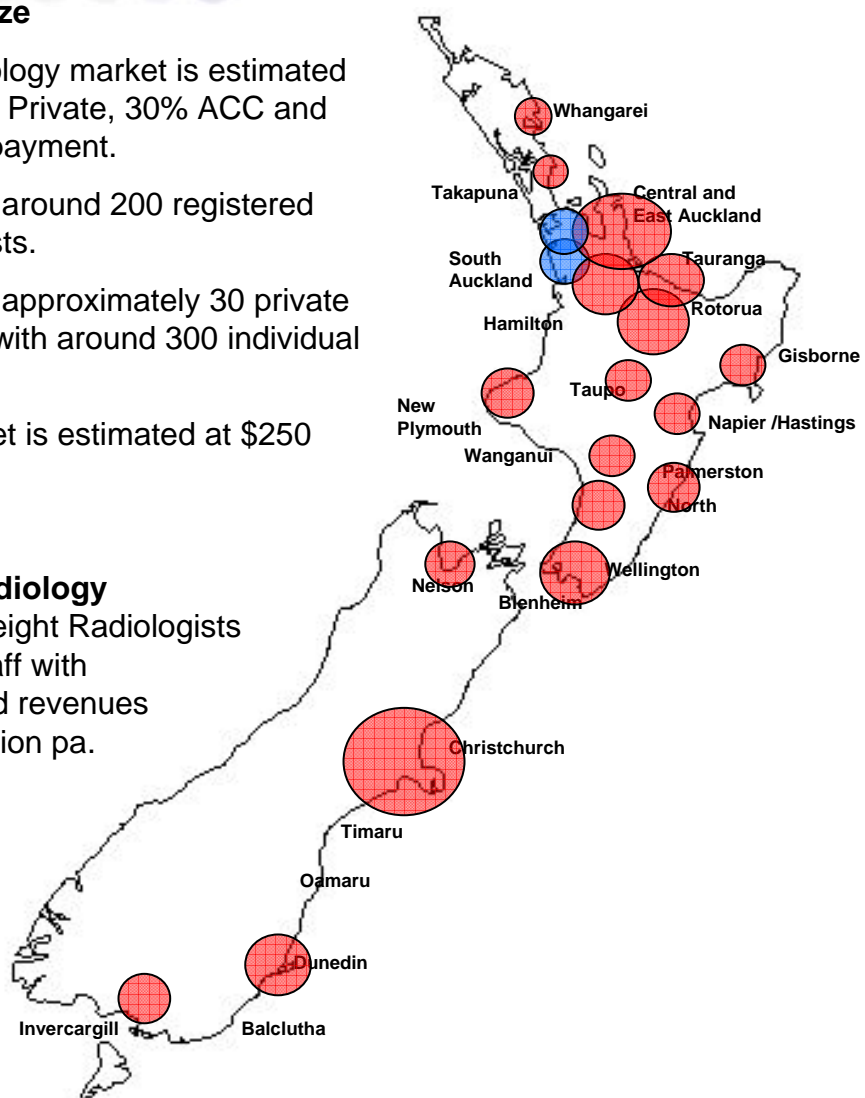
There are around 200 registered Radiologists.

There are approximately 30 private practices with around 300 individual clinics.

The market is estimated at \$250 million pa.

Ascot Radiology

We have eight Radiologists and 37 staff with annualised revenues of \$10 million pa.



Existing Practice

Auckland - Ascot Radiology

Greenlane Imaging



Private Radiology Market

Orthotics Strategy – Hold and Maintain



Market Size

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

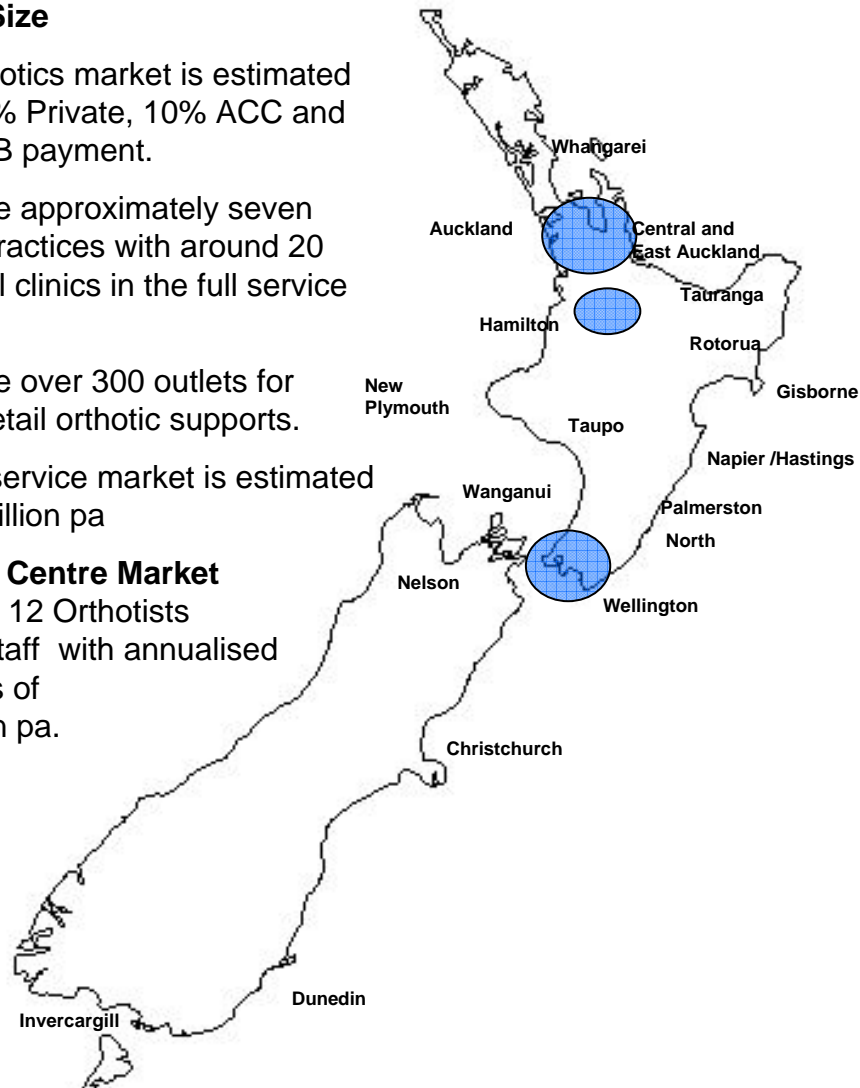
There are approximately seven private practices with around 20 individual clinics in the full service area.

There are over 300 outlets for private retail orthotic supports.

The full service market is estimated at \$12 million pa

Orthotic Centre Market

We have 12 Orthotists and 40 staff with annualised revenues of \$8 million pa.



Orthotics Centre – 3 existing practices

Auckland

Hamilton

Wellington

Brain Injury Rehabilitation Strategy Hold and Maintain



Market Size

The Rehabilitation market is 95% ACC and MOH funded.

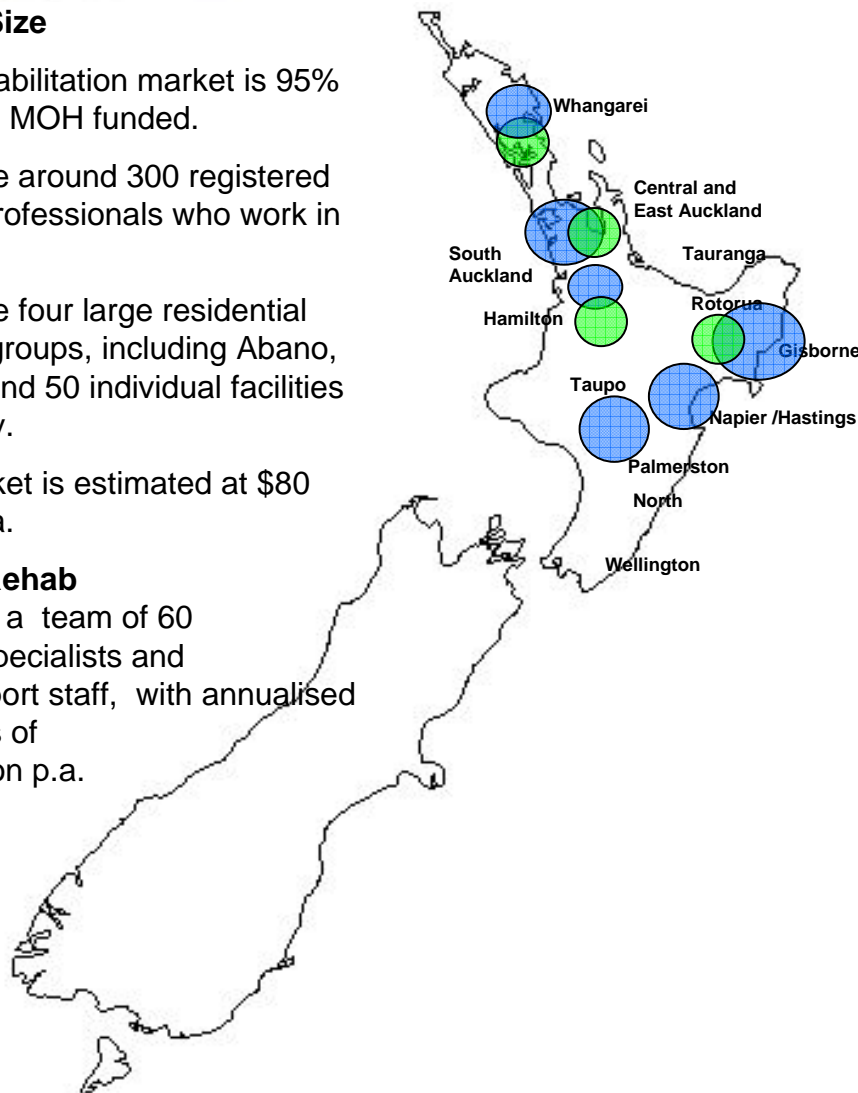
There are around 300 registered clinical professionals who work in this area.

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

The market is estimated at \$80 million pa.

Abano Rehab

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

Aotea Pathology Strategy - Hold and Maintain



Market Size

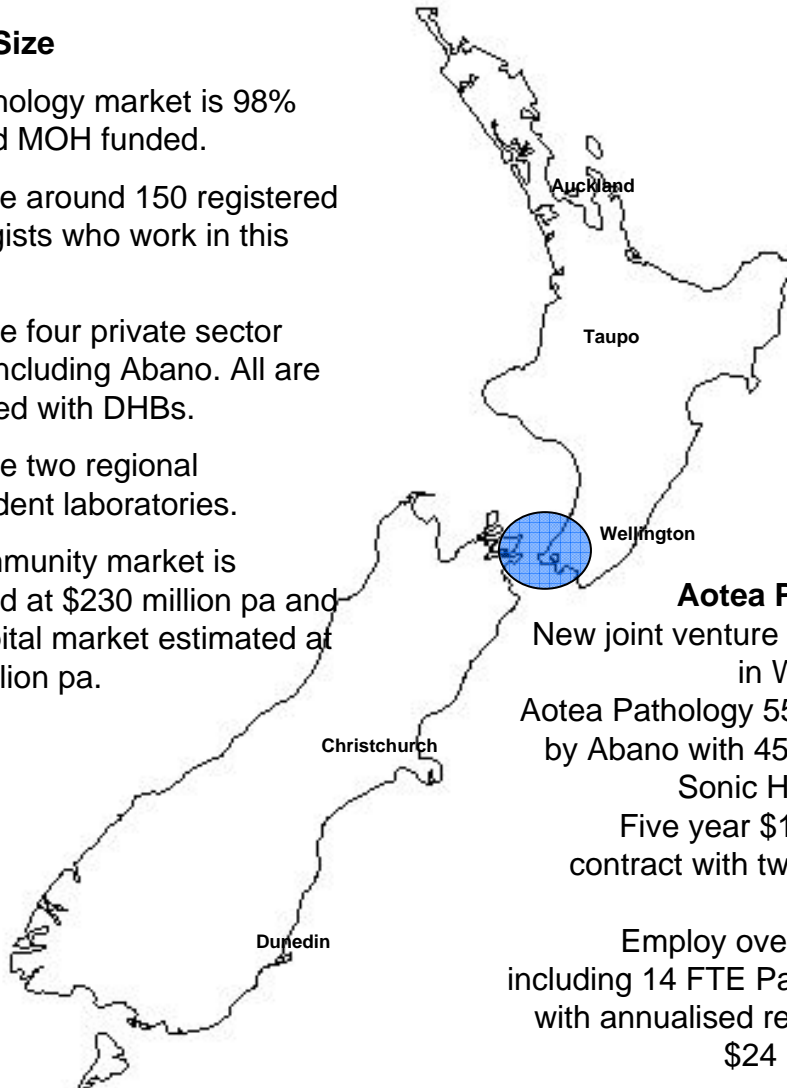
The Pathology market is 98% DHB and MOH funded.

There are around 150 registered Pathologists who work in this area.

There are four private sector groups including Abano. All are contracted with DHBs.

There are two regional independent laboratories.

The community market is estimated at \$230 million pa and the hospital market estimated at \$250 million pa.



Existing Laboratory Facilities and coverage

Aotea Pathology

Wellington

Hutt Valley

Kapiti Coast

Aotea Pathology

New joint venture laboratory in Wellington.

Aotea Pathology 55% owned by Abano with 45% held by Sonic Healthcare.

Five year \$102 million contract with two regional DHB's.

Employ over 250 staff including 14 FTE Pathologists with annualised revenues of \$24 million pa.

Abano: A New Zealand Success Story

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

