

# Chairman's Address



## Financial Performance 2005

	<u>2004</u>	<u>2005</u>
Revenue	<b>\$64.9</b>	<b>\$66.7</b>
EBITDA	<b>\$6.8</b>	<b>\$7.6</b>
NPAT	<b>\$(0.5)</b>	<b>\$(0.0)</b>



## Highlights 2004

- Announced sale of ElderCare to The Macquarie Group for \$63.5 million
- Rebranding of dental network – now Lumino Dental
- Acquisition of Victoria Ave Dental, Dargaville Dental and Auckland Dental Group
- Acquisition of 40 percent of Ascot Radiology



## Growth and acquisition

- National rollout of Lumino Dental
  - Excel Dental in Hamilton and Te Awamutu
  - Karen Harris Dental in Wellington
- Acquisition of 70 percent of Orthotic Centre NZ Limited
- Acquisition of 70 percent of Bay Audiology
- Merger discussions with Sonic Healthcare



Orthotic Centre



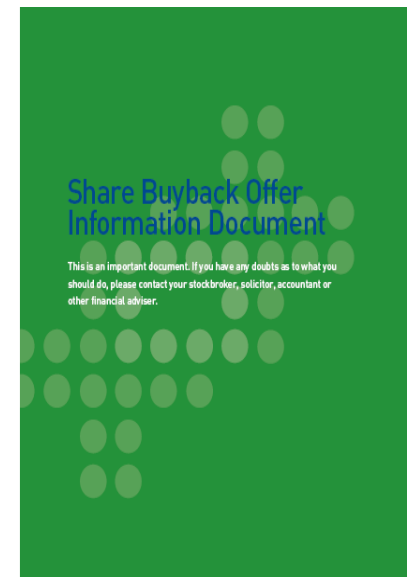
**BAY** AUDIOLOGY  
THE HEARING EXPERTS



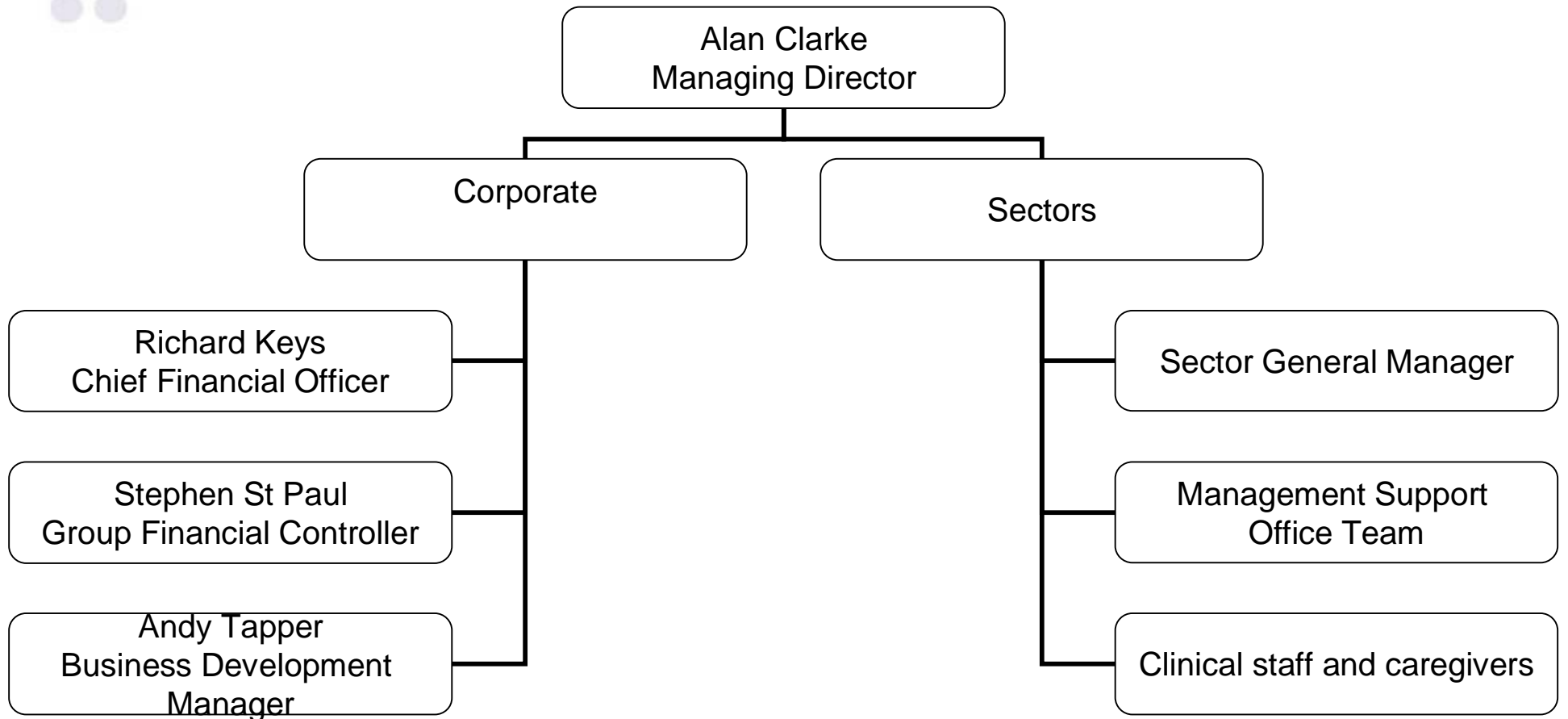


# Returning benefit to our shareholders

- One for six share buyback
  - Very positive response
  - \$10 million distributed to shareholders
- 2006 - Initiate annual dividend programme



# Our People



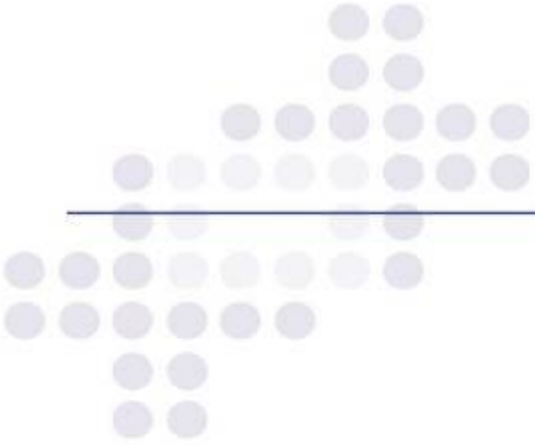
## Our Outlook

- Growing demand
  - Pressure on Government funding  Increase in private payment
  - Abano in strong position
    - Solid portfolio
    - Potential for future development
    - Experienced and professional healthcare and management teams
-



## Performance 2006

- Diagnostics – on budget
    - Pathology in line with previous year
    - Radiology strongly up on last year
  - Dental – well up on last year, coming into line with budget
  - Rehabilitation – currently down on budget, showing improving performance
  - Half year results well down on last year due to sale of aged care business
  - Expect core consolidated full year pre-tax to exceed 2005 performance
-



**Alan Clarke – Managing Director**

**The Group's Future Direction**

---

## Operational Performance 2005

- Aged Care
    - Improved occupancy and costs held
    - Successful sale
  - Diagnostics
    - Pathology and four months of Radiology with steady improvement
    - DHB contract negotiations result in possible merger with Medlab Wellington and Sonic Healthcare's Valley Diagnostics
  - Rehabilitation
    - ACC contract changes absorbed improved contract prices expected
    - Management and clinical changes made
  - Dental
    - New brand launched Lumino and Fly Buys
    - Three new practices successfully amalgamated
-

## Progress following year-end

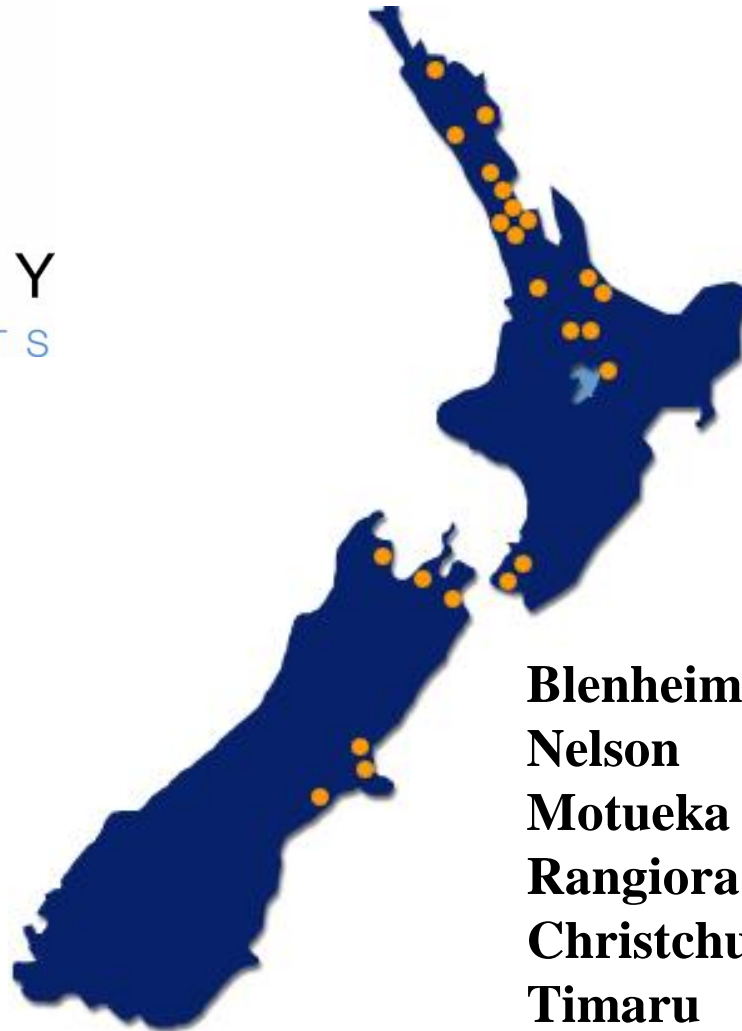
- Balanced income streams
    - 40% private 30% ACC and 30% DHB
  - Acquisitions announced in Orthotics and Audiology
  - Andy Tapper appointed as General Manager - Business Development
-



**BAY AUDIOLOGY**  
THE HEARING EXPERTS

**Hamilton**  
**Tauranga**  
**Mt.Maunganui**  
**Taupo**  
**Masterton**  
**Wellington**

**Matamata**  
**Rotorua**  
**Tokoroa**  
**Kapiti Coast**  
**Lower Hutt**  
**Miramar**

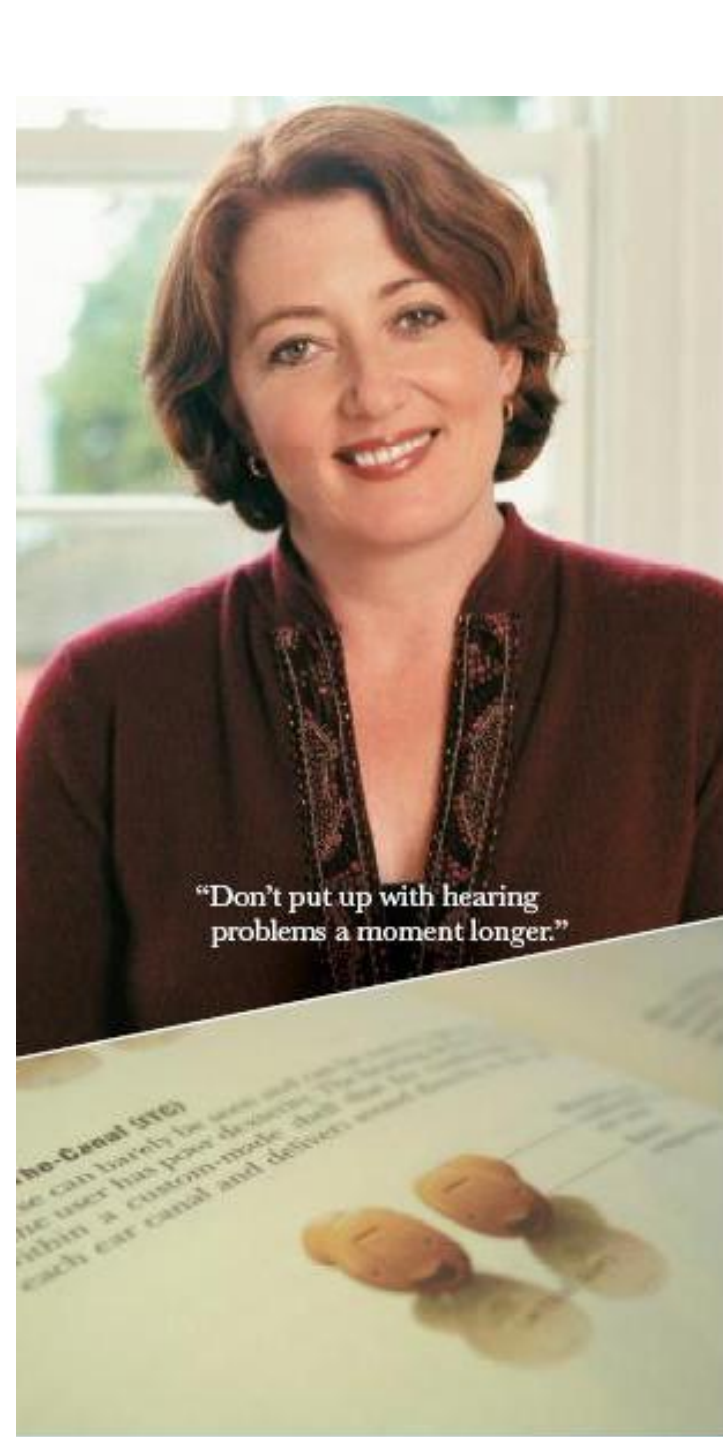


**Blenheim**  
**Nelson**  
**Motueka**  
**Rangiora**  
**Christchurch**  
**Timaru**  
**Oamaru**

**Kerikeri**  
**Whangarei**  
**Dargaville**  
**Wellsford**  
**Red Beach**  
**Takapuna**  
**Henderson**  
**Papakura**  
**Pukekohe**  
**Papatoetoe**

## BAY AUDIOLOGY

- Hearing aid consultation and diagnostic evaluations with for both adults and children
- Tests of central auditory function
- Audiometric assessment for civil aviation, diving and pre employment medicals
- Customised tailored fitting of the most appropriate and latest digital high tech hearing aids where required
- Hearing aid servicing and testing



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

## Return on Bay Investment

- 70% acquired for \$21 million
- Put and Call for 30% in 2010
- Annual revenue \$21 million
- EBITDA > 26% of revenue



**BAY** AUDIOLOGY  
THE HEARING EXPERTS

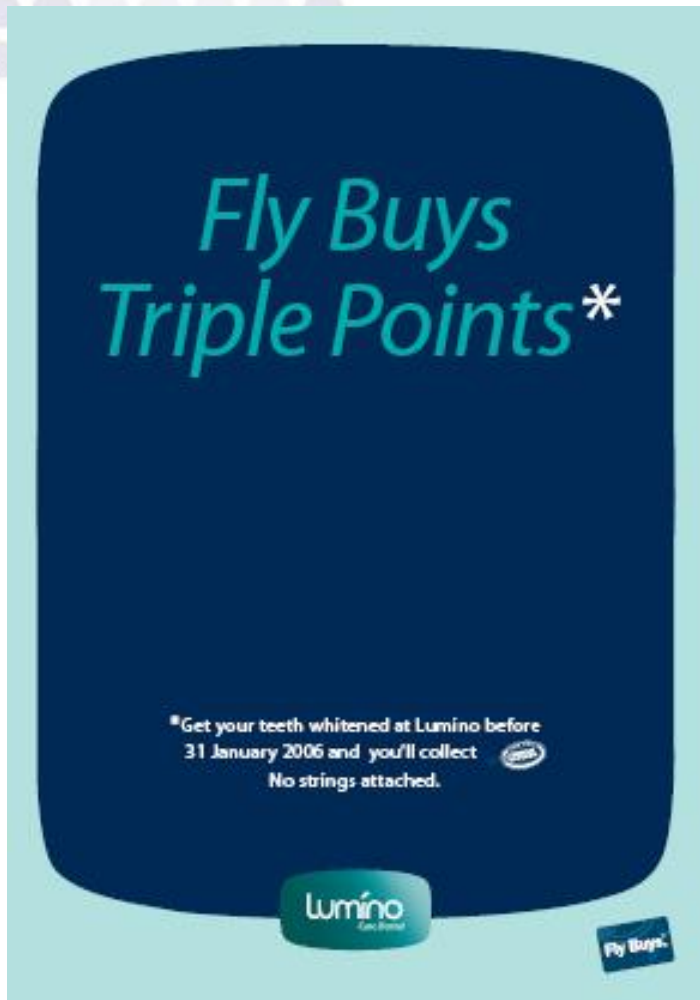
---



# Orthotic Centre

---



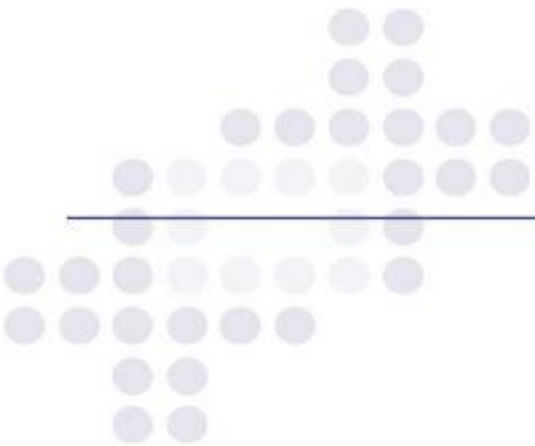


## LUMINO DENTAL

- All Geddes clinics re-branded
- Victoria Avenue Dental
- Dargarville Dental
- Hamilton and Te Awamutu Dental
- Karen Harris Wellington

## AUCKLAND DENTAL GROUP





# **Annual General Meeting 2005**

## **Abano Healthcare Group Limited**

### **Thank You**

---