

ABANO HEALTHCARE GROUP CONFIRMS BANKING ARRANGEMENTS AND CONTINUES GROWTH

Abano Healthcare Group has confirmed funding arrangements with its banking partners, enabling it to continue the growth of its key businesses.

Abano has announced further new acquisitions and greenfield site openings in its dental and audiology networks in both Australia and New Zealand, which are expected to add more than NZ\$9 million to the Group's annualised revenue.

Abano's growth strategy is well established and supported by long term banking partners. In New Zealand, the Abano Group has committed debt funding lines of NZ\$80 million, with an additional uncommitted facility of NZ\$20 million, through an established cashflow banking agreement with the ASB Bank. This expires in 2010 with agreed rollover provisions.

In addition, there is a separate five year, A\$25 million cashflow lending facility with Commonwealth Bank of Australia (CBA), which is ring fenced as a dedicated facility to fund the acquisition growth of Dental Partners, in addition to the original capital injection of A\$12 million. CBA have indicated their interest in increasing these dedicated facilities as the business grows.

Both committed banking facilities are based on margins and terms agreed prior to the current credit crisis.

In New Zealand, Lumino The Dentists has acquired Auckland based specialist paediatric dental practice, Kidz-Teeth, in line with its strategy to increase the specialist dental services offered through the Lumino network. Lumino The Dentists now has 130 clinicians practicing in 39 clinics in 14 towns or cities around New Zealand.

In Australia, Abano's dental business, Dental Partners, has recently acquired two leading practices, increasing its network from nine to 11 practices. The business is on track to meet its target of up to 19 practices in the Australian dental market by the end of the 2009 financial year.

The two acquisitions announced today include Modern Dentistry in Canberra, a large and highly respected seven chair group practice with five full time dentists and two hygienists in the CBD of the Australian capital. The second acquisition sees Dental Partners extending its network of practices in Sydney to include Greenwood Dental, another high profile eight chair practice in a prime corner location in the CBD of North Sydney. The annualised revenue of the 11 Dental Partners practices is now in excess of A\$20 million per annum.

Andy Tapper, managing director of Abano Dental, said, "We are delighted at the progress being made in both New Zealand and Australia. Our model of partnership and support is being well received with growing interest from the profession on both sides of the Tasman.

"Abano's trans-Tasman Dental group now has annualised revenues of over NZ\$60 million with 50 practices and more than 170 clinicians making us one of Australasia's largest dental business."

Bay Audio in Australia has also continued its growth, following the recently announced acquisition of King Hearing from the Siemens Hearing Instruments Group in July. Two new Queensland clinics have been opened in Noosa and Runaway Bay, expanding the Bay Audio network to 51 fulltime and satellite clinics with more clinics planned to open in coming months. This makes Bay Audio one of the largest audiology providers in Queensland, with growth plans in place for the Queensland/Northern NSW region and beyond in 2009.

The Bay Audiology business in New Zealand has also increased the size of its network with the opening of new full time clinics in Palmerston North and in the Pakuranga and St Lukes shopping malls in Auckland; the transition of satellite clinics to full time clinics in Richmond and Whakatane; and establishing two new satellite clinics in Taumaranui and Tawa.

Executive chairman of Bay International, Peter Hutson, commented: "The continued growth of our group in both Australia and New Zealand is very pleasing and we now have two established and solid organisations to work from.

"We are looking to add a superior customer experience to our high quality audiology services. Changing consumer behaviours means more and more of our new clinics are based in major shopping malls, in line with our strategy to create a retail-focused audiology service which is easily accessed by our customers."

Abano's trans-Tasman audiology networks now have annualised revenues of over NZ\$60 million per annum with over 110 full time and satellite clinics and 73 audiologists and clinical staff making the Bay group one of South-East Asia's largest audiology companies.

ENDS

For more information, please call:

Alan Clarke
Managing Director
Tel: 09 300 1412 Mob: 021 368818

Richard Keys
Chief Financial Officer
Tel: 09 300 1413 Mob: 0274 818 368

Notes:

Abano Healthcare Group is New Zealand's leading listed specialist healthcare investor and operator, with businesses in four sectors – audiology, rehabilitation, diagnostics and dental.

Existing subsidiary entities include:

Abano Audiology – Bay Audiology (70 percent), Dilworth Hearing (40 percent owned by Bay Audiology), Bay Audio Pty in Australia (82 percent owned by Bay Audiology), Bay Audiology South (85 percent owned by Bay Audiology)

Abano Rehabilitation - Burtons Healthcare, Health Partners, Ranworth Healthcare, Orthotic Centre (100 percent)

Abano Diagnostics - Aotea Pathology (55 percent), Ascot Radiology and Greenlane Imaging (73 percent)

Abano Dental - Lumino The Dentists (100 percent), Dental Partners in Australia (70 percent), Kidz-Teeth (70% owned by Abano Dental)

Released on behalf of Abano Healthcare Group by Jackie Fairbairn, spice communications group. Tel: 09 3608500 or mobile: 027 246 2505