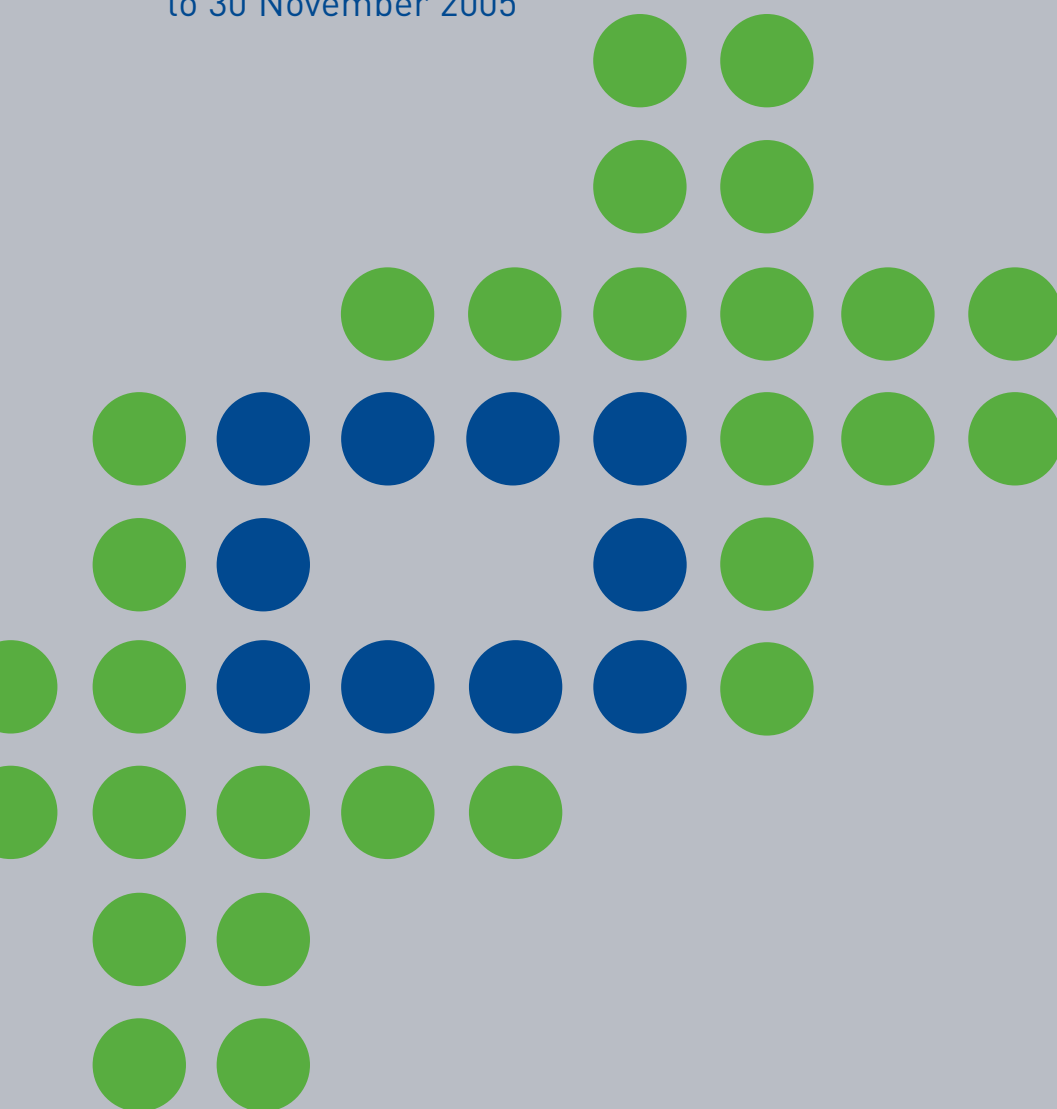


Abano Healthcare

Six Month Report to Shareholders 2006

For the six month period
to 30 November 2005





CONTENTS

Company Structure	2
<hr/>	
Summary	3
<hr/>	
Chairman's Report	4
<hr/>	
Consolidated Income Statement	10
<hr/>	
Consolidated Statement of Changes in Equity	11
<hr/>	
Consolidated Balance Sheet	12
<hr/>	
Consolidation Statement of Cash Flows	13
<hr/>	
Notes to the Financial Statements	
1. Statement of Accounting Policies	14
2. Segment Information	18
3. Property, Plant and Equipment	18
4. Investments in Subsidiaries	18
5. Capital and Reserves	19
6. Borrowings	19
7. Subsequent Events	20
8. Reconciliation of Operating Cash Flows	20
9. Explanation of Transition to NZ IFRS	21
<hr/>	
Directory	
<hr/>	

COMPANY STRUCTURE

Abano Healthcare Group's aim is to establish a strong portfolio of healthcare and medical services businesses that are positioned to take advantage of the growing demand for healthcare from our rapidly ageing population.

These businesses must all provide returns on investment that exceed our cost of capital; generate balanced revenue streams with a particular focus on private revenue; and show significant opportunities for future growth and development. We currently have ten businesses in four market sectors – Audiology, Dental, Diagnostics and Rehabilitation.



SUMMARY OF ACTIVITY

- Adoption of New Zealand International Financial Reporting Standards (NZ IFRS) during the period, with comparatives restated to provide an accurate comparison.
- Following the gain on sale of ElderCare, Net Profit After Tax (NPAT) is significantly higher at \$14.2m (\$0.6m for the corresponding period last year). Excluding the gain on sale of ElderCare, NPAT for the six months to 30 November 2005 is \$1.1m.
- Total revenues for the six months to 30 November 2005 were \$29.8m (\$33.0m for the corresponding period last year), with Earnings Before Interest and Tax (EBIT) of \$1.5m (\$2.4m for the corresponding period last year).
- July 2005 – Settled the sale of ElderCare to the Macquarie Group for \$63.5m on 13 July 2005 with a gain on sale of \$13.1m.
- August 2005 – Returned \$10m to shareholders through a one-off, voluntary, off market 1:6 share buyback and cancellation at \$2.20 per share.
- October 2005 – Acquired 70 percent of Bay Audiology with a put call option to acquire the remaining 30 percent between 2010 and 2012.
- October 2005 – Acquired 70 percent of Orthotic Centre (NZ) Limited with an option to acquire the remaining 30 percent by July 2008.
- Continued the national rollout of the Lumino dental network with the acquisition of practices in Hamilton, Te Awamutu and Wellington.
- Bank debt reduced from \$33.0m to \$9.2m with a new facility put in place subsequent to period end to fund further acquisitions.
- Elected two new independent directors to the Abano board – Mr Trevor Janes and Mrs Susan Paterson – following the retirement of Mr Maurice Kidd and Dr Clint Teague and re-elected Mr Phillip Newland as an independent director. The Board now consists entirely of independent directors and the CEO.

	Six months to 30 November 2004 (\$ms)	Six months to 30 November 2005 (\$ms)
Revenue	33.0	29.8
EBITDA	4.0	2.7
EBIT	2.4	1.5
NPAT	0.6	14.2
Core NPAT	0.6	1.1
Core EPS (cents)	2.34	4.49

CHAIRMAN'S REPORT

EXECUTIVE SUMMARY

Abano Healthcare Group has made steady progress in the six month period to 30 November 2005, with a number of positive changes to the company's portfolio of healthcare and medical services businesses.

One month into the current financial year, we completed our planned exit from the capital-intensive aged care sector, with the sale of ElderCare to the Macquarie Group. This resulted in a one-off capital gain of \$13.1m, with a corresponding loss of revenue and earnings from this business for the remainder of the half year period.

We then concluded two new investments in October 2005, Bay Audiology and the Orthotic Centre. Both these new businesses are performing to acquisition expectations, and provided just under two months' contribution to the Group's half year performance. The full impact of these businesses on the Group's consolidated performance will not be seen until the 2006/07 financial year.

We also continued the nationwide rollout of our new dental brand, Lumino, with the acquisition of three new dental practices across the North Island.

In addition, we returned \$10m to shareholders through a one-off, voluntary, off market 1:6 share buyback and cancellation at \$2.20 per share.

Operationally, we have seen varied performances from our businesses as they face challenges in the healthcare market, including new contract negotiations with Accident Compensation Corporation (ACC), tender processes with District Health Boards (DHBs) and union discussions. An improvement was shown in the Diagnostic businesses; the Dental businesses showed a marginal increase and soft trading was experienced in our brain injury rehabilitation businesses. Our orthotics, audiology and radiology businesses performed to plan.

Regrettably, an employee fraud was discovered in early November 2005. The fraud offense was for an annual net impact of approximately \$77,000 and was committed over the past six years by a long standing and trusted employee in one of Abano's subsidiary businesses. Following discovery, the employee was instantly dismissed. As the majority of the fraud occurred in prior periods, there was no impact on the results in the period under review.

It is a board policy to prosecute all fraud or thefts, and we therefore referred the matter to the Serious Fraud Office where it is currently under investigation. We expect charges to be laid. In parallel to this, we have undertaken a full audit of the Group's financial statements and controls, and have implemented new accounting and audit procedures to prevent such an incident happening again.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

After careful consideration, we have decided to adopt the new NZ IFRS for the 2006 financial year. The accounts which accompany this report have been prepared in the NZ IFRS new format which has involved restating opening balances and comparative figures as reported in last year's half yearly accounts booklet. This has been performed in accordance with NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards.

The impact of these changes in reporting is outlined in the accompanying notes.

FINANCIAL PERFORMANCE

All comparative results for the previous corresponding 2005 half year period have been re-stated in line with NZ IFRS.

Results for the six months to 30 November 2005 were in line with expectations, with a Net Profit After Tax (NPAT) of \$14.2m (\$0.6m for the corresponding period last year).



Overall, the Group's results were impacted by the settlement of the ElderCare sale, one month into the current financial period, with a corresponding loss of income from this business. Bay Audiology and Orthotic Centre (NZ), which both settled in October 2005, provided just under two months of revenue to the Group's consolidated results for the six month period.

Revenue at \$29.8m was slightly down on the previous corresponding period (\$33.0m).

Earnings Before Interest and Tax (EBIT) of \$1.5m was achieved, with an overall Core NPAT of \$1.1m. This compares to an EBIT of \$2.4m and Core NPAT of \$0.6m in the previous corresponding half year period.

With the reduction of debt and one-off gains made on interest rate hedging, which were closed out following the sale of ElderCare, net interest costs reduced significantly to \$0.1m, compared to \$1.4m for the corresponding period last year.

BANKING

Following the sale of ElderCare, Abano's banking arrangements changed from a property secured banking facility to a cashflow secured banking facility. A review of banking providers was subsequently undertaken and, following the half year period and a competitive tender process, Abano has moved its banking facilities to ASB Bank Limited. This new banking partnership and facility will enable us to continue with our acquisition and development plans while ensuring an effective use of the Group's balance sheet.

DIVESTMENTS AND ACQUISITIONS

During the half year period, Abano's portfolio changed significantly. In July 2005 we completed the sale of ElderCare for \$63.5m, and in October 2005 we invested in the Audiology and Orthotics sectors. Both investments are profitable businesses that provide returns that exceed our cost of capital; generate balanced revenue streams, with a particular emphasis on non-DHB generated income streams; and show future potential for growth and development.

We entered the audiology market with the acquisition of 70 percent of Bay Audiology, New Zealand's only national audiology service provider, for an investment of \$21m. The remaining 30 percent is held by Bay's three founding clinical directors, who have remained as partners to continue to expand and grow the business.

After a five year period, Abano has the ability to acquire their shareholdings with a put and call option, based on a floor price and earn out calculated on profitability.

We also acquired 70 percent of Orthotic Centre (NZ) Limited, with an initial investment of \$4.5m. The remaining 30 percent will be acquired through a second transaction by July 2008, on an earn out and floor price basis.

With the continued rollout of our national dental network, under the Lumino brand, there were further practice acquisitions in Hamilton, Te Awamutu and Wellington. Since the end of the half year period, we have acquired, or announced acquisitions, of a further three dental practices in Palmerston North, Wellington and Dunedin.

With significant balance sheet capacity, the Group is analysing a number of further acquisitions, as we look to grow our portfolio. Any future acquisitions will ensure we are operating in sectors that are positioned to take advantage of the growing demand for healthcare and medical services, and will offer attractive returns for our invested capital.

SECTOR PERFORMANCE

AUDIOLOGY

Bay Audiology is New Zealand's only national service provider of audiology services. The business provided just under two months results to the Group's performance, following acquisition of 70 percent of the business in October 2005.

The demand for audiology services has been growing strongly, with hearing problems affecting approximately 400,000 or 1 out of 9 New Zealanders. Although hearing loss is more common amongst those aged over sixty, hearing problems can and do affect all ages.

Our focus for Bay Audiology is to build on the business' positioning as the leading provider of audiology services in New Zealand, and grow the network through the acquisition of clinics or development of green field sites.

Subsequent to the end of the half year period, Bay has opened two further branches – one in Auckland and one in Christchurch - extending the network to 16 branches and 17 satellite clinics across the country. Further opportunities are being explored and we will continue to expand the Bay business as prospective new sites or clinics are identified.

In line with Abano's acquisition guidelines, non-DHB funded income makes up over 98 percent of this business' revenue. The ACC, an important client for Bay Audiology, is currently in discussions with all audiologists in New Zealand with respect to their national contract. We are working closely with Bay's management team to ensure Bay continues to operate as a preferred audiology provider for this client.

The private audiology market makes up about half of Bay's national business; this is expanding with the development of high profile, ground floor retail clinics such as those recently opened in Christchurch at Ferrymead and in Newmarket, Auckland.

CHAIRMAN'S REPORT continued

DENTAL

Abano operates two brands in the dental sector – New Zealand's only national dental brand, Lumino, and the Auckland Dental Group.

The business has undergone a significant change in focus over the past six months, with the discontinuation of services for the Government funded Community Card holders and an emphasis placed on privately funded, comprehensive, full service dentistry. This has removed the business' reliance on Government funding, apart from the two mobile bus services that visit schools in Auckland.

During the half year period, the business placed a strong emphasis on completing the repositioning of the Lumino brand. In addition, we accelerated our investment in a number of new management tools, such as the Prime Practice management initiative, which has dramatically improved clinical practice, with significant increases in many dentist clinical day billings. The IT platform - Software of Excellence - also underwent further refinement to improve management reporting and the Fly Buys programme was extended in scope.

Three new practices were acquired during the six months under review, with a further three practices acquired subsequent to the end of the half year period. Further acquisitions are planned in coming months.

The implementation of these management changes, whilst improving the average dentist yield, created one-off investment costs that will be phased down in coming months.

This has meant that operating profit for the sector was modest, and below expectations for the period; and we are forecasting that the full year will also be down on plan. Lumino now has 20 practices across New Zealand, seven of which were acquired during the current financial year to date, and we will continue to rollout the national network in the months ahead.

As these clinics come on stream, together with the profit improvements in existing clinics, we expect profit to exceed our cost of capital in the 2007 financial year.

DIAGNOSTICS

We operate in two areas of the diagnostics sector, community pathology and radiology.

Community Pathology

Abano has two community pathology businesses, one in Wellington, and one in Nelson. The community pathology market is currently undergoing significant change, as DHBs, who fund 100 percent of this business, look to increase cost efficiencies through new tender and contract processes. We are working closely with the relevant DHBs and other community pathology providers, to ensure we are positioned to offer the most desirable service offer for the communities our laboratories serve.

To enable some cost benefits and economies of scale, Medical Laboratory Wellington and Sonic Healthcare's community pathology laboratory in Hutt Valley, applied to the Commerce Commission for approval to form a joint venture/merger for the greater Wellington/Hutt Valley region. This was approved on 31 January 2006.

We have since agreed with Sonic that we will hold 55 percent of the equity in the joint venture; however we will have full access to the Sonic Healthcare pathology network for support and purchasing. On 17 February 2006 we lodged a joint response to the Request For Proposal (RFP) for the provision of community diagnostic services for the Capital and Coast DHB, and Hutt Valley DHB.

In addition, our Nelson Diagnostics laboratory business also responded on 3 March 2006 to a similar RFP for the region's pathology work. This includes the possibility for both community and/or hospital diagnostic laboratory work for the Nelson Marlborough DHB. We hope to hear the outcome from these tenders in the next few months, and will keep shareholders informed of our progress.

Both laboratories performed well in the period in review and we believe the full year will be an improvement on plan.

Radiology

Abano has a 40 percent share in Ascot Radiology in Auckland, with an option to acquire a further 40 percent by May 2007. Our radiology business continues to show consistent performance, as it invests in and markets new technologies and radiology services.

The business grew in the six months under review and exceeded plan. Allowing for the historical slow down over the summer break, this business is forecast to come in ahead of plan for the full year. Positively, Ascot Hospital has advised of its intention to extend the Hospital by a further 15 rooms and additional specialist clinical rooms. This will increase the hospital patient through-flow with an expected increase in referrals for Ascot Radiology.

Ascot Radiology has continued to invest in leading edge technologies, and recently introduced PACS, a remote imaging technology which allows the practice to electronically send digital images for all procedures directly to the referrer's surgeries. As well as increasing the quality of service provided by Ascot Radiology, the new system will also help to reduce costs to the business.

REHABILITATION

Abano has businesses in two areas of the rehabilitation sector – community and residential rehabilitation services, and orthotic services.

Community and Residential Rehabilitation

Our community and residential businesses, Ranworth Healthcare, Health Partners and Burtons Healthcare, had a challenging first half

as they continued to restructure to meet the new ACC contract conditions, as advised last year. The practices have now streamlined and improved services following extensive negotiations to secure new contract pricing with ACC, which took effect from 1 December 2005.

The benefits from these new contracts will only be partially seen in the second half of the year, as the practices rebuild referrals and overcome the effect of the extended summer break when clients do not access the service. We have also reviewed our overall offer and discontinued services that do not meet our return guidelines, while focusing on new and more profitable opportunities within this sector.

The businesses reported a soft first half and the sector's result will be down on plan for the full year as they rebuild referrals under the new contract rates

Orthotics

The Orthotic Centre is New Zealand's foremost supplier of orthotic services and specialist products and has revenues of over \$5m per year. Abano acquired 70 percent of the business in October 2005, and results to date are in line with projections.

The business was founded in Auckland over 15 years ago, and expanded operations to Hamilton and Wellington, setting up joint venture companies with locally based orthotists.

The business derives one third of its income from DHB contracts in Auckland, Hamilton and Wellington, where it acts as the orthotics supplier to these hospital wards. ACC is also an important client, with ACC referrals received from surgical specialists providing a further one third of total income.

The private market makes up the last third where products and services are sought by people with special needs. This group includes recreational sports people seeking advice and orthotic products to help them with their sporting performance. This area has grown quietly over the years and we are investigating opportunities to expand services into this growing private market.

THE OUTLOOK

The healthcare environment continues to provide a number of opportunities and challenges, with the underlying fundamental of an ageing population just starting to emerge along with a corresponding increase in demand.

Abano is now positioned to offer medical and healthcare services under both privately funded and public funding scenarios. The Group's current focus is to improve profitability in all our businesses, and increase services which meet our profit criteria. We will be looking to grow the range of services we offer in the private or ACC environments as the public sector comes to terms with its elected role to fund the majority of New Zealand's medical and healthcare cost.

In this environment, we will continue to explore opportunities to acquire new healthcare and medical services businesses and to grow our current portfolio.

We expect operational profit for the second half of the year to be up on the first six months performance, as it will include full six month contributions from audiology and orthotics. However, as historically shown, performance for all our healthcare businesses in the second half of the year will be softer than the first half, due to the Christmas, summer and Easter holiday breaks, where historically there is a reduction in referrals and a reduced demand for healthcare services.

Under NZ IFRS we account for 100 percent of the operating performance of the businesses in the Group, where we have future put options in favour of our minority partners; and we also take into account the projected future liability of these put options. This applies to our orthotics and audiology businesses and for the earn-out mechanisms we have in place for our dental acquisitions.

The effect is that, until the put option is exercised, NZ IFRS requires recognition of a notional interest charge on the future financial liability. This has the impact of increasing the Group's "interest expense" in the income statement. No interest is actually paid and none of the adjustments required under NZ IFRS will change the final exercise price of the put option. In addition, goodwill is no longer amortised.

We are, therefore, expecting a full year performance under NZ IFRS with Revenues in the range of \$63m to \$67m; EBITDA of \$5m to \$6m; and NPAT of \$1.2m to \$1.7m, before the extraordinary profit, as seen in the first half, from the sale of ElderCare Group.

On behalf of the board of directors, I would like to thank all our staff for their continued commitment, professionalism and dedicated care for the thousands of New Zealanders we come into contact with and help each day of the year. I would also like to thank you, our shareholders, for your ongoing support of Abano and our business strategy.

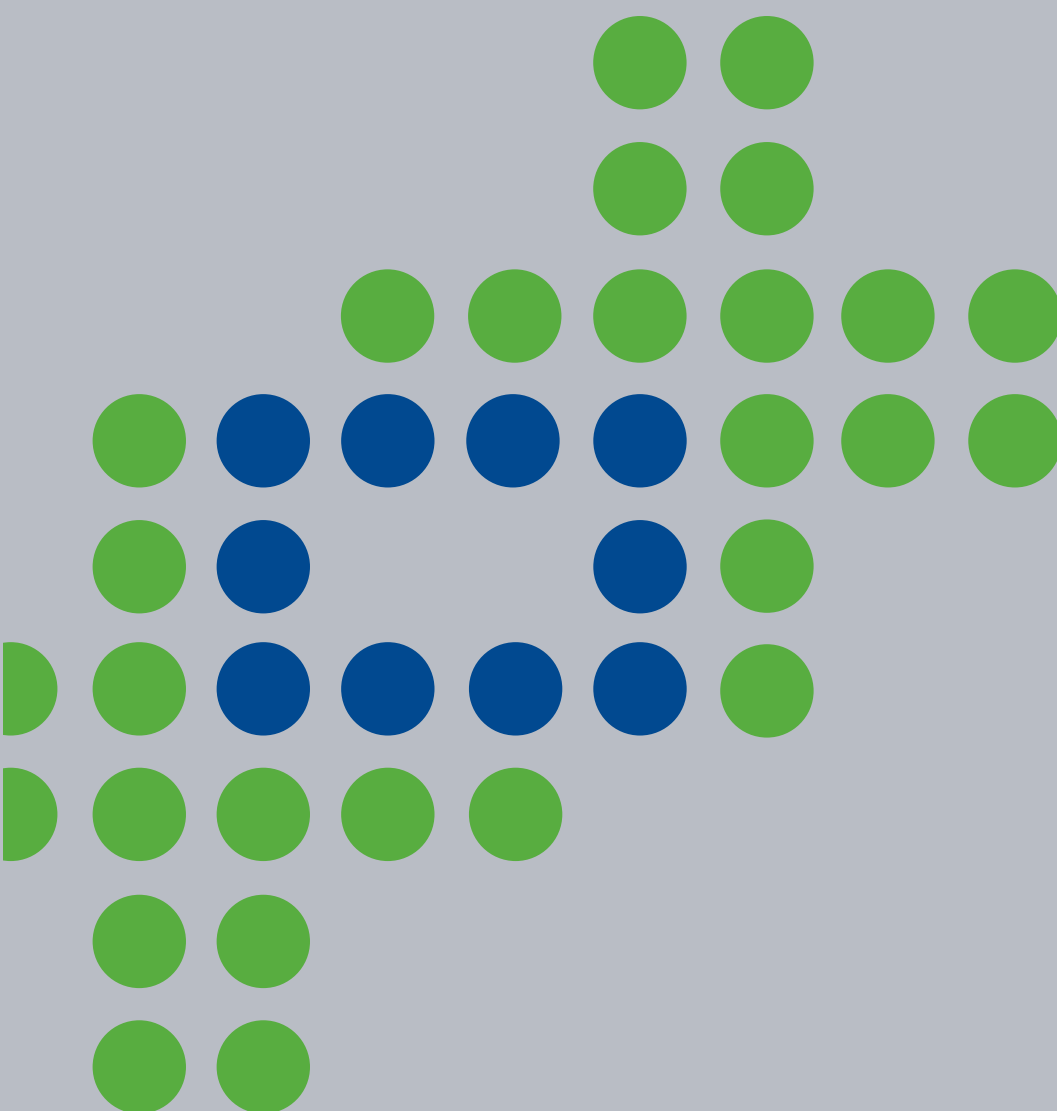


Jim Syme
CHAIRMAN

Abano Healthcare

Financial Statements

For the six month period to 30 November 2005



CONSOLIDATED INCOME STATEMENT

For the six months ended 30 November 2005 (unaudited)

Note	NOV 2005 \$000	NOV 2004 \$000
Continuing operations:		
Sales	26,756	20,291
Changes in inventories	(1,726)	(10)
Patient welfare expenses	(3,930)	(3,009)
Employee benefits	(14,016)	(11,703)
Depreciation and amortisation expenses	(895)	(682)
Occupancy costs	(1,711)	(1,314)
Other expenses	(3,370)	(2,628)
Operating profit	1,108	945
Finance costs - net	121	(10)
Share of (loss)/profit of associates	148	-
Profit before income tax	1,377	935
Income tax expense	(262)	(353)
Profit for the period from continuing operations	1,115	582
Discontinued operations:		
Profit for the period from discontinued operations	13,058	(21)
Profit for the period	14,173	561
Attributable to:		
Equity holders of the company	14,173	561
Minority interest	-	-
	14,173	561
Earnings per share (from continuing operations)		
Basic (cents)	4.49	2.34
Diluted (cents)	4.41	2.30
Earnings per share (from discontinued operations)		
Basic (cents)	52.55	(0.08)
Diluted (cents)	51.57	(0.08)
Earnings per share (total)		
Basic (cents)	57.04	2.26
Diluted (cents)	55.98	2.22

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 November 2005 (unaudited)

	SHARE CAPITAL \$000	OTHER RESERVES \$000	RETAINED EARNINGS \$000	TOTAL \$000	MINORITY INTEREST \$000	TOTAL EQUITY \$000
Balance at 1 June 2004	57,305	77	(22,826)	34,556		34,556
Profit for the period	-	-	561	561		561
Shares issued	5,250	-	-	5,250		5,250
Cost of shares issued	(180)	-	-	(180)		(180)
Share options	-	17	-	17		17
Balance at 30 November 2004	62,375	94	(22,265)	40,204	-	40,204
Balance at 1 June 2005	63,764	84	(21,868)	41,980		41,980
Profit for the period	-	-	14,173	14,173		14,173
Shares issued/(repaid)	(9,879)	-	-	(9,879)		(9,879)
Cost of shares issued/(repaid)	(64)	-	-	(64)		(64)
Balance at 30 November 2005	53,821	84	(7,695)	46,210	-	46,210

CONSOLIDATED BALANCE SHEET

As at 30 November 2005 (unaudited)

	Note	NOV 2005 \$000	NOV 2004 \$000	MAY 2005 \$000
ASSETS				
Non-current assets				
Property, plant and equipment	3	6,628	55,327	55,532
Intangible assets		67,518	19,078	21,419
Investments in associates		1,703	85	1,186
Derivative financial instruments		244	-	-
Loans and other receivables		1,759	1,840	1,700
Total non-current assets		77,852	76,330	79,837
Current assets				
Cash and cash equivalents		530	701	343
Trade and other receivables		10,200	6,354	7,104
Inventories		2,801	956	966
Total current assets		13,531	8,011	8,413
Total assets		91,383	84,341	88,250
EQUITY				
Share capital	5	53,821	62,375	63,764
Other reserves		84	94	84
Retained earnings (accumulated losses)		(7,695)	(22,265)	(21,868)
Total equity attributable to equity holders of the parent		46,210	40,204	41,980
Minority interest		-	-	-
Total equity		46,210	40,204	41,980
LIABILITIES				
Non-current liabilities				
Borrowings	6	10,922	33,479	1,967
Non current payables		127	100	109
Deferred tax liabilities		632	2,579	2,895
Deferred income		-	237	-
Deferred acquisition consideration		22,480	-	312
Total non-current liabilities		34,161	36,395	5,283
Current liabilities				
Borrowings	6	894	833	33,519
Current income tax liabilities		275	-	-
Trade and other payables		9,843	6,909	7,468
Total current liabilities		11,012	7,742	40,987
Total liabilities		45,173	44,137	46,270
TOTAL EQUITY AND LIABILITIES		91,383	84,341	88,250

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 November 2005 (unaudited)

Note	NOV 2005 \$'000	NOV 2004 \$'000
Cash flows from operating activities		
Receipts from customers	25,731	18,106
Payments to suppliers and employees	(25,219)	(15,934)
Interest received	875	7
Interest paid	(1,003)	(1,400)
Income tax paid	(768)	-
Discontinued operations	1,192	2,172
Net cash generated from operating activities	808	2,951
Cash flows from investing activities		
Sale of property, plant and equipment	109	-
Sale of subsidiaries	62,428	-
Purchase of property, plant and equipment	(1,409)	(933)
Purchase of subsidiaries / businesses	(27,018)	-
Cash balances acquired	368	-
Other investment income	113	-
Discontinued operations	(484)	(878)
Net cash generated from investing activities	34,107	(1,811)
Cash flows from financing activities		
Proceeds from borrowings	9,500	1,000
Settlement of borrowings	(34,204)	(7,234)
Equity raised	-	5,052
Equity repaid	(9,943)	-
Net cash used in financing activities	(34,647)	(1,182)
Net increase/(decrease) in cash held	268	(42)
Cash at beginning of the period	(366)	(91)
Cash at end of period	(98)	(133)
Cash comprises:		
Cash at bank	530	701
Bank overdrafts	(628)	(834)
	(98)	(133)

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL INFORMATION

Abano Healthcare Group Limited (the Company) is a healthcare and medical service provider. The Company is a listed public company, incorporated and domiciled in New Zealand.

The interim consolidated financial statements of the Company for the six months ended 30 November 2005, comprise the Company and its subsidiaries (together the Group) and the Group's interest in associates.

STATEMENT OF COMPLIANCE

The interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. The Group has designated itself as a profit-orientated entity for the purposes of complying with NZ IFRS.

These are the Company's first interim NZ IFRS financial statements, and NZ IFRS 1 - "First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards" has been applied. An explanation of how the transition to NZ IFRS has affected the reported financial position and financial performance of the Group is provided in note 9.

The significant accounting policies applied in the preparation of the interim financial statements are set out below.

BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

The preparation of interim financial statements in accordance with NZ IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates.

NZ IFRS 1 requires the application of the Group's accounting policies under IFRS retrospectively at the date of transition, being 1 June 2004, with exception of a number of permitted exemptions. The Group has taken advantage of the exemptions noted below:

Business combinations: business combinations prior to the IFRS transition date (1 June 2004) have not been restated.

Financial instruments: financial instruments and hedging relationships for comparative periods are determined under the requirements of NZ FRS. The adjustments required for the differences between NZ FRS and NZ IFRS are recognised at 1 June 2005.

The accounting policies applied are consistent with those that the Directors expect to use in the Group's 31 May 2006 consolidated financial statements. There is, however, a possibility that the Directors may determine that some changes to these policies are necessary when preparing the Group's annual consolidated financial statements for the first time in accordance with NZ IFRS.

The accounting principles applied in the preparation of the interim financial statements are on a historical cost basis, with the exception of financial assets and liabilities (including derivative instruments) at fair value through the profit or loss.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities over which the Company has control of the financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Associates

Associates are entities over which the Group has significant influence, but not control, of its commercial and financial policy decisions (generally accompanying a shareholding of between 20% and 50% of the voting rights).

Investments in associates are accounted for using the equity method, whereby the Group's share of the recognised gains and losses of an associate is included in the consolidated income statement and adjusted against the carrying amount of the investment. The Group's investments in associates are initially recorded at cost and includes goodwill (net of any impairment losses) identified on acquisition.

FOREIGN CURRENCY TRANSLATION

The consolidated interim financial statements are presented in New Zealand dollars, which is the Company's functional and presentation currency.

Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES CONTINUED

Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost is the fair value of consideration given to acquire or construct the asset, plus other directly attributable costs which have been incurred in bringing the asset to the location and condition necessary for its intended use.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, only where it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs are recognised as repairs and maintenance in the income statement when incurred.

Depreciation of property, plant and equipment (excluding land), is calculated on a straight line basis to allocate the cost of the assets over their expected useful lives. For major classes of property, plant and equipment, the expected useful lives are:

Buildings	50 years
Leasehold improvements	5 - 10 years
Computer and office equipment	3 - 5 years
Motor vehicles	5 - 7 years
Plant and equipment	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Negative goodwill arising on an acquisition is recognised directly in the income statement

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of these cash-generating units represent the Group's investment in each sector by primary reporting segment.

Computer software

Software assets, licences and costs of developing computer systems are recorded as intangible assets when it is probable that future economic benefits will accrue to the Group. Computer software costs recognised as intangible assets are amortised over their estimated useful lives (not exceeding five years). Costs associated with maintaining computer software are recognised as an expense as incurred.

Software acquired as an integral part of plant and equipment is included in property, plant and equipment, and amortised over the life of the underlying asset.

IMPAIRMENT OF ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Previously recognised impairment losses on assets other than goodwill may be reversed if there is a positive change in the estimates of the recoverable amount, but only to the extent of the prior cumulative impairment loss.

INVESTMENTS

Investments held by the Group are classified into the following categories: financial assets at fair value through profit or loss and loans and receivables. Classification depends on the purpose for which the investments were acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are initially recognised at fair value plus transaction costs, and carried at amortised cost using the effective interest rate method.

They are included as current assets, except for maturities greater than 12 months after balance date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Financial assets at fair value through profit or loss

Derivatives held by the Group which are not designated as hedges are classified as financial assets at fair value through profit or loss. These derivatives are carried at fair value. Gains and losses arising from changes in the fair value of these assets are included in the income statement.

The Group uses derivative financial instruments to hedge its exposure to interest rate risks. Where derivatives qualify for hedge accounting, recognition of any gain or loss is made in equity to the extent that the hedge was deemed effective. The portion of the hedge not deemed effective is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES CONTINUED

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises purchased goods and raw materials, direct labour and other direct costs, including allocated production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

TRADE RECEIVABLES

Trade receivables are amounts outstanding from sales arising in the normal course of business, which normally have 30 to 90 day terms. Trade receivables are initially recognised at fair value (generally their original invoice amount) and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and at bank, call deposits and short-term deposit accounts with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

A discontinued operation is a component of the Group's business that represents a separate major line of business. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

BORROWINGS

Bank borrowings

Borrowings are initially recognised at fair value, net of any transaction costs. Borrowings are subsequently stated at amortised cost using the effective interest method, where any difference between the net proceeds and redemption value is recognised in the income statement over the period of the borrowing. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.

Convertible notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the liability component is recognised at fair value, determined using the prevailing market interest rate for an equivalent non-convertible note. The difference between the proceeds of issue of the convertible note and the fair value assigned to the liability component, representing the embedded option for the holder to convert the note to equity, is included in equity.

DEFERRED INCOME TAX

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not recognised if it arises from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and the differences relating to investments in subsidiaries and associates to the extent that they will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured using tax rates enacted at balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

LEASES

Leases in which a significant portion of the risks and rewards of ownership is transferred to the Group are classified as finance leases. Leased assets are recognised initially at the lower of the present value of the lease payments or their fair value. Leased assets are depreciated on the same basis as equivalent property, plant and equipment.

A lease is classified as an operating lease if it is not a finance lease. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES CONTINUED

EMPLOYEE BENEFITS

Short-term employee benefits

Employee entitlements to salaries, wages and annual leave, to be settled within 12 months of reporting date represent present obligations resulting from employee's services provided up to the reporting date and are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay.

Long-term employee benefits

Long-term benefits for the Group represent long service leave which vests to the employee after varying periods of service. The Group's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. All actuarial gains and losses are recognised to the income statement.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan granting non-transferable options to employees. The fair value of the options granted is recognised as an employee expense and is spread over the vesting period, based on the Group's estimate of the shares that will eventually vest.

REVENUE RECOGNITION

Sales of services

Sales of services are recognised according to the conditions of the contract, generally in the accounting period in which the service is rendered by reference to the proportion of the total services to be provided.

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Licences to occupy

Revenue is recognised in the statement of financial performance as follows:

Initial Sale

Revenue is recorded when there is an unconditional sale of a property asset or licence to occupy in place. A surplus is recognised as the difference between the revenue from the sale and the cost incurred in developing the property which is the subject of the sale. Cost includes all costs associated with development including land, materials, construction, capitalised funding costs and other direct costs incurred.

Resales

For resales of existing villas or apartments, revenue is the difference between the price of the new licence to occupy after deducting any Lifecare fee and the balance required to be paid for the repurchase of the licence to occupy.

Lifecare Fees

Lifecare fees are receivable from residents of villas or apartments which have been sold under a licence to occupy agreement.

Lifecare fees represent a payment made by the purchaser of a licence to occupy, entitling the purchaser to the use of communal facilities and the right to be provided with care services. They fall into two categories: lifecare fees received in advance, and lifecare fees receivable on termination of the licence to occupy. Lifecare fees received in advance are refundable on a pro-rata basis if the resident terminates their licence to occupy within the initial term of the lifecare fee agreement. The lifecare fee is amortised to the income statement over the agreement period; the unamortised portion of the Lifecare fee is reflected as deferred income in the Statement of Financial Position. Lifecare fees receivable on termination of a licence to occupy are accrued to the income statement on a monthly basis during the initial term of the lifecare fee agreement; the accrued balance is recorded as a receivable in the balance sheet. When the occupation licence is terminated and resold the accrued balance is deducted from the proceeds of resale.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged in either providing products and services (business segment) or providing products or services within a particular economic environment (geographical segment), which is subject to the risks and rewards that are different from those of other segments.

The Group's primary reporting format is business segments.

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENT INFORMATION

	AUDIOLOGY ¹		REHABILITATION		DIAGNOSTICS		DENTAL		TOTAL	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
OPERATING REVENUE										
Segment	3,526	-	6,444	6,445	9,821	9,420	7,113	4,432	26,904	20,297
Discontinued operations ²									3,085	12,714
Unallocated									-	-
Total revenue	3,526	-	6,444	6,445	9,821	9,420	7,113	4,432	29,989	33,011
OPERATING RESULT³										
Segment	698	-	331	671	1,055	990	(132)	(149)	1,952	1,512
Discontinued operations ²									136	1,210
Unallocated									(572)	(328)
Operating result (before interest and taxation)									1,516	2,394

¹ Results for the Audiology segment represents two months trading.

² Discontinued operations represent the Group's aged care sector, Eldercare New Zealand Limited and its subsidiaries.

³ Segment results include the allocation of attributable corporate overheads. Unallocated costs are specific to the Company, and include some one-off, non-recurring items for the six month period to 30 November 2005.

3. PROPERTY, PLANT AND EQUIPMENT

During the period to 30 November 2005 the Group acquired property, plant and equipment with a cost of \$1,893,000. An additional \$2,543,000 of property, plant and equipment was acquired as part of business acquisitions during the period.

Assets with a book value of \$52,036,000 were disposed of as part of the sale of Eldercare New Zealand Ltd and its subsidiaries.

4. INVESTMENTS IN SUBSIDIARIES

ACQUISITION OF SUBSIDIARIES

On 3 October 2005, the Group acquired 70% of Bay Audiology Limited and Orthotic Centre (NZ) Limited for total cash considerations of \$21.0m and \$4.6m respectively. The operating results of these businesses have been included in the consolidated income statement from this date.

The Group has a call option to acquire the remaining 30% of Bay Audiology Limited between 2010 and 2012, and Orthotic Centre (NZ) Ltd by July 2008.

The minority interest shareholders also hold put options to require the Group acquire their respective share holdings. The Group's liability to the holders of these options is recognised at fair value in the balance sheet as deferred acquisition consideration, and is offset by an increase in goodwill.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENTS IN SUBSIDIARIES CONTINUED

Summary of the effect of the acquisitions:	\$000
Fair value of net assets acquired:	1,956
Minority interest share of net assets acquired	(587)
Goodwill on acquisition	24,265
Consideration paid during the period to 30 November 2005	\$25,634
Goodwill on acquisition	24,265
Fair value of put option liabilities	21,182
Impact on deferred taxation	1,513
Total goodwill recognised	\$46,960

Following the initial recognition of the Group's liability to put option holders, the liability is measured at fair value at each reporting date. Movements in the net present value of the future liability (representing the time value of money) are recognised in the income statement as a finance cost.

The minority interest share in profit for the period is not recognised in the income statement until a dividend is paid. At this time, the dividend is treated as a finance cost of the put option liability previously recognised, and is recorded as such in the income statement.

DISPOSAL OF SUBSIDIARY

On 13 July 2005 the Group sold its 100% holding in Eldercare New Zealand Limited (and its subsidiaries) for a total cash consideration of \$63.5m, realising a net gain of \$13.1m.

ACQUISITION OF BUSINESSES

During the period the Group acquired three new dental practices for a total cost of \$1,878,000. Of this, \$1,205,000 was settled in cash with the remaining \$633,000 relating to retention payments and future growth related earn-outs. These acquisitions gave rise to goodwill of \$1,156,000.

5. CAPITAL AND RESERVES

SHARE CAPITAL

During the period to 30 November 2005 the Group made a return of equity to shareholders by way of a voluntary, off-market, share buy-back and cancellation at \$2.20 per share. 4,525,572 shares were cancelled as a result of this transaction.

The Group also issued shares to the value of \$77,000 during the period, in lieu of bonuses to executive staff.

6. BORROWINGS

The Group repaid borrowings of \$34,200,000 during the period. A new loan facility of \$9,500,000 was established, subject to a floating interest rate.

NOTES TO THE FINANCIAL STATEMENTS

7. SUBSEQUENT EVENTS

On 31 January 2006, the Company announced that, following a successful outcome to its application to the Commerce Commission, Wellington Pathology and the Sonic healthcare-owned Valley Diagnostic intend to merge their community diagnostic laboratory services businesses in both the Hutt Valley and Capital & Coast District Health Board (DHB) districts.

On 10 February 2006, executive convertible notes with a face value of \$127,500 converted to 85,000 ordinary shares. A further \$200,000 of executive convertible notes were redeemed, with the proceeds being applied to the loan outstanding from the original issue of the notes.

8. RECONCILIATION OF OPERATING CASH FLOWS

For the six months ended 30 November 2005 (unaudited)

	NOV 2005 SIX MONTHS \$000	NOV 2004 SIX MONTHS \$000
Profit for the period	14,173	561
Non-cash items:		
Depreciation	1,155	1,618
Utilisation / (recognition) of deferred tax asset	(197)	389
Interest expense on financial liabilities	416	134
Interest income on financial assets	(302)	(64)
Executive compensation expense	-	14
Share of surplus retained by associates	(168)	-
	904	2,091
Movement in working capital:		
(Increase)/decrease in trade and other receivables	(606)	233
(Decrease)/increase in trade and other payables	(431)	90
(Decrease) / increase in deferred income	-	(24)
	(1,037)	299
Items classified as investing activities:		
Realised (gain)/loss on sale of property, plant and equipment	2	-
Realised (gain)/loss on sale of subsidiaries	(13,121)	-
Other investment income	(113)	-
	(13,232)	-
Net cash flows from operating activities	808	2,951

NOTES TO THE FINANCIAL STATEMENTS

9. EXPLANATION OF TRANSITION TO NZ IFRS

RECONCILIATION OF TOTAL ASSETS	Note	1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
TOTAL ASSETS UNDER NZ FRS		84,646	84,189	87,339
NZ IFRS adjustments:				
Deferred tax		(364)	(390)	(50)
Financial instruments		28	33	(6)
Goodwill and other intangible assets		(20)	509	967
Total NZ IFRS adjustments		(356)	152	911
Restated balances under NZ IFRS		84,290	84,341	88,250
			NZ IFRS ADJUSTMENTS	
		1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
Property, plant and equipment				
Reclassification of software assets to intangibles		(746)	(726)	(968)
		(746)	(726)	(968)
Intangible assets				
Reclassification of software assets to intangibles		746	726	968
Write-off of internally generated intangible assets		(20)	(19)	(129)
Writeback of goodwill amortisation		-	528	1,075
		726	1,235	1,914
Investment in associates				
Writeback of goodwill amortisation		-	-	21
Fair value adjustment		-	-	(33)
		-	-	(12)
Deferred tax asset				
Reclassification to offset deferred tax liability		(364)	(390)	(50)
		(364)	(390)	(50)
Current trade and other receivables				
Reclassification of loans to non-current receivables		(1,740)	(1,807)	(1,388)
		(1,740)	(1,807)	(1,388)
Non-current loans and receivables				
Reclassification of loans from receivables		1,740	1,807	1,388
Effective interest rate adjustment		28	33	27
		1,768	1,840	1,415
TOTAL ASSET IFRS ADJUSTMENTS		(356)	152	911

In accordance with NZ IAS 39, loans previously issued to executives for the purposes of acquiring convertible notes have been recognised at fair value and reclassified from current trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

9. EXPLANATION OF TRANSITION TO NZ IFRS CONTINUED

RECONCILIATION OF TOTAL LIABILITIES	Note	1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
TOTAL LIABILITIES UNDER NZ FRS		43,797	38,072	41,697
NZ IFRS adjustments:				
Deferred tax		2,631	2,598	2,895
Financial instruments		-	-	(27)
Convertible notes		3,167	3,310	1,529
Employee benefits		138	157	176
Total NZ IFRS adjustments		5,936	6,065	4,573
Restated balances under NZ IFRS		49,733	44,137	46,270

	NZ IFRS ADJUSTMENTS		
	1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
Current trade and other payables			
Employee benefits/long service leave adjustments	54	57	67
	54	57	67
Non-current trade and other payables			
Employee benefits/long service leave adjustments	84	100	109
	84	100	109

In accordance with NZ IAS 19, provision for long service leave has been calculated as the present value of the future benefit that employees have earned in return for their service in past periods. Under NZ FRS, this provision was recognised when the employees long service leave days had vested.

Deferred tax liability

The above changes increased/(decreased) the deferred tax liability as follows:

Property, plant and equipment	3,046	3,046	3,046
Intangible assets	(6)	(6)	(43)
Current trade and other payables	(45)	(52)	(58)
Offset deferred tax asset	(364)	(390)	(50)
	2,631	2,598	2,895

Under NZ FRS, on the basis that assets are held for use (rather than for sale), no deferred tax liability was recorded on the revaluation above cost. NZ IAS 12 requires a deferred tax liability to be recognised to reflect the future income embodied in the asset's carrying value. A liability has been recognised for buildings held within the Aged Care Sector, where valuation was in excess of cost by \$9.2m.

Borrowings

Reclassification of convertible notes	3,167	3,305	1,503
Fair value adjustment	-	5	(1)
	3,167	3,310	1,502

NZ IAS 32 requires the debt component of convertible notes to be recognised as a liability. Under NZ FRS convertible notes were recognised as equity. The liability component of the convertible notes has been calculated as the present value of the forecast future cashflow payments. The residual remains in equity, representing the value of the option component of the compound instrument.

TOTAL LIABILITY IFRS ADJUSTMENTS	5,936	6,065	4,573
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NOTES TO THE FINANCIAL STATEMENTS

9. EXPLANATION OF TRANSITION TO NZ IFRS CONTINUED

RECONCILIATION OF EQUITY	Note	1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
EQUITY UNDER NZ FRS		40,849	46,117	45,642
NZ IFRS adjustments:				
Deferred tax		(3,047)	(3,047)	(3,096)
Financial instruments		28	33	22
Convertible notes		(3,168)	(3,310)	(1,529)
Goodwill and other intangible assets		(13)	516	1,047
Employee benefits		(93)	(105)	(106)
Total NZ IFRS adjustments		(6,293)	(5,913)	(3,662)
Restated balances under NZ IFRS		34,556	40,204	41,980

NZ IFRS ADJUSTMENTS

	1 Jun 2004 \$000	30 Nov 2004 \$000	31 May 2005 \$000
Retained earnings			
The effect of the above adjustments on retained earnings is as follows:			
Intangible assets	(20)	515	967
Non-current loans and receivables	28	33	27
Current trade and other payables	(138)	(112)	(176)
Deferred tax liability	(2,995)	(3,038)	(2,945)
Borrowings	-	(6)	(32)
	(3,125)	(2,608)	(2,159)
Optional convertible notes			
Reclassification to financial liabilities	(3,168)	(3,305)	(1,503)
	(3,168)	(3,305)	(1,503)
As stated under Borrowings, the liability component of convertible notes have been reclassified as borrowings.			
TOTAL EQUITY ADJUSTMENTS	(6,293)	(5,913)	(3,662)

NOTES TO THE FINANCIAL STATEMENTS

9. EXPLANATION OF TRANSITION TO NZ IFRS CONTINUED

RECONCILIATION OF NET PROFIT OR LOSS	Note	30 NOVEMBER 2004		
		NZ FRS \$000	EFFECT OF TRANSITION \$000	NZ IFRS \$000
Continuing operations:				
Sales		20,291	-	20,291
Changes in inventories		(10)	-	(10)
Patient welfare expenses		(3,009)	-	(3,009)
Employee benefits		(11,690)	(13)	(11,703)
Depreciation and amortisation expenses*		(1,166)	484	(682)
Occupancy costs		(1,314)	-	(1,314)
Other expenses		(2,628)	-	(2,628)
Operating profit		474	471	945
Finance costs - net		(10)	-	(10)
Share of (loss)/profit of associates		-	-	-
Profit before income tax		464	471	935
Income tax expense		(357)	4	(353)
Profit for the period from continuing operations		107	475	582
Discontinued operations:				
Profit for the period from discontinued operations		(62)	41	(21)
Profit for the period		45	516	561
Attributable to:				
Equity holders of the company		45	516	561
Minority interest		-	-	-
		45	516	561

* Represents the writeback of goodwill amortisation.

DIRECTORY

DIRECTORS

All Abano board directors are independent, excluding the managing director, Mr Alan Clarke

James Michael Robert Syme

Chairman

Appointed 31 October 2001

Alan William Clarke

Appointed 31 October 2001

Philip Samuel Newland

Appointed 31 October 2001

Alison Mae Paterson

Appointed 16 October 2002

Trevor David Janes

Appointed 23 September 2005

Susan Marie Paterson

Appointed 23 September 2005

AUDIT COMMITTEE

T.D. Janes (Chairman)

A.M. Paterson

J.M.R. Syme

REMUNERATION COMMITTEE

A.M. Paterson (Chairman)

P.S. Newland

S.M. Paterson

J.M.R. Syme

NOMINATION COMMITTEE

All board members

REGISTERED OFFICE AND ADDRESS FOR SERVICE

Level 16
West Plaza Building
3 – 7 Albert St
Auckland

AUDITORS

PricewaterhouseCoopers
PricewaterhouseCoopers Tower
188 Quay Street
Auckland

BANKERS

ASB Bank Limited
135 Albert Street
Auckland

SOLICITORS

Buddle Findlay
PricewaterhouseCoopers Tower
188 Quay Street
Auckland

SHARE REGISTRAR

Computershare Investor Services Limited
159 Hurstmere Road
Takapuna
Auckland

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