

## **Company Announcement**

**7 June 2006**

### **ABANO SUCCESSFUL IN GAINING WELLINGTON REGION COMMUNITY PATHOLOGY CONTRACT**

Abano Healthcare Group has been advised that its subsidiary, Medical Laboratory Wellington's joint venture with Sonic's Valley Diagnostics, has been successful in gaining a five year contract to provide community laboratory services in the Wellington and Hutt Valley regions.

The new community pathology contract has revenues of over \$102m over the five year period of the contract, which is due to commence on the 1<sup>st</sup> of November 2006. This contract will form the bulk of the joint venture's revenue, supplemented by existing private payments..

In January 2006, Medical Laboratory Wellington formed a joint venture with Sonic's Valley Diagnostics to tender for the community pathology service in Wellington and Hutt Valley, in which Medical Laboratory Wellington would hold 55% of the equity. Medical Laboratory Wellington is the current provider for the Capital & Coast DHB region and Valley Diagnostic Laboratories currently provides community laboratory services in the Hutt Valley.

The joint venture was informed by the DHBs that its proposal had been accepted ahead of the other preferred supplier - a partnership between the Capital and Coast DHB Hospital Laboratory (known as CapLab) and New Zealand Diagnostic Group (NZDG).

Mr Alan Clarke, managing director of Abano Healthcare Group, the parent company of Medical Laboratory Wellington, said: "We have been working diligently with the DHBs over the past few weeks to meet their requests and ensure a quality and cost efficient pathology service for the Wellington and Hutt Valley regions. We are delighted with this final decision, and look forward to the continuation of more than 70 years of service to the local communities. "

Mr Clarke continued: "We have received hundreds of calls and letters of support from local GPs, referrers and patients, since it became known that the community pathology contract was being reviewed, all endorsing the exemplary service provided by Medical Laboratory Wellington and Valley Diagnostics. We are delighted to be able to keep working alongside them to provide a world class health service for the people of Wellington and Hutt Valley."

Staff and management at Medical Laboratory Wellington are jubilant at the announcement by the local DHBs that their negotiations have been successful.

## **Ends**

### **For more information, please contact:**

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For more information on Abano Healthcare Group, please visit [www.abanohealthcare.co.nz](http://www.abanohealthcare.co.nz).

### **Notes:**

- Abano Healthcare tendered for the Community Pathology business in the Wellington and Hutt region through a joint venture company, to be formed, between Abano Healthcare and Sonic Healthcare, which Abano would own 55% and Sonic 45%
- 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)
  - Abano Rehabilitation - Burtons Healthcare, Health Partners, Ranworth Healthcare (100 percent), Orthotic Centre (70 percent)
  - Abano Diagnostics - Medical Laboratory Wellington, Nelson Diagnostic Laboratories (100 percent), Ascot Radiology (40 percent)
  - Abano Dental - Lumino Care Dental and the Auckland Dental Group (100 percent)
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