

Notice of annual meeting of shareholders

Notice is hereby given that the annual meeting of shareholders of Abano Healthcare Group Limited ("Abano" or "the Company") will be held in the Pakuranga Hunt Room, Ellerslie Convention Centre, 8-100 Ascot Avenue, Ellerslie, Auckland, New Zealand on 27 November 2003 commencing at 2:00 pm.

PLEASE NOTE THAT THIS IS A CHANGE IN TIME AND VENUE FROM THAT NOTIFIED IN THE ANNUAL REPORT.

AGENDA

Chairman and Chief Executive Officer

Presentations.

General Business

Presentation of the annual report for the year ended 31 May 2003 and the auditors' report.

Resolutions:

Ordinary Business:

To consider and, if thought fit, pass the following ordinary resolutions:

Resolution 1

To record the reappointment of PricewaterhouseCoopers as auditors of the Company and to authorise the directors to fix the auditors' remuneration.

Resolution 2

To re-elect Mrs Alison Paterson as a director of the Company in accordance with the Company's constitution (see explanatory notes).

Resolution 3

To re-elect Dr Clinton Teague as a director of the Company

in accordance with the Company's constitution (see explanatory notes).

Resolution 4

To authorise and approve the issue and allotment by the Company of up to 53,000,000 fully paid ordinary shares in the Company on the terms and conditions set out in the explanatory notes to one or more habitual or institutional investors by way of a placement (see explanatory notes).

Special Business:

To consider and, if thought fit, pass the following special resolution:

Resolution 5

That the Company's constitution be amended by deleting clause 19.4.1(b) (see explanatory notes).

By order of the Board



Stephen St Paul
Authorised Officer
Abano Healthcare Group Limited

EXPLANATORY NOTES

Resolution 2 – Re-election of Alison Paterson

Mrs Alison Paterson, QSO, FCA, was appointed by the Board to fill a casual vacancy under clause 19.5.1 of the Company's constitution on 16 October 2002 until the date of this meeting. Mrs Paterson retires and, being eligible, offers herself for re-election.

Alison has a background in corporate governance in both the service and healthcare industry sectors, including previous appointments as the chairman of the Waitemata District Health Board and the District Health Boards New Zealand Inc. She has also served as a deputy chairman for Health Waikato and as a director of Health Benefits Ltd. She holds directorships of the Reserve Bank of New Zealand Ltd, Wrightson Ltd and Metro Water Ltd and is the current

chairman of Landcorp Farming Ltd and the Electricity Complaints Commission. She is also chairman of the Governing Board Centre of Research, Excellence, Growth and Development for the University of Auckland. Her depth of experience in the governance of a number of public and private companies, and her understanding of the healthcare market, add considerable value to the implementation of the Abano healthcare strategy.

Resolution 3 – Re-election of Clinton Teague

Dr Clinton Teague retires by rotation and, being eligible, has offered himself for re-election.

Clinton is a consultant pathologist at Medical Laboratory Wellington. He has had a long and distinguished career in medicine and has extensive knowledge and experience of the

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pathology industry, as a scientist, doctor and businessman. Clinton's qualifications are MB, ChB, DCP, PhD and FRCPA. He is a member of the Institute of Directors.

Resolution 4 – Approval of the placement of shares

Listing Rule 7.3.1 requires resolution 4 to be approved by ordinary resolution of shareholders of the Company.

The placement will involve the issuing of up to 53,000,000 ordinary shares in the Company, giving the holder or holders of such shares no greater than a 19.9% shareholding in the Company post-issue.

The issue price per share will be not less than 90% of the weighted average sale price of all shares in the Company sold on the NZX during the last 10 trading days on which the shares in the Company were sold on the NZX prior to the date on which the directors resolve to issue and allot any such shares.

The purpose of the issue is to strengthen the Company's financial position and to give it available capital for further acquisitions of medical and healthcare businesses. A placement of this nature would also widen the spread of investors within the Company.

The shares will be offered to habitual or institutional investors by way of placement and will be issued fully paid within six months of the date of the shareholders' meeting. If the full 53,000,000 shares are allotted, based on a market share price of 22 cents the total amount of new equity raised would be \$10.5 million.

All such shares will rank equally with ordinary shares then on issue in the Company.

After the issue of the maximum number of shares permitted pursuant to this resolution, and based on the number of shares on issue as at the date of this meeting, the new shares will comprise 19.9% of the total share capital of the company.

Existing shareholdings will be diluted through the issue. For example, a 10% shareholding prior to any share placement under the resolution will become an 8.0% shareholding after the full 53,000,000 shares have been allotted.

No shares issued pursuant to this resolution will be issued to any director of the Company (or associated persons of such directors) or to employees, related parties or associated persons of the Company.

Resolution 5 – Amendment to the Company's constitution

Clause 19.4.1(b) of the Company's constitution provides for compulsory retirement of directors once they reach 72 years of age. The Board considers that this provision is no longer appropriate and is not consistent with the Human Rights Act 1993. Accordingly, the Board considers that the clause should be deleted from the constitution.

A special resolution requires the approval of 75% of shareholders present at the meeting in person or by proxy and voting on the resolution.

On 9 October 2003, the New Zealand Exchange granted the Company a waiver under Listing Rule 6.1.3 from the need to obtain an independent solicitor's opinion in respect of this change to the constitution.