

ABANO SETTLES SALE OF PATHOLOGY BUSINESS

Abano Healthcare Group (NZX: ABA) has today confirmed settlement of the sale of Aotea Pathology to Wellington SCL Limited, a wholly owned subsidiary of Healthscope New Zealand Limited, following the satisfaction of all sale conditions.

Abano had a 55 percent shareholding in Aotea Pathology, with Sonic Healthcare Limited holding the remaining 45 percent.

Abano's Chief Operating Officer, Richard Keys, said: "We are pleased that the sale will provide ongoing employment for Aotea's highly skilled and experienced staff under their existing terms and conditions, with the potential for long term employment in the new regional laboratory service.

"Aotea Pathology's reliance on short term, fixed price DHB contracts meant that we had a hold and maintain strategy in place for a number of years. Following this sale, Abano's exposure to District Health Board funding has now reduced to under 1% of gross revenues.

"Our investment focus continues to be on healthcare services which are funded by private payment and operate on a fee for service basis. These private payment investment areas offer a significant opportunity to add scale and enhance shareholder wealth, particularly in the trans-Tasman dental market and in audiology in Australia and radiology in New Zealand."

Abano operates in three healthcare sectors. Dental is the largest sector, with two wholly owned businesses - Lumino the Dentists in New Zealand and Dental Partners in Australia - providing over 75% of Abano's gross revenue. Abano also owns 50% of Bay International which has audiology networks in Australia and South East Asia; and 70% of Insight+Ascot Radiology which has five high end clinics in Auckland.

ENDS

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Abano Healthcare Group is New Zealand's leading listed specialist healthcare investor and operator, with businesses in three sectors – audiology, diagnostics and dental – and operations across New Zealand, Australia and South East Asia.