

ABANO ADVISES INTENTION TO PAY INTERIM DIVIDEND

The Board of Abano Healthcare Group Limited (NZX: ABA) has advised that it intends to pay an interim dividend of between 11 to 16 cents per share, for the six months ending 30 November 2016.

The Abano Board notes that Healthcare Partners Holdings Limited directors, Peter and Anya Hutson and James Reeves, had previously prohibited the payment of Abano's usual interim dividend, in both the initial and the corrected partial takeover offer documents they submitted.

They have now stated that they would approve the payment of 'an appropriate interim dividend if it was on the basis that the payment is deducted from the \$10 offer price for the shares that will be acquired by Healthcare Partners'.

Abano's established dividend policy states that, subject to relevant factors at the time, including working capital and growth, the annual dividend paid will be between 50-70% of Underlying Net Profit After Tax (Underlying NPAT)ⁱ.

Abano expects an increase of at least 35% in Underlying NPAT from continuing businesses for the first half of the 2017 financial year, with Underlying NPAT for the six month period to 30 November 2016 expected to be between \$5.0 to \$5.6 million.

Based on the above, the interim dividend is expected to be between 11 to 16 cents per share (FY16: 10 cents per share), and will be declared, as usual, following the release of the interim results in mid-December 2016.

On this basis, Abano expects the Healthcare Partners' offer price would reduce to \$9.84 to \$9.89 per share for the 30.99% of Abano shares that Healthcare Partners wishes to acquire.

The dividend is subject to formal confirmation of approval from Healthcare Partners. Despite the Board's request, Healthcare Partners has refused to allow Abano's Dividend Reinvestment Plan to operate for the interim dividend.

The indicative dividend range is being announced at this time to ensure shareholders are fully informed and the dividend position is clear before any takeover offer is made.

The Board believes that the public communications from Peter and Anya Hutson and James Reeves about the payment of dividends have been confusing to shareholders and their subsequent media statements to clarify 'misleading claims by Abano' in regards to the dividend issue have been disingenuous and incorrect.

ENDS

Cont.

23 November 2016
Company Announcement



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Abano Healthcare Group is New Zealand's leading listed specialist healthcare investor and operator, with businesses in two sectors – dental and radiology – and operations across New Zealand and Australia.

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ⁱ Underlying NPAT is a non-GAAP financial measure and excludes gains/losses arising on divestment of businesses, IFRS adjustments and impairments, including their tax effect, and is reconciled back to reported NPAT.