

Dear Shareholder

Although it has only been a few weeks since our last letter to you, quite a lot has happened in that time and we wanted to keep you updated, as we promised we would.

Third submission of notice of partial takeover offer by Healthcare Partners

We previously advised you that we had received an unsolicited notice of intention to make a partial takeover offer from Healthcare Partners Holdings Limited. This is a company associated with Peter and Anya Hutson and James Reeves, who have all been involved in previous attempts to gain control of Abano and to force changes to Abano's Board, which were overwhelmingly rejected by Abano's shareholders.

On 24 November 2016, Healthcare Partners submitted a third partial takeover notice – for essentially the same offer - after the previous two notices were withdrawn. The first notice did not comply with the Takeovers Code and Abano raised concerns with the Takeovers Panel that the second notice contained information that was misleading and incorrect and which Abano believed breached the Takeovers Code.

The terms of the proposed offer, as notified in Healthcare Partners' third takeover notice, remain materially the same as the previous proposed offers and the Abano Board's preliminary view has not changed.

THE BOARD'S PRELIMINARY VIEW REMAINS THAT THE PARTIAL NATURE OF THE OFFER IS NOT IN THE BEST INTERESTS OF SHAREHOLDERS

- Healthcare Partner's proposed offer is NOT an offer for all your shares. If the partial takeover offer succeeds, it is highly likely that scaling will apply and you will only receive the takeover price for a portion of your shares (potentially only 38% if all shareholders accepted the offer for all their shares). It is very likely you would retain a majority of your shares in Abano. The company would then be controlled by Healthcare Partners and its directors.
- There is no benefit in accepting the offer early. Once you have given your acceptance, it cannot be withdrawn.
- Acceptances are not treated on a 'first in, first served' basis. Rather acceptances will be subject to scaling if total acceptances exceed the number of shares being sought under the offer. If you accept the offer, you will not be paid until after the offer closes.
- If Healthcare Partners reaches its acceptance target in the last seven days of the offer, the offer period will automatically extend for 14 days. If this occurs, or if Healthcare Partners reaches its acceptance target earlier, Abano's Board will let you know as soon as possible so you can consider what to do with your shares.

Shareholders are urged to TAKE NO ACTION and wait until you receive the Target Company Statement from the Abano Board.

Given the timing of the third takeover notice, it is unlikely that you will receive the official offer document from Healthcare Partners before mid-December. We will send out the Abano Target Company Statement in response to the Healthcare Partners' offer as soon as possible. The Target Company Statement will contain the Abano Board's recommendation as well as the Independent Adviser's Report on the merits of the offer.

More detail on the reasons for our preliminary view was provided to shareholders in our letter dated 17 November 2016. You can read this on our website at www.abano.co.nz/news.

Abano has a positive and established dental strategy

Abano has an established dental strategy that is delivering sustainable growing returns and shareholder value. This long term and carefully considered strategy is built on years of experience in the sector. Key elements in our success are:

- Large scale and well established networks which are delivering increasing value, growing margins and operational efficiencies through economies of scale;
- A highly experienced leadership team supported by senior dentists;
- Outstanding branding and marketing success with Lumino in New Zealand, which is now commencing in Australia; and
- A strong culture and rewarding work environment which is reflected in the pride our employees have in their business.

The Abano Board would like to thank shareholders who have been in touch to communicate their support for both Board and management and Abano's long term growth strategy.

You may be called by or on behalf of Healthcare Partners and pressured to accept the offer early. There is no advantage in acting early and accepting the offer. You cannot withdraw once you have accepted. We recommend you talk to your professional financial or legal adviser if you are unsure on what to do.

We remain committed to acting in the best interests of all shareholders. Thank you again for your continued support.



Trevor Janes
Chairman



Pip Dunphy
Deputy Chair



Ted van Arkel
Director



Danny Chan
Director



Murray Boyte
Director



Dr Ginni Mansberg
Director