

UPDATE ON LEGAL PROCEEDINGS AGAINST HEALTHCARE PARTNERS

Abano Healthcare Group Limited (NZX:ABA) advises that it has received notice of a counter-claim from Healthcare Partners Holdings Limited seeking an order for payment to it by Abano of the January 2017 interim dividend amount of approximately \$523,000. This amount was retained by Abano and set-off against a portion of the unpaid costs in relation to Healthcare Partners' failed hostile partial takeover bid.

The counter-claim follows the launch of legal proceedings against Healthcare Partners by Abano to recoup the remaining outstanding unpaid costs of approximately \$566,000, and is despite Healthcare Partners' unsuccessful complaint to the NZX about the set-off.

Abano has incurred over \$1 million in costs in relation to Healthcare Partners' latest failed partial takeover attempt, including responding to the first two takeover notices issued by Healthcare Partners which had to be withdrawn due to their non-compliance with the Takeovers Code.

Abano has already provided significantly more detailed breakdowns of costs than is normally provided in such claims, however, Healthcare Partners continues to dispute every invoice and expense, including those relating to the independent report prepared by Grant Samuel, communication, share registry and even minor expenses such as printing and postage. In addition, Healthcare Partners continues to request unreasonable items of additional information including records of all verbal and written legal advice provided to Abano in relation to responding to the failed partial takeover.

Abano understands that the level of detail being demanded is far beyond anything that has been required in any other failed takeover attempt of a listed entity since the Takeovers Code has been in force. The Abano Board sees these requests from Healthcare Partners as disproportionate, unreasonable and simply an excuse to avoid or delay payment.

Healthcare Partners' directors, Peter and Anya Hutson and James Reeves, have acknowledged in their High Court filing that they have made no payment towards Abano's takeover expenses, and the Abano Board notes that their actions continue to be costly and disadvantageous to Abano shareholders.

Abano has denied a request from Healthcare Partners for an undertaking that Abano will not set-off their final FY17 dividend planned for August 2017. Abano has offered that if Healthcare Partners pays the full amount of the outstanding debt of approximately \$566,000 into an independent trust account until the decision on the outstanding costs has been made and complied with, then the Abano dividend due in August 2017 will be paid without set-off.

Given Healthcare's public statement that they "are ready and willing to pay", this will provide another opportunity for Peter and Anya Hutson and James Reeves to honour their previous statements.

ENDS

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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.