

## **ABANO ANNOUNCES \$35 MILLION CAPITAL RAISING**

Listed healthcare investor, Abano Healthcare Group Limited (NZX:ABA), advises that it intends to raise approximately \$35 million through a fully underwritten 1 for 5 pro-rata renounceable rights offer and a shortfall bookbuild, to enable Abano to accelerate the growth of its trans-Tasman dental group, particularly in the Australian market.

Abano's strategy is to invest in healthcare businesses which it is able to scale and grow to gain the benefits of size, reputation and branding. The company's primary focus is on the \$11-billion trans-Tasman dental market and Abano Dental is the second largest dental group in the region and one of the fastest growing.

Corporate groups own less than 10% of total dental practices in the trans-Tasman region and there is growing acceptance and popularity of the corporate model amongst dentists. Combined with Abano's positive reputation and workplace culture, this has seen the number and size of practices in Abano's acquisition pipeline increase, and now exceed, previous expectations. The opportunity for Abano to continue to grow via its acquisition strategy, particularly in Australia, is significant.

Abano's policy is to ensure an efficient balance sheet and the employment of capital in its businesses that will achieve Abano's long term strategic goals. To enable Abano to respond to this increased acquisition opportunity, the Board has concluded that undertaking a rights offer to raise new equity is the best option for the company and its shareholders, and provides an equal opportunity for all eligible shareholders to participate. Abano's Directors intend to take up all their, and their associated interests', rights.

Under the offer, eligible shareholders are entitled (but not obliged) to subscribe for 1 new share for every 5 existing shares held as at 5.00pm on the record date of 3 August 2017, at an issue price of \$8.15 per new share. This represents a 13.3% discount to the dividend adjusted closing price of \$9.40 per share, based on the 25 July 2017 closing price.

The net proceeds of the offer will be used to provide additional headroom and flexibility for Abano to respond to the increased acquisition opportunity and step up its growth plans in the trans-Tasman dental market, particularly in Australia.

Full details of the offer will be sent to eligible shareholders and are available on Abano's website [www.abano.co.nz/2017rightsoffer](http://www.abano.co.nz/2017rightsoffer).

Abano has appointed Forsyth Barr Limited as lead manager of the capital raising, with the offer fully underwritten by Forsyth Barr Group Limited.

### **FY17 Dividend Reinvestment Plan Suspended**

Abano remains committed to its existing dividend policy for the foreseeable future, which aims to provide both capital growth as well as an attractive and increasing dividend payment.

Due to the timing of the offer, Abano's Dividend Reinvestment Plan (DRP) has been suspended in respect of the final dividend for the six months ended 31 May 2017. Shareholders who have elected to participate in the DRP will be paid the dividend on 18 August 2017 either by cheque or, where provided, to the nominated bank account. Shareholders who normally participate in the DRP, who are eligible shareholders, may wish to consider the opportunity to use the cash dividend to take up their rights and subscribe for shares under the offer.

**Rights Offer: Key Dates**

Rights trading opens	2 August 2017
Record date to determine entitlement to rights to acquire new shares	5.00pm 3 August 2017
Mailing of Offer Document to shareholders	4 August 2017
FY17 Final Dividend record date	9 August 2017
Rights trading ceases	17 August 2017
FY17 Final Dividend payment date	18 August 2017
Rights offer closes and payment due	5.00pm 23 August 2017
Completion of Shortfall bookbuild	28 August 2017
Allotment of new shares	30 August 2017

**ENDS**

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For more information, visit [www.abano.co.nz](http://www.abano.co.nz) or please call:

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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.