

ABANO UNCONDITIONAL ON SALE OF AUDIOLOGY SHAREHOLDING

Abano Healthcare Group (NZX: ABA) has advised that the \$32 million sale of its 50% shareholding in Bay International Limited to interests associated with Peter Hutson is now unconditional and settlement of the sale is expected to occur on 17 June 2016.

Following receipt of an unsolicited non-binding indicative proposal from an international hearing device manufacturer, Abano initiated a divestment process in respect of its shareholding in April 2016. Under the Bay International shareholders' agreement, the interests associated with Peter Hutson chose to exercise their pre-emptive rights to acquire Abano's 50% investment in Bay International at the same price as that offered by the third party.

As the Hutson interests are a related party of Abano, a waiver was sought from and granted by NZX to enable settlement to be achieved on a timely and cost effective basis.

Chairman of Abano, Trevor Janes, said: "As the price was set by an independent third party and was acceptable to the Abano Board, we determined that the earlier settlement terms provided for under the shareholders' agreement were preferable to the process of proceeding through a shareholder meeting. We are confident shareholders will support this decision.

"We remain committed to the creation of shareholder value and believe there is value and certainty to our shareholders from the expeditious settlement of the sale."

CEO of Abano, Richard Keys, said: "Settlement is expected to occur on 17 June 2016 and the one off gain on book value of approximately \$20 million will be included in the 2016 full year results.

"We are looking forward to moving into the FY17 year with a clear focus on the growth of our trans-Tasman dental organisation, which we see as our strongest opportunity to deliver shareholder value.

"The proceeds from the sale will be used to retire debt and to fund the continuing growth of Abano's dental networks, Lumino The Dentists in New Zealand and Maven Dental Group in Australia."

ENDS

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