

ABANO COMMENCES LEGAL ACTION TO RECOUP COSTS FROM HEALTHCARE PARTNERS

Abano Healthcare Group Limited (NZX: ABA) advises that it has today commenced legal proceedings in the High Court to seek reimbursement of approximately \$566,000 in unpaid costs in relation to the failed hostile partial takeover attempt by Healthcare Partners Holdings Limited and its directors, Peter and Anya Hutson and James Reeves.

Under Rule 49 of the Takeovers Code, Abano is entitled to recover from Healthcare Partners any expenses properly incurred by Abano in relation to the takeover offer – including in dealing with the two takeover notices which Healthcare Partners gave but were unable to progress due to their non-compliance with the Takeovers Code. Since the first takeover notice was received in early November 2016, Abano has incurred over \$1 million in external costs in relation to Healthcare Partners' failed bid.

Despite monthly invoices and several reminders of the overdue invoices throughout the failed takeover process, which commenced over six months ago, no acceptance of any costs or voluntary payment has been made by Healthcare Partners.

As a result, in January 2017 Abano set-off the interim dividend payable to Healthcare Partners against a portion of the amount outstanding. Following this, Healthcare Partners lodged an unsuccessful complaint with NZX and continues to dispute Abano's right to have exercised a set-off against the interim dividend in partial recovery of its unpaid costs.

Despite Abano providing significantly detailed breakdowns of the costs incurred in relation to the takeover, Healthcare Partners continues to dispute every invoice and all costs and has yet to accept that sufficient information has been provided. Abano has therefore been left with no other option but to commence legal proceedings to recoup the outstanding costs.

The Board believes the failure by Healthcare Partners to accept responsibility for any costs – including those relating to the independent report prepared by Grant Samuel, printing, postage and share registry expenses – is unreasonable and represents a continuation of efforts by Peter and Anya Hutson and James Reeves to delay and avoid their financial responsibilities under the Takeovers Code.

Chairman of Abano, Trevor Janes, stated: "The failed partial takeover attempt by Healthcare Partners was time consuming, costly and a distraction for Abano.

"We do not see it as reasonable for Abano and its shareholders to continue to be funding costs properly incurred in relation to Healthcare Partners unsolicited and unsuccessful bid. Healthcare Partners should honour its financial obligations in relation to the failed bid without delay, to avoid disadvantaging Abano and its shareholders any further."

The Board also notes that in a letter to shareholders during the takeover process, Peter and Anya Hutson and James Reeves advised that they would "pay the appropriate costs at the appropriate time" and that "the interests of minority shareholders are protected". Their subsequent actions put these statements in doubt.

In previous unsuccessful takeover attempts by other parties, Abano received reimbursement of costs. This was the third attempt in three and a half years by Peter and Anya Hutson and James Reeves to either gain control of Abano or to force changes to Abano's Board. Abano and its

20 April 2017
Company Announcement



shareholders have incurred related costs in excess of \$2 million over this period, of which only the properly incurred costs in relation to the latest failed takeover attempt are recoverable.

Healthcare Partners' offer lapsed on 3 March 2017, with only minimal acceptances (3.56%), leaving Healthcare Partners' materially short of its 50.01% minimum acceptance condition.

ENDS

Released on behalf of Abano Healthcare Group Limited by Jackie Ellis tel +64 9 360 8500 or email jackie@ellisandco.co.nz.

For more information, visit www.abano.co.nz or please call:

Richard Keys
Chief Executive Officer
Tel: +64 9 300 1413 Mob: +64 274 818368

Trevor Janes
Chairman
Tel: + 64 274 935033

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.