

## **ABANO TO SELL AUDIOLOGY SHAREHOLDING TO JV PARTNER**

Abano Healthcare Group Limited (NZX: ABA) advises that it has entered into an agreement to sell its 50% shareholding in Bay International Limited for \$32 million, to interests associated with Peter Hutson, as a result of those interests exercising their existing pre-emptive rights under the Bay International Limited shareholders' agreement.

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 shareholders' agreement, the interests associated with Peter Hutson have chosen 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.

CEO of Abano, Richard Keys, said: "We are very pleased with this outcome and see this sale as a positive step forward for Abano as we continue to focus on growing our trans-Tasman dental organisation. With 188 dental practices currently across our two networks, including the recent acquisition of Lumino's 100<sup>th</sup> practice in New Zealand, we are well placed to continue our growth in the \$11 billion revenue trans-Tasman dental market.

"The sale price of \$32 million is well in excess of the FY16 half year book value of \$11.9 million. Once the sale goes unconditional, it will result in a one off surplus over book value of approximately \$20 million, including any recognition of Abano's A\$1.8 million share of Bay Audio Australia's deferred tax asset."

Abano has confirmed that based on trading to date during the month of May and excluding any impact from the sale of Bay International Limited, it currently expects the results for the 2016 financial year to be at the top end of the guidance range previously provided on 7 April 2016.

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.

Subject to any necessary shareholder or regulatory approvals, settlement is expected to occur within the next three months.

### **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.