

## **ASX ANNOUNCEMENT**

**19 February 2008**

**1300 SMILES Ltd (ASX code: ONT)**

### **Dental Practice Amalgamation in Townsville**

1300 SMILES Ltd has six established multi-dentist practices in Townsville.

The Company has entered into a conditional contract to acquire a further existing dental practice in Townsville. It is intended that the dentist and his staff will relocate their entire operations into one of 1300 SMILES Ltd's recently expanded facilities.

This dentist is in at the peak of his career, and can be expected to continue providing high quality service to his patients for many years. He has elected to sell his building into the booming Townsville property market, sell his practice to 1300 SMILES Ltd (for cash) and carry on working at his accustomed level of income. His patients will enjoy the comfort of brand new facilities and continuity of care with their preferred dentist at 85 – 89 Bundock St, Belgian Gardens.

By joining 1300 SMILES Ltd this dentist has freed up the capital value of both his real estate and his practice while retaining his earning power. At the same time, the Company expects that the addition of this dentist will make a contribution to revenue and profit immediately.

This acquisition reflects the Company's commitment to expand by acquisition, amalgamation and establishment of new practices in suitable markets. 1300 SMILES Ltd now has an established presence in most of the significant population centres between Cairns and the Gold Coast.

Whilst of significant strategic relevance, neither the amalgamation of this practice nor the acquisition of the Toowoomba practice announced 18 February 2008 are separately or collectively material to the Company.

### **About 1300 SMILES Ltd**

### **OVERVIEW OF THE COMPANY'S BUSINESS**

The Company principally provides the use of dental surgeries and practice management and other services to self employed dentists who carry on their own dental practices. The Company provides surgery facilities at multiple locations including Townsville, Cairns, Mackay, Rockhampton, Gladstone, Caloundra, Brisbane, Toowoomba and the Gold Coast. The head administrative office is in Townsville.

The services provided by the Company allow dentists to focus on the delivery of dental services rather than on the administrative aspects of carrying on their businesses. The dentists pay fees to the Company for the provision of these services under a Dental Services Agreement with the Company.

The dentists who use the Company's services range from new graduates to experienced dental professionals. Several dentists who use the Company's services have special interest and experience in such areas as endodontics, oral surgery, and periodontics and cross-refer work to other dentists who use the Company's services.

The Company provides comprehensive services in the areas of marketing, administration, billing and collections, and facilities licensing all participating dentists. The Company also provides all equipment and facilities, and sources all consumable goods using the buying power which derives from such a large group of dental businesses.

## **FUTURE DEVELOPMENTS**

The Company's core objective is to continue to increase profits and shareholder returns whilst providing a rewarding environment for our staff and dentists using our facilities.

The Company aims to achieve a combination of organic growth in its existing locations and the addition of new practice management facilities.

The key drivers of future growth of the Company are:

- Increasing the number of dentists who use the Company's existing facilities;
- Assisting the dentists who use the Company's facilities to increase their turnover;
- Acquiring additional practices in existing and new regions;
- Establishing new practices in existing and new regions.

## **DENTIST ENQUIRIES**

Qualified dentists who wish to know more about joining one of our established facilities or about establishing a new facility are invited to contact Dr. Daryl Holmes, Managing Director, on 07 4721 1238 or on [md@1300smiles.com.au](mailto:md@1300smiles.com.au).

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