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Media Release

Dental group continues to Smile

LISTED dental group 1300SMILES (ONT) has beaten the odds to record a fantastic 2009 financial year, unaffected by the global financial crisis.

1300SMILES, which operates 17 multi-dentist facilities in Queensland and NSW, recorded a 47 per cent leap in revenue and a 74 per cent jump in full-year profit in 2009.

Speaking at the company's annual general meeting today, 1300SMILES Managing Director Dr Daryl Holmes said the 2009 year "vaulted" 1300SMILES upward to a new base from which the company will resume its constant, incremental growth.

"While the Australian economy clearly went through a severe test, our defensive business model allowed us to grow and prospect," he said.

"We will work constantly to deliver strong results built on a safe financial structure and continue to build on our long track record of sensible, sustainable operations."

Dr Holmes said the results meant that the company has "reached an efficient operating scale, which means that an increasing proportion of every extra dollar of revenue makes it to the bottom line as profit".

Dr Holmes also said that, by keeping the share register tight, "the big increase in profit delivered a big increase in earnings per share, up 72% to 18.7 cents per share".

Dr Holmes did not provide a profit forecast for 2009/10 but said the company was on track to achieve growth in revenue, profit and earnings per share.

"Our management accounts for the first four months of the year give me confidence that we will in fact deliver growth in revenue, profit, and earnings per share, but probably not to the same degree as the massive growth in the 2009 year," said Dr Holmes.

Dr Holmes said most of the company's 17 operating practices had the capacity to accommodate more dentists.

"We build them that way on purpose, as the additional cost of having a few extra rooms is very small, and having that available space allows us to take on extra dentists immediately, with virtually no start-up cost," he said.

Dr Holmes emphasised that “Adding just one dentist to each of our existing facilities would increase the size of our business by far more than any acquisition we've ever made, and you can be sure that our recruiting and acquisition efforts are focussed on making the most of our existing facilities.”

Dr Holmes said 1300SMILES would open a new purpose-built practice in January in the northern suburbs of Brisbane.

“We expect to open our newest green field site in a medical precinct in a modern Woolworths-anchored shopping centre in Brisbane, where our facility will be located between a new Terry White Pharmacy and Medical Centre and a collection centre for a major pathology provider,” he said.

“I expect that we will be announcing further new facilities located in similar medical precincts over the coming year.”

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