

## ASX ANNOUNCEMENT

25 March 2008

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

#### Dental Practice Amalgamation in Townsville Completed

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

Further to the market announcement of 19 February 2008, the Company is pleased to advise that it has now completed settlement of Dr Brian Cowie's long-established Townsville dental practice previously located at 567 Ross River Rd. Cranbrook, and now relocated into the brand new, fully functioning and busy 1300SMILES facility at 85 Bundock St Belgian Gardens, Townsville.

Dr Cowie is at the peak of his career, and can be expected to continue providing high quality service to his patients well into the future. He has elected to sell his real estate into the booming Townsville property market, sell his practice to 1300SMILES Ltd (for cash) and continue working at least at his accustomed level of income. He, his staff and patients are now enjoying the comfort of brand new facilities and continuity of care.

By joining 1300 SMILES Ltd Dr Cowie 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 an immediate positive but not material contribution to revenue and profit.

This acquisition reflects the company's commitment to expand by acquisition and by establishing new practices in suitable markets. Following the company's numerous acquisitions over the past year, 1300 SMILES Ltd now has an established presence in most of the significant population centres between Cairns and the Gold Coast.

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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 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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