

ASX ANNOUNCEMENT
24 November 2008

1300SMILES Ltd (ASX code: ONT)

67% profit INCREASE forecast for first half

1300SMILES Ltd forecasts Net Profit After Tax for the half year to 31 December of \$1.9 million (a 67% increase on half year to 31 December 2007).

This forecast profit is equal to 81% of the \$2.35m full year profit achieved for the year ended 30 June 2008.

Earnings Per Share for the half year 31 December 2008 is accordingly forecast to be 9.34c (65% increase) per share compared with the 5.66c per share for the half year ended 31 December 2007.

This profit growth arises from a combination of organic growth, expansion and acquisition. In the current half year 1300SMILES Ltd has added numerous dentists, therapists and hygienists to its eighteen established facilities. The company continues to acquire established, successful practices on terms which allow those practices to make an immediate contribution to profit.

Unaudited results to the end of October suggest that the ongoing financial crisis has not caused any noticeable reduction in turnover.

The company's access to finance is secure. 1300SMILES Ltd has sufficient cash and committed credit lines to complete all anticipated acquisitions for the balance of the financial year.

ABOUT 1300SMILES Ltd

OVERVIEW OF THE COMPANY'S BUSINESS

The Company 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, Bundaberg, Caloundra, Brisbane, Toowoomba, and the Gold Coast (Tweed Heads). 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 interests 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 certification and licensing for 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.

ENDS
