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Media Release

1300SMILES thriving in tough times

EXPANDING listed Queensland based dental group 1300SMILES (ONT) is enjoying buoyant times despite the global financial turmoil, according to managing director Dr Daryl Holmes.

Speaking to the company's shareholders at its AGM yesterday (November 27), 1300SMILES managing director Dr Daryl Holmes said the group had the capital resources to pursue further acquisitions and expansions right away.

1300 SMILES enjoys strong positive cash flows from operations and access to capital for all foreseeable requirements. Revenue for the first four months of the financial year has shown no sign of any slowdown in the demand for the company's services.

Dr. Holmes advised that the company is in position to deliver solid growth from its seventeen multi-dentist facilities, many of which have room to accommodate additional dentists.

Dr Holmes said 1300SMILES was thriving because it operated in a robust, defensive, countercyclical industry and the company was well positioned for the future. "Financially, this company is in great shape."

At the same time, he noted, 1300 SMILES had access to committed loan facilities which the company could use to take advantage of attractive acquisition opportunities as they arise. "We are currently looking at a number of possible acquisitions, both in Queensland and interstate," Dr Holmes said.

"We measure our ongoing operations and any potential acquisition with the same ruler: that of earnings per share," he said. "Our excellent results in 2008, and the forecast outstanding results for 2009 show that this approach is working."

"As earnings per share continue to grow, our company will continue to reward shareholders with a generous dividend payment policy," he stated. "In 2008 1300SMILES recorded dividend growth of 25 per cent and the outlook for the 2009 dividend is extremely encouraging."

The AGM comes just days after 1300SMILES forecasted a 67 per cent rise in Net Profit After Tax (NPAT) for the first half of the 2008-09 year. Dr Holmes said he expected that profit for the second half of the year would be just as strong.

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“The company’s financial results for the 2008-2009 year look as though they will be the best ever,” he said. “Last year we said we would lay the platform for terrific growth. I’m happy to report that we have delivered on our promise.”

Since listing at 80c in March 2005, 1300SMILES’s share price has more than tripled to \$2.50. Over the same period, the ASX-200 has lost about 14% of its value.

1300SMILES provides the use of dental surgeries, practice management and other services to self-employed dentists who operate their own practices. The company’s structure allows dentists to focus on the delivery of dental services rather than the administrative and management operations. The dentists pay fees to the company for the provision of these services under a Dental Service Agreement with the company.

The fast-growing company owns seventeen multi-dentist facilities in 11 major regional centres. The administration office is located in Townsville.

1300SMILES operates multi-dentist facilities in Cairns, Townsville, Mackay, Rockhampton, Gladstone, Bundaberg, Caloundra, Brisbane, Toowoomba, and Gold Coast (Tweed Heads).

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