



Ground Floor,  
105 Denham Street,  
Townsville, Qld., 4810

P.O.Box 5021,  
Townsville, Qld., 4810

Phone: +61 7 4721 1238

Fax: +61 7 4771 5217

[www.1300SMILES.com.au](http://www.1300SMILES.com.au)  
[admin@1300SMILES.com.au](mailto:admin@1300SMILES.com.au)

## ASX ANNOUNCEMENT

18 May 2010

### SALE OF SHARES

The Company hereby advises that entities associated with the Managing Director, Dr Daryl Holmes, has completed the on-market sale of 487 195 shares in the Company.

This sale was undertaken to assist the entry of an influential long-term 'value' investor, Intelligent Investor Funds Management, along with other investors who had placed on-market orders to buy shares in the Company. The effect of these transactions is to increase the total number of shareholders in the Company and may increase liquidity in the Company's shares.

The only previous occasion on which Dr. Holmes has sold any shares in the Company was on 14 October 2005. At that time Dr. Holmes advised that he had no intention of selling any additional shares for a period of at least twelve months. He has not sold any shares since then, being four years and eight months. Dr. Holmes has once again advised the Board that he has no intention of selling any further shares for a period of at least twelve months.

It has always been the Company's policy to keep the number of issued shares under tight control, to assist the growth of earnings per share and dividends per share. Between the 2005 and the 2009 years, Company dividends grew at a compound rate of more than 30% per annum. The transactions reported here have enabled the number of shareholders in the company to increase with no increase in the number of issued shares.

Prior to these transactions, entities associated with Dr Holmes held a total of 72% of the issued shares in the Company. Subsequent to these transactions the interest of Dr. Holmes and his related entities has been reduced to 70%.

This announcement and further information about 1300 SMILES Ltd can be found on the Company's web-site [www.1300SMILES.com.au](http://www.1300SMILES.com.au)

On behalf of the Board  
Daryl Holmes  
Managing Director

## **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 twenty sites located in the ten major population centres in Queensland. The head administrative office is in Townsville.

The services provided by the Company allow the 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 Service 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, implants 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, to 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 while providing a rewarding environment for our staff and the 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 for 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**

Owners of dental practices who are interested in unlocking the goodwill value of their businesses are invited to contact Dr. Daryl Holmes, Managing Director, on 07 4721 1238 or on [md@1300SMILES.com.au](mailto:md@1300SMILES.com.au).

Qualified dentists who wish to know more about joining one of our established facilities are also encouraged to contact Dr. Holmes directly, or email [dentistrecruitment@1300SMILES.com.au](mailto:dentistrecruitment@1300SMILES.com.au).