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Media Release

Profit forecast leaves dental group smiling

LISTED Queensland dental group 1300SMILES (ONT) is forecasting a rise in Net Profit After Tax for the first half of 2008-09 of 67 per cent.

The group's Net Profit After Tax for the period is expected to be \$1.9 million, equal to 81% of the company's profit for the entire previous full year.

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

Since listing at 80c in March 2005, 1300SMILES's share price has nearly tripled from 80c to \$2.25, and the company has paid 26c in dividends.

In contrast, the All Ordinaries Index is now about 15 per cent lower than it was in March 2005.

1300SMILES managing director, Dr Daryl Holmes, said the global economic downturn had not caused any decrease in the company's turnover.

"We are expecting a tremendous financial result on the back of strategic acquisitions and the expansion of our operations," Dr Holmes said.

"In the last year we completed a number of major acquisitions, which are now making significant contributions to the company's profit."

"Our monthly result for October further supports our view that our first-half profit will be about 81% that of the last full year."

Dr Holmes said a large number of individual dentists, therapists and hygienists had, and will be joining the group's practices this year.

"This increase in the number of professional staff has, and will continue to contribute to the company's profit almost immediately," he said.

Dr Holmes said 1300SMILES hoped to announce new practice acquisitions before the end of 2008 and had earmarked several more expansion opportunities.

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 18 facilities in 11 major regional centres. The administration office is located in Townsville.

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