

ASX ANNOUNCEMENT

18 April 2008

1300 SMILES Ltd (ASX code: ONT)

Completion of Acquisition of Dental Practice in Toowoomba

On 18 February 2008 1300 SMILES announced that it had entered into a conditional contract to acquire a long established, large, multi-dentist practice located in Toowoomba, one of the major regional hubs in Queensland's South East.

This practice enjoys an enviable local reputation and healthy client base as well as a prominent location in one of Queensland's fastest growing areas. The practice principals, dentists & staff will all remain unchanged.

On Friday 18 April 2008 this acquisition settled as anticipated.

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

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, Toowoomba 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.

ENDS