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ASX ANNOUNCEMENT

19 March 2007

Significant South-East Queensland Acquisitions

1300 SMILES Ltd today announced that it has entered into a conditional agreement to acquire two established dental practices located in the Carindale Shopping Centre in southeast Queensland. These practices give the company an immediate and substantial presence in another fast-growing population centre.

The first of the acquired practices is a long-established, multiple-dentist facility known as Dentistry Carindale. The second, located in a separate but nearby tenancy within the medical court precinct of the shopping centre, focuses on cosmetic and preventative dental procedures and operates as The Smile Studio.

These acquisitions reflect the company's continuing effort to expand by acquisition and by establishing new practices in suitable markets. Following the company's recent expansion into Gladstone, the addition of the Carindale businesses serves to fill one of the few remaining gaps in Queensland. Most significant population centres between Cairns and the Gold Coast are now served by 1300 SMILES Ltd facilities.

The Carindale Shopping Centre, situated in Brisbane's south-east, is one of the largest and busiest in Queensland. Both Dentistry Carindale and The Smile Studio benefit from the significant flow of potential patients visiting the centre for other purposes.

The acquisition will be funded through existing cash reserves.

About 1300 SMILES Ltd

1300 SMILES Ltd 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 locations in Townsville, Cairns, Mackay, Gladstone, Brisbane and the Gold Coast. 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.

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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, periodontics, implantology, and complex restorative, 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 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.

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 will be:

- 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.
- Ongoing attraction of new dentists to the company's existing and new facilities.



On behalf of the Board
Daryl Holmes
Managing Director