

## **ASX ANNOUNCEMENT**

**17 January 2012**

### **ACQUISITIONS – SUNSHINE COAST**

1300SMILES Ltd has completed the acquisition of two (2) dental practices on the Sunshine Coast, north of Brisbane.

Located in Caloundra and Warana, and separated by about 12 kilometres, the two long-established practices bring to ten (10) the total number of practices owned by 1300SMILES in the important southeast Queensland region, which comprises the Sunshine and Gold Coasts and greater Brisbane. The company now owns and operates twenty-three (23) practices overall.

This strategic corridor of practices is convenient for patients and dentists alike. It delivers significant marketing, operational and demographic synergies, efficiencies and economies of scale.

The three dentists, one prosthetist, and one dental technician in the on-site laboratory, including the principals, with established practices at Caloundra and Warana, have all committed to continue to operate from these locations.

Whilst not financially material overall (given the scale of the company's established operations) these two practices are expected to make immediate contributions to both profit and earnings per share.



On behalf of the Board  
Daryl Holmes  
Managing Director

## **ABOUT 1300SMILES LTD**

### **OVERVIEW OF THE COMPANY'S BUSINESS**

1300SMILES Ltd owns and operates full-service dental facilities at twenty-three sites, mainly in the ten major population centres in Queensland. The company continually seeks to expand its presence into other geographical areas throughout Australia. It does so both by establishing its own new operations and by acquiring existing dental practices. The administrative and corporate offices are in Townsville.

1300SMILES enables the delivery of services to patients by providing the use of dental surgeries, practice management and other services to self employed dentists who carry on their own dental practices. 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. In some circumstances the company also employs qualified dentists.

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, 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 support staff, 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 profits by attracting more dentists to our existing facilities and expanding those facilities which are already at full capacity;
- Assisting dentists who already practice within the 1300SMILES system to increase their turnover and income through benchmarking, training, and mentoring;
- Establishing new practices in existing and new regions (greenfield sites);
- Acquiring substantial existing practices where we can do so on favourable terms; and
- Managing dental facilities owned by others.

### **DENTIST ENQUIRIES**

Owners of dental practices who are interested in unlocking the goodwill value of their businesses (or freeing themselves from all the management hassles) are invited to contact Dr. Daryl Holmes, Managing Director, on + 61 7 4720 1300 or [md@1300SMILES.com.au](mailto:md@1300SMILES.com.au).

Qualified dentists who wish to know more about joining one of our established facilities are encouraged to contact Dr. Holmes directly or email [dentalcareers@1300smiles.com.au](mailto:dentalcareers@1300smiles.com.au) or visit our website [www.dentalcareersaustralia.com.au](http://www.dentalcareersaustralia.com.au).