



Thursday, 9 August 2012

Media Release

1300SMILES Ltd - Record Results Recorded Again

1300SMILES Ltd has announced record results for FY 2012, continuing its streak of five consecutive years of record high Net Profit After Tax, Earnings Per Share, Dividends Per Share and Dividend growth, and seven consecutive years of Revenue growth.

Net Profit After Tax was up by 20% to \$6.2 million whilst Dividends were up 14.8% to 17.8 cents per share. Earnings Per Share grew by 10.1% to 26.6 cents despite an 11.1% dilution in share capital due to the allotment of additional shares to institutional investors during the year. Statutory Revenue grew by 28.4% to \$36.7 million whilst over-the-counter Revenue was up 28.7% to \$45.9 million.

1300SMILES Managing Director Dr. Daryl Holmes said the company continued to focus on improving the underlying business. "During the year we continued to invest in and on our business. We are designing our business to be as scalable as possible, so it is ready for growth as and when profitable growth is available, and at the same time we are working hard at in-filling and growing our established facilities," Dr. Holmes said.

He said, "We hold our highest ever cash reserve, being \$5.9 million at year end net of all debt obligations. We also have substantial borrowing facilities in place, and consequently have resources sufficient to fund any conceivable acquisition or expansion we might undertake."

"We are not hoarding cash, though, and in fact invested almost \$2.2 million by way of capital expenditure alone back into the regional economies we serve," Dr. Holmes said.

"We also continued our work on attracting and recruiting key talent and on developing our people. I am very pleased with our results in those areas, which are flowing through to our financial results in a positive way."

1300SMILES Ltd is Queensland's largest provider of dental services. It owns and operates twenty-four established multi-dentist facilities in Cairns, Townsville, Mackay, Rockhampton, Gladstone, Bundaberg, the Sunshine Coast, several locations in greater Brisbane, the Gold Coast, and Toowoomba.

ENDS

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ABOUT 1300SMILES LTD

OVERVIEW OF THE COMPANY'S BUSINESS

1300SMILES Ltd owns and operates full-service dental facilities at twenty-four 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

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 or visit our website www.dentalcareersaustralia.com.au