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ASX ANNOUNCEMENT

31 December 2010

SECURITIES TRADING POLICY

1. Policy objectives

1.1 Directors and other shareholders are encouraged to be long term holders of the Company's shares. Care must be taken in the timing of any acquisition or disposal of securities of the Company.

1.2 The objective of this policy is:

1.2.1 to ensure that the Directors and employees do not inadvertently breach the insider trading provisions of the Corporations Act 2001 when dealing in securities of the Company (including shares and options); and

1.2.2 to assist in maintaining market confidence in the trading of the Company's securities.

2. Who does this policy apply to?

2.1 This policy applies to all Directors, the Company Secretary and to all executives and employees of the Company and their associates.

2.2 Persons covered by this code must not trade through any member of their family, or through a trust or company over which they have influence or control, in circumstances where they would have been prohibited from trading in their own name.

2.3 This policy applies to all securities including ordinary shares, preference shares, debentures, convertible notes and options.

2.4 It does not apply to any acquisition of securities as part of a new issue or dividend reinvestment plan where the issue is available pro-rata to all holders of securities of the relevant class.

3 What is insider trading?

Insider trading

3.1 If a person covered by this policy has Inside Information relating to the Company it is illegal for the person to:

- 3.1.1 Buy, sell or otherwise deal in securities (shares or options) in the Company;
- 3.1.2 Advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell the Company's securities; or
- 3.1.3 Pass on information to any other person, if you know or ought to reasonably know that the person may use the information to buy or sell (or procure another person to buy or sell) the Company's securities.

Inside information

3.2 Inside information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:

- 3.2.1 Have a material effect on the price or value of any company's securities (not just the Company's securities); or
- 3.2.2 influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

3.3 Information is generally available if:

- 3.3.1 it consists of readily observable matter;
- 3.3.2 it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- 3.3.3 it is derived from information that has been made public; or
- 3.3.4 it consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.

4 Policy

No trading when in possession of inside information

4.1 No person to whom this policy applies may deal in any security at any time if they have inside information.

Trading window

4.2 A person covered by this policy may trade in securities in the 6 week period after:

- 4.2.1 the release to the ASX of the half-yearly and annual results; or
- 4.2.2 the end of the AGM; or

4.2.3 at any time the Company has a prospectus open,

but only if:

4.2.4 they have no inside information; and

4.2.5 the trading is not for short term or speculative gain.

Other authorised trades

4.3 A person covered by this policy may trade in securities at other times only if:

4.3.1 They are personally satisfied that they are not in possession of Inside Information; and

4.3.2 They have obtained the written approval of the Chairman or in the case of any proposed trade by the Chairman, of another non-executive Director nominated by the Chairman for the purpose.

4.4 Permission will be given for such trading but only after written request for approval is provided and only if the approving person is satisfied that the transaction would not be:

4.4.1 contrary to law;

4.4.2 for speculative gain;

4.4.3 to take advantage of insider information; or

4.4.4 seen by the public, press, other shareholders or the ASX as unfair.

4.5 Approval to trade may be given, for example, where it can be shown that securities are to be sold to realise cash at a time of need to where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.

4.6 Approval could only be given under exceptional circumstances where trading would occur in the period between 30 June and the announcement to the ASX of the final result for the year and between 31 December and the announcement to the ASX of the interim results for the half-year.

Disclosure to the Company

4.7 Persons covered by this policy must advise the Secretary in writing of the details of completed transactions within 2 business days following each transaction. Such notification is necessary whether or not prior authority has been required.

4.8 The Secretary must maintain a register of securities transactions for the purposes of this Policy.

4.9 The Company must comply with its obligations to notify ASX in writing of any changes in the holdings of Securities or interest in Securities by Directors.



On behalf of the Board
Daryl Holmes
Managing Director

ABOUT 1300SMILES LTD

OVERVIEW OF THE COMPANY'S BUSINESS

The Company 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 twenty sites located in the ten major population centres in Queensland. 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.

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, 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 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 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

Owners of dental practices who are interested in unlocking the goodwill value of their businesses are invited to contact Dr. Daryl Holmes, Managing Director, on 07 4721 1238 or on md@1300SMILES.com.au.

Qualified dentists who wish to know more about joining one of our established facilities are also encouraged to contact Dr. Holmes directly, or email dentistrecruitment@1300SMILES.com.au