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ASX ANNOUNCEMENT

21 February 2011

2011 INTERIM DIVIDEND (7.5c) FULLY FRANKED

On 21 February 2011 the Company reported that it had declared an interim dividend of 7.5c per share.

The Directors are pleased to confirm that the final dividend is fully franked.

Confirmation of the Final Dividend details:

Dividend amount per security 7.5 cents

Franked amount per security 100%

Shares trade ex dividend after close of trade 3 March 2011

Record Date for determining entitlement to dividend 9 March 2011

Payment Date (on or before) 24 March 2011

As previously reported the Company achieved a half year net profit after tax of \$2,686,000 equal to 12.6c earnings per share.

This announcement and further information about 1300 SMILES Ltd can be found on the company's web-site www.1300SMILES.com.au

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, practice management and other services to self employed dentists who carry on their own dental practices. The company provides surgery facilities at twenty one sites serving the ten major population centres in Queensland. The administrative and corporate services headquarters 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 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 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 and managing additional practices in existing and new regions; and
- 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 (or freeing themselves from all the management hassles) 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, email dentalcareers@1300smiles.com.au or visit our website www.dentalcareersaustralia.com.au.