



Monday, February 21, 2011

MEDIA RELEASE

Dental group strong result in face of adversity

QUEENSLAND's extreme weather events have failed to dampen the record half year result for listed dental group 1300SMILES Ltd (ONT).

The Queensland-based company, which has 21 practices throughout Queensland and northern New South Wales, posted a 25 per cent rise in revenue to \$14.5 million for the six months to December 2010.

Shareholders will be left smiling at earnings per share of 12.6c, up 14 per cent on last year, and a first-half fully-franked dividend which leapt 15 per cent to 7.5c per share.

The group's net profit after tax for the period increased 19 per cent to \$2.7 million.

1300SMILES managing director Dr Daryl Holmes said the group was already seeing results from the strategic acquisition of a fifth Brisbane practice in October.

"The first-half results demonstrate that 1300SMILES has continued on the growth trajectory which it maintained through and beyond the global financial crisis of 2008 and 2009," Dr Holmes said.

"In October 2010 we acquired Bray Park Dental Practice at Kensington Village Shopping Centre in suburban Brisbane, adding to our strategic corridor of practices in south-east Queensland.

"Acquiring established practices is part of our growth strategy and our objectives going forward are the same as they have been for some years. We aim to deliver increased revenue, profit, and dividends by doing what we do best.

"We are always looking for and assessing new opportunities to deliver sustainable growth for our shareholders."

And despite 18 of its dental practices experiencing closures during Queensland's devastating floods and the more recent Cyclone Yasi, the company's January results were well ahead of the previous year.

Dr Holmes said the group recovered quickly from the extreme weather events to deliver critical dental services to regional and metropolitan cities within days.

“As soon as it was possible to resume operations, several of our practices began operating on extended schedules, staying open up to seven days a week and offering extended hours,” he said.

“I am proud that 1300SMILES has been at the front line providing these essential services.”

Dr Holmes said the group would this year step up its volunteer humanitarian role with not-for-profit organisation Youth With a Mission (YWAM).

Dr Holmes, along with several staff members and dentists, last year boarded the YWAM medical ship to complete hundreds of voluntary dental procedures in rural and remote Papua New Guinea.

Background information:

1300SMILES Ltd has 21 established multi-dentist facilities in Cairns, Townsville, Mackay, Rockhampton, Gladstone, Bundaberg, Caloundra, Brisbane, Toowoomba, and Tweed Heads.

It provides the use of dental surgeries and 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.

ENDS

Media Contact:

Shane Russell on 0408 010 932 or shane@russellpr.com.au

R U S S E L L
PUBLIC RELATIONS