

1300SMILES DENTISTS

Thursday, 14 February 2013

Media Release

1300SMILES Ltd 2013 Half Year Results

Improving smiles pays dividends

1300SMILES Ltd has announced record results for the first half of the 2013 financial year.

1300SMILES Managing Director Dr. Daryl Holmes said the company enjoyed its best ever half yearly results, with impressive increases in Revenue, Net Profit After Tax, Earnings Per Share, and Dividends Per Share.

Net Profit After Tax was up by 16.1% to \$4.0 million whilst the fully-franked Interim Dividend increased by 16% to 10 cents per share. Earnings Per Share grew by 16.1% to 16.7 cents. Statutory Revenue grew by 20.9% to \$21.1 million.

Dr. Holmes highlighted growth in over-the-counter Revenue by 34% to more than \$29 million. Dr. Holmes said that was almost two-thirds of last year's total annual revenue, and not far short of its total annual revenue in the 2010 year.

He said solid growth in the business could be attributed in part to the innovation 1300SMILES continued to deliver in dental care.

"We have worked hard to provide more affordable means for people to access dental care, and this is vital when we consider the effects of poor dental health on the community," Dr. Holmes said. "It's a national embarrassment that 70 percent of all Australians do not regularly go to a dentist.

"Poor periodontal (gum) health is associated with other serious systemic illnesses, up to and including serious heart disease in which the heart itself is infected with some of the same pathogens present in infected gums. The cost of two checkups each year for life is far less than the cost of treating one incident of heart disease.

"I'm proud to report that we're doing our best to make regular preventative dental care accessible to as many people as possible. Our key initiative in this area is the 1300SMILES Dental Care Plan. Many patients, new and old, have already had their first check-ups under the Plan, and have been able to proceed with more extensive treatment thanks to the reduced cost and extended interest-free payment terms.

"We are determined to expand the market for dental services via the 1300SMILES Dental Care Plan and deliver services to a much broader group of people than ever before, including the 70 percent who might have avoided treatment because of the perceived cost," Dr. Holmes said.

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

Media enquiries: 1300SMILES Ltd on 07 47 201 300 or md@1300smiles.com.au

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