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Media Release

1300SMILES kicks off a new era

Managing Director Dr. Daryl Holmes has hailed the strong 2014 performance of 1300SMILES, under somewhat trying conditions.

“It’s the first year of the new era for 1300SMILES,” he said.

“The entire dental industry has been through a period of chaos which began in 2012, with the abrupt termination of the Chronic Disease Dental Scheme.”

“We’ve spent the past two years working hard to ensure that our company prospers in the new normal for the dental industry. Our results for 2014 show that we’re on the right track.”

Dr. Holmes advises shareholders to treat the 2014 year as the new baseline against which the company’s progress should be measured. “Make no mistake, conditions in our industry were as tough during the 2014 year as they have ever been. 1300SMILES has emerged from this difficult period more resilient and efficient than ever. Our results are more robust and more thoroughly tested than ever before.”

Following a reduced interim dividend of 6.5c per share, the company’s final dividend has been boosted to 8.0c, for a full year total of 14.5c. Dr. Holmes noted, “I am extremely pleased at our solid new growth since the first half of the year. Our dividend reflects this renewed progress.”

The company’s \$1-a-day Dental Care Plan has continued its strong growth, with more than 6,000 members at the end of June. “The Dental Care Plan makes dentistry affordable for families while adding steady additional revenue for our company. This helps us with everything from the efficient use of our resources to recruiting additional dentists,” said Dr. Holmes.

Toward the end of the financial year 1300SMILES acquired the large and very prestigious Brisbane CBD practice, BOH Dental. Dr. Holmes commented, “Seven of BOH’s ten dentists are senior specialists, creating the opportunity for more dental referrals within the 1300SMILES family.”

Sponsorship of the 1300SMILES Stadium in Townsville continues to pay off. “This gets our name in front of people all over Australia every week. This is increasingly important as we have a significant presence in suburban Sydney and in Adelaide, as well as all over Queensland.”

“Coincidentally, we have become the official dentists to 3 of the national football codes, thanks to our work with the NQ Toyota Cowboys, the Queensland Reds and Wallabies, in Brisbane C/BOH Dental, and the Adelaide Crows, in Adelaide.

ENDS

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ABOUT 1300SMILES LTD

OVERVIEW OF THE COMPANY'S BUSINESS

1300SMILES Ltd owns and operates full-service dental facilities at its sites in New South Wales, South Australia, and 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.