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## **ASX / Media Release**

### **2009 Results**

Pearl Healthcare Limited (ASX: PHL) today reported a significant improvement in operating cash flows and in the general financial performance of its dental laboratory business in the 2008-09 year.

Earnings before interest, tax, depreciation and amortisation increased by \$517,000 to \$511,000. Reduction in input costs, principally labour and supplies, have driven the improvement in earnings. The implementation of new software has enabled the company to more closely monitor productivity and performance in all laboratories.

Together with other initiatives, this has contributed to an improvement in gross margins, up by 3.1% to 34.4% of revenue.

Revenue increased marginally by 1.3% to \$14 million, revenue growth being constrained by the sale of our Newcastle Laboratory in January 2009. Demand for our services has not been affected by the recent turmoil in global financial markets. Australia's ageing demographics should further boost demand for dental services in the medium term.

Net operating cash flow improved by \$1.07 million from a outflow of \$880,000 in 2007-08 to an inflow of \$190,000 in the latest year.

Shareholder equity increased by \$760,000 to a positive \$210,000 at 30 June 2009, assisted by positive operating cash flow of \$190,000 for the year and the successful completion of a 1 for 1 rights issue to shareholders that raised \$1.32 million before costs in November 2008.

Commenting on the outcome, the Executive Chairman, Mr Greg Plummer, said that the improved result was a "very creditable performance in the current market and reflects the continuous improvements being implemented by our laboratory managers and staff."

"Stringent cost control has been a critical factor in turning around the performance of Pearl Healthcare. We have begun to assert market leadership in a number of locations, particularly our Adelaide laboratory which is serving as a model for the continuing growth of Pearl Healthcare"

Mr Plummer said "the dental supplies and laboratory sector is a substantial sector, and Pearl has many opportunities to build its revenues, both organically and by acquisition in coming years. Improvements in our cash flows and balance sheet will allow us to take advantage of these opportunities as they emerge"

"It has taken time for the true strength of Pearl's model to be realized, but that is now becoming evident thanks to the talent and hard work of our 140 employees across the nation."

“Pearl Healthcare is the only truly national dental laboratory business in Australia and we will be able to increasingly draw on the depth of skills and talents in the organisation to adopt new technologies which will allow us to provide leadership to this sector in coming years”.

For further comment contact Greg Plummer on 02 9222 9087.

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Chief Financial Officer  
Pearl Healthcare Limited.