

ASX ANNOUNCEMENT 27 JUNE 2008
EYECARE PARTNERS LIMITED ACN 006 505 808

The Directors of Eyecare Partners Limited are pleased to announce the addition of 7 new optometry practices to the group.

The practices are located at Camberwell and Burwood in Victoria, Karalee, Boonah, Mermaid Beach and Robina in Queensland and St Ives in New South Wales. The practices in aggregate are expected to add \$4.9m in annualised gross revenue to the group, bringing annualised revenues added to the group by acquisition over the past 10 months to \$11m.

In line with the management philosophy of Eyecare Partners, the practices will remain managed by the vendors of the practices, and all acquisitions are cash flow positive and are expected to add to earnings per share.

The acquisitions are expected to be settled on 1 July 2008, and acquisition consideration will be paid by a combination of cash and convertible notes. The consideration convertible notes will be unlisted, do not bear interest, will be issued at an implied price of \$0.20 per note and will convert to ordinary fully paid shares in Eyecare Partners Limited on a one for one basis, on the day after the Company's next dividend payment or the day after the next annual general meeting of the Company, whichever is the earlier.

The total acquisition consideration is approximately \$4.8m, and will be satisfied through cash payments of \$3.1m and the issue of 8.3m convertible notes. The issue of the notes does not require shareholder approval.

The Company will draw on its bank funding facilities to meet the acquisition consideration and maintain robust cash reserves and undrawn facilities to fund future acquisitions.

The Directors of the Company are pleased with the progress in relation to acquisitions over the past 10 months, which represents a doubling in the number of practices in the group. The increased size of the group places it on a firm footing for the new financial year, and management continues to investigate future acquisitions to increase the geographic footprint of the group and to add to the clusters of practices in each State.

The Company is gaining size and is well positioned against other companies in the ASX Health Care Equipment and Services index.

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