

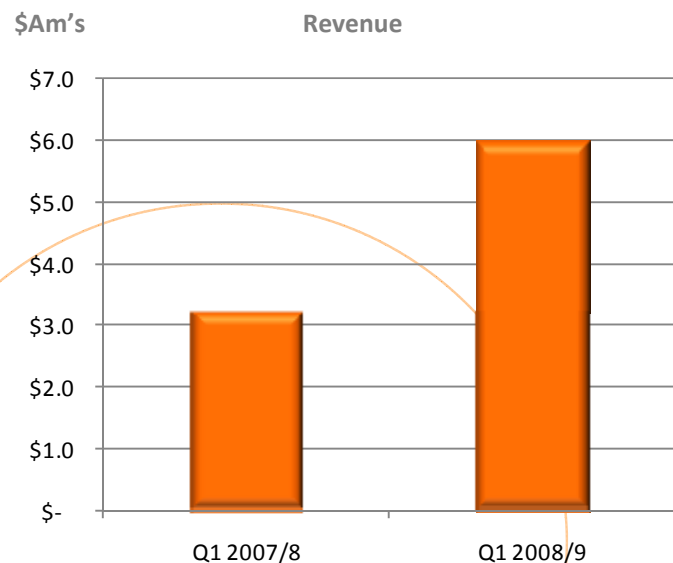
**ASX ANNOUNCEMENT 30 OCTOBER 2008**  
EYECARE PARTNERS LIMITED ACN 006 505 808

The Directors of Eyecare Partners Limited are pleased to provide the following commentary which should be read in conjunction with the attached Form 4C Cash Flow report for Eyecare Partners Limited and its subsidiaries.

**Cash Flow**

Revenues for the quarter totaled approximately \$5.9m, an increase of 85% over the same period in the prior year, reflecting the effect of acquisitions and organic growth from all practices.

The closing cash and cash equivalents at the end of the quarter were \$2.3m. The cash flow for the quarter from operations reflected the increased receipts and payments as a result of acquisitions. The practice businesses contributed positive operating cash flow of \$1.1m to the group for the quarter (after corporate office costs) and the primary use of cash was the acquisition of the optometry practices and optometric equipment for practices and the payment of the final fully franked dividend of \$0.8m which brought the full year fully franked dividend to \$0.01 per share.



The group continues to enjoy the support of its banker for the provision of acquisition finance, and during the quarter, the company utilised \$3.3m in bank finance which was applied in the settlement of acquisitions.

The cash resources remain adequate to allow the group to pursue its acquisition and operational goals, and sufficient standby bank funding arrangements are in place to accommodate its acquisition plans.

**Post Period Acquisitions**

The Eyecare Partners' optometry practices as at the end of the financial year numbered 26. The Company has since acquired a further 12 practices bringing the total number of practices to 38.

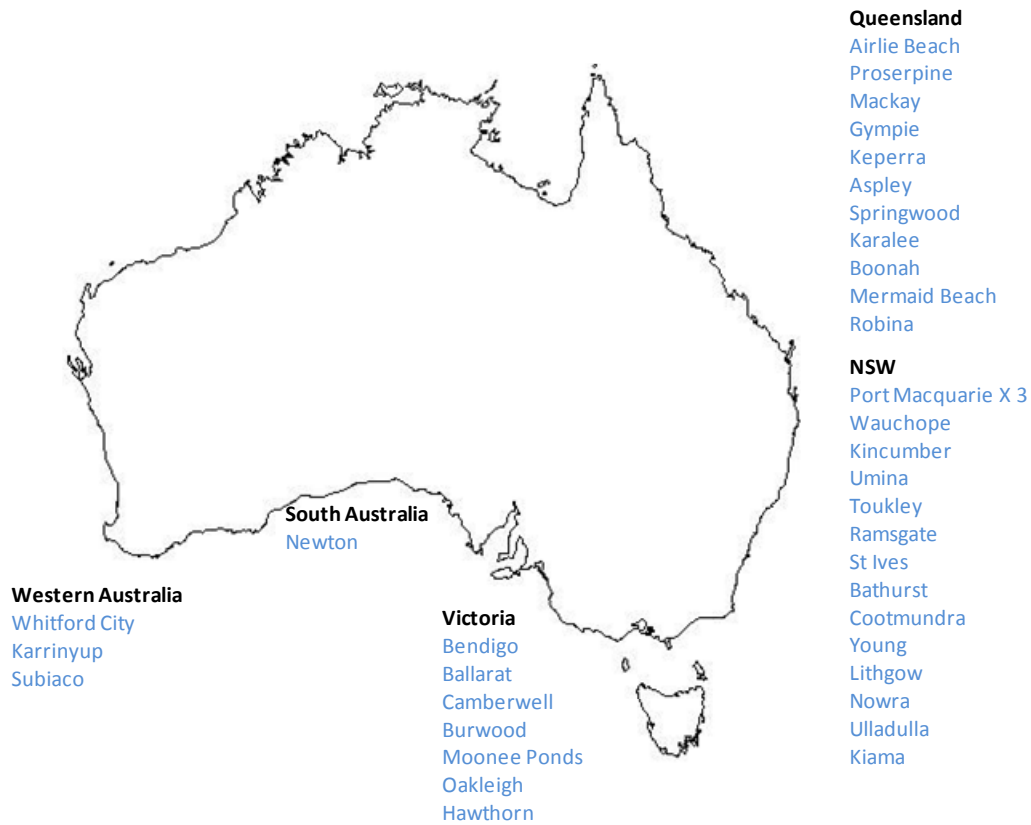
The new practices are located at Camberwell, Burwood and Ballarat in Victoria, Karalee, Boonah, Mermaid Beach and Robina in Queensland, Subiaco in Western Australia and St Ives, Kincumber, Toukley, and Umina in New South Wales. The practices in aggregate are expected to add \$8.7m in annualised gross revenue to the group.

The acquisitions were settled July and October 2008, and acquisition consideration was paid in a combination of cash and convertible notes. The consideration convertible notes were unlisted, do not bear interest, were issued at an implied price of \$0.20 per note and have since converted to ordinary shares.

The total acquisition consideration was approximately \$8.3m, and was satisfied through cash payments and the issue of 8.7m convertible notes. The issue of the notes did not require shareholder approval.

The practices will continue to be managed by the vendor optometrists in line with the company's management philosophy of local day to day management of practices.

### Eyecare Partners Limited – Practice Locations



Eyecare Partners continues to identify and assess acquisition opportunities to add to the group. Current activities are focused on acquiring new metropolitan practices and in particular practices proximate to existing practices where supervising management can be shared.

The company is cognisant of the prevailing global economic uncertainty and the constraints on capital availability. The effect on the operations of the business of this uncertainty is unknown, and the company will adopt a cautious approach in relation to its business and acquisition activities.

For further information please contact:  
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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

EYECARE PARTNERS LIMITED

ABN 47 006 505 880

Quarter ended ("current quarter")

30 September 2008

### Consolidated statement of cash flows

Cash	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	5,534	5,534
1.2 Payments for		
(a) staff costs	(2,635)	(2,635)
(b) advertising and marketing	(112)	(112)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,628)	(1,628)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	41	41
1.5 Interest and other costs of finance paid	(118)	(118)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net operating cash flows</b>	<b>1,082</b>	<b>1,082</b>

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,082	1,082
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(3,296)	(3,296)
(b) equity investments	(90)	(90)
(c) intellectual property		
(d) physical non-current assets	(263)	(263)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(3,649)</b>	<b>(3,649)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(2,567)</b>	<b>(2,567)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	2,990	2,990
1.18 Repayment of borrowings		
1.19 Dividends paid	(763)	(763)
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	<b>2,227</b>	<b>2,227</b>
<b>Net increase (decrease) in cash held</b>	<b>(340)</b>	<b>(340)</b>
1.21 Cash at beginning of quarter/year to date	2,631	2,631
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>2,291</b>	<b>2,291</b>

+ See chapter 19 for defined terms  
24/10/2005

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	105
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to related parties included Directors' Fees of \$ 41K and payments for the rental of premises of \$ 64K which are subject to lease arrangements on commercial terms and conditions.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	6,868	3,321
3.2 Credit standby arrangements	-	-

**The Company has drawn bank funding facilities since the end of the reporting period to assist with the acquisition of optometry practices. The facilities total \$6.5m and are drawn to \$6.2m.**

+ See chapter 19 for defined terms

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	882	1,249
4.2 Deposits at call	1,409	1,382
4.3 Bank overdraft		
4.4 Other (Interest Bearing Term Deposits)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,291</b>	<b>2,631</b>

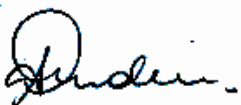
## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	7 Optometry Practices	
5.2 Place of incorporation or registration	Sydney, Gold Coast, Boonah, Karalee, Melbourne	
5.3 Consideration for acquisition or disposal (\$A 000's)	(in cash) 3,296	
5.4 Total net assets (\$A 000's)	695	
5.5 Nature of business	Optometry practices	

## Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- This statement does give a true and fair view of the matters disclosed.

Sign here:



Director  
 Sandra D Andersen

Date: 30 October 2008

**NOTES**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
  
- 2 The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
  
- 3 for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.