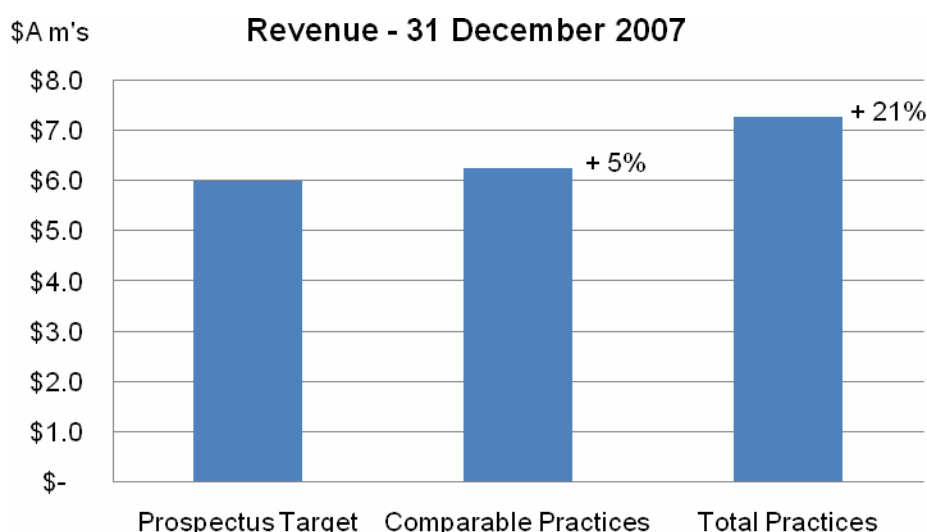


EYECARE PARTNERS LIMITED

ASX Announcement – 31 January 2008

The Directors are pleased with the first half year of operations for Eyecare Partners Limited and its subsidiaries. Practice revenues and profits are above budgets, and the group continues to perform in line with the prospectus forecasts made for the 16 practices acquired at the relisting in August 2007.

The half year revenue figures are shown in the graph below, which also shows the effect of acquisitions not included in prospectus forecasts of group revenues. Amounts shown for acquisitions since relisting are from the date of acquisition only and do not reflect the full year effect of those acquisitions.



The group has acquired a further practice since the end of the half year. That practice is located in Aspley, in the north of Brisbane and is expected to contribute approximately \$600,000 per annum to revenue, and contribute positively to profit and earnings per share.

Consumer sentiment, global and domestic economic conditions and market competitive forces combine to impact on practice performance. To date, Eyecare Partners Limited practices have performed above our forecast expectations; however, given current uncertain global economic conditions our Directors do not consider a revision of prospectus forecasts is appropriate.

Acquired practices are also performing in line with budgets forecast at the time of acquisition.

Detailed information regarding group profitability will be provided in the group's half yearly financial statements due for release in late February.

Management continues to positively progress negotiations and due diligence with an increasing number of vendors of practices. Further acquisitions are expected to be completed in the second half of the financial year.

Eyecare Partners Limited has received a very positive response to its acquisition programme particularly in the acceptance of the management culture of the group and focus on clinical optometry.

Cash Flow

Revenue from operations total \$7.3m for the half year reflecting above budget performance from all practices and the inclusion of the revenue from acquired practices. Gross margins are in line with budgets, and operating costs have been contained within the expectations of the Directors after taking into account the increased revenues from operations.

Cash balances remain at a healthy level (\$4.0m), and standby facilities (\$2.0m) are available to the group to assist with the funding of future acquisitions.

Cash reserves remain adequate for the group to pursue its objectives.

For more information please contact:

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Fax: 03 9530 8199



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")

31 December 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	4,233	7,006
1.2 Payments for		
(a) staff costs	(1,495)	(2,443)
(b) advertising and marketing	(71)	(112)
(c) research and development		
(d) leased assets	(18)	(20)
(e) other working capital	(2,437)	(3,070)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	72	102
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	283	1,462

The December quarter operating cash flow includes an adjustment of \$141,000 to correct the statement of the opening cash balance as at 1 July 2007. The balancing entry is included as an adjustment to the creditor balance at the close of December. This increases the cash used in working capital during the December quarter by an amount of \$141,000, which should have properly been recorded during the September quarter.

In addition to this adjustment, increased usage of working capital reflects timing of creditor and accrual payments at the close of the September quarter, which were paid in cash in the week after the close of the quarter. Whilst there is an increase in revenues and operating costs in the second quarter due to acquisitions, the half year figures accurately reflect 6 months operating cash flows.

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	283	1,462
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(1,429)	(2,202)
(b) equity investments	(6)	(106)
(c) intellectual property		
(d) physical non-current assets	(73)	(555)
(e) other non-current assets	(75)	(275)
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)		
	(1,583)	(3,138)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,300)	(1,676)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	4,768
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	0	104
1.18 Repayment of borrowings	(9)	(9)
1.19 Dividends paid		
1.20 Other (provide details if material)		
	(9)	4,863
Net financing cash flows		
Net increase (decrease) in cash held	(1,309)	3,187
1.21 Cash at beginning of quarter/year to date	5,306	810
1.22 Exchange rate adjustments to item 1.20		
	3,997	3,997
1.23 Cash at end of quarter		

+ See chapter 19 for defined terms.

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	\$83,750
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	<p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 5px;"> Rent at commercial rates \$44,750 and \$30,500. Directors' fees total \$23,500. </div>	

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

The acquisition consideration for 2 optometry practices was partly non-cash and the company issued 5,250,000 million shares at an issue price of \$0.20 cents per share in satisfaction of the non-cash component of the acquisition consideration.

- 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	104	104
3.2	Credit standby arrangements	2,000	NIL

+ See chapter 19 for defined terms.

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

Reconciliation of cash

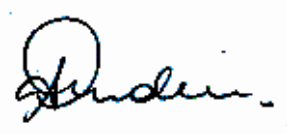
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,029	1,785
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (Interest Bearing Term Deposits)	1,968	3,521
Total: cash at end of quarter (item 1.23)	3,997	5,306

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	2 Optometry Practices	
5.2 Place of incorporation or registration	Perth	
5.3 Consideration for acquisition or disposal (\$A 000's)	2,660 (partly in shares and partly in cash)	
5.4 Total net assets (\$A 000's)	1,396 (including Cash assets of \$835)	
5.5 Nature of business	Optometry practices	

Compliance statement

- 1 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.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..  Date: .31 January 2008.
 Director

Print name: Sandra D Andersen.

+ See chapter 19 for defined terms.

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. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.