



**EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES
ACN 006 505 880**

**APPENDIX 4D
HALF YEARLY RESULTS ACCOUNCEMENT TO THE MARKETS AS AT**

31 DECEMBER 2007

Results for announcement to the market

				\$'000
Revenues from Ordinary Activities	up	N/A *	to	\$7,326
Profit (loss) from ordinary activities after tax attributable to members	up	1,287%	to	\$ 772
Profit (loss) for the period attributable to members	up	1,287%	to	\$ 772

* Not able to be calculated from a NIL value in prior period.

NTA Backing

	31 December 2007	31 December 2006
Net Tangible Asset backing per security	\$0.05	\$0.00

Dividends

Current Period:	Amount per Security	Percentage Franked
Interim Dividend	\$0.004	100%
Date the Dividend is Payable		31 March 2008
Record Date for determining entitlements to the Dividend		14 March 2008

Prior Corresponding Period:

Interim Dividend None





Eyecare Partners

**EYECARE PARTNERS LIMITED
ACN: 006 505 880
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

This half-year financial report is to be read
in conjunction with the financial report for
the year ended 30 June 2007.

**EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

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EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of the consolidated entity consisting of Eyecare Partners Limited and the entities it controlled, for the half-year ended 31 December 2007 and independent auditor's review report thereon.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Name	Period of directorship
Finian MacCana (Chairman)	Director since 14 May 2007
Anthony Hanks	Director since 13 August 2007
Raymond Fortescue	Director since 13 August 2007
Anthony Larkin	Director since 21 August 2007
Sandra Andersen	Director since 13 August 2007

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

The following directors resigned during the period covered by this report:

Name	Period of directorship
Peter O'Mara	Resigned 20 September 2007
David Johnson	Alternate director to Peter O'Mara

Review of Operations

The consolidated profit of the group for the half-year after providing for income tax amounted to \$772,000, reflecting the change in business from a dormant company to an owner of optometry practices. The Directors of the Company have declared a dividend of \$0.004 per security, payable on 31 March 2008.

During the period, the Company purchased 20 optometry practices, and has successfully integrated back office processes. The details of the acquisitions are included in the notes to the financial statements. Since the end of the half year, the group has acquired a further practice at Aspley in Brisbane and the details relating to that acquisition is included in the notes to the financial statements. The group now has a total of 21 practices in Queensland, New South Wales and Western Australia and is in negotiations for the purchase of practices in South Australia and Victoria.

Overall, revenues are 12% above the revenues forecast in the prospectus issued in June 2007, and the recorded Net Profit after Taxation is 9% in excess of the forecast in the prospectus.

Generally, our practices are performing in line with expectations.

Marketing activities for acquisition of practices has intensified, and the directors regularly review industry conditions and adapt acquisition programmes to suit prevailing conditions. New attractive structures have been developed and the group is receiving positive feedback from potential vendors. The directors anticipate closing further acquisitions prior to the end of the financial year, and remain confident acquisitions targets will be reached.

The Company is yet to draw down on its financing facilities other than for the lease of the accounting and practice management interface, however, planned acquisitions in the ensuing six months will be funded in part through available financing facilities with the group's banker.

Cash reserves remain robust at \$3,998,000 as at the close of the reporting period, and the directors are confident cash and available financing facilities remain sufficient to fulfil the group's plans.

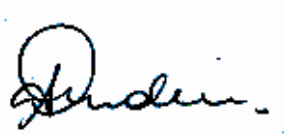
Auditor's Declaration

A copy of the auditor's declaration in relation to the review for the half-year is provided with this report.

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read "S.D. Andersen", is written over a light blue rectangular background.

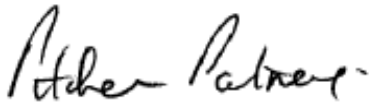
S.D. Andersen
Managing Director

Dated this 26th day of February, 2008

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Eyecare Partners Limited

In relation to the half-year independent auditor's review for the six months to 31 December 2007, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001
- (ii) No contraventions of any applicable code of professional conduct



PITCHER PARTNERS
Melbourne



T. J. Benfold
26 February 2008

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

ACN: 006 505 880

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Half-year 2007 \$000	Half-year 2006 \$000
Revenue		
Sales Revenue	7,112	-
Other Income	214	-
	<u>7,326</u>	<u>-</u>
Expenses		
Employee benefits	2,592	-
Depreciation and amortisation	91	-
Finance costs	1	-
Other Expenses	3,511	(65)
	<u>6,195</u>	<u>(65)</u>
Profit before income tax	1,131	(65)
Income tax benefit (Income tax expense)	(359)	-
	<u>772</u>	<u>(65)</u>
Profit for the half-year	<u>772</u>	<u>(65)</u>
Profit attributable to the members of the parent	<u><u>772</u></u>	<u><u>(65)</u></u>
Basic earnings per share	0.008	(0.001)
Diluted earnings per share	0.006	(0.001)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic earnings per share	98,751,703	77,976,693
Weighted average number of fully diluted shares outstanding during the half year used in the calculation of diluted earnings per share	135,786,444	77,976,693

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

ACN: 006 505 880

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

	31 December 2007	30 June 2007
	\$000's	\$000's
CURRENT ASSETS		
Cash & cash equivalents	3,998	810
Trade receivables	508	10
Inventories	1,078	-
Other current assets	234	383
TOTAL CURRENT ASSETS	<u>5,818</u>	<u>1,204</u>
NON-CURRENT ASSETS		
Other financial assets	106	-
Deferred tax assets	151	-
Property, plant and equipment	1,438	21
Intangible assets	19,772	-
Other non-current assets	3	-
TOTAL NON-CURRENT ASSETS	<u>21,470</u>	<u>21</u>
TOTAL ASSETS	<u>27,288</u>	<u>1,225</u>
CURRENT LIABILITIES		
Trade and other payables	935	620
Short-term borrowings	95	1,000
Current tax payable	298	-
Short-term provisions	204	-
TOTAL CURRENT LIABILITIES	<u>1,532</u>	<u>1,620</u>
NON-CURRENT LIABILITIES		
Long-term provisions	117	-
TOTAL NON-CURRENT LIABILITIES	<u>117</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,649</u>	<u>1,620</u>
NET ASSETS	<u>25,639</u>	<u>(395)</u>
EQUITY		
Share Capital	22,898	16,188
Other reserves	2,395	244
Retained earnings	346	(16,827)
TOTAL EQUITY	<u>25,639</u>	<u>(395)</u>

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Half-year 2007 \$'000	Half-year 2006 \$'000
Total Equity at the beginning of the half year	<u>(396)</u>	<u>(235)</u>
Employee shares and options	65	-
Net income recognised directly in equity	<u>65</u>	<u>-</u>
Profit/loss for the half-year	<u>772</u>	<u>(65)</u>
Total recognised income and expense for the period	837	(65)
Attributable to:		
Members of the parent	837	(65)
Minority interest	-	-
	<u>837</u>	<u>(65)</u>
Transactions with equity holders in their capacity as equity holders:		
Contributions Share Capital	23,927	-
Contributions Options (Net of effect of Cancellation of Contributed Equity and Reserves)	2,361	-
Transaction Costs	(1,091)	-
Total Equity at the end of the half-year	<u><u>25,639</u></u>	<u><u>(300)</u></u>

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Half-year	
	2007	2006
	\$000	\$000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	6,999	-
Payments to suppliers and employees	(5,683)	(65)
Interest received	102	-
Borrowing costs	(1)	-
Net cash provided by / (used in) operating activities	1,417	(65)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(274)	-
Payment for investments	(2,688)	-
Net cash provided by / (used in) investing activities	(2,962)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	4,638	-
Proceeds from borrowings	95	-
Net cash provided by financing activities	4,733	-
Net increase in cash and cash equivalents	3,188	(65)
Cash and cash equivalents at beginning of half year	810	-
Cash and cash equivalents at end of the half-year	3,998	(65)

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

ACN: 006 505 880

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2007 and any public announcements made by Eyecare Partners Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation of the half-year financial report

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

(b) Summary of the significant accounting policies:

The half-year consolidated financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2007 in addition to those detailed below.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for on a first-in-first-out basis;

(ii) Goodwill

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Eyecare Partners Limited controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(d) Rounding Amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 2: SUBSEQUENT EVENTS

Material events subsequent to the end of the half-year that have not been recognised in the half-year financial statements:

(a) On 16 January 2008, the Company completed the acquisition of one optometry practice in the following transaction. The consideration paid is noted below.

Purchase Consideration	\$000's
Cash	325
Transaction Costs	11
Total Purchase Consideration	336

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

Payment of acquisition costs including stamp duty is pending (approximately \$10,900).

Pro Forma assets and liabilities arising from the acquisitions

Goodwill on Business Combination

Set out below is a pro forma summary of the values of the assets and liabilities of the optometry practice acquired from the vendors as if the transaction had occurred on the Effective Date 16 January 2008.

Inventory	50
Plant & Equipment	54
Net Assets	<u>104</u>
Goodwill	<u>232</u>

The above is based on the estimated fair value of assets and liabilities of the acquired businesses as at 16 January 2008 and the purchase consideration to be paid by the Company.

(b) The Company's new business strategy includes the acquisition of additional optometry practices and the Company is in discussions and negotiations with prospective vendors at a variety of stages. When any of these acquisitions reaches a stage of sufficient certainty appropriate disclosures will be released to the investor market.

NOTE 3: ACQUISITIONS DURING PERIOD

Profit/loss for the period has been determined after the following significant items:

	31 December 2007 \$000's	30 June 2007 \$000's
Trading profit resulting from the acquisition of 16 Optometry practices on 9th August 2007 with an effective date of 1st July 2007. (Note 3(a))	1,536	-
Trading profit resulting from the acquisition of 2 Optometry practices on 13 th August 2007 with an effective date of 13 th August 2007. (Note 3(b))	118	-
Trading profit resulting from the acquisition of 2 Optometry practices on 1 st November 2007 with an effective date of 1 st October 2007. (Note 3(c))	113	-

The Revenue and Trading Profit as though the acquisition date for all the business combinations effected during the prior had been the beginning of the period has not been disclosed as this is impracticable.

(a) On 6 August 2007, the Company completed the acquisition of 16 optometry practices in the following transaction. The consideration paid is contained in the table below.

Practices	Total Consideration Payable	Issue of Shares	Issue of Options
16	\$17,117,261	78,591,648	26,179,215
	Purchase Consideration	\$000's	
	Issued Shares	15,718	
	Options	1,399	
	Transaction Costs	1,171	
	Less Entitlements Payment	<u>(170)</u>	
	Net Purchase Consideration (incl Costs)	<u>18,118</u>	

Set out below is a pro forma summary of the values of the assets and liabilities of the 16 optometry practices acquired from the various parties as if the transaction had occurred on the Effective Date 1 July 2007.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

Fair Value of Assets and Liabilities acquired

Petty Cash	6
Receivables	153
Inventory	706
Investments	90
Plant & Equipment	1,081
Payables	(339)
Entitlements	(283)
Net Assets	<u>1,414</u>
Goodwill	16,704

The above is based on the fair values of assets and liabilities of the acquired businesses as at 1 July 2007 and the purchase consideration paid by the Company. The assessment of the goodwill acquired above has been aggregated due to the immaterial nature of each individual purchase.

The transaction occurred in conjunction with the following events:

- i. The consolidation of the issued capital of the Company on the basis that every 16 Shares became 1 Share such that the total number of Shares then on issue was reduced from 77,976,693 to 4,873,259;
 - ii. The issue of 2,500,000 Shares at \$0.15 each (plus 2,500,000 Options) to raise \$375,000 which has been utilised in the repayment of an unsecured loan provided by a Director;
 - iii. The issue of 6,666,667 fully paid Shares at \$0.15 each (plus 6,666,667 Options) to raise \$1,000,000 which has been utilised in the repayment of an unsecured loan raised to fund the re-listing and acquisition process;
 - iv. The acquisition of the 16 optometry practices by the issue to the vendors of the practices of 78,591,648 Shares at 20 cents each;
 - v. The issue of 2,600,000 Options in aggregate to the Chairman, Managing Director, one Non-executive Director and other executives as a portion of their remuneration packages. The Options for the Managing Director, other executives and the non-executive director are subject to vesting conditions and will not vest until at least 1 year after their issue;
 - vi. The issue of 26,179,215 Options in aggregate to the Principal Vendors in consideration for their efforts in bringing the transaction to fulfilment. The Options have the following performance hurdles:
 - 13,098,608 will vest if the earnings per share (EPS) of the Company is equal to or greater than 1.6 cents per Share when measured for the financial year ending 30 June 2008
 - 13,098,607 will vest if the EPS of the Company is equal to or greater than 2.00 cents per Share when measured for the financial year ending 30 June 2009 and
 - If the vesting conditions are not met the Options will lapse
 - vii. The issue of 23,976,000 Shares at an issue price of \$0.20 per Share and the issue of 7,992,181 Options pursuant to a Prospectus dated 20 July 2007;
 - viii. The issue of 1,177,856 Shares at \$0.20 per Share and the issue of 466,226 Options to Andersen & York Financial Consulting Pty Ltd for services provided in the implementation of the Transaction – allocated in part to the costs of the Acquisitions and in part to the cost of capital raising under the Prospectus;
 - ix. Payment of capital raising costs including underwriting, legal and accounting fees, independent accountant fees, option expenses and other prospectus related costs, in total \$1.1m (part in cash and part in shares and options);
 - x. Payment of acquisition costs including stamp duty (approximately \$0.7m) and advisory, accounting and legal fees in total approximately \$1.2m (part in cash and part in shares and options);
 - xi. Goodwill on Business Combination
 - xii. All prices for shares and options were approved by shareholders at a meeting of members on 31 July 2007.
- (b) On 13 August 2007, the Company completed the acquisition of 2 optometry practices in the following transaction. The consideration paid is contained in the table below.

Practices	Total Consideration Payable	Issue of Shares	Cash Consideration
2	\$1,498,414	3,762,853	\$745,843

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

Purchase Consideration	\$000's
Acquisition Shares	752
Cash	746
Transaction Costs	79
Less Entitlements Payment	<u>(12)</u>
Net Purchase Consideration (incl Costs)	<u><u>1,565</u></u>

Set out below is a pro forma summary of the values of the assets and liabilities of the 2 optometry practices acquired from the various parties as if the transaction had occurred on 13 August 2007.

Fair Value of Assets and Liabilities acquired	
Receivables	19
Inventory	49
Plant & Equipment	31
Payables	(32)
Entitlements	<u>(21)</u>
Net Assets	<u><u>46</u></u>
Goodwill	1,519

The above is based on the fair value of assets and liabilities of the acquired businesses as at 13 August 2007 and the purchase consideration paid by the Company. The transaction occurred in conjunction with the payment of acquisition costs including stamp duty (approximately \$64,310) and advisory, accounting and legal fees in total approximately \$14,150, and Goodwill on Business Combination. All prices for shares were based on the market value at the date of the acquisition agreement.

- (c) On 1 November 2007, the Company completed the acquisition of a Company, EyeQ Optometrists Pty Ltd, which owned 2 optometry practices in the following transaction. The consideration paid is contained in the table below.

Practices	Total Consideration Payable	Issue of Shares	Cash Consideration
2	\$2,660,000	5,250,000	\$1,610,000

Purchase Consideration	\$000's
Acquisition Shares	1,050
Cash	1,610
Transaction Costs	<u>12</u>
Net Purchase Consideration (incl Costs)	<u><u>2,672</u></u>

Set out below is a pro forma summary of the values of the assets and liabilities of the company which was acquired from the various parties as if the transaction had occurred on 1 October 2007.

Fair Value of Assets and Liabilities acquired	
Cash	831
Receivables	86
Inventory	208
Plant & Equipment	122
Payables	(101)
Entitlements	<u>(23)</u>
Net Assets	<u><u>1,123</u></u>
Goodwill	1,549

The transaction occurred in conjunction with the calculation of Goodwill on Business Combination. The above is based on the fair value of assets and liabilities of the acquired businesses as at 1 October 2007 and the

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

ACN: 006 505 880

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

purchase consideration paid by the Company. All prices for shares were based on the market value at the date of the acquisition agreement.

NOTE 4: DIVIDENDS

	\$000's 31 December 2007	\$000's 30 June 2007
Declared dividends not recognised at the end of the half-year	508	-

The Directors have approved the payment of a dividend of \$0.004 per security with a record date of the 14th of March and a payment date of the 31st of March.

NOTE 5: SEGMENT INFORMATION

The consolidated entity operates predominantly in one business and geographical segment being the operation of Optometry Practices in Australia.

NOTE 6: ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

	\$000's 31 December 2007	\$000's 30 June 2007
Issued and Paid Up Capital	22,898	16,188

The figures for 30 June 2007 are prior to the consolidation of capital approved by shareholders on 9 July 2007. The consolidation of issued capital of the Company was on the basis that every 16 Shares became 1 Share, such that the total number of Shares on issue after the consolidation was completed was 4,873,259.

The following movements in issued capital occurred during the half year.

	Note	Number of Shares	\$000's
Balance 1 July 2007		<u>77,976,693</u>	16,188
Consolidation of Shares		4,873,259	-
Cancellation of Contributed Equity and Forfeited Shares Reserve	7(a)	-	(16,157)
Shares Issued pursuant to Acquisition Agreements (\$0.20 each)	7(b)	78,591,648	15,718
Shares Issued pursuant to Loan Agreement (\$0.15 each)	7(c)	9,166,670	1,375
Shares Issued in satisfaction of Professional Fees (\$0.20 each)	7(d)	1,177,856	236
Shares Issued pursuant to Prospectus (\$0.20 each)		23,976,000	4,795
Shares Issued pursuant to Acquisition Agreement (\$0.20 each)	7(e)	3,762,853	752
Shares Issued on exercise of Options (\$0.20 each)		3,334	1
Shares Issued under Employee Share Ownership Program (\$0.20 each)		153,625	31
Shares Issued pursuant to Share Sale Agreement (\$0.20 each)	7(f)	5,250,000	1,050
Transaction Costs		-	(1,091)
Balance 31 December 2007		<u>126,955,245</u>	<u>22,898</u>

- (a) At the meeting of shareholders on 13 July 2007, the members approved the cancellation of \$16,157,400 of its contributed equity and \$243,600 of its reserves, being contributed equity and reserves of the Company that were lost or not represented by available assets.
- (b) Issued as consideration for the acquisition of 16 practices pursuant to Acquisition Agreements with various Vendors and completed on 9 August 2007.
- (c) Issued pursuant to Loan Agreements with 5 directors and other Vendors and completed on 9 August 2007.
- (d) Issued pursuant to the Implementation Deed for the re-listing and acquisitions completed on 9 August 2007.
- (e) Issued as consideration for the acquisition of 2 practices pursuant to Acquisition Agreements with various Vendors and completed on 13 August 2007.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

ACN: 006 505 880

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

- (f) Issued as consideration for the purchase of shares pursuant to a Share Sale Agreement involving the acquisition of EyeQ Optometrists Pty Ltd representing 2 practices and completed on 1 November 2007.

Since the end of the half year, the Company has issued 97,750 fully paid ordinary shares under the salary sacrifice arrangements pursuant to the Employee Share Ownership Scheme, bringing the total number of Shares on issue to 127,052,995.

Balance 1 July 2006	77,976,693	\$000's 16,188
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There were no movements during the period

Balance 30 June 2007	<u>77,976,693</u>	<u>16,188</u>
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Options

The following options to subscribe for ordinary fully paid shares were allotted during the reporting period:

Class	Expiry Date	Exercise Price	Number of Options
Listed (ELPO)	30 September 2010	20 cents	18,925,077
Vendor Options Tranche 1	30 September 2010	20 cents	13,098,608
Vendor Options Tranche 2	30 September 2010	20 cents	13,098,607
Employee Option Scheme	30 September 2010	20 cents	1,500,000
Employee Option Scheme	30 September 2010	22 cents	100,000
Employee Option Scheme	30 September 2009	22 cents	1,569,750

The following options to subscribe for ordinary fully paid shares were outstanding at balance date:

Class	Expiry Date	Exercise Price	Number of Options
Listed (ELPO)	30 September 2010	20 cents	18,921,743
Vendor Options Tranche 1	30 September 2010	20 cents	13,098,608
Vendor Options Tranche 2	30 September 2010	20 cents	13,098,607
Employee Option Scheme	30 September 2010	20 cents	1,500,000
Employee Option Scheme	30 September 2010	22 cents	100,000
Employee Option Scheme	30 September 2009	22 cents	1,569,750

The balances above are after the exercise of 3,334 Listed Options during the half year. None of the remaining options have been exercised up to the date of this report. These options do not entitle the holder to participate in any share issue of the Company or any other entity.

NOTE 7: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Eyecare Partners Limited and its controlled entities listed below:

Parent Entity	Country of Incorporation	Percentage Owned	
		31 December 2007	30 June 2007
Eyecare Partners Limited	Australia		
Controlled Entities			
Eyecare Operations Pty Ltd ⁽¹⁾	Australia	100%	100%
EyeQ Optometrists Pty Ltd ⁽²⁾	Australia	100%	-
Eyelink Pty Ltd ⁽²⁾	Australia	100%	-
EPL Finance Pty Ltd ⁽³⁾	Australia	100%	-

(1) Eyecare Operations Pty Ltd was incorporated on 11 May 2007.

(2) EyeQ Optometrists Pty Ltd and Eyelink Pty Ltd were purchased on 1 November 2007

(3) EPL Finance Pty Ltd was incorporated on 25 September 2007.

EYECARE PARTNERS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

NOTE 8: CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since 30 June 2007.

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 5 to 14 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2007 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Eyecare Partners Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



S.D Andersen
Director
Melbourne
26 February 2008

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EYECARE PARTNERS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of EYECARE PARTNERS Limited. The half-year financial report comprises the condensed consolidated balance sheet as at 31 December 2007, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, for the company and the entities it controlled at the half-year or from time to time during the period, together with a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of EYECARE PARTNERS Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of EYECARE PARTNERS Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**INDEPENDENT REVIEW REPORT cont'd
TO THE MEMBERS OF EYECARE PARTNERS LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eyecare Partners Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



**PITCHER PARTNERS
Melbourne**



**T. J. Benfold
26 February 2008**