

## Eyecare Partners reports \$7 million sales for first six months of trading - Insight Newspaper - March 2008

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Optometry-practices group Eyecare Partners Limited recorded sales of \$7.06 million for the year to date (six months to 31 December) and sales of \$4.2 million for the December quarter.

In its quarterly report to the Australian Stock Exchange on 31 January, the company said staff costs for the six months to 31 December were \$2,443,000 and \$1,495,000 for the December quarter.

Payment for acquisition totaled \$2,202,000 for the six months and \$1,429,000 for the quarter.

Two practices bought in Perth, WA, cost the company \$2,660,000 (partly in shares and partly in cash) for total net assets of \$1,396,000 (including cash assets of \$835,000).

In its statement on 31 January, the company said its interim result "is in line with the prospectus forecasts made for the 16 practices acquired when it re-listed

on the ASX last August".

Directors said they are pleased with the first half year of operations for the company and its subsidiaries, with practice revenues and profits above budgets, and the company continues to perform in line with the prospectus.

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

"Revenue from operations total \$7.3 million for the half year, reflecting above-budget performance from all practices and the inclusion of the revenue from acquired practices," the 31-January statement said.

"Gross margins are in line with budgets, and operating costs have been contained within the expectations of

directors after taking into account the increased revenues from operations.

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

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

The company has acquired a further practice since 31 December – at Aspley, in the north of Brisbane – which 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," the 31-January statement said.

"To date, Eyecare Partners 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 profitability will be provided in the company'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."

The statement said the company has received a very positive response to its acquisition program, particularly in the acceptance of the management culture of the group and focus on clinical optometry.