

# Eyecare Partners' revenues for first year of trading were \$16 million

## Now owns 33 optometry practices; looking to buy more

Publicly-listed optometrical-practices company Eyecare Partners Limited has reported revenues for the 2007-08 year was \$16 million for it and its subsidiaries.

The company's quarterly report for entities admitted to the Australian Securities Exchange on the basis of commitment, shows that receipts from customers for the year to date (to 30 June) were \$15,931,000, less payments of \$6,026,000 for staff costs, \$201,000 for advertising and marketing, \$24,000 for leased assets, \$7,128,000 for other working capital, and \$4,000 for interest and other costs of finance paid, leaving net operating cash flows of \$2,742,000.

In a statement to the ASX on 31 July, directors of the company said: "Revenues for the year totaled in excess of \$16 million, reflecting the effect of the addition of the acquisitions during the financial year. The closing cash and cash equivalents at the

end of the quarter were \$2.8 million.

"The practice businesses contributed positive operating cash flow of \$0.5 million to the group for the [30 June] quarter (after corporate office costs) and the primary use of cash was the acquisition of the optometry practices," directors said.

"The cash flow for the quarter from operations reflected the increased receipts as a result of acquisitions, and the effect of payment of year-end superannuation prior to the end of the reporting period. The cash resources are 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."

The Eyecare Partners-owned optometry practices as at the end of the 2007-08 financial year numbered 26, and since the end of the year, the company has acquired a further seven practices

bringing the total number of practices to 33.

The newly-purchased 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 \$4.9 million in annualised gross revenue to the group, bringing annualised revenues added to the group by acquisition over the past 11 months to \$11 million.

In the report to the ASX, directors said the acquisitions were settled on 1 and 14 July, and acquisition consideration was paid in a combination of cash and convertible notes, and that the consideration convertible notes are unlisted, do not bear interest, were issued at an implied price of \$0.20 per note and convert to ordinary fully paid shares in Eyecare Partners Limited on a one-for-one basis, on the day after the compa-

ny's next dividend payment or the day after the next annual general meeting of the company, whichever is the earlier.

"The total acquisition consideration for the seven was approximately \$4.8 million, and was satisfied through cash payments of \$3.1 million and the issue of 8.2 million convertible notes. The issue of the notes did not require shareholder approval," directors said.

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

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