

ELLEX MEDICAL LASERS LIMITED (ELX)

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Ellex Continues Growth Strategy

At its Annual General Meeting today, Ellex confirmed that it remains on track with its strategy of aiming to become the premier supplier of ophthalmic lasers across three segments – Post Cataract, Glaucoma and Retina.

Ellex historically has derived most of its revenues from its range of photodisruptor lasers used for Post Cataract surgery, sold globally through a combination of third party distributors and OEM contracts. The company currently holds approximately 45% global market share in this important but small segment. Ellex is now pursuing two key growth initiatives: the establishment of distribution under its own brand, and the release of a full range of products to fill out two more segments which collectively are four times larger than the Post Cataract segment.

In his presentation to shareholders, Managing Director, Victor Previn, said the Board was pleased with the successful implementation of key initiatives in the first year of the plan, but as in any ambitious project, there are numerous challenges, and a number of key milestones have been reached.

“Our business in Japan is now established. We have 12 staff on board and our sales trend is positive. We expect this operation to break even by the end of this financial year.”

“We have started the roll-out of our new products in the Retinal Segment with the market launch of the Solitaire™ photocoagulator at the recent American Academy meeting held in New Orleans, where the features of the product were applauded. The next few milestones are the production launch early next year and the release of our first multi-wavelength product in mid 2005.”

Mr Previn also highlighted that the company’s Selective Laser Trabeculoplasty (SLT) technology for treatment of open angle glaucoma was emerging as a significant area of growth potential. Clinical trials continue to demonstrate the advantages of this technology as a viable primary treatment for glaucoma, alongside pharmaceuticals, since it can be particularly effective on patients who have difficulty with eye drops because of compliance problems or side effects. Glaucoma is one of the leading causes of blindness, with in excess of US\$2 billion spent annually on pharmaceutical treatments.

Ellex is one of only two companies globally that is developing the SLT market based on a procedure developed by Massachusetts General Hospital in Boston, and is the only company globally that offers a laser for both the treatment of open angle as well as closed angle glaucoma. Ellex has a number of patent applications filed for its laser technology.

“Based on early market data we expect SLT to offer both the ophthalmologist and the patient a complementary treatment option for the doctor to administer depending on the patient’s needs.

The Chairman of Ellex, Mr David Lindh, urged shareholders to remain patient whilst the company invest profits in future growth, emphasising that the Board was confident growth would come. Factors such as the strength of the Australian dollar and competitor responses would continue to provide some challenges.

ABOUT ELLEX

Ellex Medical Lasers Limited leads the world in the supply of innovative integrated laser systems for use by ophthalmologists throughout the world under its “Laserex” brand. Ellex has been manufacturing lasers for more than 15 years and our extensive range includes YAG Laser Photodisruptors for Post Cataract surgery and Green Laser Photocoagulators for retinal treatment. Ellex is currently pioneering the development of Selective Laser Trabeculoplasty (SLT) as a treatment for elevated eye pressure in patients with Glaucoma and is the only global manufacturer of the SLT/YAG combination laser.

For more information about the company, log on to our web site at www.ellex.com.au

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