

# Ellex Medical Lasers Ltd (ELX)

## Options Plan for CEO and Executive Management

FOR IMMEDIATE RELEASE

6 October 2005

Ellex Medical Lasers Limited (Ellex) advises that the Board of Directors and Remuneration Committee of Ellex Medical Lasers Limited has approved the issue of performance based options to Peter J Falzon, the company's new CEO, and to key members of the executive management team.

The total number of options proposed to be issued is 4,200,000 (four million two hundred thousand) in three equal tranches subject to performance criteria. Peter J Falzon, CEO, and Kevin P McGuinness, CFO, will receive 2.4 million and 1.2 million share options respectively. Three additional executives included in the plan are responsible for Engineering, Operations and Advanced Research. Options will vest in three equal tranches on an annual basis with an initial exercise price of \$0.30 for the first tranche, \$0.40 for the second tranche, and \$0.50 for the third tranche. The performance criteria for the options includes achieving target compound annual growth in product revenues with the year ended June 2005 being the base year and minimum EBITDA targets.

Options will vest on August 31<sup>st</sup> each year (the first being 31 August 2006) subject to the performance criteria being achieved. Once vested, the option holder will have 3 years from the date of vesting to exercise the options. Options issued to Peter Falzon are issued subject to approval of shareholders under Listing Rule 10.14 and this will be sought at the 2005 Annual General Meeting later this year.

The options are issued under the Employee Share Option Plan approved by shareholders in July 2001 and are subject to the rules of this plan.

The Board will have the discretion to vest some or all of the options if actual performance is below the set performance criteria if it considers it in the interest of shareholders to do so.

### **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](http://www.ellex.com.au)*

**FOR FURTHER INFORMATION, please contact:**

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