

ELLEX CHAIRMAN'S INTRODUCTION AGM 2005

Ladies a gentlemen I am pleased to welcome you to the Ellex Medical AGM

In our fifth year since listing on the ASX , we have completed the transformation of the company to position Ellex for significant growth in the coming years. It will be apparent to most of you who know our company that these changes have been in two main areas: the business model and the management.

Transforming the business model

At listing, the company was dependent on business from a single market segment, being the post cataract market. At the conclusion of this financial year we have a strong and viable product range that covers three market segments, and which now includes the glaucoma as well as the retinal segments.

In terms of the distribution model, the company's revenues were historically largely dependent on two OEM (Original Equipment Manufacturer) contracts, with an embryonic independent distribution network marketing our own Laserex brand product to world markets.

At the conclusion of this financial year, the dominant proportion of our revenues is now derived from our own distribution network, which covers more than 50 countries. Our sales revenues are underpinned by our wholly owned distribution subsidiaries located in the two largest markets for our products: Laserex Medical Inc., based in Minneapolis, USA, and Laserex Corporation, based in Osaka, Japan.

Transforming our Management

In the last five years the company has transformed from a private company model with a tightly held structure to a public company with a well developed management team.

Early this year I vacated the office of CEO to make way for Peter Falzon. With his active participation as a non-executive director of our board, a track record of building a global business in our industry sector, and expertise in managing and growing Japanese distribution, he was the best and obvious choice to lead the company through our next cycle of growth.

In the last six months Peter has reviewed and recast the business plan, strengthened the management team, reassigned responsibilities, and positioned his mangers and the company for the growth path that we believe lies ahead.

You will hear more about this in a presentation by our CEO Peter Falzon.

At the conclusion of our restructuring, our founding chairman, David Lindh, announced his retirement, having served five years with Ellex. I would like to thank him for his contribution, support, and guidance over the last five years of service.

I would like to thank Mr Bob Johnson who retired in April, for the contribution he made to our Board in his two years of service.

I would like to formally welcome Alex Sundich on board as a non-executive director. Alex joined the Board in July Alex, who is based in Sydney brings with him considerable merchant banking experience from US and Australian markets as well as Public Company management experience

Yours sincerely,

Victor Previn

Chairman