

vision growth future vision

2005

# Annual General Meeting Ellex Medical Lasers Limited

28 November 2005

# Vision

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Our vision is to be the  
leading brand of lasers  
used by ophthalmologists  
to fight blindness

A blurred landscape featuring a road that curves into the distance under a bright sky. A large, semi-transparent sphere is positioned in the upper right quadrant, with lines radiating from its center. The overall aesthetic is futuristic and dynamic.

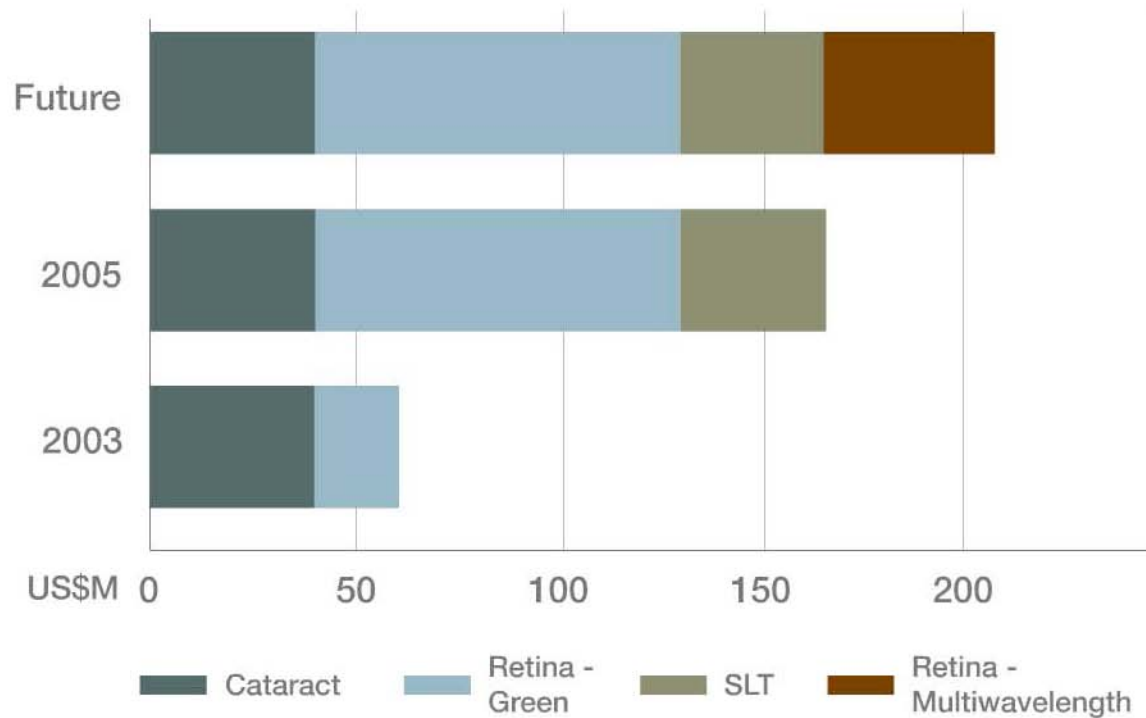
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# Strategic Overview

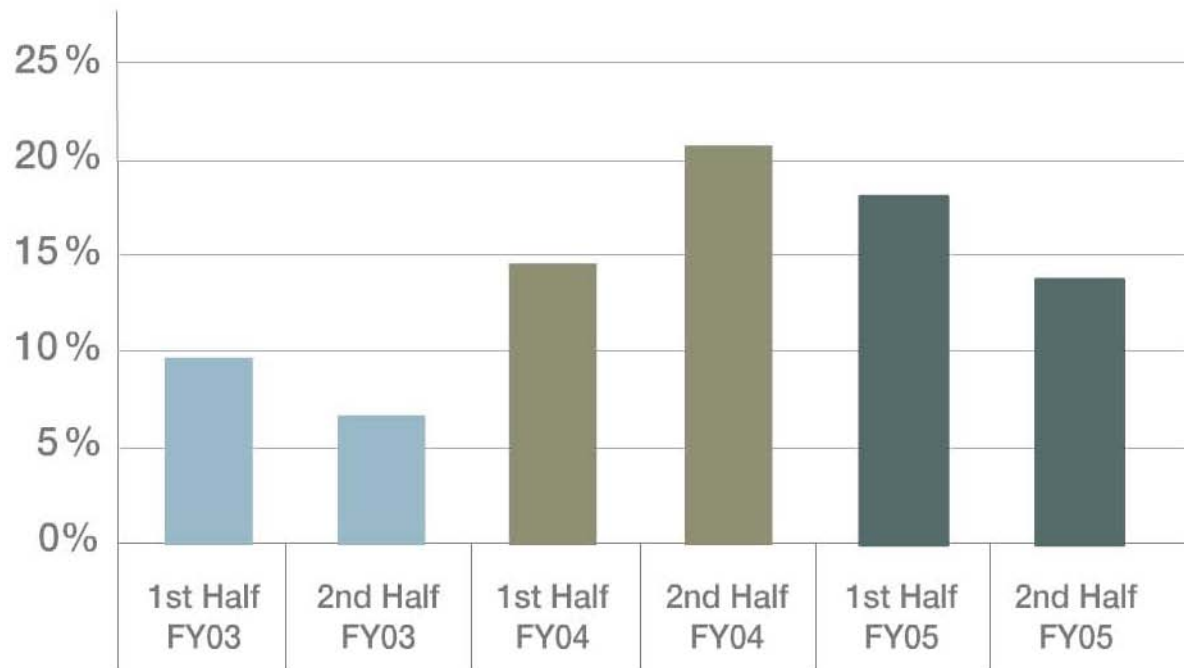
# Product Strategy

Expand total available market from  
USD\$40M to USD\$205M



# Product Strategy

Percentage of revenue allocated to R&D



# Product Strategy

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Product line across  
three key segments

**cataract** photodisruption



The Super Q



The Ultra Q

**retina** photocoagulation



The Solitaire



The Integre

**glaucoma** Selective Laser Trabeculoplasty



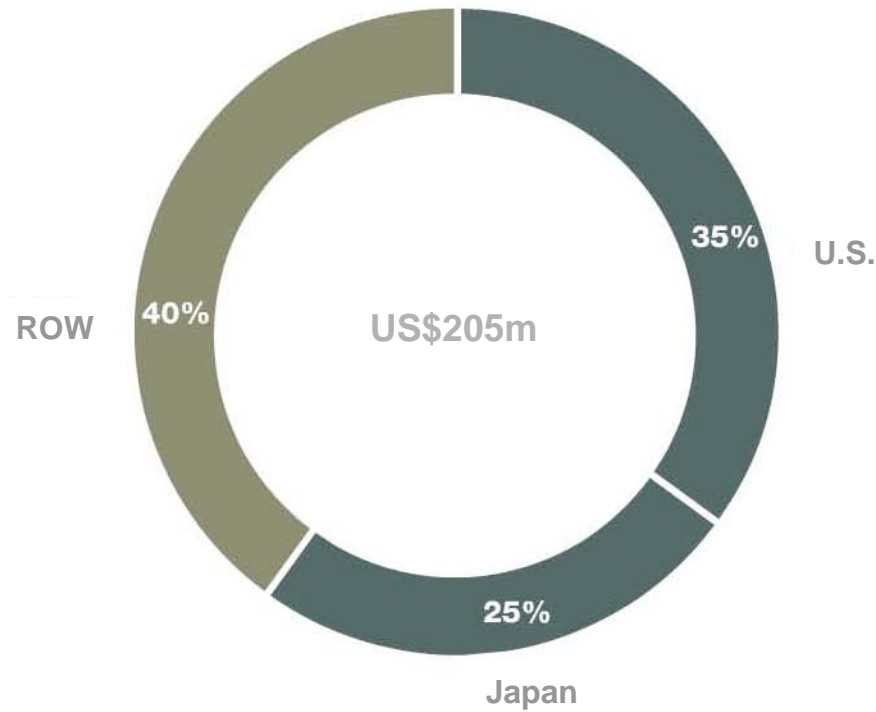
The Tango



The Solo

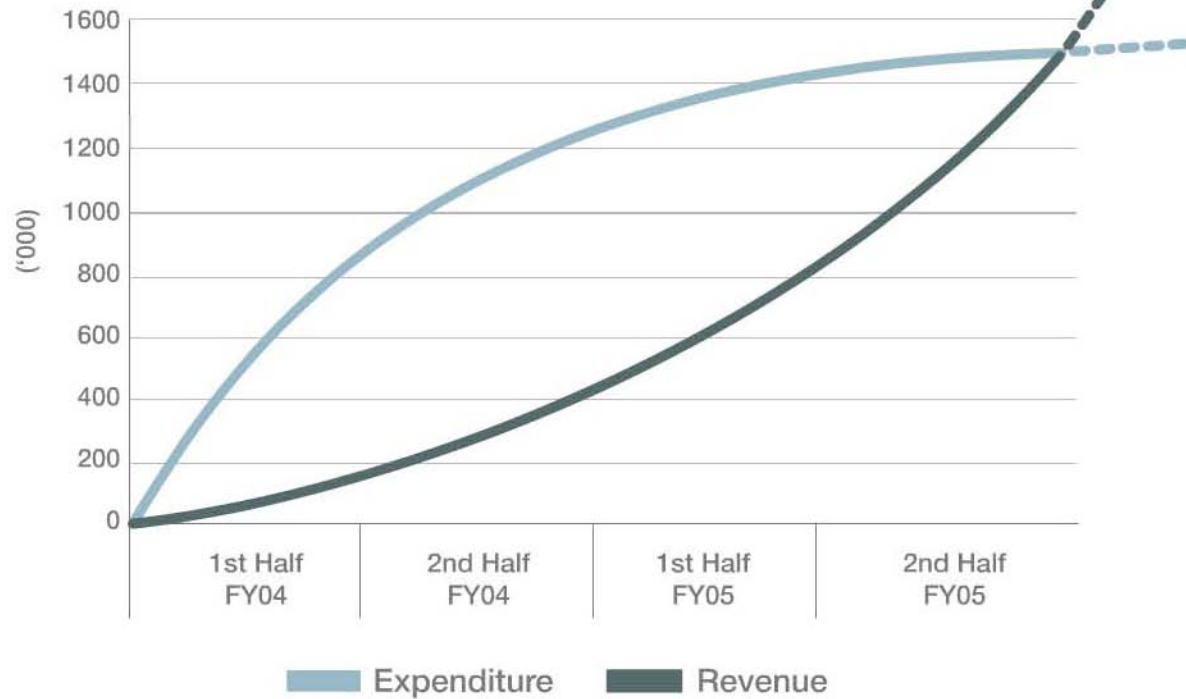
# Distribution Strategy

Direct presence in Japan and US, 60% of global market



# Distribution Strategy

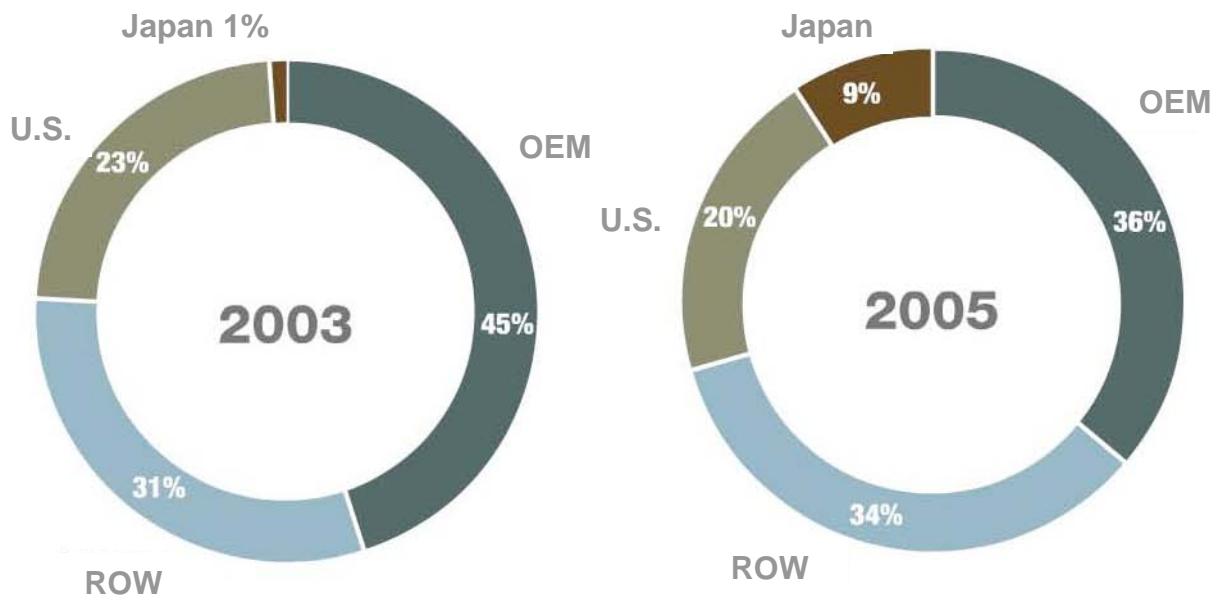
Over \$2M invested to start direct subsidiary in Japan





# Distribution Strategy

## Revenue by Region



# Going Forward

Leverage our full product line and expanded sales network to become the leader in ophthalmic lasers.

# Focused Board

## New management of company Board of Directors



Victor Previn  
Chairman



Peter Falzon  
CEO, Director



Alex Sundich  
Non-executive  
Director



Kevin McGuinness  
Company Secretary

# Management Team

## Executive Management Team



Peter Falzon, Bob Potter, Kevin McGuinness, Athy Kalatzis, Malcolm Plunkett

# Strong Global Presence

## World Sales Regions



# Sales Management

## Strengthen global distribution

Organization of distribution into four distinct regions, each managed by a regional Sales VP:



Yukitaka Isoda, Japan

Bill Swaim, Americas

Christine Warren, Greater Europe

Simon Luscombe, Asia

# Going Forward

- Transition to market driven company
- Move “storefront” closer to the large markets
- Keep engineering and manufacturing operations in Adelaide
- Release more products in the key retina segment
- Rely on own branded products for growth
- Focus on profitable growth



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# Financial Overview



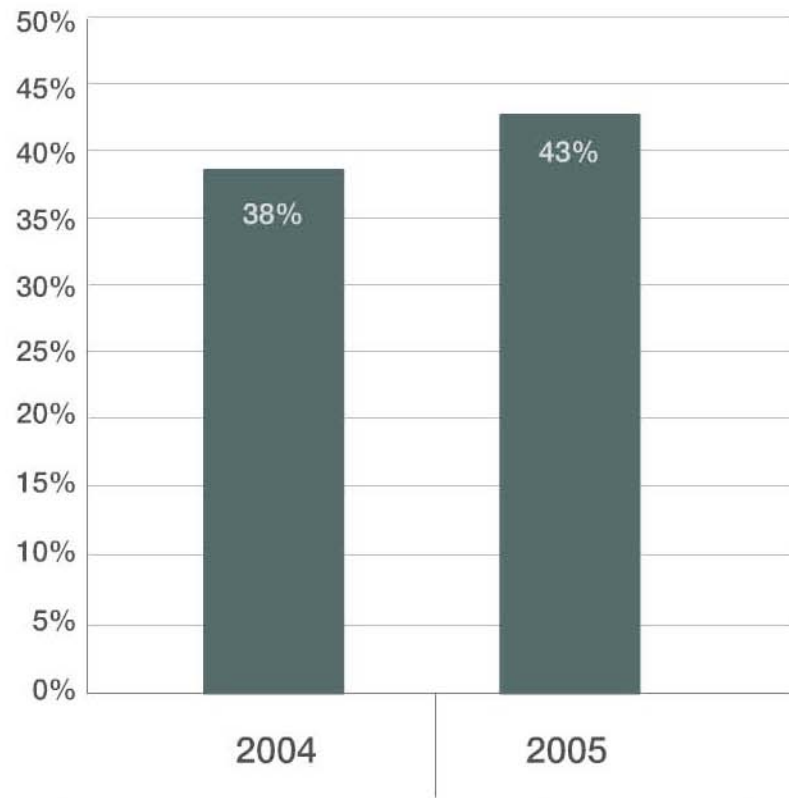
# 2005 Highlights

- Grew revenue 9.6%
- Net profit before tax and goodwill amortization breakeven in line with guidance
- Completed development of the Solitaire photocoagulator, commenced pilot production and secured first sales
- Grew revenues in Japan to \$2.5M with sales momentum picking up strongly at the end of the year

# 2005 Highlights

- Peter Falzon joined as Chief Executive Officer
- Continued to grow our brand and presence in the glaucoma segment with sales of SLT products growing from \$6.4M in FY04 to \$10.2M in FY05
- Appointed VP of Sales in Europe and grew revenue over 30% year on year

# Margins



# Cash Flow

- Working capital debt of \$3.0M  
(excludes building loan)
- Cash usage negative \$3.7M for year
  - Investment in Japan including demo inventory
  - New product launch costs including inventory
  - High R&D investment

# 2006 Outlook

- Targeting revenue growth of 15%
- Targeting own brand revenue of greater than 70%
- Transition to IFRS to have positive impact on NPBT of approximately \$2M
- Release of one new retina segment product
- Targeting increase of inventory turns from 1.3 to 1.8

# 2006 Outlook

- Key factors likely to affect performance:
  - Performance of OEM partners
  - Rising Australian dollar
  - Penetration of Glaucoma market
  - Market acceptance of newer Retina products
  - Market acceptance of our brand in Japan

A blurred landscape with a road leading towards a horizon under a bright sky. A large, semi-transparent sphere is overlaid on the right side of the image, with lines radiating from its center. The overall aesthetic is futuristic and dynamic.

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## Conclusion

# Conclusion

- Established five-year global plan
- Achieved significant increase in branded sales
- New sales management team in place
- Positioned for market leadership



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A blurred landscape featuring a road that curves into the distance under a bright sky. A large, semi-transparent sphere is positioned in the upper right quadrant, with several thin lines radiating from its center across the scene. The overall aesthetic is modern and dynamic.

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Thank you