Annual General Meeting
Ellex Medical Lasers Limited
28 November 2005
Our vision is to be the leading brand of lasers used by ophthalmologists to fight blindness.
Strategic Overview
Product Strategy

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

- Future
- 2005
- 2003

US$M 0 50 100 150 200

- Cataract
- Retina - Green
- SLT
- Retina - Multiwavelength

ellex medical lasers limited
Product Strategy

Percentage of revenue allocated to R&D

<table>
<thead>
<tr>
<th></th>
<th>1st Half FY03</th>
<th>2nd Half FY03</th>
<th>1st Half FY04</th>
<th>2nd Half FY04</th>
<th>1st Half FY05</th>
<th>2nd Half FY05</th>
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</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>10%</td>
<td>5%</td>
<td>15%</td>
<td>25%</td>
<td>15%</td>
<td>10%</td>
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Product Strategy

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

- ROW: 40%
- U.S.: 35%
- Japan: 25%

US$205m
Distribution Strategy

Over $2M invested to start direct subsidiary in Japan

- Expenditure
- Revenue

1st Half FY04 | 2nd Half FY04 | 1st Half FY05 | 2nd Half FY05

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Distribution Strategy

Revenue by Region

- **2003**
  - U.S.: 45%
  - ROW: 31%
  - OEM: 23%
  - Japan: 1%

- **2005**
  - U.S.: 34%
  - ROW: 36%
  - OEM: 20%
  - Japan: 9%
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

- Americas
- Greater Europe
- Asia Pacific
- Japan
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
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

vision growth future vision

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>Value</td>
<td>38%</td>
<td>43%</td>
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</table>
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
Conclusion
Conclusion

• Established five-year global plan
• Achieved significant increase in branded sales
• New sales management team in place
• Positioned for market leadership
Our vision is to be the leading brand of lasers used by ophthalmologists to fight blindness.
Thank you