



## PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)  
Adelaide, Australia

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Topic: Full Year FY06 Results for announcement to market

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### Highlights

- Full Year FY06 Revenue grew 28%, to A\$34.6 million
- NPAT (excluding profit on sale of building) of A\$2.0 million up 221% on pcp NPAT of A\$0.6 million
- NPAT including profit on sale of building of \$3.7 million
- Inventory turn improved from 1.3 to 1.7

**Ellex Medical Lasers Limited (ASX:ELX)**, a world leading designer and manufacturer of laser systems for the ophthalmic industry, today reported a Net Profit after Tax of A\$3.7 million for the FY06 financial year, up significantly on the comparable period last year. NPAT excluding a one time profit on sale of the company's head office property was \$2.0 million, up 221% on the result for the prior year.

The improved result was achieved on the back of strong revenue growth, up 28% to A\$34.6 million. Inventory turns improved from 1.3 in FY05 to 1.7 for FY06 with further improvement expected in the upcoming financial year.

Ellex CEO, Mr Peter Falzon said the Board and Management were pleased with the result. "It is clear that our strategy to transition from an OEM supplier to direct marketing of our products to ophthalmologists is generating profits for the company."

Mr Falzon commented "2006 represented the turning point for our business, with Ellex emerging in the marketplace with its new brand and expanded product line. Ellex branded sales were up 61% over last year and contributed 80% of our total revenue. We achieved revenue growth in all key markets, Japan became profitable, and we launched the Integre Duo to the retina market, our third major new product in as many years. We managed to ramp down our dependence on OEM sales according to plan while maintaining profitability in both the first and second half of the year."

Commenting on the outlook, Mr Falzon said Ellex expects further growth in revenue and profitability in FY07. "FY06 was a transition year in which we made new investments in rebranding, manufacturing and sales and marketing. Our focus now is

on leveraging these investments to gain a greater share of the A\$260 million market for our products.”

Mr Falzon indicated that Ellex was also looking at growth opportunities for the medium to longer term. “We see the market leadership position in ophthalmic lasers as a platform for further growth in the A\$2.6 billion ophthalmic device market. Our advanced research and business development resources are now working to identify new opportunities to leverage the Ellex brand and channel to market beyond lasers.”

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## **ABOUT ELLEX**

Ellex Medical Lasers Ltd. (ASX:ELX) designs, manufactures and markets a complete line of lasers used by ophthalmologists to preserve vision and treat eye diseases. With more than 10,000 systems delivered to the market, Ellex has evolved since 1985 from a manufacturing company of primarily OEM products, to direct marketing of its own branded products through subsidiaries in the United States and Japan and a network of distribution partners in more than 50 countries. Ellex maintains a strong emphasis on intellectual property and research into new and better treatments to manage and treat the leading causes of blindness.

For additional information about Ellex and its products, please visit [www.ellex.com](http://www.ellex.com)

### **For further information, please contact:**

Peter Falzon, CEO  
Ellex Medical Lasers Limited  
82 Gilbert Street, Adelaide, SA, 5000  
W (08) 8104 5200 | M +1 415 377-2390  
[pfalzon@ellex.com](mailto:pfalzon@ellex.com)

Kevin McGuinness, COO  
Ellex Medical Lasers Limited  
82 Gilbert Street, Adelaide, SA, 5000  
W (08) 8104 5200 | M 0409 673 610  
[kmcguinness@ellex.com](mailto:kmcguinness@ellex.com)