



Annual General Meeting
November 27, 2007

Our sole focus is ophthalmology.

Our technology is extraordinary.



From a small scientific laser company to a global leader in ophthalmic laser and ultrasound technology.

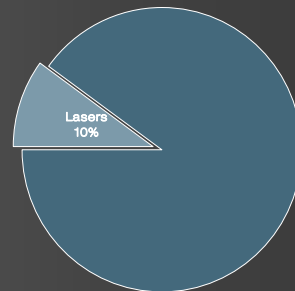
- Over 20 years of experience in ophthalmic laser technology
- Started as an OEM supplier for Coherent, Alcon and Lumenis. Today over 90% of product is sold under Ellex brand
- Today fastest growing company in the ophthalmic laser market

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Our Space

- Lasers are our platform
- Ophthalmology is our space
- Growth needs to leverage the platform in the space

US\$2 Billion Ophthalmic Device Market



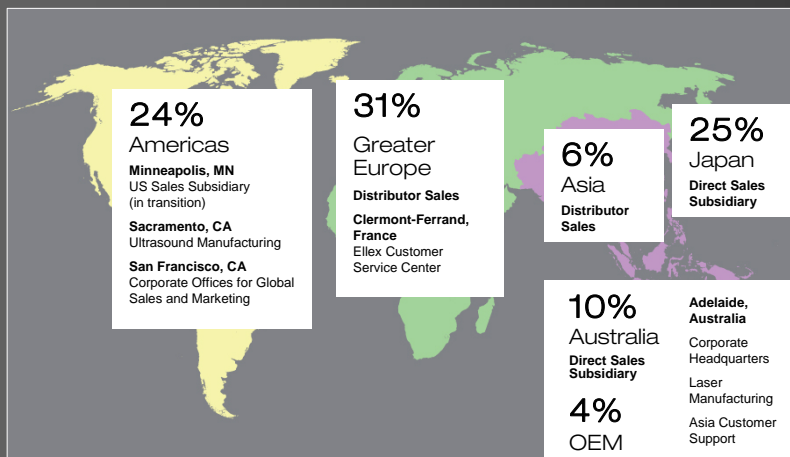
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The Company...

- Products to treat cataract, glaucoma and retinal diseases
- 200+ Employees
- 950 lasers and 150 ultrasound systems per year
- A\$45M revenue, strong growth rate
- Profitable, 7% pre-tax and improving
- Strong balance sheet
- Strong collaborative management team

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The Ellex Global Business



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Cataract

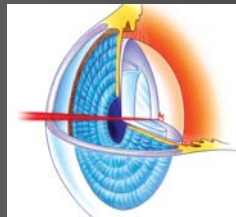
- Natural, age-related clouding of the lens, causing blurring and reduced vision
- Corrected with an implanted artificial lens
- Market size:
13.6 million procedures per year, growing
- 60% of the population over the age of 60 already have cataract
- 20% of patients develop secondary cataract after surgery



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Cataract

- Secondary cataract is clouding of the posterior lens capsule after cataract surgery
- Laser creates small opening in the clouded membrane and vision is restored quickly
- Procedure is in-office based, safe, painless and quick



Laser Capsulotomy

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Glaucoma

- Glaucoma causes the intraocular pressure in the eye to rise to a point at which it damages the optic nerve and results in vision loss
- Over 60 million people suffer from some form of glaucoma, and numbers are growing
- Glaucoma is the second leading cause of blindness in the US



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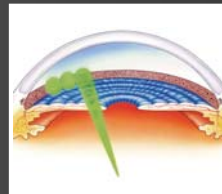
Glaucoma

Conventional treatment methods:

- Lifelong daily eye drops (95% of cases)
- Laser surgery
- Conventional surgery
- Implants (shunts/valves)

New therapy:

- Selective Laser Trabeculoplasty (SLT)
 - Non-damaging
 - Repeatable
 - No known-side effects



Selective Laser Trabeculoplasty

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Diabetic Retinopathy

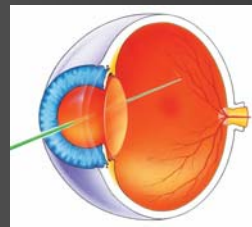
- Lack of oxygen supply to the retina causes changes in the blood vessels of the retina
- Results in vision loss and can ultimately lead to blindness if left untreated
- Affects 80% of diabetes patients
- 21 million Americans have diabetes
- Leading cause of blindness in younger population



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Diabetic Retinopathy

- Treatment options:
 - Medication
 - Laser photocoagulation



Retinal Photocoagulation

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Macular degeneration (AMD)

- AMD reduces the eye's ability to transport nutrients through the retina to the photoreceptors
- Results in central vision loss and ultimately blindness
- Leading cause of blindness in the US for people above 60
- Affects over 15 million Americans
- 35% of people over the age of 75 suffer from some form of AMD



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Macular degeneration (AMD)

- No treatment option available for early stage AMD today
- All existing therapies address the effect of AMD, not the cause
 - Laser photocoagulation
 - Intravitreal injections (Lucentis, Avastin)

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Ellex 2RT™ An Exciting New Therapy

What is Ellex 2RT?

Retinal Regeneration Therapy (2RT)

Ellex 2RT is a research project to develop a laser treatment that stimulates structures within the retina to reverse vision degradation brought on by both normal ageing and disease.

Our aim is unique – to treat early AMD and other retinal diseases early in the disease cycle so as to stave off vision loss.

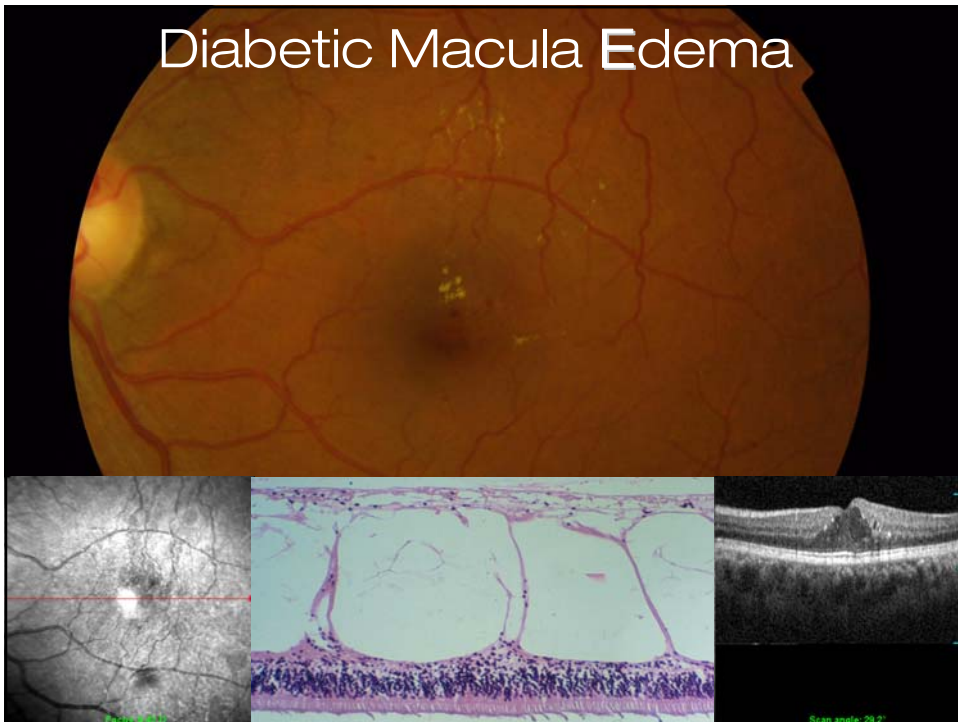


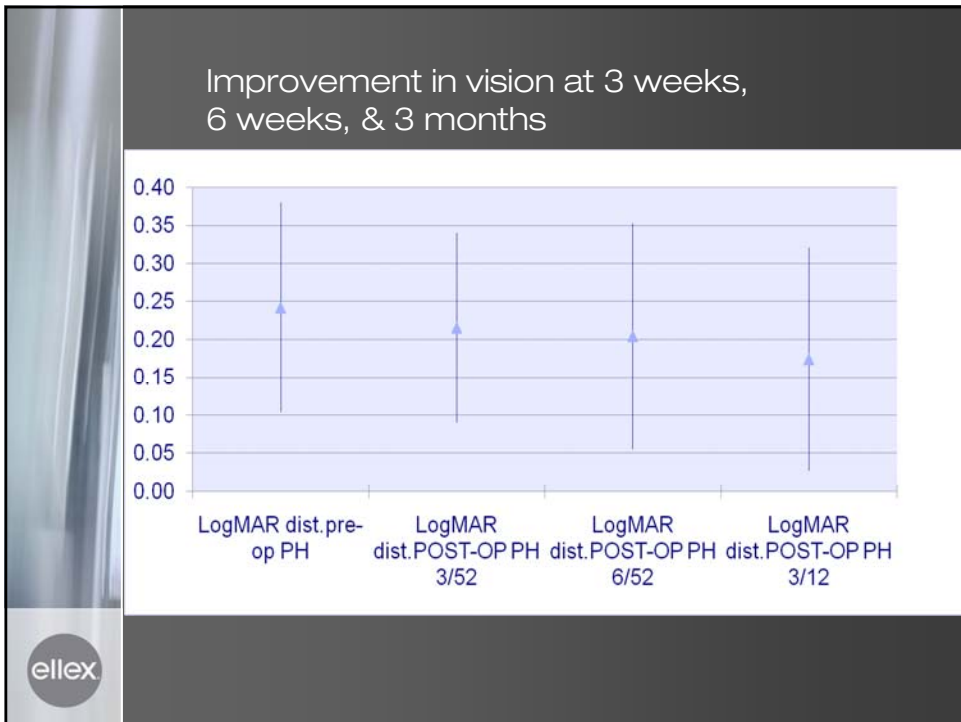
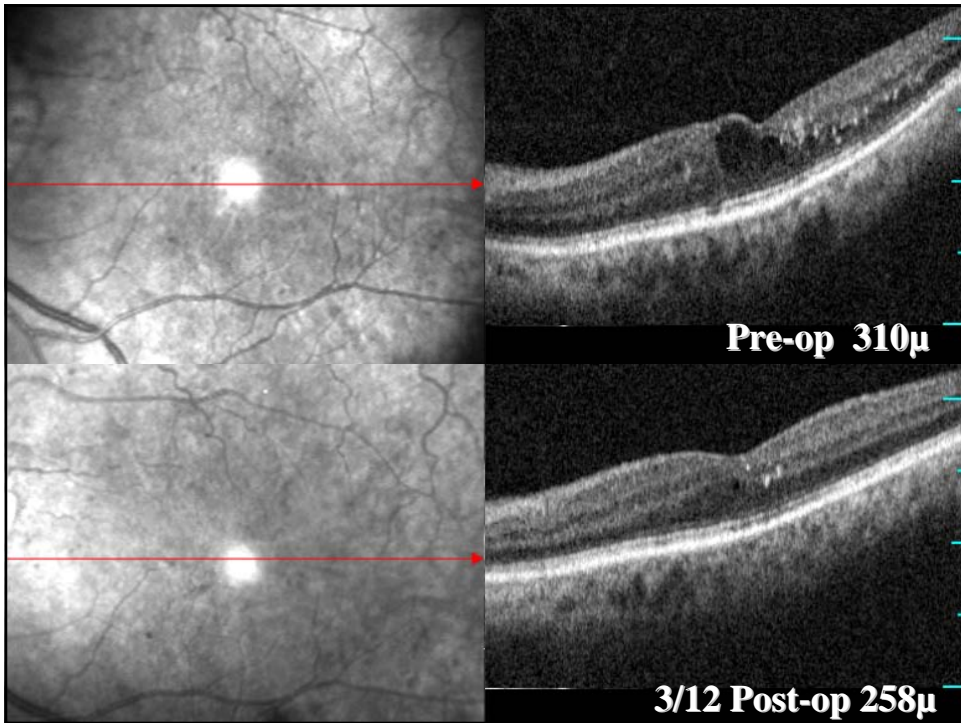
First clinical results for Ellex 2RT

- Pilot trial conducted in London by Dr Peter Hamilton on patients with Diabetic Macular Edema (DME)
- Initial results released at the American Academy of Ophthalmology Annual Conference 2007 in New Orleans recently
- The initial series of 29 eyes treated were reviewed at 3 months follow up showing a treatment benefit with stabilization and reduction of edema in 80% of the patients.
- Increased patient comfort and no adverse reactions.
- demonstrated that it is possible to stimulate retinal repair and reduce edema with the new laser without causing any of the collateral thermal damage normally associated with laser treatment of the retina.

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Diabetic Macula Edema





Comments from Dr Peter Hamilton

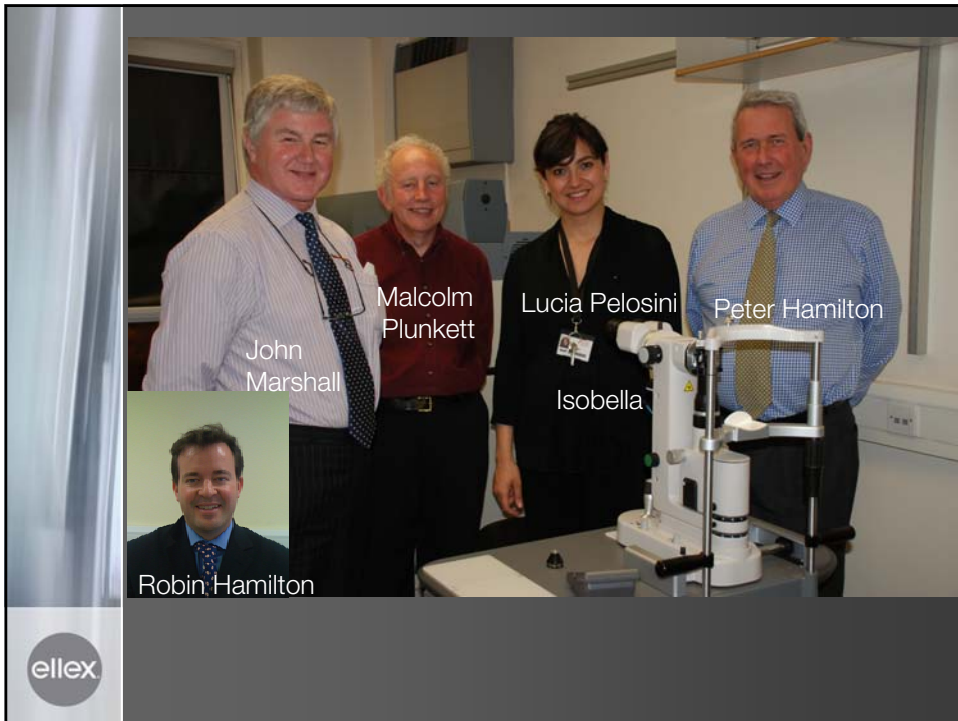
- “The main advantages of this new technology are the ability to treat without causing any photoreceptor damage, permitting more central treatment than has been possible previously. “

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Who Invented Ellex 2RT Therapy?


- Malcolm Plunkett, Victor Previn and Professor John Marshall collaborated to invent the Ellex 2RT method and device
- Professor John Marshall,
 - St. Thomas’ Hospital, Univ. of London
 - Chairman of Ellex’s Medical Advisory Board
 - Co-inventor of the world’s first diode laser for ophthalmology
 - Inventor of excimer laser technology for refractive surgery
 - Appointed to the Ellex Board in Oct. 2007
- Ellex has international patents pending for the Ellex 2RT device and method

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Going forward

- Complete pilot clinical trial on DME in UK and Australia
- Commence global multicentre trial for DME
- Commence pilot on other retinal diseases
- Decision on commercialisation to follow clinical results



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Financial Highlights

- Revenue from Ordinary Operations up 28% to \$44.4 million
- EBITDA up 39% to \$4.6 million (excluding one-off items)
- NPAT up 24% to \$2.5 million (excluding one-off items)
- Ellex brand revenue up 55% on prior year; 96% of total revenue
- Reported NPAT of \$4.4 million including \$1.8 million of tax benefit relating to Japanese prior year tax losses
- NPAT pre capitalised R&D (+ related amortisation) up 85% to \$2.2 million (excluding one-off items)

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FY07 Summary P&L (excluding one-off items)

		FY07	FY06	Change
Revenue	\$M	44.4	34.6	+28%
Gross Margins	\$M	19.5	15.1	+29%
	%	44%	44%	
EBITDA	\$M	4.6	3.2	+39%
	%	10%	9%	
NPBT	\$M	2.8	2.2	+27%
	%	6%	6%	
NPAT	\$M	2.5	2.0	+24%
	%	6%	6%	

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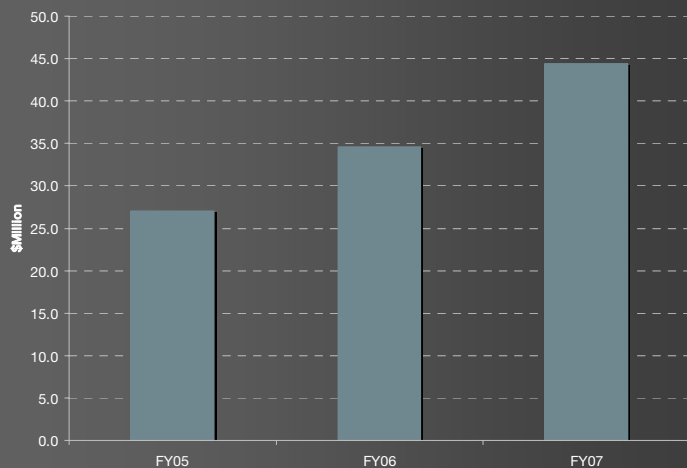
June Capital Raising

\$5.5 million at \$0.85 per share

- Support the transition to direct sales in the US, where we have the largest and most immediate growth opportunity
- Clear debt and strengthen balance sheet in order to better position the company for additional bolt-on acquisitions
 - Successful integration of acquisition in FY07

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Growth of Ellex Brand Laser Sales (Revenue)



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Outlook FY08

- Revenue growth of 15% over FY07
- Improved profitability
- Initiatives to improve balance sheet and cash flow focusing on receivables and inventory
- Focus on US growth strategy
- Continue to identify opportunities to leverage stronger distribution
- Expand research and clinical work on new retinal therapy

The logo for ellex, featuring the word "ellex" in a lowercase, sans-serif font inside a dark circular background.