

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

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Topic: Ellex FY2008 Half Year Results



Highlights

- Revenue increased 19% over the prior comparable period to A\$25.3 million
- EBITDA increased 7% over the prior comparable period to A\$2.3 million
- NPAT from ordinary activities increased 3% to A\$1.2 million

Adelaide, Australia, 26 February 2008 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in the design and manufacture of ophthalmic laser and ultrasound systems, today announced its financial results for the half year ended 31 December 2007. The result demonstrated strong, continuous growth in the business with revenues growing 19% over the prior comparable period.

As announced on 30 January 2008, Ellex invested over \$750,000 in its U.S. sales and marketing platform in the half year as part of its transition from indirect to direct sales. As a result, earnings for the half year, both on a before and after tax basis, were in-line with the prior comparable period. Commenting on the results, Mr. Peter Falzon, CEO, said “As a result of our U.S. sales and marketing investments, we started to gain traction in the U.S. market late in the first half which has continued into the beginning of the second half, and therefore we expect an increase in profit for the full year compared to last year. We saw the acceleration of U.S. sales begin in the December quarter resulting in 30% growth in the U.S. in the first half compared to the same period last year”.

Ellex continued to experience growth in most of its geographic markets. Revenue in Japan grew 28%, Europe grew 18% and Australia grew 40%. In Asia the company is strengthening its distribution network following the appointment in August 2007 of an experienced executive to lead this area.

Ellex confirmed that it is targeting revenue growth of 15 to 20% and materially higher earnings for the 2008 financial year compared to the 2007 financial year as a result of growth strategies and investments already in place.

Ellex will be making presentations to brokers and investors in the week beginning 3 March 2008 and will post a copy of the presentation on the ASX and Ellex website on 3 March.

ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) designs, manufactures and markets a complete line of lasers and diagnostic ultrasound systems used by ophthalmologists to diagnose and treat eye diseases. With more than 14,000 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, Japan and Australia, and a network of distribution partners in more than 100 countries. In December 2006 Ellex acquired Innovative Imaging, a leading provider of diagnostic ultrasound devices for ophthalmology, initiating the expansion of its product

line beyond lasers. 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.

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