

Ellex FY08 Half Year Results

March 2008

Our sole focus is ophthalmology. Our technology is extraordinary.



Highlights

- Revenue growth of 19% over PCP
- Profit maintained despite investment in US sales channel
- US transition showing traction
- Results of first pilot trial for Ellex 2RT released
- Strong outlook for full year



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.

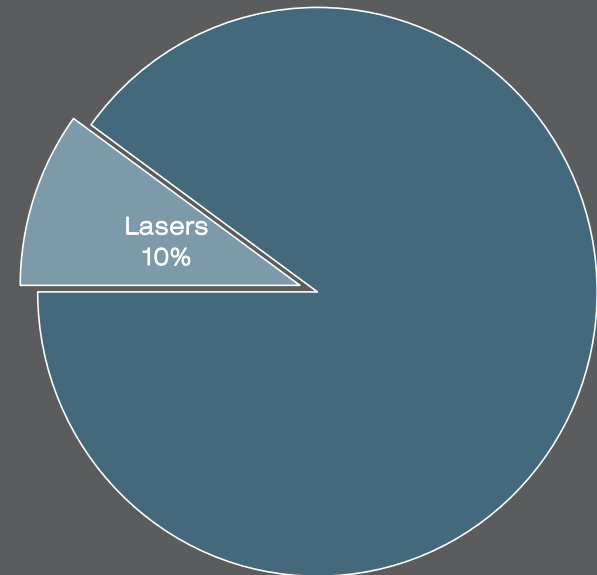
Our sole focus is ophthalmology. Our technology is extraordinary.



Our Growth Strategy

- Lasers are our platform
- Ophthalmology is our space
- Growth strategy to leverage the platform in the space
 - Dec 06 Innovative Imaging Acquisition added diagnostic ultrasound
 - Target rich acquisition space

US\$2 Billion Ophthalmic Device Market



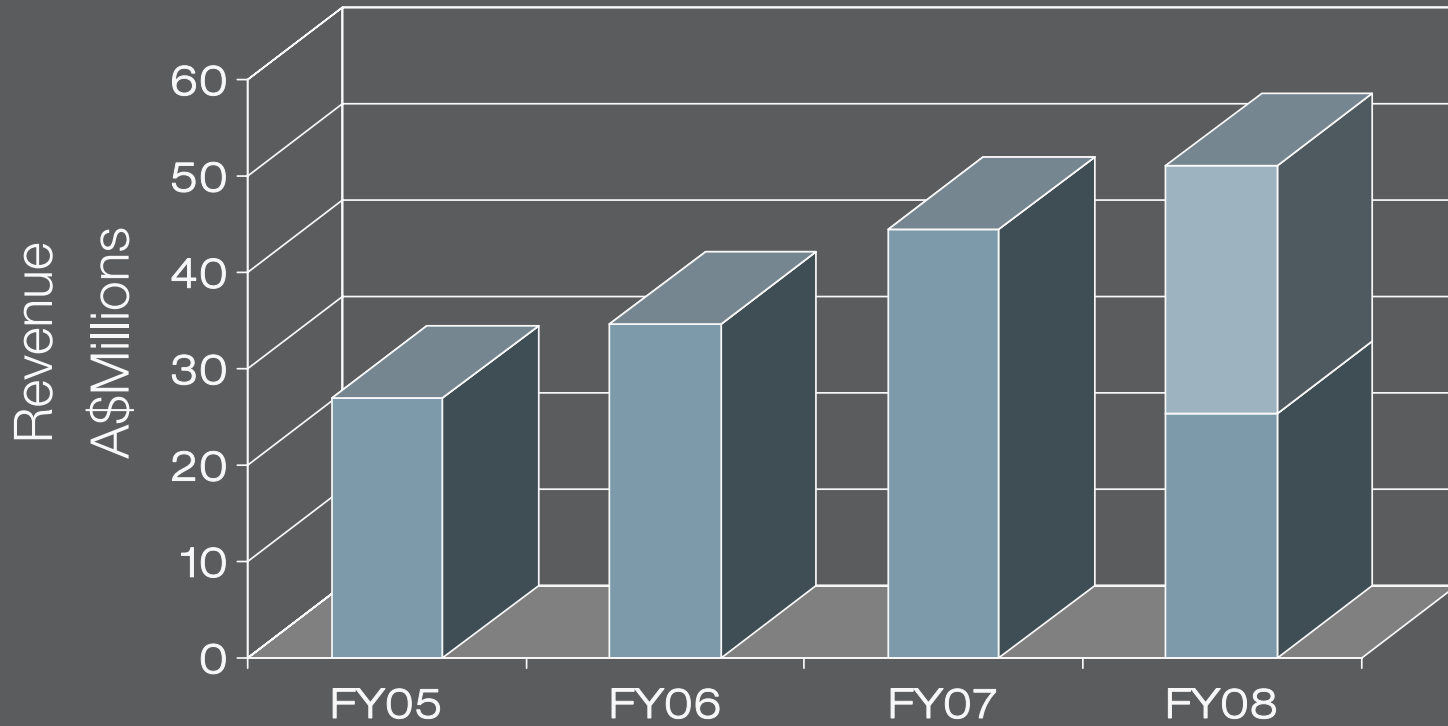
The Company...

- Products to treat and diagnose cataract, glaucoma and retinal diseases
- 221 Employees
- 950 lasers and 150 ultrasound systems per year
- A\$50M revenue (annualised based on first half), strong growth rate
- Profitable, and improving
- Strong balance sheet
- Strong, experienced management team

Our sole focus is ophthalmology. Our technology is extraordinary.



Ellex Growth



Our sole focus is ophthalmology. Our technology is extraordinary.



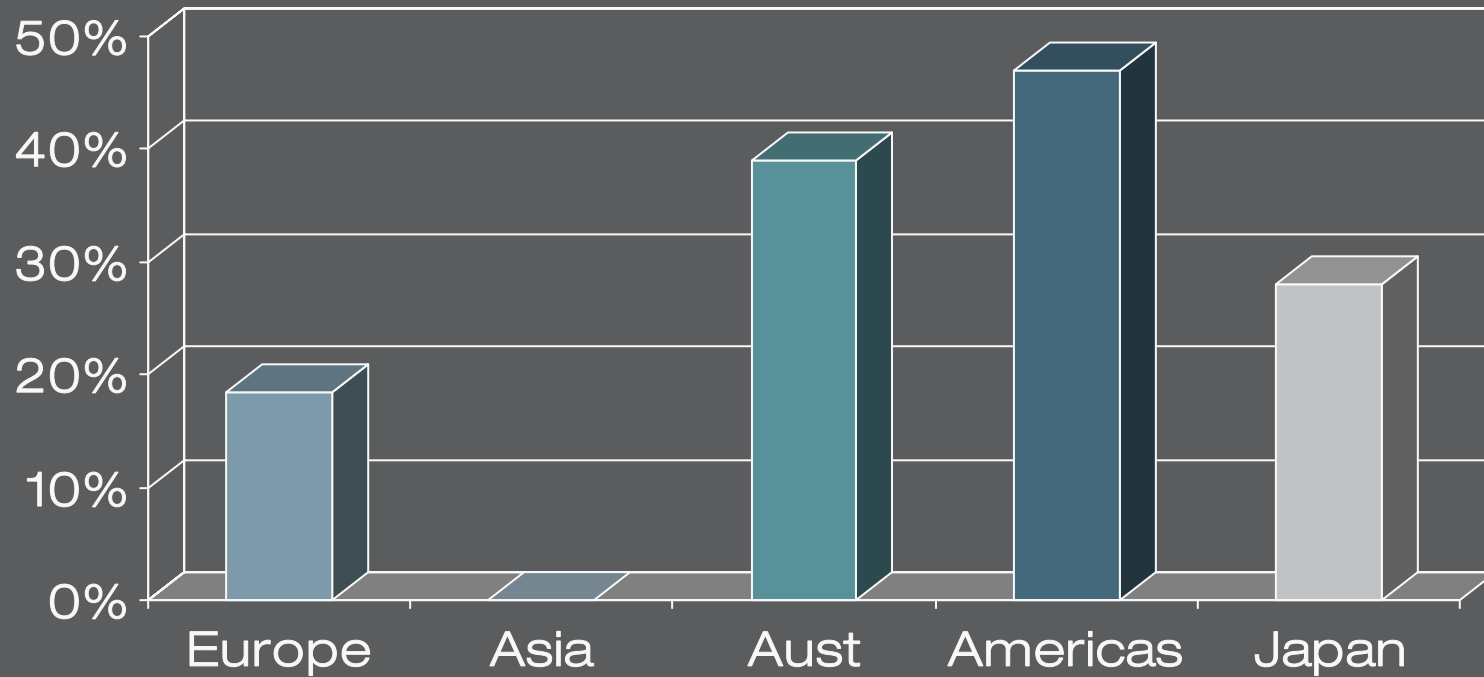
Ellex Revenue by Region



Our sole focus is ophthalmology. Our technology is extraordinary.



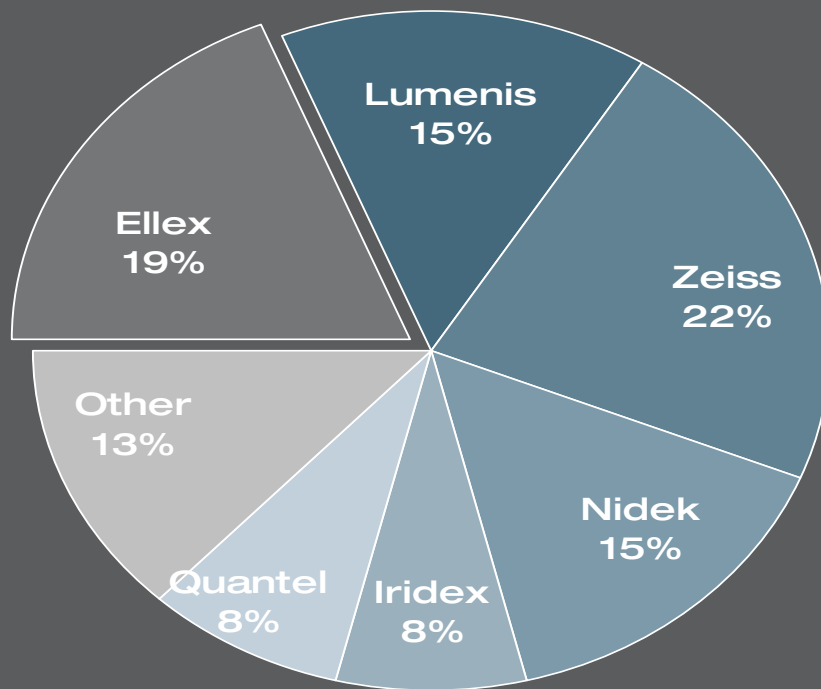
Growth by Region over PCP



Our sole focus is ophthalmology. Our technology is extraordinary.



Core Business – Laser Market Share



Source: Ellex estimate based on publicly available information

Highlights

- Ellex remains the fastest growing brand in this segment
- Surpassed struggling Lumenis in 1H08 to take #2 position
- Quantel and Iridex reported flat to weak ophthalmic laser sales

Our sole focus is ophthalmology. Our technology is extraordinary.



US

Key Objective	Progress
Recruit new US VP Sales to drive transition to direct sales	VP of US Sales recruited from Lumenis and started September 07
Expand direct sales territories to 5 by end of FY08	Atlanta hired March 06, Dallas hired Oct 07, Chicago hired Dec 07. 3 more 2H.
Investment in demo inventory to support direct sales	Manufacturing capacity plan meeting objectives
SF office to drive US marketing	Responsibility shifted to Katrin Teigeler, VP of Global Marketing based in SF
Establish network of Key Opinion Leaders (KOL) to support US Marketing Plan	Ellex Laser and Ultrasound KOLs established, 8 lectures at the Ellex AAO exhibit in New Orleans (1H08) 1 podium and 6 exhibit lectures at upcoming ASCRS in Chicago (2H)

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 loss brought on by both ageing and disease.

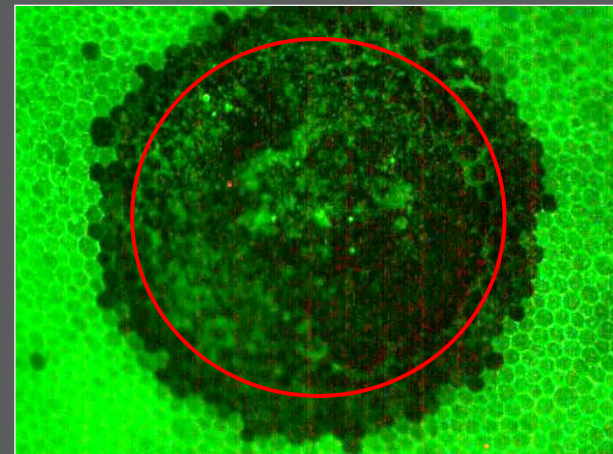
Our aim is unique – to treat early AMD and other retinal diseases early in the disease cycle before severe vision loss occurs.

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 showing a treatment benefit with stabilization or improvement in visual function in 80% of the patients.
- Normal progression of the disease would result in further loss of visual function.

Going forward

- Pilot trial in Australia commencing now
- Additional trials aimed at other retinal diseases including AMD planned for CY2008
- First phase of engineering development in CY2008
- Decision on commercialisation to follow pilot trials



Financial Highlights – FY08 Half Year

- Revenue from Ordinary Operations up 19% to \$25.3million
- Earnings before Interest Tax and Depreciation (EBITDA) up 7% to \$2.3million (excluding one-off items)
- Net Profit After Tax (NPAT) up 3% to \$1.2 million (excluding one-off items)
- Result is after investment of over \$750,000 in US strategy to transition from indirect sales to direct sales

Summary P&L

		FY07	FY06	Change
Revenue	\$M	25.3	21.2	+19%
Gross Margins	\$M	11.3	9.4	+21%
	%	45%	44%	
EBITDA	\$M	2.3	2.2	+5%
	%	9%	10%	
NPBT	\$M	1.4	1.4	+0%
	%	6%	7%	
NPAT	\$M	1.2	1.2	+3%
	%	5%	6%	

Our sole focus is ophthalmology. Our technology is extraordinary.



Outlook FY08 and beyond

- Revenue growth of 15 – 20% for the full year
- Full year profit to be materially higher than FY07
- Japan receivables financing now implemented to have material impact on Operating cash flow
- Continue to implement US growth strategy
- Continue to identify opportunities to leverage stronger distribution
- Expand research and clinical work on new retinal therapy