

Ellex Medical Lasers Limited Investor Update

July 2008

Our sole focus is ophthalmology. Our technology is extraordinary.



Introduction

- Ellex has driven strong 15%+ pa growth for three years
- Growth has been result of
 - Investment in branding and distribution
 - Development of new products
 - Strategic acquisitions
- This has established Ellex as a world leader in the ophthalmic laser and ultrasound market



Current environment

- Economic conditions in a number of key markets affecting short term buying decisions
- Competitive environment is challenging with aggressive activity from competitors
- Response required to manage current environment while long term strategy remains

Response to challenges

- Balance growth initiatives with stronger emphasis on profitability and cashflow in short-term
- Refine our operating cost structure to address short-term challenges
- Program to reduce product cost and ensure products remain competitive and margins are protected
- Focus on more efficient investment in working capital
 - Management of finished good inventory

Continue to build for future

- Continue to develop distribution including US sales channel
- New product development
 - One major release scheduled for FY09
- Ellex 2RT is a high potential product for Ellex in the medium to long-term (3-5 years)

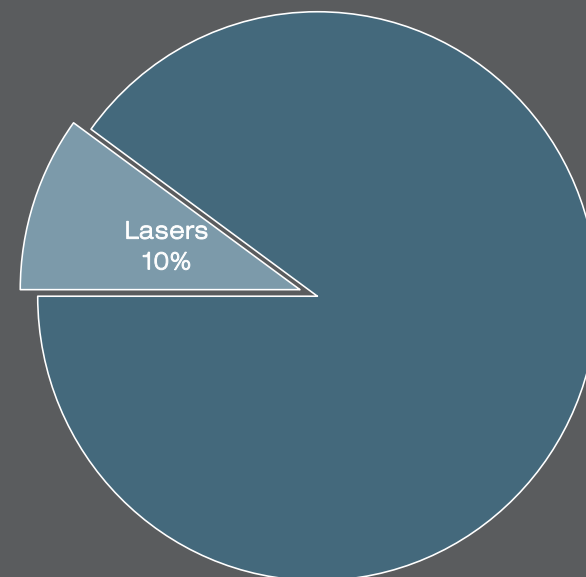
US Sales

- Ellex is committed to distribution through combination of direct and indirect sales network
- US infrastructure remains in place, includes President Ellex Inc (USA) and VP of Sales (USA).
 - 6 Direct Sales reps now in place
 - 14 Independent Sales reps
- Positive signs of sales traction in Q4
- Focus on ensuring they are supported and effective

Long-term strategy remains unchanged

- Leverage position in laser and ultrasound market
- Expand into larger ophthalmic device market
- Strong share price critical to further investment in growth
- Strategy for Japan and Europe remains unchanged

US\$2 Billion Ophthalmic Device Market



Summary

- Outlook for FY08
 - Revenue growth 12-13% over pcp
 - Profit pre-tax lower than FY07
- Expect current challenges to continue into FY09
 - Revenue growth expected to slow in short-term
- Plan to address profitability being implemented