

PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

Date: 27 August 2009

Release: Immediate

Topic: **Ellex Releases Unaudited FY09 Year End Result**



Key Points

- **Ellex delivers strong full year trading result despite global financial downturn**
- **Record revenue of \$58.3 million increased 16% over last year**
- **One-off items totalling \$26.3 million, including goodwill write-down of \$22.37 million, resulted in a Net Loss After Tax of \$22.6 million, in line with market expectations**
- **Profit from ordinary activities remains strong at \$3.07 million up 30% (excluding one-off items)**

Adelaide, Australia, 27 August 2009 – 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 year ended 30 June 2009. Ellex posted a net loss of \$22.6 million principally as the result of goodwill write-downs and FOREX losses as detailed in announcements to the ASX on 19 December 2008 and 26 February 2009. The Company's revenues grew by 16% and pre-tax profit from activities prior to one-off items increased by 30% to reach \$3.07 million. The results demonstrate that initiatives adopted during FY09 to improve the Ellex business are starting to yield positive signs.

Commenting on the Company's performance, CEO Simon Luscombe said, "We are pleased to report that, through a more measured approach to business growth, the Company has maintained solid underlying profitability despite challenging global economic conditions. A concerted effort to reduce debt, renewed priority placed on inventory reduction and expense management across all business functions have positively influenced our balance sheet".

The Company continued to invest in its product development pipeline during FY09, with the introduction of new-generation ultrasound and photocoagulator products planned for FY10. The Ellex 2RT Research Program continues to make solid progress, with several clinical trials underway in Australia and the United Kingdom in order to further validate the efficacy of Ellex 2RT for a number of clinical indications, including age-related macular degeneration (AMD). The Company continues to view Ellex 2RT as a significant opportunity for future growth.

"We have worked hard to exercise tighter cost control whilst continuing to prudently invest in our business, enabling us to establish the groundwork for a more sustainable business model. Moving forward, we will work hard to achieve a distinct balance between restructuring initiatives designed to reduce costs, and growth initiatives to foster a better business model over the long-run", commented Mr. Luscombe.

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 disease. 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, Germany 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 systems for ophthalmology, initiating the expansion of our product line beyond lasers.

The Ellex name has long been synonymous with excellence in technology, in quality, and in customer care. Ellex maintains the highest quality standards through product development and manufacturing, and strives to provide unmatched levels of clinical expertise and support to our customers. All of these efforts have combined to produce one of the highest levels of customer satisfaction in the ophthalmic industry.

For additional information about Ellex and its products, please visit www.ellex.com

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