

ASX RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

Date: 18 August 2010

Release: Immediate

Topic: **Profit Upgrade Guidance: Ellex 2010 Financial Year**



Ellex Medical Lasers (ASX:ELX), a global leader in ophthalmic laser and ultrasound technology, today announced a profit upgrade guidance with full year Net Profit Before Tax (NPBT) for 2010 expected to be in the vicinity of \$3.5 million, a 13 percent improvement compared to \$3.1 million in the previous year, subject to final audit.¹

This strong result follows the Company's better-than-expected performance during the first half of the 2010 financial year, in which NPBT of \$1.735 million was achieved.

Ellex CEO, Simon Luscombe, stated: "Our continued efforts to exercise tight cost control, reduce debt and improve operating efficiencies have contributed positively to our bottom line, despite a challenging global economic environment."

In addition to business model refinements, the Company continued to invest prudently in future growth opportunities during the period.

"This financial year we launched two new products and made significant progress with the research program for Ellex Retinal Regeneration Therapy (Ellex 2RT™)," said Mr Luscombe. "Interim clinical trial results announced in May confirmed the potential of Ellex 2RT™ to treat Age-Related Macular Degeneration (AMD) – the leading cause of blindness in the developed world."

The Company will now look to undertake further trials in order to validate the clinical findings to date, and evaluate the opportunities to bring Ellex 2RT™ technology to market.

"Our performance over the past 12 months has shown that we can successfully deliver improved operational and profit performance whilst continuing to invest in the future growth of our business," said Mr. Luscombe.

Ellex expects to release its audited full year result in the week commencing 23 August 2010.

ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) is a global leader in the design and manufacture of ophthalmic laser and ultrasound systems used by ophthalmologists to diagnose and treat eye disease. With more than 15,000 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 their product line beyond lasers.

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

¹ Excluding one-off items noted in the prior comparable period.

For further information on Ellex, please contact:

Simon Luscombe, CEO
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5293 | M +61 439 424 500
sluscombe@ellex.com

Victor Previn, Chairman
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200 | M +61 414 661 994
vprevin@ellex.com

Giuseppe Canala, Company Secretary
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200
gcanala@ellex.com