Overview – FY10

- Ellex achieved a strong full-year trading result despite prevailing world market conditions
  - Profit before tax up 16% to $3.6 million (excluding one-off items)
  - Strong balance sheet: $3.2 million cash position
- Improved operating performance and efficiencies
  - Reduced debt reliance
  - Cost control initiatives
- Continued to invest in new product and technology development
- Established the foundation for a more sustainable business model
Key Financials – FY10

- Profit before tax up 16% to $3.6 million (excluding one-off items)
- EBITDA up 14% to $6.4m (excluding one-off items)
- NTA of $0.23 per share
- Debt reduction of $2.6 million (net of cash assets)
- Total revenue down 19%
  - Direct and distributor markets experienced softening in demand
  - Worldwide conditions expected to improve from 2011 onwards
Improved Liquidity

- Stringent working capital management achieved a debt reduction of over $2 million (net of cash assets)

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
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<td>A$ Million</td>
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<td>Gross Borrowings</td>
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<tr>
<td>Net Borrowings</td>
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One Powerful Vision
Direct Sales Segment – FY10

- Soft world markets continued to pose challenges, revenue \( \downarrow 16\% \)
  - Japan fell 16\%, largely attributable to exchange rates in FY09
  - Germany performed strongly in the second half of FY10
  - In Australia, government tax stimulus package contributed to modest growth in the first half FY10
  - The US sales revenue declined by 19\% but started to show positive signs of recovery in Q4

- Well positioned for period of renewed industry demand, anticipated to take effect from mid FY11
Distributor Sales Segment – FY10

- Sales through the Company’s distribution network ↓26%
  - Continued uncertainty in global financial markets led to a weakening in demand for capital expenditure
- Sales traction in Asia improved, contributing to revenue ↑23%
- Sales in Europe ↓25% due to prevailing economic conditions
- Growth in local currency in all other regions below expectations and impacted by global financial crisis
Sources of Revenue – FY10

18% Americas
  Minneapolis, MN
  US Sales Subsidiary
  Sacramento, CA
  Ultrasound Manufacturing

20% Greater Europe
  Clermont-Ferrand, France
  Ellex Customer Service Center

4% Germany
  Direct Sales & Service Subsidiary

6% Asia
  Distributor Sales

34% Japan
  Direct Sales Subsidiary

12% Australia
  Corporate Headquarters
  Laser Manufacturing
  Adelaide, Australia
  OEM

1% Latin America
  Distributor Sales

5% OEM
  Asia Customer Support

One Powerful Vision
Product Development

- Approximately 6% of revenue directed to new product development in FY10

- Integre Yellow
  - Developed predominantly for Japanese market but since released in the US, Australia and Germany

- New Generation Eye Cubed
  - Provided access to new customer markets in Asia and Europe
Growth Opportunity

Ophthalmic Laser Market (excluding refractive*) – $250 million pa global market
  - Ellex has achieved dominant share in some geographic markets

Ophthalmic Market – $12 billion pa global market
  - Opportunity to leverage distribution channel and brand for future growth

* $250 million Ophthalmic Laser Market
  - $12 billion Ophthalmic Market

One Powerful Vision
Retinal Regeneration Therapy

- Breakthrough laser therapy for the treatment of Age-Related Macular Degeneration (AMD)
  - Leading cause of blindness in the developed world: affects one in seven Australians over the age of 50, globally 15% of people over the age of 50

- Clinical trials underway have confirmed potential to treat AMD and Diabetic Retinopathy
  - Next step is to undertake a multi-centre, randomised trial from 2011 onwards
Ellex 2RT: A New Opportunity

- Dry AMD: 90%
- Wet AMD: 10%

Dry AMD: Currently untreated
Wet AMD: Currently treated
Outlook and Focus FY11

- Opportunities as market conditions improve
- Diversify product portfolio to improve operating cash flow
  - Opportunity for additional diversity of earnings
  - Leverage strong distribution channels
  - Business model established in Japan and Australia
  - Recent distribution deals with Italian-based CenterVue
    - MAIA™ fundus perimetry system
    - DRS™ digital retinal camera
CenterVue Partnership

- **MAIA™ fundus perimetry system**
  - Diagnose and track macular function
  - Diagnostic component to Ellex’s breakthrough Retinal Regeneration Therapy

- **DRS™ retinal camera**
  - Capture high-resolution images of the retina, fully automated
  - Opportunity for high-volume sales
  - Provide access to optometrists, as well as ophthalmologists
Outlook and Focus FY11 cont.

- Continued focus on cost-down initiatives
- Develop proprietary laser technology for continued growth
  - Retinal Regeneration Therapy: continue clinical research and develop a commercialisation program
  - All trials to date have shown therapeutic benefit
Thank you