

ASX RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

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Topic: **Ellex Enters Ophthalmic Lens Market, Secures Distribution Deal with STAAR Surgical**



Adelaide, Australia, 10 March 2011 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in ophthalmic laser and ultrasound technology, today announced that it will expand its presence into the ophthalmic lens market through a strategic partnership with global lens manufacturer STAAR Surgical. Effective immediately, Ellex has entered into an exclusive distribution agreement with US-based STAAR to market and distribute the STAAR portfolio of industry-leading cataract and refractive lens implants in Australia.

“Since the introduction of their first lens for cataract surgery in 1982, STAAR has established a leading reputation in the global lens market and we are eager to deliver their proven cataract and refractive lens technology to our Australian customers,” commented Simon Luscombe, Ellex CEO.

Ageing demographics and innovative new technologies have combined to make the cataract and refractive lens markets significant growth markets.

“This is an important opportunity to grow our business, and to address the growing needs of Australia’s ageing population,” said Mr. Luscombe.

“As we age, the natural lens of our eye becomes less flexible and unable to change shape easily, affecting our vision. This is known as refractive error and affects nearly 1 in 3 Australians over the age of 40. And in Australia, cataract surgery is the most commonly performed eye procedure, affecting nearly 70% of the population over the age of 75.”

The partnership with STAAR will provide Ellex with an opportunity to diversify its earnings to support future cash flow growth. It will also enable the Company to leverage its strong distribution channel and existing sales and marketing infrastructure to add a highly lucrative recurring revenue element to the Company’s business model.

“Our move into the ophthalmic lens market supports our stated diversification strategy for growth into the larger \$12 billion ophthalmic device market. It also offers an opportunity to supplement our existing portfolio of Ellex and third-party product distributions.”

Cataract Lens (IOL) Distribution

Under the terms of the agreement with STAAR Surgical, Ellex will have exclusive distribution rights for the Toric™ intraocular lens (IOL).

A revolutionary single-piece, foldable lens, the Toric™ IOL is implanted into the patient’s eye during cataract surgery. It was one of the first lenses available for the treatment of both cataract and astigmatism, an eye condition where the front surface of the eye (cornea) is not curved properly, resulting in blurred vision. Astigmatism is estimated to affect up to 20% of patients who undergo cataract surgery.

“A major benefit of the STAAR Toric IOL is that it enables treatment of cataract patients who also suffer from astigmatism,” said Mr. Luscombe. “With this revolutionary technology, ophthalmologists can effectively treat the cataract and the astigmatism at the same time – offering a unique advantage over existing IOL technologies.”

Refractive Lens (ICL and TICL) Distribution

Under the terms of the agreement with STAAR Surgical, Ellex will also have exclusive distribution rights for the Visian™ Implantable Collamer Lens (ICL) and Toric Implantable Collamer Lens (TICL).

The Visian™ lens is a custom lens designed for the treatment of refractive error, including myopia (near-sightedness) and hyperopia (far-sightedness). These refractive disorders affect a large proportion of the population and have traditionally been treated with LASIK or PRK surgery. ICL technology represents one of the latest technological advancements in vision correction and can be used for a wider treatment range for myopia than traditional LASIK and PRK procedures.

“The Visian lens has transformed the refractive market. More than 200,000 of these lenses have been implanted worldwide outside of the US. No longer are patients required to undergo highly invasive surgery in order to correct common refractive disorders,” commented Mr. Luscombe.

“We expect the ICL to shift the treatment regime for refractive surgery in Australia and to offer a significant, new revenue generator for our business. And as patient education of the considerable benefits of ICL technology option grow we anticipate substantial growth in sales over the coming years.”

Ellex will preview the STAAR portfolio of cataract and refractive lens implants at the upcoming Asia Pacific Academy of Ophthalmology (APAO) meeting in Sydney from 21 – 24 March 2011.

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 recent years, Ellex has diversified its product range beyond lasers and ultrasound equipment to include a number of third-party ophthalmic products.

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

ABOUT STAAR SURGICAL

STAAR Surgical Company (Nasdaq: STAA) is a leading developer, manufacturer and marketer of implantable lenses for use in ophthalmic surgery. Founded in 1982, STAAR has evolved into a global surgical eye correction technology leader. Headquartered in Monrovia, CA, it manufactures in the following locations: Nidau, Switzerland; Ichikawa City, Japan; Aliso Viejo, CA; and Monrovia, CA.

For more information about STAAR Surgical and its products, please visit the STAAR website.

ABOUT CATARACT SURGERY

Cataract is the leading cause of visual impairment worldwide. In Australia, more than 200,000 cataract operations are performed each year. In the majority of cases, cataract surgery involves replacing the natural lens of the eye with an artificial lens called an intraocular lens (IOL). After the removal of the cataract, an IOL is implanted into the eye, either through a small incision using a foldable IOL, or through an enlarged incision, using a PMMA (polymethyl methacrylate) lens. The modern-day foldable IOL offers a host of improved benefits, including increased ease of insertion.

ABOUT REFRACTIVE SURGERY

Refractive surgical procedures are designed to eliminate or reduce the need for glasses or contact lenses. These procedures correct refractive errors by changing the focus of the eye. Common procedures such as LASIK and PRK do this by reshaping the curve of the cornea (the clear front window of the eye) to move the point at which light is focused onto the retina (light-sensitive tissue lining the back of the eye). Modern-day IOL and ICL technologies place an artificial lens inside the eye in order to more accurately focus light onto the retina. In Australia, up to 50,000 refractive procedures are performed annually.

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