

Ellex Medical Lasers Limited

ACN 007 702 927

Appendix 4E Preliminary Final Report
for the financial year ended 30 June 2011

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Appendix 4E

Preliminary final report

Name of entity

ELLEX MEDICAL LASERS LIMITED

ABN or equivalent company reference Half yearly (tick) Preliminary final (tick) Half year/financial year ended ('current period')

15 007 702 927 **30 JUNE 2011**

Results for announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Revenues from ordinary activities	down	9%	to	43,135
Earnings from ordinary activities Before Interest, Tax, Depreciation and Amortisation	down	82%	to	1,114
Net loss before tax	down	131%	to	(1,087)
Loss from ordinary activities after tax	down	119%	to	(700)
<i>Loss from ordinary activities before tax attributable to members (a)</i>	<i>down</i>	<i>12%</i>	<i>to</i>	<i>(1,087)</i>
Net loss for the period attributable to members	down	119%	to	(710)

(a) Excluding one-off items \$0m (FY10: \$0m)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend (<i>Preliminary final report only</i>)	Nil ¢	Nil %
Interim dividend (<i>Half yearly report only</i>)		
Previous corresponding period	Nil ¢	Nil %

+Record date for determining entitlements to the dividend,
(in the case of a trust, distribution)

N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to Attached Press Release and Investor Presentation

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	18.9¢	23.1¢

Acquisitions

1. There were no acquisitions during the year ended 30 June 2011.

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

N/A

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.

6 The entity has a formally constituted audit committee.

Sign here: 

Date: 30 August 2011

(Director/Company Secretary)

Print name: Victor Previn

Consolidated Statement of Comprehensive Income for the financial year ended 30 June 2011

	Note	Consolidated Group	
		2011 \$'000	2010 \$'000
Revenue from ordinary activities	1	43,135	47,420
Other income		384	1,324
Changes in inventories of finished goods and work in progress		99	1,116
Raw materials and consumables used		(21,909)	(22,341)
Employee benefits expense		(13,752)	(14,818)
Legal fees		(58)	(64)
Depreciation and amortisation expense		(1,768)	(2,394)
Advertising and marketing		(1,404)	(1,551)
Borrowing costs		(433)	(403)
Product development expenses		(162)	(296)
Provision for plant closure		(303)	-
Realised FX loss		(394)	(87)
FX translation movement		(100)	-
Other expenses from ordinary activities		(4,422)	(4,343)
Profit/(Loss) from ordinary activities before income tax		(1,087)	3,563
Income tax expense relating to ordinary activities		387	197
(Loss)/Profit for the year		(700)	3,760
Other comprehensive income			
Exchange differences on translating foreign operations		(1,695)	(636)
Total comprehensive income for the year		(2,395)	3,124
(Loss)/Profit attributable to:			
Members of the parent		(710)	3,820
Non-controlling interest		10	(60)
		(700)	3,760
Total comprehensive income attributable to:			
Members of the parent		(2,405)	3,184
Non-controlling interest		10	(60)
		(2,395)	3,124
Earnings per share:			
Basic earnings per share (cents)		(0.8)	4.5
Diluted earnings per share (cents)		(0.8)	4.5

Consolidated Statement of Financial Position as at 30 June 2011

		Consolidated Group	
		2011	2010
		\$'000	\$'000
Note			
	Current assets		
	Cash and cash equivalents	1,048	3,220
	Trade and other receivables	11,697	13,017
	Inventories	16,711	17,099
	Current tax assets	23	26
	Other current assets	812	848
	Total current assets	30,291	34,210
	Non-current assets		
	Other financial assets		
	Other	302	295
	Property, plant and equipment	2,668	2,995
	Capitalised development expenditure	6,281	5,901
	Intangibles	739	704
	Deferred tax assets	7,861	7,473
	Total non-current assets	17,851	17,368
	Total assets	48,142	51,578
	Current liabilities		
	Trade and other payables	6,878	5,903
	Borrowings	6,664	7,814
	Provisions	2,007	1,941
	Deferred income	474	603
	Total current liabilities	16,023	16,261
	Non-current liabilities		
	Borrowings	1,076	1,654
	Deferred income	78	244
	Provisions	189	232
	Total non-current liabilities	1,343	2,130
	Total liabilities	17,366	18,391
	Net assets	30,776	33,187
	Equity		
	Issued capital	35,188	35,188
	Reserves	(1,484)	227
	Accumulated losses	(3,089)	(2,379)
		30,615	33,036
	Parent entity interest	30,615	33,036
	Minority interest	161	151
	Total equity	30,776	33,187

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2011

	Issued Capital \$'000	Share Option Reserve \$'000	Foreign Currency Reserve \$'000	Minority Interest \$'000	Accumu- lated Losses \$'000	Total \$'000
Balance at 1 July 2009	35,176	16	847	211	(6,199)	30,051
Total comprehensive income for the year	-	-	(636)	(60)	3,820	3,124
Shares issued during the year	12	-	-	-	-	12
Subtotal	35,188	16	211	151	(2,379)	33,187
Dividends paid or provided for	-	-	-	-	-	-
Balance at 30 June 2010	35,188	16	211	151	(2,379)	33,187
Balance at 1 July 2010	35,188	16	211	151	(2,379)	33,187
Total comprehensive income for the year	-	(16)	-	-	-	(16)
Share based payments	-	-	(1,695)	10	(710)	(2,395)
Shares issued during the year	-	-	-	-	-	-
Subtotal	35,188	-	(1,484)	161	(3,089)	30,776
Dividends paid or provided for	-	-	-	-	-	-
Balance at 30 June 2011	35,188	-	(1,484)	161	(3,089)	30,776

Consolidated Statement of Cash Flows for the financial year ended 30 June 2011

	Consolidated Group	
	2011 \$'000	2010 \$'000
Cash flows from operating activities		
Receipts from customers	44,963	48,131
Grant income received	-	470
Payments to suppliers and employees	(43,564)	(43,898)
Interest and other costs of finance paid	(433)	(403)
Income tax refund	2	389
Net cash provided by/(used in) operating activities	968	4,689
Cash flows from investing activities		
Interest received	23	15
Payment for deposits	(7)	(53)
Payment for property, plant and equipment	(490)	(275)
Proceeds from sale of property, plant and equipment	6	1
Payment for intangible assets	(75)	(144)
Payment for earnouts to previous owners	-	(724)
Payments for capitalised development costs	(1,420)	(1,229)
Net cash used in investing activities	(1,963)	(2,409)
Cash flows from financing activities		
Proceeds from borrowings	1,227	1,915
Repayment of borrowings	(2,527)	(2,198)
Repayment of leases	(94)	-
Net cash (used in) financing activities	(1,394)	(283)
Net (decrease)/increase in cash and cash equivalents	(2,389)	1,997
Cash and cash equivalents at the beginning of the financial year	3,217	1,601
Effects of exchange rate changes on the balance of cash held in foreign currencies	220	(381)
Cash and cash equivalents at the end of the financial year	1,048	3,217

Notes to the Consolidated Financial Statements

		Consolidated Group	
		2011	2010
		\$'000	\$'000
1. Revenue			
	Revenue from continuing operations consisted of the following items:		
	Revenue from the sale of goods	43,112	47,405
	Interest revenue:		
	Bank deposits	23	15
		43,135	47,420
2. Borrowings			
	<u>Secured – at amortised cost</u>		
	Current		
	Bank overdrafts (ii)	-	3
	Bank borrowings (i) (ii)	6,458	7,505
	Finance lease liabilities (iii)	44	47
	Other loans (unsecured)	162	259
		6,664	7,814
	Non-Current		
	Bank borrowings (ii)	1,038	780
	Finance lease liabilities (iii)	38	109
	Other loans (unsecured)	-	765
		1,076	1,654

Summary of borrowing arrangements

- (i) In 2011, all borrowings were current due to breach of loan agreement. Banking Agreement Facility has been renegotiated with Westpac Banking Corporation in August 2011.
- (ii) Secured by a fixed and floating charge over the Group's assets.
- (iii) Secured by the assets leased. The borrowings are all at fixed interest rates with repayment periods not exceeding 5 years.