

ASX RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

Date: 30 August 2011

Release: Immediate

Topic: **Ellex Announces Full-Year Results for 2011 Financial Year**



Summary of Financial Performance:

- Revenue from ordinary activities of \$43.1 million, down 9% on prior year
- Loss before tax of \$1.1 million
- Loss after tax of \$0.7 million or 0.8 cents per share
- Non-recurring costs associated with USA manufacturing facility closure of \$0.4m

Adelaide, Australia, 30 August 2011 – Ellex Medical Lasers Limited (ASX:ELX), a global manufacturer and distributor of ophthalmic technology, today announced its unaudited financial results for the full-year ended 30 June 2011. As indicated in the Company's trading update on 21 July 2011, a material strengthening of the Australian dollar, compounded by costs associated with closure of the Company's US-based manufacturing facility, negatively impacted earnings and operating performance during the 2011 financial year.

Commenting on the Company's performance, Ellex CEO Tom Spurling said: "Whilst there was a small reduction in sales volume in some markets during the period, ultimately it was the strengthening of the Australian dollar which resulted in our poor result for FY11."

Group revenues were down \$4.3m compared with the prior corresponding period. Of this reduction, approximately \$3.5m was due to the strengthening of the Australian dollar against the YEN, Euro and US dollar.

Banking Facility

Ellex has satisfactorily re-negotiated its credit facilities with the Company's banker, Westpac. The ongoing support of Westpac is important to the Company as it continues the process of restructuring in response to the current difficult trading environment.

Product and Technology Development

During the 2011 financial year Ellex continued to invest in its product development pipeline, bringing to market a new ultrasound mode for its leading Eye Cubed™ ultrasound product. The Eye Cubed™ is one of Ellex's highest-selling products and is a diagnostic component to the Company's comprehensive portfolio of ophthalmic treatment lasers and third-party product distributions.

In April 2011 Ellex also announced positive clinical data for its Ellex 2RT™ research program, which demonstrate the efficacy of Retinal Rejuvenation Therapy in the treatment of Age-Related Macular Degeneration (AMD) – the leading cause of blindness in the developed world. These interim 12-month results provide a major step towards the market introduction of Ellex 2RT™, with the Company now focused on expanding its clinical investigations across a larger and more diverse patient sampling in order to validate the clinical findings to date.

Forward Strategy

Like many other companies operating in the Australian manufacturing sector, Ellex's financial results were negatively impacted by the strong Australian dollar during the 2011 financial year. Despite these challenges, Ellex has a solid business framework with key strengths residing in its portfolio of intellectual property, global distribution network and engineering capabilities. The Company is in the process of developing detailed strategies to leverage each of these strengths in order to increase earnings and shareholder value moving forwards.

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 distribution of a number of complementary third-party ophthalmic and optometric products.

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

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