Ellex in a snapshot......

• Global leader in the design, manufacture, sale and service of ophthalmic laser, ultrasound and imaging systems used by ophthalmologists and optometrists to diagnose and treat eye disease

• Ellex markets and sells its products in more than 100 countries through a combination of third party distributors and direct sales subsidiaries (United States, Japan, France, Germany and Australia)

• Supplies to a large, growing global market:
  • Global Ophthalmic Device Market: A$8 billion,
    Laser Market: A$290m pa

• Listed on the ASX since 2001

• Management changes in May/June 2011
Ellex in a snapshot......

- Business turnaround gaining momentum – 1H12 sales, EBITDA and NPAT all ahead of pcp despite FX
  - Consolidation of manufacturing in Adelaide
  - US sales team focussed performance
  - New sales management and product sales in Australia

- USA market entry planned for Ellex Tango glaucoma laser product from July 2013. Ellex Tango is market leader outside USA which currently represents 42% of global market

- Pipeline of highly prospective products targeting new ophthalmic markets expected to contribute to sales from FY13 onwards – large, under-penetrated market opportunities

Ellex is distinct in the Australian Medical Device Sector, with a robust existing business model coupled with large blue-sky potential from new ophthalmic product launches
Key 1H12 Financial Data

Revenues – $26.4m, +18% on pcp
EBITDA – $2.0m, +16% on pcp
NPAT – $0.7m, +26% on pcp
EPS – 0.8c
NTA per share - $0.20
Gearing (D/D+E) – 22%
Issued Capital – 84.9m
Market Cap. – ~$16m
Top 20 Holders – 43.5%
  - Directors and Insiders: 23%
  - Intertec Healthcare Mgt LLC: 3%
  - JP Morgan Noms: 2%
Revenue up 18% despite approx $1.5m negative impact from FX.
## Financial Summary – P&L

<table>
<thead>
<tr>
<th></th>
<th>Half-year ended 31 December 2011 A$000’s</th>
<th>Full-year ended 30 June 2011 A$000’s</th>
<th>Half-year ended 31 December 2010 A$000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>26,370</td>
<td>43,135</td>
<td>22,372</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,022</td>
<td>1,114</td>
<td>1,737</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>950</td>
<td>(1,087)</td>
<td>635</td>
</tr>
</tbody>
</table>

### Drivers of improvement on pcp:
- Consolidation of ultrasound production into Adelaide from California
- US sales growth from stable focussed sales team and improved economic sentiment
- Australian sales growth from sales to optometry sector of CenterVue product
Financial Summary – Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2011 A$000's</th>
<th>30 Jun 2011 A$000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1,820</td>
<td>1,744</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>12,637</td>
<td>11,383</td>
</tr>
<tr>
<td>Inventories</td>
<td>13,913</td>
<td>14,839</td>
</tr>
<tr>
<td>Product development</td>
<td>6,539</td>
<td>6,281</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>7,664</td>
<td>7,861</td>
</tr>
<tr>
<td>PPE and other assets</td>
<td>6,132</td>
<td>6,274</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>48,705</strong></td>
<td><strong>48,382</strong></td>
</tr>
</tbody>
</table>

- Inventory includes both raw materials and WIP at factory and demonstration inventory pool
- Some progress in reduction in H1, high focus in H2
Financial Summary – Balance Sheet (cont’d)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2011 A$000’s</th>
<th>30 Jun 2011 A$000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>(4,693)</td>
<td>(6,835)</td>
</tr>
<tr>
<td>Borrowings (Australian Bank)</td>
<td>(7,921)</td>
<td>(8,476)</td>
</tr>
<tr>
<td>Subordinated debt (low interest Yen loan)</td>
<td>(1,000)</td>
<td>-</td>
</tr>
<tr>
<td>Employee provisions and other liabilities</td>
<td>(3,094)</td>
<td>(2,749)</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>(16,618)</td>
<td>(17,790)</td>
</tr>
<tr>
<td>Net assets</td>
<td>31,997</td>
<td>30,322</td>
</tr>
</tbody>
</table>

- Debt reduction achieved since 31 December 2011
- Further reduction planned by 30 June 2012
Anatomy of the Eye

Retina Treatments

Optometrist: Primary care
Screening for disease

Secondary Cataract treatment
Ophthalmologist: Secondary and tertiary care
Disease treatment

Glaucoma Treatments
Product Portfolio

TREATING CATARACTS — Photodisruption
Super Q®, Ultra Q™

TREATING GLAUCOMA — SLT
Tango™, Solo™

TREATING RETINAL DISEASE — Photocoagulation
Integre®, Integre Duo™, Integre Yellow™, Solitaire™

DIAGNOSTIC ULTRASOUND — Eye Cubed™
Advanced Manufacturing Facility

- Specialist medical device manufacturing facility totalling 2000 m²
- Clean rooms US Class 1000 with assembly stations Class 100
- High precision air conditioned CNC Machine Shop 1000 m²
- Laboratory test areas
- Desktop assembly areas
- Facility approved by FDA to GMP, EU ISO 13485
# Participants in Global Ophthalmology

<table>
<thead>
<tr>
<th>Glaucoma Laser</th>
<th>Secondary Cataracts Laser</th>
<th>Diabetic Retinopathy Laser</th>
<th>Diagnostic Ultrasound</th>
<th>Estimated ranking of the group by revenue (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellex</td>
<td>Ellex</td>
<td>Ellex</td>
<td>Ellex</td>
<td>2.</td>
</tr>
<tr>
<td>Lumenis</td>
<td>Lumenis</td>
<td>Lumenis</td>
<td></td>
<td>1. (note a) below</td>
</tr>
<tr>
<td>Quantel</td>
<td>Quantel</td>
<td>Quantel</td>
<td>Quantel</td>
<td>5.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Iridex</td>
<td></td>
<td>Equal 3.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nidek</td>
<td>Nidek</td>
<td>Equal 3.</td>
</tr>
</tbody>
</table>

- **a)** Lumenis has exclusive access to US market for sale of Glaucoma treatment lasers until July 2013
- **b)** Estimates made by Ellex management
## Current Product Sales - Market Information for Target Applications

<table>
<thead>
<tr>
<th>Target Application</th>
<th>Additional information</th>
<th>Estimated global annual market value</th>
<th>Ellex Share</th>
<th>Growth determinant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glaucoma treatment</td>
<td>Worldwide 5m to 7m are blind from Glaucoma². Impacts 65 million people in the world³ – Selective Laser Trabeculoplasty (SLT) is emerging as best treatment</td>
<td>$35 million excluding USA and $60m including USA¹</td>
<td>40% (excluding USA. USA market opening in July 2013)</td>
<td>Ageing population</td>
</tr>
<tr>
<td>Treatment of Secondary Cataracts</td>
<td>Treatment with a YAG laser is accepted globally. Replacement market in first world, new market in developing world</td>
<td>$25 million⁴</td>
<td>20%</td>
<td>Ageing population</td>
</tr>
</tbody>
</table>

1. Industry market publication “Market Scope” September 2011 for SLT
2. 2 May 2007 Glaucoma Service Foundation to Prevent Blindness
4. Ellex assessment
### Product Sales - Market Information for Target Applications – Current Products (cont’d)

<table>
<thead>
<tr>
<th>Target Application</th>
<th>Additional information</th>
<th>Estimated global annual market value</th>
<th>Ellex Share</th>
<th>Growth determinant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of Diabetic Retinopathy</td>
<td>Diabetes is the leading cause of blindness in the developed world in adults 20 to 74 years</td>
<td>$215 million(^1)</td>
<td>5% to 10%</td>
<td>Ageing population and obesity trends in developed world</td>
</tr>
<tr>
<td>Retinal diagnostic equipment</td>
<td>EyeCubed ultrasound, CenterVue Digital Retinal Camera (DRS), CenterVue Microperimeter</td>
<td>$7.9 billion(^2)</td>
<td>$20m</td>
<td>Ellex’s EyeCubed product is leader. DRS in all Australian Specsavers stores</td>
</tr>
</tbody>
</table>

1. Industry market publication “Market Scope” September 2011
3. American Optometric Association November 2011
New Product Sales - Market Information for Target Applications

<table>
<thead>
<tr>
<th>Target Application</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of Age-Related Macular Degeneration (retinal)</td>
<td>AMD is the most common cause of blindness in industrialized countries, and its global prevalence is expected to increase significantly due to ageing demographics. In Australia, AMD is the leading cause of blindness, affecting one in seven people over the age of 50 in its early stages¹. – no current treatment. Ellex Retinal Rejuvenation Therapy (“2RT”) provides potential treatment option.</td>
</tr>
<tr>
<td>Enhanced secondary cataract/glaucoma laser treatment</td>
<td>Provides point of difference and new applications. Better share of existing cataract treatment market</td>
</tr>
<tr>
<td>Enhanced diabetic retinopathy treatment with multiple wavelengths</td>
<td>Provides multiple treatment options for clinician. Better share of existing retina market</td>
</tr>
</tbody>
</table>

Treatment of AMD with Retinal Rejuvenation Therapy

2RT is expected to revolutionise the treatment of early AMD, which represents a large, unexploited market opportunity FY13 target.
Retinal Rejuvenation Therapy - Status

- Pilot Study at CERA at Royal Victorian Eye and Ear Hospital of 50 patients has shown improvement in visual acuity
- CE Mark (European approval) pending
- Commenced multi-centre, randomised trial in 2H CY12. Key for EU uptake
- FDA process planning stage
- External trial funding grants have been secured
Retinal Rejuvenation Therapy – Market Potential

• Patients diagnosed with AMD have limited treatment options:
  1. Most patients progress for some time without CNV or GA, but declining retinal health
  2. About 10% develop CNV (wet) and are treated by drug injections every month or two @ $2000 a time for the rest of their lives
  3. About 10% develop GA (dry) and central blindness with no treatment possible

• 2RT has potential to prevent 1, 2, & 3 with a quick painless laser treatment
Retinal Rejuvenation Therapy – Market Potential cont’d

• Ellex has already engineered and pilot-manufactured its patented, 2RT laser – no dependence on third-party laser developers or manufacturers in order to bringing this technology to market

• Market size estimate based on new product diffusion model:
  • A screening device - total market estimate 20,000 units
  • 2RT for Treatment – total market estimate 5,000 units (OECD Countries)

• Recurring revenue potential with per procedure business model
Product Revenue – non-Ellex product

• Ellex offers an increasing range of complimentary equipment for ophthalmic/optometric imaging and surgery:
  • The CenterVue Maia™ is a slit lamp ophthalmoscopy based microperimeter used by retinal specialists to accurately measure macular function (AMD screening device)
  • The CenterVue DRS™ (digital retinal scanner) is a fully automatic camera for retinal screening. Strong sales to in Australia H1 FY12
  • Midlabs surgical equipment and disposables (recurring)
  • STAAR intraocular lenses (recurring)
Growth Opportunities FY12 and FY13

1. Maintain and grow our current position in ophthalmic products with high quality, useful products
   - Release SLT in the US July 2013 when Lumenis patent expires.
     - $25m per annum additional market
     - Ellex has strong brand and good reputation for SLT
   - CE Mark for 2RT to facilitate FY13 sales
     - No competing laser for AMD
     - Sales targeted to early adopters who will provide additional clinical data and testimony
   - Complete and deliver new products to market
2. Leverage our technical and distribution capabilities to generate additional, recurring revenue streams
   - Grow recurring revenue commencing in Australia
   - Opportunities identified to expand biomedical device service offering
   - Regulatory and Quality capabilities offer leverage and synergistic opportunities
   - Continue sourcing of complimentary products for sales force
Growth Opportunities FY12 and FY13 cont’d

3. Reduce our production costs through advanced manufacturing processes and improve working capital management
Highlights

• A successful Australian technology business with 27 years experience
• Significant share of growing global market
• Solid and profitable base business

Outlook

• The PBT result for the year ending 30 June 2012 will be an improvement on the year ended 30 June 2011
End

Thank you