

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

Date: 30 August 2012

Release: Immediate

Topic: **Ellex Announces Full-Year Result for 2012 Financial Year**



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**Summary of Financial Performance:**

- **Profit before tax of approx. \$1.1 million, a \$2 million increase over last year**
- **Cash from operations of \$1.8 million up from \$0.2 million in prior comparable period**
- **Revenue from ordinary activities of \$47.5 million, up 10% on prior year**
- **Earnings Before Interest Tax and Depreciation (EBITDA) up 183% to \$3.2 million**
- **Earnings per share of 1.2 cents per share**

Adelaide, Australia, 30 August 2012 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in ophthalmic laser and imaging technology, today announced its audited financial results for the full-year ended 30 June 2012. A concerted effort to drive bottom line improvement, combined with strong sales performance in the Company's direct markets of the USA and Australia, delivered a Net Profit Before Tax (NPBT) of approximately \$1.1 million.

Commenting on the Company's improved operational performance, Ellex CEO Tom Spurling stated: "Our continued efforts to exercise tight cost control, reduce working capital and drive greater sales growth have contributed positively to our operating results during the 2012 financial year."

The Company achieved solid underlying profitability during the period, with profit before tax up \$2 million compared to the prior comparable period. Sales performance was also strong, with revenues increasing by 10% to \$47.5 million, compared with \$43.1 million in the prior corresponding period, due to improved sales traction in the Company's direct markets of the USA and Australia.

"The excellent sales result in the US reflects the investments we have made in that market. In Australia, our sales into the optometry sector were well ahead of last year," Tom Spurling added.

This solid result was achieved despite a reduction in health care expenditure by the Japanese Government in the second half of the financial year, due to post-tsunami spending priorities. The Company expects the performance of its Japanese business to improve during the 2013 financial year.

"Despite the fall in 2012, our Japanese business has a strong market presence and offers opportunities for future growth," said Mr. Spurling.

Consolidation of the Company's Sacramento-based manufacturing activities to its Adelaide engineering and manufacturing facility also contributed to its solid profit performance during the period, delivering a significant reduction in manufacturing costs. This initiative was augmented by a focus on inventory and trade receivable reductions, with cash from operations increasing accordingly.

"Aligning all manufacturing facilities in Adelaide has permitted optimal use of our manufacturing infrastructure and resources. Not only has this improved our quality and time-to-market, but it has helped our bottom line."

“Furthermore, the inventory and receivables reduction work provided cash to reduce debt and invest in growth initiatives,” commented Mr. Spurling.

On the future, Mr. Spurling added: “We intend to continue to leverage our proprietary technology and portfolio of intellectual property, global distribution network, engineering, service and medical device manufacturing capabilities. The goal is to maintain prudent new business investment for growth whilst continuing to deliver improved operational efficiencies.”

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## **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 16,000 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 products.

For additional information about Ellex and its products, please visit [www.ellex.com](http://www.ellex.com)

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