

## ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

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Topic: Trading Update: Full-Year Result for 2014 Financial Year



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**Adelaide, Australia, 5 August 2014** – Ellex Medical Lasers Limited (ASX:ELX), a pioneer in medical technologies for the diagnosis and treatment of eye disease, today announced that it expects to report a Full Year Net Profit Before Tax (NPBT) of approximately \$1.3 million. This compares with NPBT of \$140,000 for the year ended 30 June 2013.

Commenting on the Company's performance, Ellex CEO Tom Spurling stated "The improved result was primarily driven by significant sales growth in our USA business associated with the launch of our world leading SLT laser range for the treatment of glaucoma in July 2013 and continued growth in our Asian market outside of Japan". Full year revenues are expected to be up 27% on the prior comparable period.

The key drivers for revenue growth over the full year related to volume growth in sales of our laser and ultrasound range in USA, Asia and Latin America, six months of sales from the Canaloplasty business acquired from iScience International Inc. on 31 December 2013 and a fall in the value of the A\$. Sales also included initial early-adopter sales of our revolutionary retinal rejuvenation therapy (2RT) for the treatment of diabetic macular edema (DME) and age-related macular degeneration (AMD) in Europe.

"While the strong double digit increase in revenue growth was pleasing, the flow through to operating profit in the 2014 financial year was impacted by lower-than-prior period sales against the fixed cost bases in our other direct markets, particularly Japan. The Company also recorded certain non-recurring costs including IP protection costs related to USA SLT, our investment in clinical support for the roll out of 2RT, additional marketing for canaloplasty and once-off restructure costs in Germany. The impact to the full year NPBT of these items totals approximately \$0.6m.

Provided our overall sales momentum continues, we expect the profitability of Ellex to continue to improve in the year ahead." continued Mr Spurling.

Ellex expects to release its full year results for the year ended 30 June 2014 during the week commencing 25 August 2014.

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## ABOUT ELLEX

Ellex Medical Lasers Limited (ASX:ELX) is a pioneer in the development of medical technologies for the diagnosis and treatment of eye disease. With more than 20,000 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, France, 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. Recently Ellex acquired the canaloplasty

micro catheter glaucoma treatment, a recurring revenue stream, which Ellex manufactures at a plant in Menlo Park, California.

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## **ABOUT 2RT™**

Retinal Rejuvenation Therapy (2RT™) delivers nanosecond pulses of laser energy to stimulate a natural, biological healing response in the eye to stimulate a process of cellular rejuvenation to preserve and/or improve functional vision, reducing disease progression. These nanosecond pulses generate a response by retinal pigment epithelium (RPE) melanosomes, without causing heat to escape beyond the RPE cell walls. These pulses cause damage to the internal cell structure only: they do not break the cell's outer membrane. This process of regeneration rejuvenates the entire transport mechanism of the retina, improving visual function and reducing disease progression. This breakthrough approach retains the therapeutic effect of laser therapy whilst eliminating the thermal tissue damage inherent in conventional retinal photocoagulation laser treatment.

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

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