

## ASX RELEASE

**Ellex Medical Lasers Limited (ASX:ELX)**

**Adelaide, Australia**

**Date: 27 August 2015**

**Release: Immediate**

**Topic: Ellex Report Full Year 2015 Preliminary Report Appendix 4E**

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### Highlights:

- **Sales revenue of \$62.7m up 15.3% on the prior corresponding period**
- **Profit before tax of \$2.6m more than double the prior corresponding period**
- **Cash flow from operations of \$6.3m more than double the prior corresponding period**
- **Free cash flow from operations of \$2.1m up from negative \$0.5m in the prior corresponding period**

**Adelaide, Australia, 27 August 2015** – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today announced an operating profit before tax (PBT) of \$2.6m for the year ended 30 June 2015. This represents a 100% increase on the PBT reported for the year ended 30 June 2014. Free cash flow from operations was \$2.1m, up from negative \$0.5m in 2014, reflecting improved working capital management and profitability.

“The improved operating performance has been driven by strong global sales of our treatment laser portfolio, including early-adopter sales of the proprietary 2RT™ laser, indicated for early age-related macular degeneration (AMD) and clinically significant macular edema (CSME). Additionally, sales of the Integre Pro™ retinal laser and the full-year sales impact of the iTrack™ glaucoma surgical device, acquired on 1 January 2014, combined with the lower Australian dollar relative to the US dollar, also contributed to revenue improvement,” commented Ellex CEO Tom Spurling.

The strong sales result was accompanied by higher PBT to sales ratio and significantly improved free cash flow from operations, reflecting better leverage on the cost base.

“We have been focussing on improving working capital management, particularly inventory utilisation, in addition to improving the impact to our bottom line. The pleasing operating result for FY15 shows that these efforts are gaining traction, despite operating expenses, which include \$1.0m invested in growth opportunities for 2016 and beyond,” added Mr. Spurling.

Sales rose in all territories with the exception of Japan where falling sales precipitated a restructure in sales management during the year.

Commenting on the outlook, Mr. Spurling said: “The existing Ellex portfolio of treatment devices for the four major eye disease categories, combined with our new product development pipeline, provide us with a strong outlook for 2016. Subject to the existing level of the Australian dollar against the USD, YEN and Euro being maintained and stable worldwide economic conditions, we expect to achieve a continuation of the recent rapid revenue growth in 2016, and to continue to improve profitability.”

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## **About Ellex**

Ellex designs, develops, manufactures and sells innovative product that help eye surgeons around the world to effectively and efficiently treat eye disease. Ellex is a world leader in this field. Headquartered in Adelaide, Australia, Ellex has ophthalmic lasers and devices that treat glaucoma, retinal disease primarily caused by diabetes, secondary cataract and vitreous opacities, as well as age-related macular degeneration. Manufacturing is carried out in Adelaide, Australia and Fremont, California. Sales and service directly to eye surgeons is conducted via subsidiary offices in Minneapolis, Lyon, Berlin and Tokyo. A network of more than 50 distribution partners around the world services other markets.

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### **For further information on Ellex, please contact:**

Tom Spurling, CEO  
Ellex Medical Lasers Limited  
82 Gilbert Street, Adelaide, SA, 5000  
W +61 8 8104 5293 | M +61 417 818 658  
tspurling@ellex.com

Victor Previn, Chairman  
Ellex Medical Lasers Limited  
82 Gilbert Street, Adelaide, SA, 5000  
W +61 8 8104 5200 | M +61 414 661 994  
vprevin@ellex.com

Maria Maieli, Company Secretary  
Ellex Medical Lasers Limited  
82 Gilbert Street, Adelaide, SA, 5000  
W +61 8 8104 5200  
mmaieli@ellex.com