



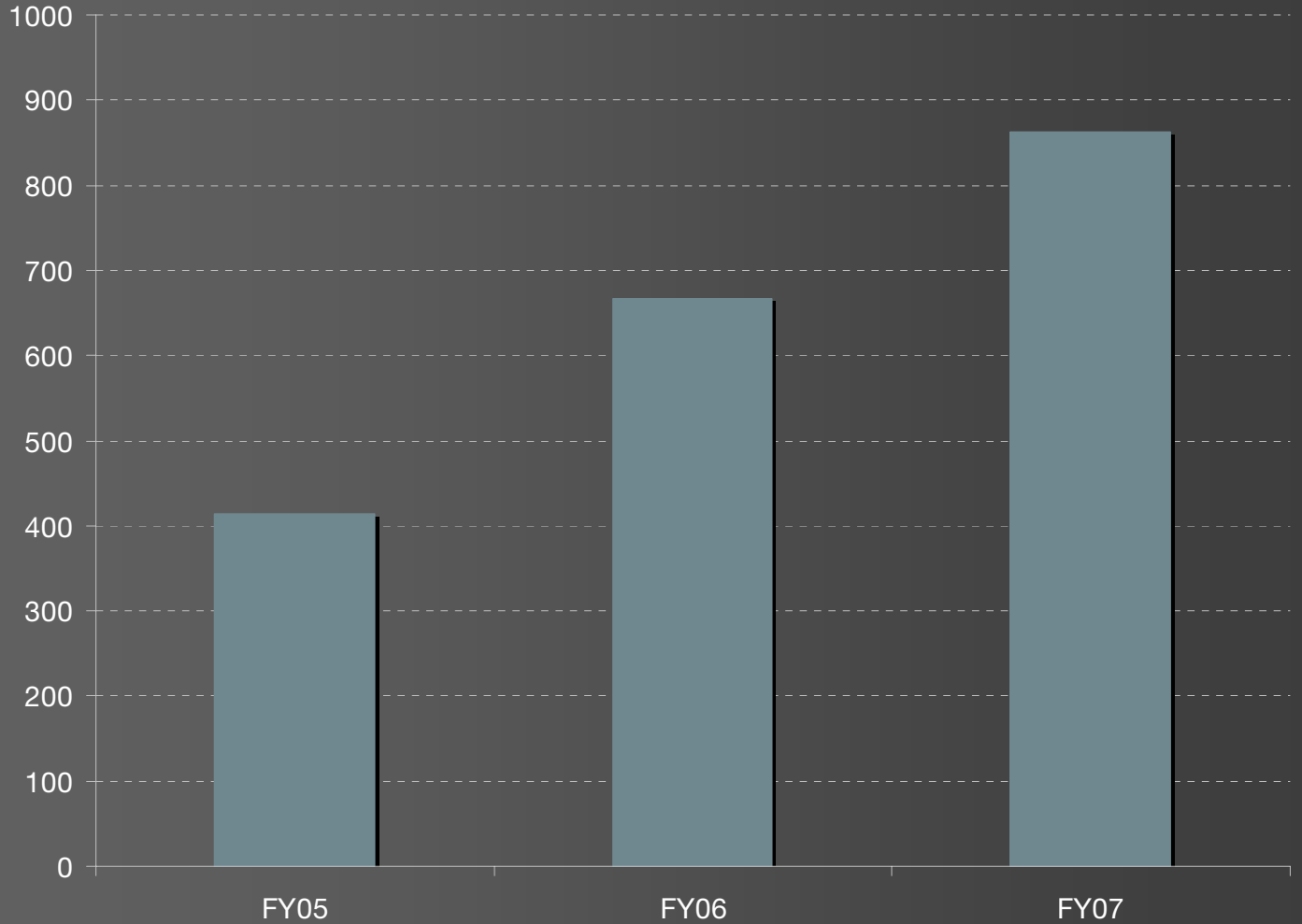
FY2007 Full Year Results
August 2007

Highlights

- Revenue growth, +28%
- EBITDA growth, +39%
- Profit growth, +24%
 - NPAT Excluding non-recurring items
- Ellex brand sales strong
 - +55% growth, 96% of total revenue
- Growth in every region
- Two acquisitions
 - Innovative Imaging (CA)
 - Coherent Laser Australia
- New distributor and regulatory approvals in China



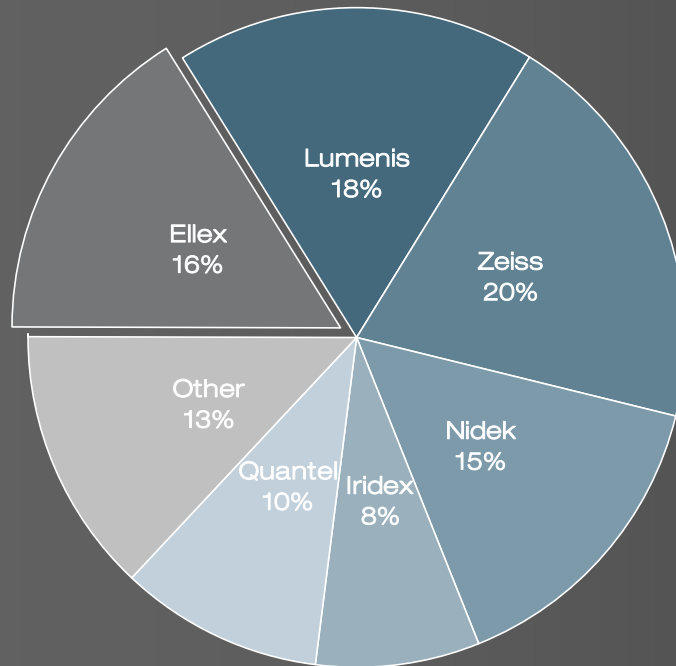
Growth of Ellex Brand Laser Sales (Units)



Competition (ophthalmic laser segment)

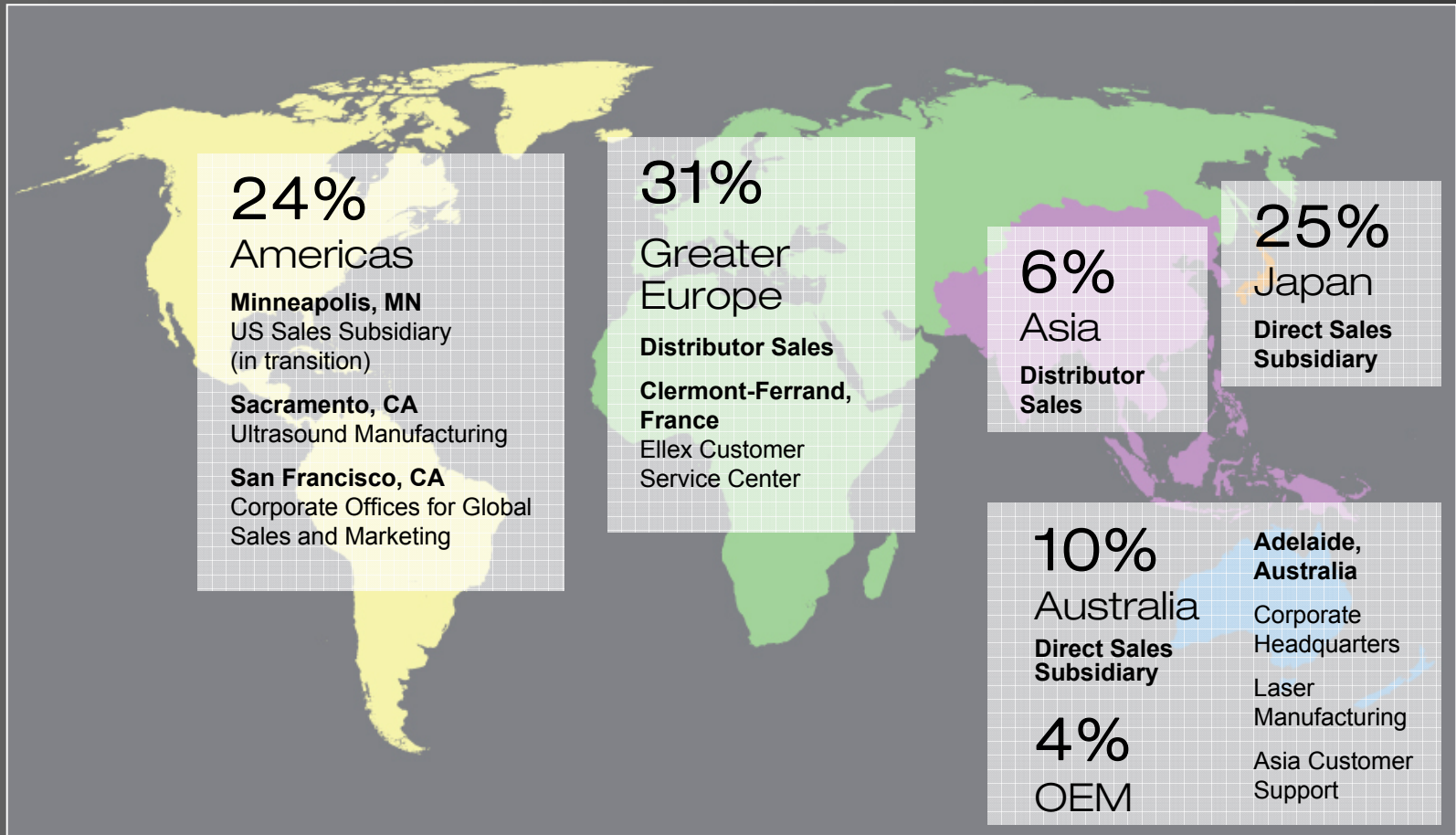
Highlights

- Ellex remains the fastest growing brand in this segment
- Lumenis and Iridex share decreasing due to focus on aesthetic market
- Ellex is positioned to pass #2 Lumenis in FY08



Source: Ellex estimate based on publicly available information

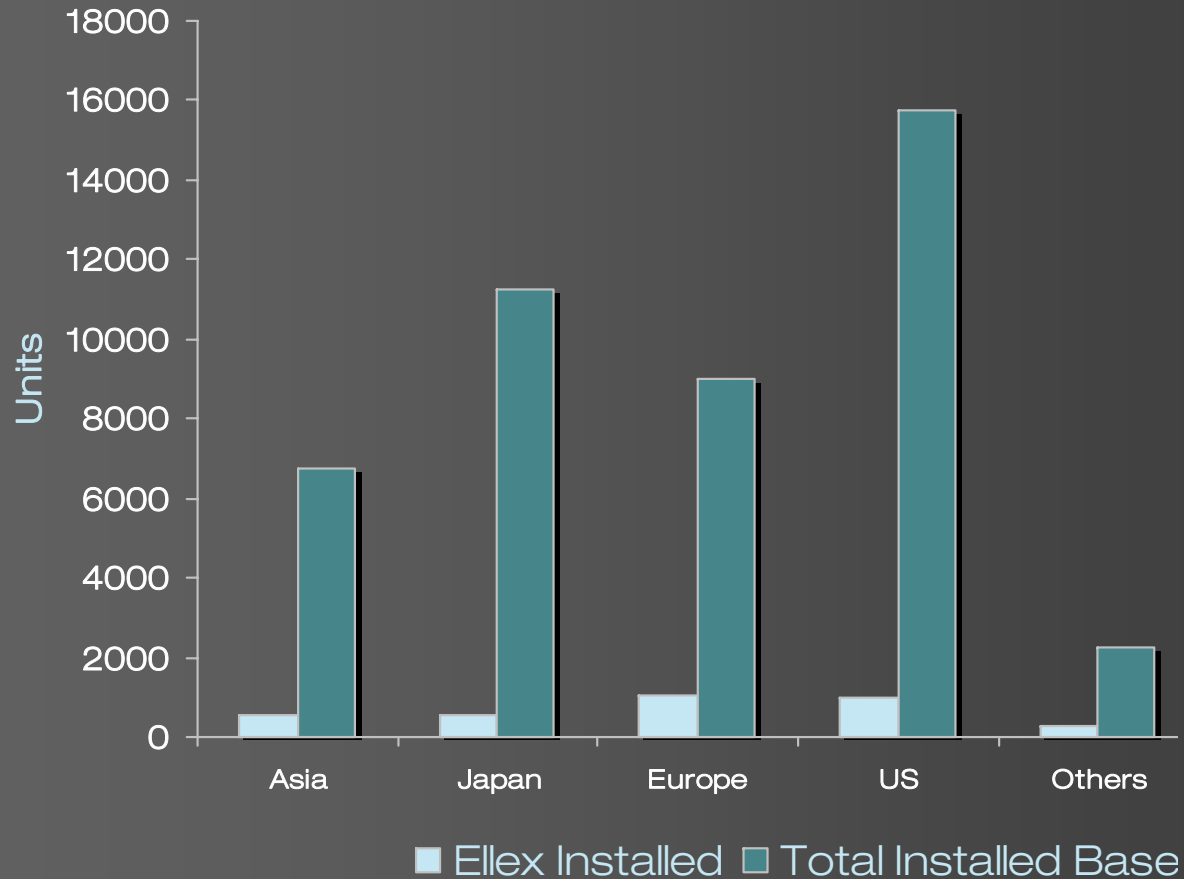
The Ellex Sources of Revenue



Replacement Market Opportunity

Core Laser Business

7 – 10 year relationship with each customer



Ellex Opportunities

- US Market – transition to direct sales
 - Timing is right due to recent product line expansion and loss of focus by key US competitors
 - Follows turn to profitability of direct sales in Japan
 - Requires investment in working capital
- Acquisitions – target rich space
 - High number of small one or two product companies that lack global distribution
 - Opportunities to further leverage the Ellex brand and channel to the ophthalmology market

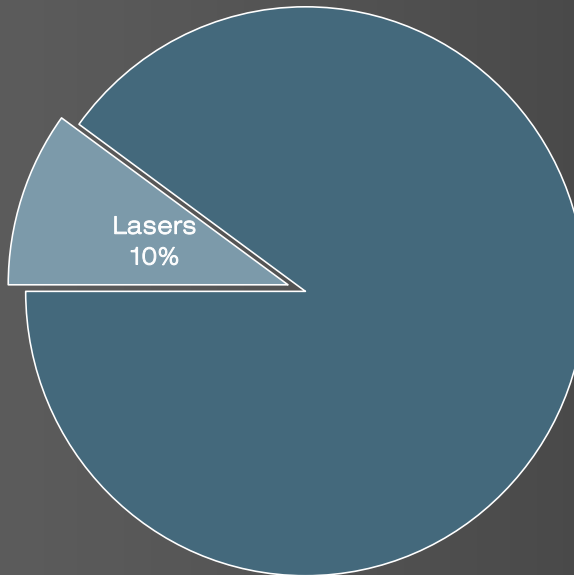


Strategy: Leverage the Platform

- Acquisitions focussed on
 - Products
 - Channels to Market
- Distribution
 - Leverage direct sales channels to sell other products
- R&D
 - Product development for core products
 - New therapies and revenue streams

Leveraging the Ellex Brand in a Larger Market

A \$2.6 billion Ophthalmic
Device Market



- 10X the size of Ellex's laser product line market
- Lasers are at the top of the technology pyramid in ophthalmology providing an excellent platform to grow
- Leveraging the brand improves profitability



Expanding Beyond Lasers

- First step in expanding beyond lasers
 - Diagnostic ultrasound for ophthalmologists

retina Imaging



Advanced Research

Potential new therapy in development

- Partially funded by an A\$1.9 million, two-year, Commercial Ready Grant awarded by AusIndustry
- Long term goal is a new non-invasive therapy to restore retinal function especially for Age-Related Macular Degeneration (AMD) patients.
- AMD is the leading cause of blindness among the elderly in the developed world, so this is a long term high risk and high potential reward project
- Recently progressed from laboratory work to treating patients. Vision outcomes will be evaluated over the next 6 months to determine further trial requirements for patients to be treated in the UK and Australia

June Capital Raising

\$5.5 million at \$0.85 per share

- Support the transition to direct sales in the US, where we have the largest and most immediate growth opportunity
- Clear debt and strengthen balance sheet in order to better position the company for additional bolt-on acquisitions
 - Successful integration of acquisition in FY07

Financial Highlights

- Revenue from Ordinary Operations up 28% to \$44.4 million
- EBITDA up 39% to \$4.6 million (excluding one-off items)
- NPAT up 24% to \$2.5 million (excluding one-off items)
- Ellex brand revenue up 55% on prior year; 96% of total revenue
- Tax benefit re prior year Japan losses of \$1.8 million
- NPAT pre capitalised R&D (+ related amortisation) up 85% to \$2.2 million (excluding one-off items)

Key Objectives & Performance

<u>Objective</u>	<u>Performance</u>
Achieve 15% growth in revenue over prior year.	Revenue growth of 28% achieved.
Improve profitability.	EBITDA up 39%, NPAT up 24%
Ellex brand sales exceed 90% of total revenue.	Ellex brand sales grew 55% on PCP and represented 96% of total revenue.
Improve margins through transition to Ellex brand sales and higher margin product mix.	Maintained margins in face of significant appreciation of AUD & investment in Manufacturing (particularly first half).
Improve inventory management.	Inventory turn improved from 1.7 to 1.8. Target further improvement by June 2008.



Summary P&L (excluding one-off items)

		FY07	FY06	Change
Revenue	\$M	44.4	34.6	+28%
Gross Margins	\$M	19.5	15.1	+29%
	%	44%	44%	
EBITDA	\$M	4.6	3.2	+39%
	%	10%	9%	
NPBT	\$M	2.8	2.2	+27%
	%	6%	6%	
NPAT	\$M	2.5	2.0	+24%
	%	6%	6%	

Outlook FY08

- Revenue growth of 15% over FY07
- Improved profitability driven by
 - Gross margin improvement
 - Fully year benefit of acquisitions
- Initiatives to improve balance sheet and cash flow focusing on receivables and inventory
- Focus on US growth strategy
- Continue to identify opportunities to leverage stronger distribution
- Expand research and clinical work on new retinal therapy