

## PRESS RELEASE

Ellex Medical Lasers Ltd (ASX:ELX)

Adelaide, Australia

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Topic: Ellex FY2007 Year End Results



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### Highlights

- Revenue increased 28% over the prior comparable period to **A\$44.4 million**
- Excluding one-off items EBITDA increased 39% over the prior comparable period to **A\$4.6 million**
- Excluding one-off items NPAT increased 24% over the prior comparable period to **A\$2.5 million** from **A\$2.0 million**
- Reported NPAT grew to **A\$4.4 million** from **A\$3.7 million** in the prior comparable period including one-off items
- Ellex brand product sales grew 55% accounting for 96% of total revenues, completing the transition from OEM to direct sales

**Adelaide, Australia, 23 August 2007** – Ellex Medical Lasers Limited (ASX:ELX), a global leader in the design and manufacture of ophthalmic laser and ultrasound systems, today announced its financial results for the year ended 30 June 2007. The results continue to demonstrate strong growth of the business with revenues increasing by 28% over the previous financial year and Net Profit after Tax (excluding one-off items) up 24%.

Commenting on the result, CEO Mr. Peter Falzon said “We are pleased with the performance of Ellex during the 2007 financial year. The company continues to take market share away from our competitors as we develop our brand and distribution platform for sustained long-term growth. Revenue and market share grew in all regions, with particular strength in Japan and Europe.”

The result was achieved despite significant challenges arising from appreciation of the Australian Dollar against the U.S. Dollar and the Japanese Yen.

Following Ellex’s successful expansion in Japan, the company recently stated its intention to expand its direct sales presence in the U.S., the largest market for its products. To assist in this effort, the company announced in August 2007 that it has appointed Ms. Christin Harris as Vice President of U.S. Sales to lead its sales expansion in that market. Ms. Harris joins Ellex with more than 20 years of sales and management experience in the ophthalmic device industry including the former Coherent Medical Group.

Another significant development for Ellex in FY2007 was the appointment of a new distributor in China and success in securing key regulatory approvals for its products in this important market. To capitalise on these initiatives, Ellex has strengthened its presence in Asia with the appointment of Mr. Rodger Hyde as Vice President of Sales for Asia outside of Japan. Mr. Hyde joins Ellex after more than 10 years with CSL Biotherapies, where he was most recently based in Hong Kong.

Commenting on Ellex’s recent acquisitions, Mr. Falzon said, “In FY2007 Ellex acquired Coherent Lasers Australia and Innovative Imaging of California, an ultrasound diagnostic company. These businesses are performing in line with our expectations and their integration is complete. Innovative Imaging represents the successful first step

in leveraging the company's distribution platform in the A\$2.6 billion ophthalmic device market. We continue to evaluate opportunities to expand the company's product range and will complete further acquisitions which leverage our brand and add shareholder value."

In June 2007, Ellex raised A\$5.5 million of new equity through a placement to a group of institutional and sophisticated investors. The proceeds of this raising were used by the company to repay a substantial portion of its corporate borrowings. As a result, Ellex is in a strong financial position and has the flexibility to pursue further growth initiatives in FY2008.

Ellex confirmed that it is targeting revenue growth of 15 percent in FY2008 and continued growth in profitability. With the recent correction in the Australian Dollar, Ellex has taken the opportunity to implement hedging to mitigate any potential risk to its FY2008 result from adverse foreign currency movements.

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## **ABOUT ELLEX**

Ellex Medical Lasers Limited (ASX:ELX) designs, manufactures and markets a complete line of lasers and diagnostic ultrasound systems used by ophthalmologists to diagnose and treat eye diseases. With more than 12,000 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 and Australia, and a network of distribution partners in more than 100 countries. In December 2006 Ellex acquired Innovative Imaging, a leading provider of diagnostic ultrasound devices for ophthalmology, initiating the expansion of its product line beyond lasers. Ellex maintains a strong emphasis on intellectual property and research into new and better treatments to manage and treat the leading causes of blindness.

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

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