

# Annual General Meeting

28 November 2008

Our sole focus is ophthalmology. Our technology is extraordinary.



# Report for last financial year

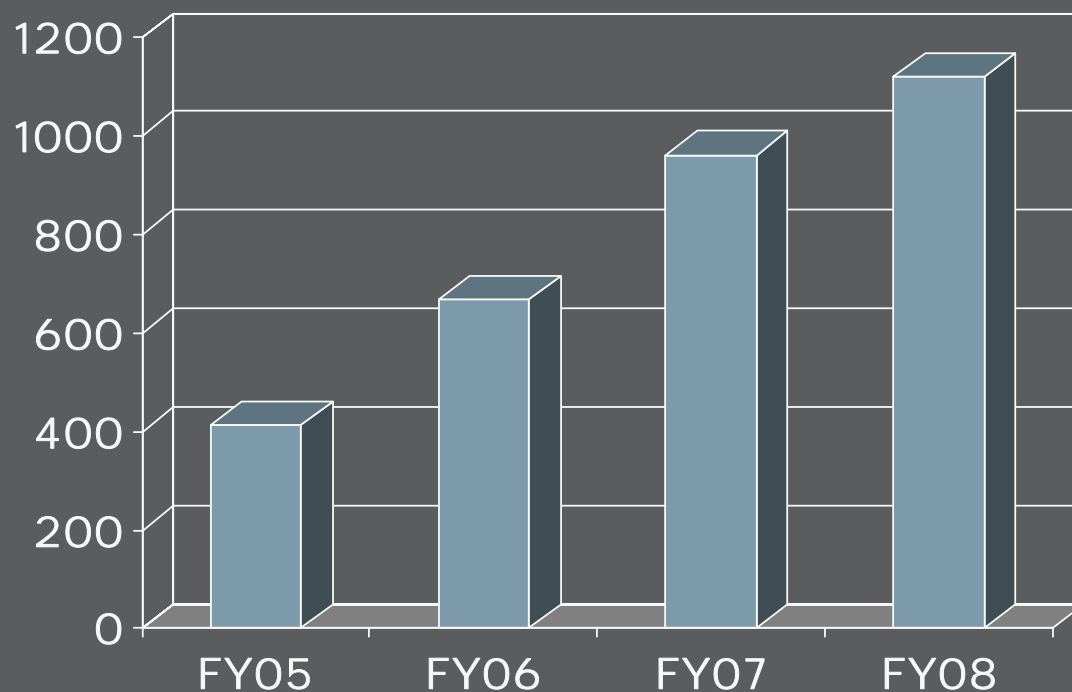
- ◆ Ellex has driven strong 15%+ pa growth for three years
- ◆ Growth has been result of
  - Investment in branding and distribution
  - Development of new products
  - Strategic acquisitions
- ◆ This has established Ellex as a world leader in the ophthalmic laser and ultrasound market
- ◆ Despite the top line growth we have not succeeded in growing our bottom line



# Highlights – FY08

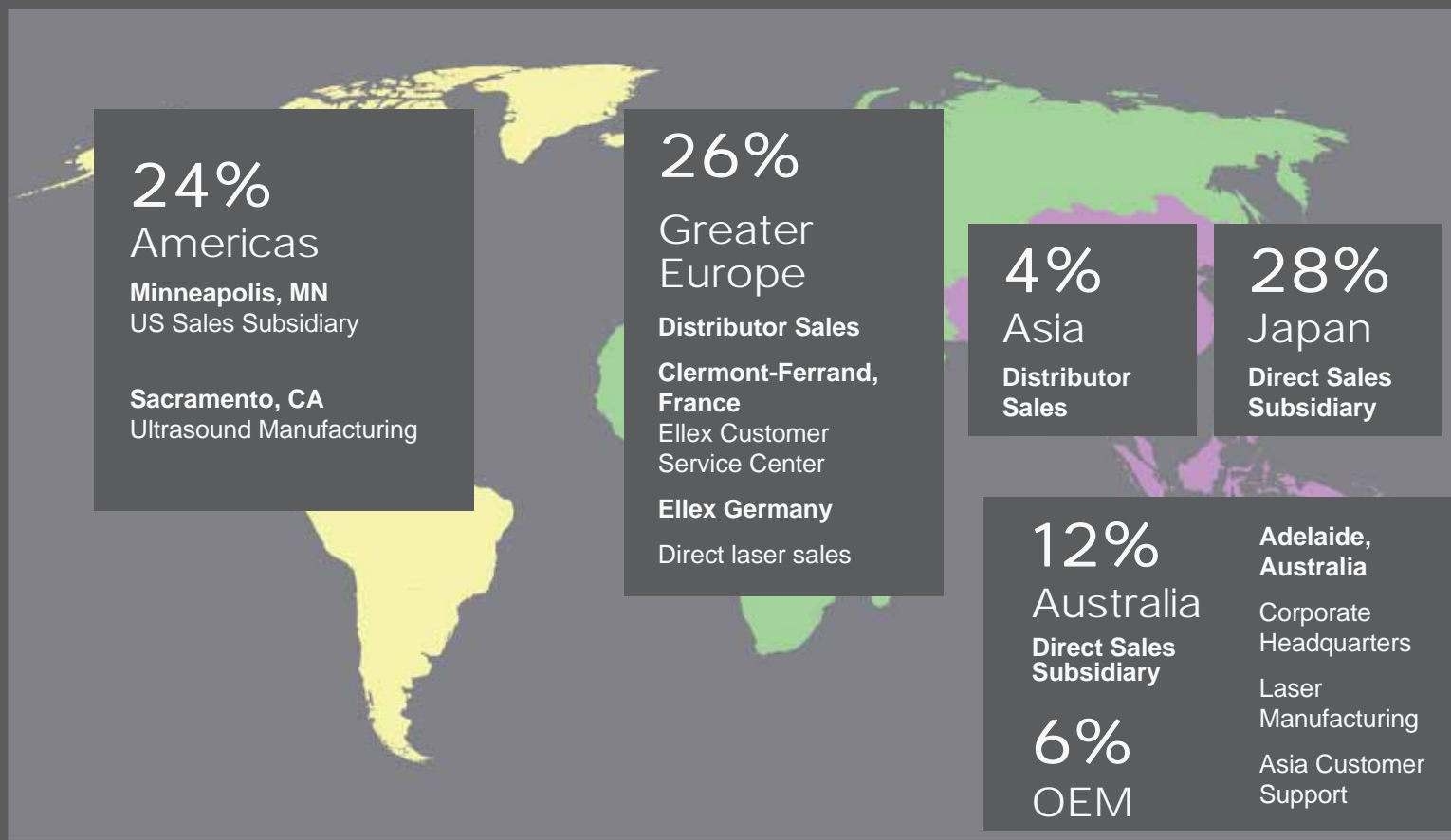
- ◆ Revenue growth +13%
- ◆ Gross profit growth +16%
- ◆ Gross profit margin +1% to 45%
- ◆ EBITDA down 15% to \$3.9 million (\$4.4 mill excluding one-off items)
- ◆ NPBT down 34% to \$1.9 million ( \$2.4 mill excluding one-of items)

# Growth of Ellex Brand Sales (Units)



Ellex branded unit sales continue to grow strongly at 16% over prior year

# The Ellex Sources of Revenue



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# US Sales

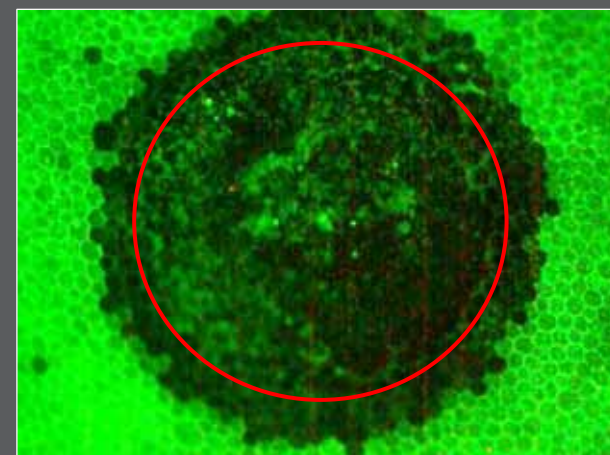
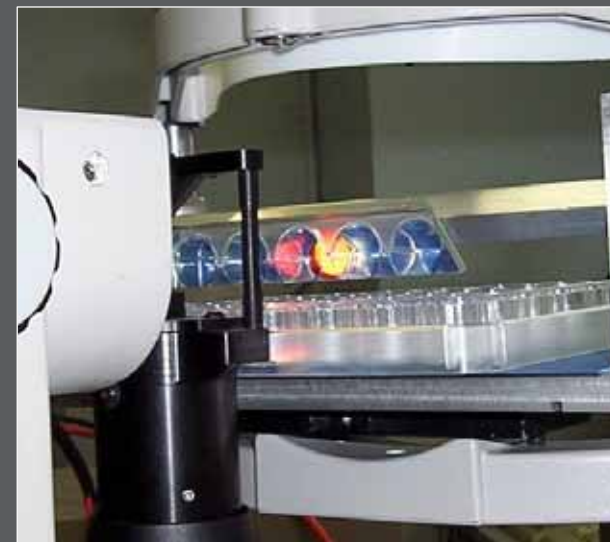
- ◆ Ellex is committed to distribution through combination of direct and indirect sales network
- ◆ US infrastructure remains in place, includes President Ellex Inc (USA) and VP of Sales (USA).
  - 6 Direct Sales reps now in place with 5 recruited in second 6 months of FY08
  - 10 Independent Sales reps
- ◆ Positive signs of sales traction, off set by recent downturn

# Ellex 2RT - Retinal Regeneration Therapy

- ◆ Aim is to treat early AMD and other retinal diseases early in the disease cycle before severe vision loss occurs
- ◆ Pilot trial conducted in London on patients with Diabetic Macular Edema (DME)
  - 3 month data released in 2007 showing stabilization or improvement in visual function in 80% of the patients (30 eyes)
  - 6 month data recently released and 2RT appears to be 2X better than any other treatment

# Ellex 2RT cont'd

- ◆ Clinical trial in Australia has commenced – initial results expected late 2008
- ◆ Additional trials in multiple global sites aimed at early AMD in advanced planning stage





# Summary P&L (excluding one-off items)

		FY08	FY07	
Revenue	\$M	50.3	44.4	+13%
Gross Margins	\$M	22.6	19.5	+16%
	%	45%	44%	
EBITDA	\$M	4.4	4.6	-4%
	%	9%	10%	
NPBT	\$M	2.4	2.8	-14%
	%	5%	6%	
NPAT	\$M	1.5	2.5	-42%
	%	3%	6%	

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# Outlook for next year

- ◆ Year to date, sales are tracking close to budget but profit is down
- ◆ The economic environment has changed materially since the start of the Financial Year
- ◆ Recent industry meetings (AAO, Atlanta and RANZCO, Melbourne) has given us a perspective on next year

# Outlook for next year cont'd

- ◆ Our customers are now beginning to defer purchases
- ◆ Revenues in allied discretionary markets such as refractive surgery, which are faster to react, are down by 45%
- ◆ We do not expect such large drops in disease management but there will be a severe impact

# Outlook for next year cont'd

- ◆ Major industry players are cutting costs by 30%
- ◆ We are planning a similar cost reduction strategy
- ◆ Reduced sales will put severe pressure on our overheads and cash flows
- ◆ The Board is currently assessing capital requirements and will provide an update in the near future