

Annual General Meeting

November 2009

One Powerful Vision.



Introduction

- Ellex has delivered a strong full year trading result, despite global financial downturn
- Excluding one-off items of \$26.3m, profit before tax from ordinary activities up 30% to \$3.1m
- Record revenue of \$58.3m, increase of 16% over last year
- Significant restructure of organisation to improve stability of business model



One-off items

Goodwill write-off	\$22.4m
Impairment of intangibles	\$0.7m
Redundancy costs	\$0.5m
Realised Mark-to-market loss	\$2.0m
Unrealised Mark-to-market loss	\$0.7m
Total	\$26.3m

Key Financials – FY09

- Revenue growth +16%
- Gross profit margin +3% to 48%
- EBITDA down 630% to -\$20.7m
- NPBT up 30% to \$3.1m excluding one-off items
(down 1,350% to -\$23.2m)

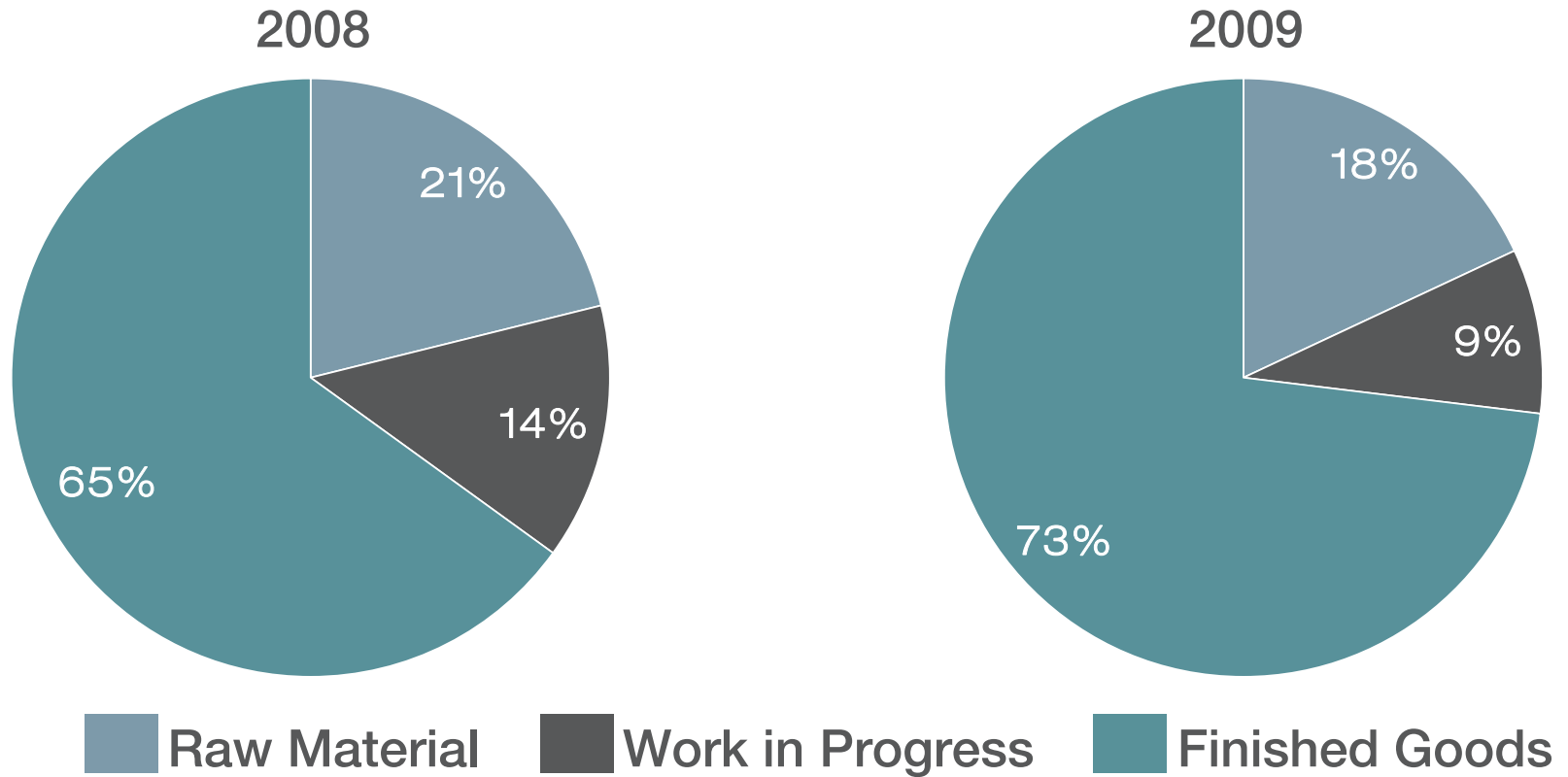
Debt Reduction

	Borrowings	Cash
30/06/08	\$10.6m	\$0.8m
31/12/08	\$14.0m	\$1.5m
30/06/09	\$10.5m	\$1.6m
31/10/09	\$9.3m	\$2.3m

Inventory Management

Global Inventory Balances	Finished Goods	
	Units	\$ Value
30/06/08	313	\$17.7m
31/12/08	272	\$20.7m
30/06/09	242	\$15.9m

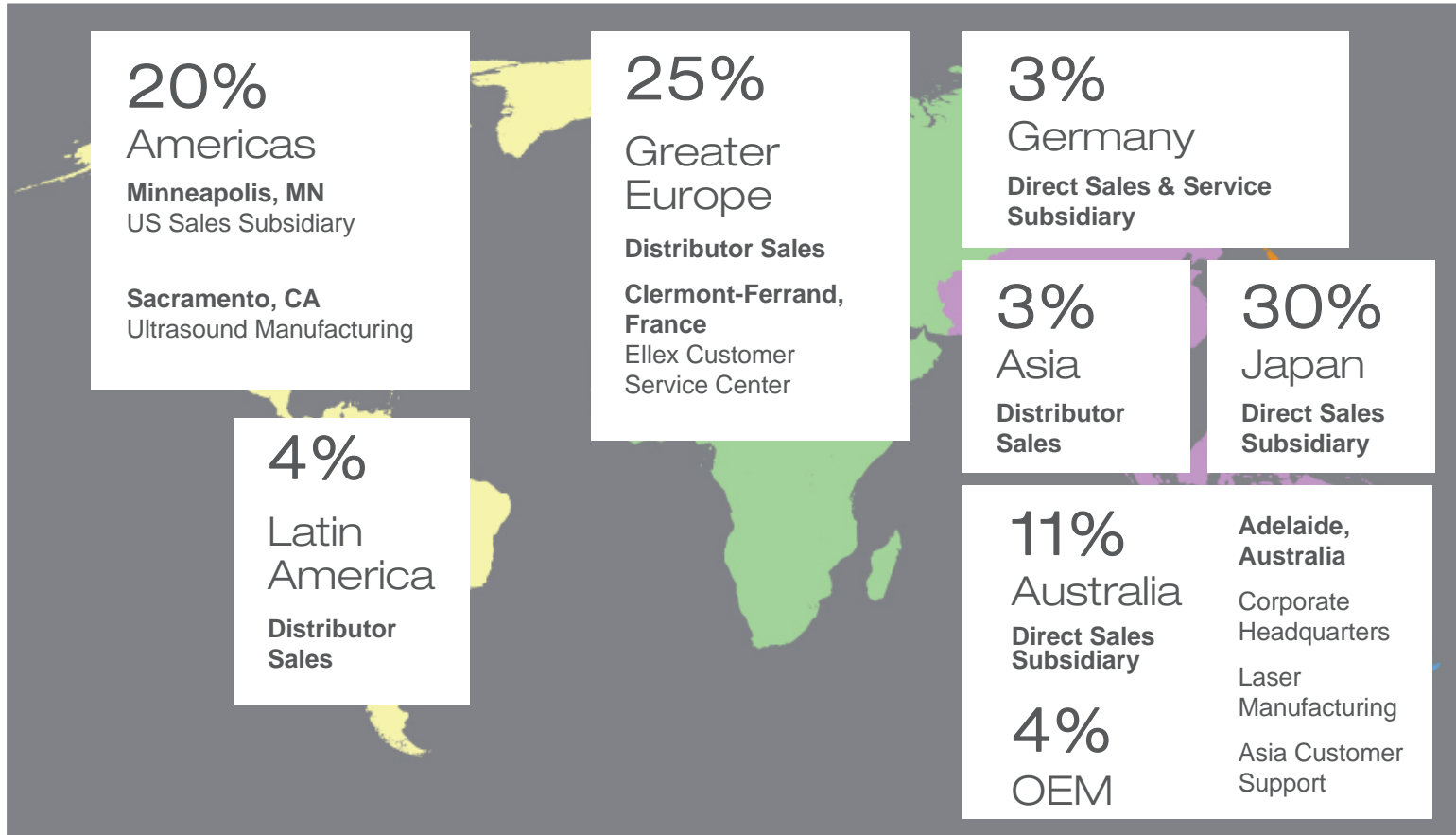
Inventory Management cont'd



FY09 in Review

- Continued strong revenue growth particularly in Australia and a new sales office in Germany
- Revenue growth of 40% in Japan strongly influenced by the favourable AUD/JPY exchange rate
- Growth in local currency in all other regions below expectations and impacted by global financial crisis

Ellex sources of revenue FY09



USA

- Ellex continues to be committed to its distribution through a combination of direct and indirect sales networks
- US infrastructure includes President Ellex Inc (USA)
 - 6 Direct Sales reps now in place
 - 10 Independent Sales reps
- Significantly impacted by global financial crises
- Positive signs of an economic recovery in FY10
- Opportunity with new products due for release in FY10

Germany

- Established direct sales and service business 1 July 2008
- One of the largest ophthalmic markets in the world
- Exceeded original first year budget in a recessionary environment
- Continues to perform in line with expectations in Year 2
- Provides a platform for future growth when additional products become available

Australia

- Achieved 7% revenue growth
- Positively influenced by the Australian Government spending stimulus package
- Introduced additional third party complementary products during the year
- Provides a platform for future growth when additional products become available

Rest of World

- Distributor business managed out of France by Ellex Services Europe and Adelaide support team
- Distributor business (Europe, Asia & Latin America) is the largest source of revenue for Ellex
- Stable business in a challenging market environment
- Continued to grow market share in many regions with the support of our many business partners

Japan

- Revenue growth of 40%
- Continuing to grow market share despite the global financial crisis
- Second largest source of revenue for Ellex
- Introduced additional third party product line during the year
- Growth assisted by the favourable AUD/JPY exchange rate

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 trials conducted in London, Adelaide and Melbourne on patients with Diabetic Macular Edema (DME) and Proliferative Diabetic Retinopathy (PDR)
 - 6 month DME data shows 80% of patients stable or better
 - PDR trials still in progress
 - AMD trials commenced

Outlook and Focus FY10

- Balance growth initiatives with stronger emphasis on profitability and cash flow (debt reduction) in short-term
- Challenging global economic conditions drove changes to the business model in FY09, establishing a strong platform for future growth
- Product cost down initiatives continue to ensure margins are protected and remain competitive in the market

Outlook and Focus FY10 cont'd

- Improve profitability for a more sustainable business model through:
 - Tighter cost control measures
 - Focus on business unit net contributions
 - Measured growth initiatives
- Reduce debt and maintain inventory control
- Two product releases this financial year – one launched another to come shortly
- Plan to increase shareholder value through improved profitability and prudent balance sheet management