

Annual General Meeting

26 November 2010



Overview – FY10

- Ellex achieved a strong full-year trading result despite prevailing world market conditions
 - Profit before tax up 16% to \$3.6 million (excluding one-off items)
 - Strong balance sheet: \$3.2 million cash position
- Improved operating performance and efficiencies
 - Reduced debt reliance
 - Cost control initiatives
- Continued to invest in new product and technology development
- Established the foundation for a more sustainable business model

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One Powerful Vision

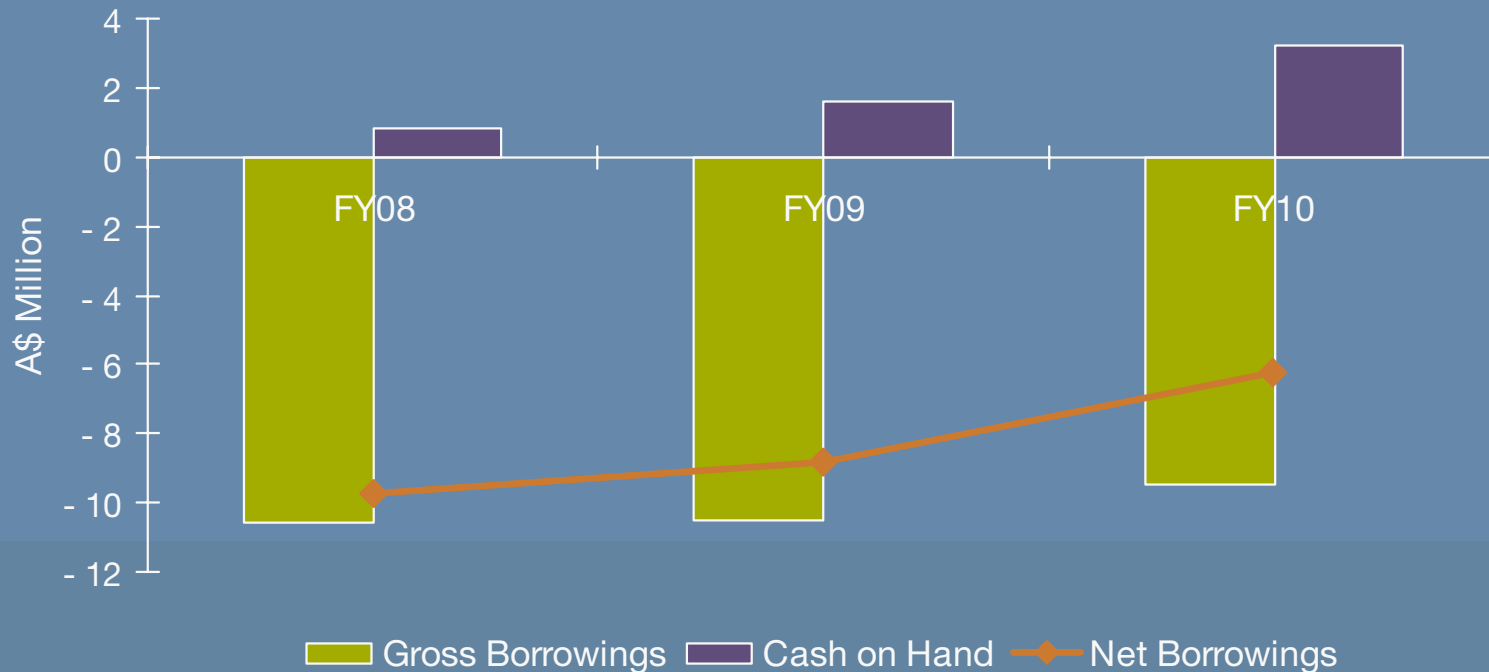
Key Financials – FY10

- Profit before tax up 16% to \$3.6 million (excluding one-off items)
- EBITDA up 14% to \$6.4m (excluding one-off items)
- NTA of \$0.23 per share
- Debt reduction of \$2.6 million (net of cash assets)
- Total revenue down 19%
 - Direct and distributor markets experienced softening in demand
 - Worldwide conditions expected to improve from 2011 onwards



Improved Liquidity

- Stringent working capital management achieved a debt reduction of over \$2 million (net of cash assets)



Direct Sales Segment – FY10

- Soft world markets continued to pose challenges, revenue ↓16%
 - Japan fell 16%, largely attributable to exchange rates in FY09
 - Germany performed strongly in the second half of FY10
 - In Australia, government tax stimulus package contributed to modest growth in the first half FY10
 - The US sales revenue declined by 19% but started to show positive signs of recovery in Q4
- Well positioned for period of renewed industry demand, anticipated to take effect from mid FY11

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Distributor Sales Segment – FY10

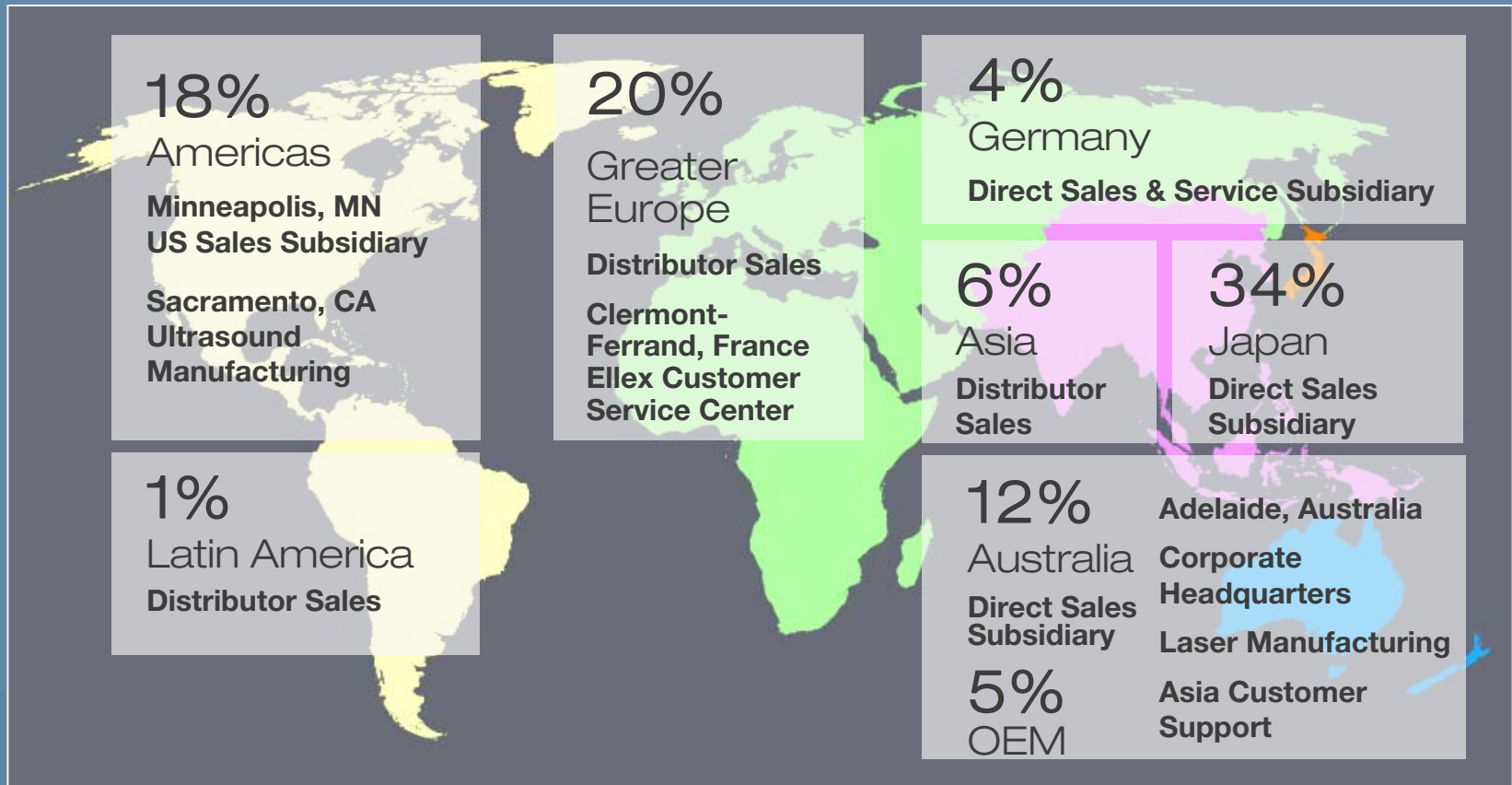
- Sales through the Company's distribution network ↓26%
 - Continued uncertainty in global financial markets led to a weakening in demand for capital expenditure
- Sales traction in Asia improved, contributing to revenue ↑23%
- Sales in Europe ↓25% due to prevailing economic conditions
- Growth in local currency in all other regions below expectations and impacted by global financial crisis

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Sources of Revenue – FY10



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Product Development

- Approximately 6% of revenue directed to new product development in FY10
- Integre Yellow
 - Developed predominantly for Japanese market but since released in the US, Australia and Germany
- New Generation Eye Cubed
 - Provided access to new customer markets in Asia and Europe



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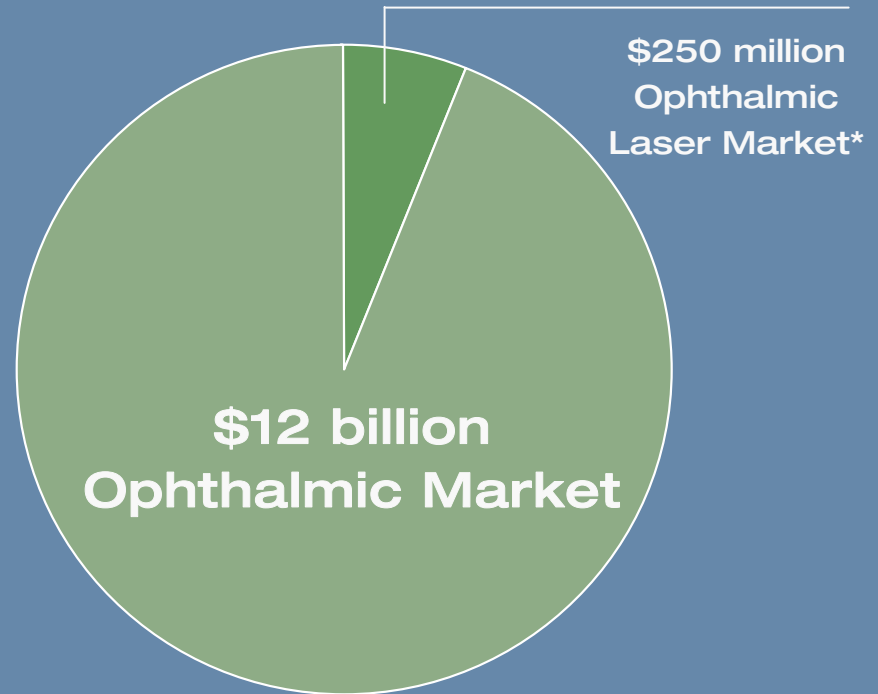
Growth Opportunity

Ophthalmic Laser Market
(excluding refractive*) –
\$250 million pa global market

- Ellex has achieved dominant share in some geographic markets

Ophthalmic Market –
\$12 billion pa global market

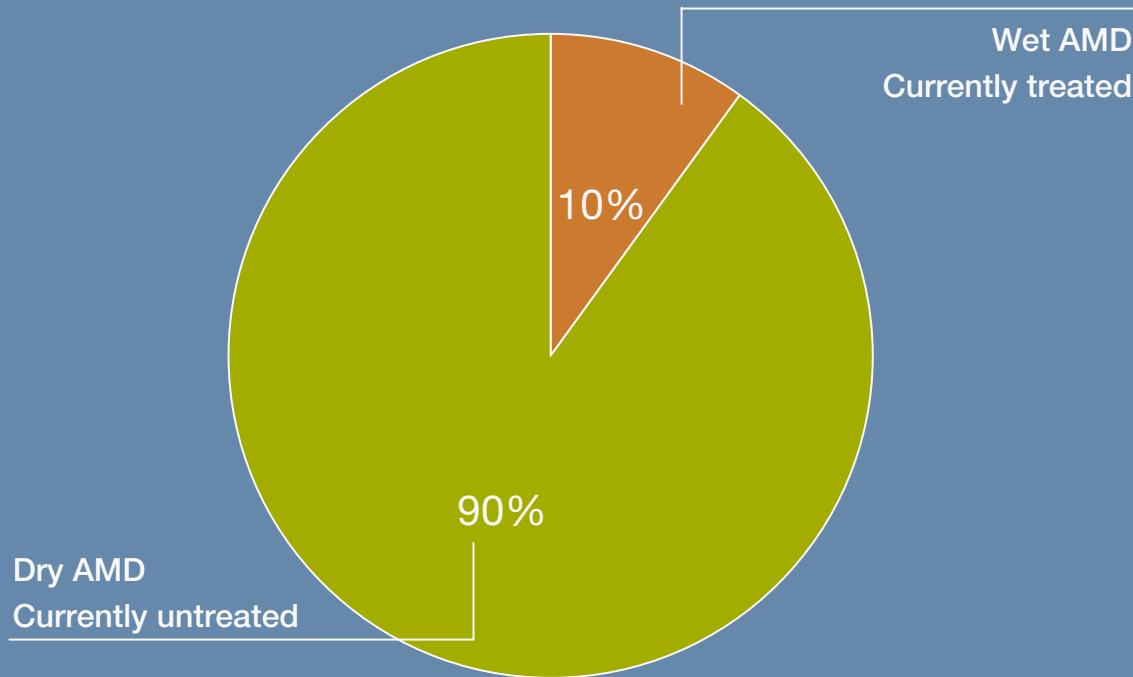
- Opportunity to leverage distribution channel and brand for future growth



Retinal Regeneration Therapy

- Breakthrough laser therapy for the treatment of Age-Related Macular Degeneration (AMD)
 - Leading cause of blindness in the developed world: affects one in seven Australians over the age of 50, globally 15% of people over the age of 50
- Clinical trials underway have confirmed potential to treat AMD and Diabetic Retinopathy
 - Next step is to undertake a multi-centre, randomised trial from 2011 onwards

Ellex 2RT: A New Opportunity



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Outlook and Focus FY11

- Opportunities as market conditions improve
- Diversify product portfolio to improve operating cash flow
 - Opportunity for additional diversity of earnings
 - Leverage strong distribution channels
 - Business model established in Japan and Australia
 - Recent distribution deals with Italian-based CenterVue
 - MAIA™ fundus perimetry system
 - DRS™ digital retinal camera



CenterVue Partnership

- MAIA™ fundus perimetry system
 - Diagnose and track macular function
 - Diagnostic component to Ellex's breakthrough Retinal Regeneration Therapy
- DRS™ retinal camera
 - Capture high-resolution images of the retina, fully automated
 - Opportunity for high-volume sales
 - Provide access to optometrists, as well as ophthalmologists



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Outlook and Focus FY11 cont.

- Continued focus on cost-down initiatives
- Develop proprietary laser technology for continued growth
 - Retinal Regeneration Therapy: continue clinical research and develop a commercialisation program
 - All trials to date have shown therapeutic benefit



Thank you



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