

Annual General Meeting

29 November 2012



Ellex

- During 2012 we made some good progress. The return to profit was pleasing
- Ellex is a unique combination of established business with considerable blue sky potential
- Good revenue base and cash flows, strong engineering, manufacturing and technical capacity, global distribution, and a leading market position in a growing, albeit highly competitive, market
- Portfolio of unique intellectual property to provide long-term growth



One Powerful Vision

Slide 2

Overview – FY12

- \$2m NPBT turnaround from \$1m loss in FY11 to \$1m profit during FY12
- Improvement in FY12 due to
 - Factory based Operational efficiencies
 - Strong sales performance in US and Australia
 - Offset by sales in Japan in second half of FY12 lower than prior corresponding period
- Focus on inventory and receivables management has provided \$3m cash to improve terms of trade with suppliers and renegotiate debt terms with bank
- Successfully renegotiated debt facility



Sales Composition – FY12

	Full-year Ended 30 June 2012 A\$000's	Full-year ended 30 June 2011 A\$000's
Australia	11,352	6,147
USA	9,872	8,112
Greater Europe and Middle East	9,651	9,414
Japan	12,176	14,459
Asia	2,206	2,624
South America and other	2,246	2,360
	47,503	43,116



One Powerful Vision

Slide 4

Growth Opportunities

1. Maintain and grow our current position in ophthalmic products with high quality, useful products
 - Release SLT in the US July 2013 when US patent expires
 - CE Mark for 2RT for treating Diabetic Macular Edema (DME) to underpin FY13 sales
 - Sales targeted to early adopters who will provide additional clinical data and testimony
 - Complete and deliver new and improved photocoagulator, photodisruptor products to market.
 - Strong interest at American Academy of Ophthalmologists meeting and RANZCO in November 2012



Growth Opportunities cont'd

2. Leverage our technical and distribution capabilities to generate additional, recurring revenue streams
 - Grow recurring revenue commencing in Australia
 - Opportunities identified to expand biomedical and regulatory services
 - Specialist medical device contract manufacturing (Signostics)
 - Growth in telemedicine for retinal disease screening in Australia and USA
 - Continue sourcing of complimentary third party products for direct sales divisions
3. Continue to reduce our production costs through advanced manufacturing processes and release cash through improved working capital management



Growth Opportunity – Retinal Rejuvenation Therapy - Update

- Multi-centre Randomised Control Trial (mcRCT / LEAD trial):
 - Laser Intervention in Early Age-Related Macular Degeneration
 - Led by Professor Robyn H. Guymer / Centre for Eye Research Australia (CERA) / Royal Victorian Eye & Ear Hospital (RVEEH)
 - Two sites (MEL and SYD) equipped with 2RT lasers and diagnostic equipment
 - Additional two sites in negotiation



Growth Opportunity – Retinal Rejuvenation Therapy - Update

- Other studies:
 - RETILASE study / 2RT for DME study (Moorfields Eye Hospital and King's College London)
 - 2RT in AMD / Melbourne pilot study: 12 months results for 50 patients complete (Dec 2011) / publication of results expected in the near future

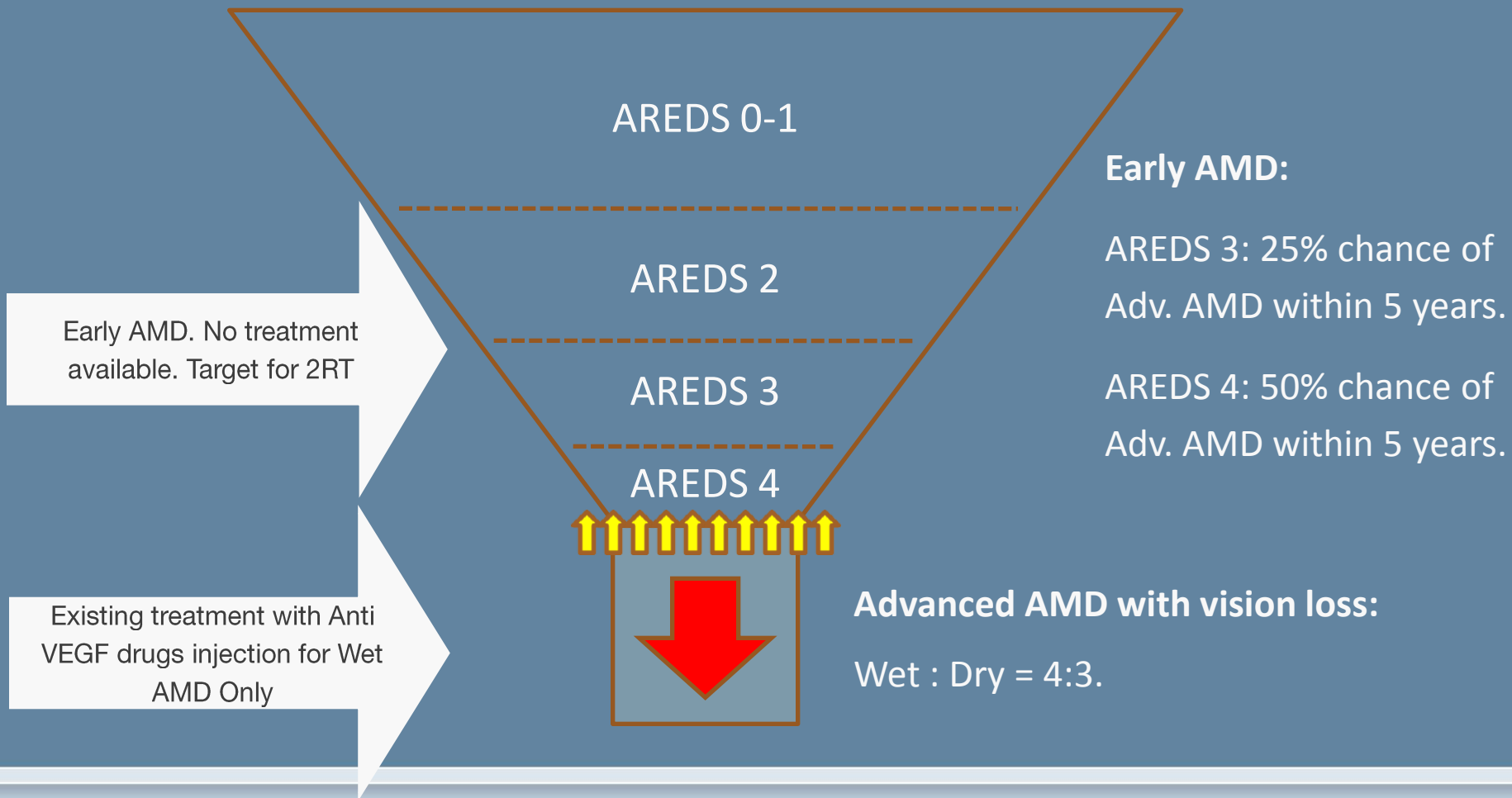


Growth Opportunity – Retinal Rejuvenation Therapy – Market Opportunity Update

- The market opportunity for Ellex 2RT needs to be considered in the context of the current “AMD Treatment Practice”



Current AMD Treatment Practice



Current AMD Treatment Practice

Key data in Australia (Deloitte Access Economics May 2011)

- Expenditure by Government on Lucentis since its approval in August 2007:
 - FY2008 = \$107.7m. FY2009 = \$188.2m, FY2010 = \$269.9m
 - This equates to \$2600 per treatment administered at an average frequency of every two months
 - Includes Ophthalmologist and Pharma fee, significantly favouring the Pharma supplier



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Current AMD Treatment Practice

- Awareness of macular degeneration amongst Australians 50 years and over is increasing
 - Feb 2007: 58%, April 2011: 83%
- Eye check ups in last 12 months for adult Australians 50 years and over increasing
 - Feb 2007: 24%, April 2011: 45%



Current AMD Treatment Practice

Characterised by:

- Considerable burden on patients and carers supporting patients going blind
- Focussed on advanced Wet AMD only
- No current treatment for Early and Dry AMD
- High returns to Pharma
- Considerable burden on public health budgets
- Growing awareness of disease
- Increase in screening activities by major Optometric Chains



Retinal Rejuvenation Therapy – Market Potential cont'd

- Ellex has already engineered and completed pilot-production of its patented, 2RT laser – no dependence on third-party laser developers or manufacturers in order to bring this technology to market
- Market size estimate based on new product diffusion model:
 - A screening device - total market volume 20,000 units
 - 2RT for Treatment - total market volume 5,000 units (OECD Countries) over 7-10 years based on product diffusion model
- Recurring revenue potential with per procedure business model



Summary

1. Ellex is a mature company with strong existing business and exciting new products that are now coming to market
2. The result in **FY12 was solid**
3. Growth opportunities exist in ophthalmic product revenue as well as from adjacent markets that capitalise on the skill base



Thank you

