

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

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Topic: Ellex Sales Strategy Yields Positive Results in First Quarter



Adelaide, Australia, 8 October 2015 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today announced that it recorded sales of \$14.6 million for the 3 months ended 30 September 2015. This is an increase of 12% (A\$1.5m) over sales in the prior corresponding period.

The Company's improved sales performance comprised three key components:

- an increase of approximately 17% (A\$2.2m) from the sale of Ellex-branded products;
- an increase of approximately 11% (A\$1.4m) due to the devaluation of the Australian dollar against the YEN, USD and EURO relative to the prior corresponding period and;
- a decrease of approximately 16% (A\$2.1m) due to a planned reduction in contract manufacturing, and as a result of reduced third-party product sales, primarily in Japan.

According to Ellex CEO, Tom Spurling: "Ellex has started the 2016 financial year with positive momentum. The across-the-board organic increase in Ellex-branded product sales of 17% was very pleasing. It also bolstered the performance of our Japanese business, which in 2015, had a heavy emphasis on the sale of certain lower-margin third-party products."

"The growing volume of Ellex-branded sales also reflects the strength of our brand, our comprehensive product range and our innovative product development program," added Mr. Spurling.

The Company's concerted effort to increase sales of Ellex products, combined with the planned reduction in lower margin contract manufacturing, is expected to improve sales margins and bottom-line performance during the 2016 financial year and beyond.

ABOUT ELLEX

Ellex designs, develops, manufactures and sells innovative product that help eye surgeons around the world to effectively and efficiently treat eye disease. Ellex is a world leader in this field. Headquartered in Adelaide, Australia, Ellex has ophthalmic lasers and devices that treat glaucoma, retinal disease primarily caused by diabetes, secondary cataract and vitreous opacities, as well as age-related macular degeneration. Manufacturing is carried out in Adelaide, Australia and Fremont, California. Sales and service directly to eye surgeons is conducted via subsidiary offices in Minneapolis, Lyon, Berlin and Tokyo. A network of more than 50 distribution partners around the world services other markets.

For additional information about Ellex and its products, please visit www.ellex.com

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