

CustomVis Plc
("CustomVis" or the "Company")

Interim results for the six months ended 31 December 2007

CHAIRMAN'S STATEMENT

I am very pleased to report on the Group's activities for the first half of the 2007/08 financial year. This was a time where our technology has begun to gain global recognition and sales interest has been growing to record levels. We have been firm in our belief that Solid State would become the natural next generation laser choice for the refractive surgical industry and we are seeing clear signs that our hard work and belief is paying off.

By the end of 2007, the Group had shipped or installed 25 Pulzar Z1 lasers and this number has increased to 27 at the time of this report. More importantly, these lasers have now treated approximately 25,000 eyes and we have established a sales pipeline for the next 4 months which will keep production in excess of three lasers per month.

FINANCIAL REVIEW

The Group incurred a loss after tax of £568,056 for the six months ended 31 December 2007 (2006: £745,446), a reduction of 24 per cent. on the comparative period last year, on sales of £514,232 (2006: £371,661), an increase of 38 per cent. on the comparative period last year. Loss per share for the period was 0.7p (2006: loss of 1.34p), reduction of 48 per cent. on the comparative period last year.

Group net assets at 31 December 2007 were £2.49 million (31 December 2006: £1.62 million). Net current assets at that date were £2,262,016 (2006: £1.32 million), which included cash funds of £181,774 (2006: £550,293).

On 22 February 2008, the Group announced it had raised £2.23m (net of issue expenses) via a placing of 73,846,700 ordinary shares at 3.25p per share to fund ongoing operations and growth. The placing was supported by all of the Company's major institutional investors and we were delighted to see Dr. Mukesh Jain, Chief Operating Officer and Sales and Marketing Director, subscribe for 10,100,000 second placing shares, amounting to an investment of £328,250, in the placing.

The placing proceeds will allow the Company to recruit further sales staff, increase its marketing effort and provide working capital to increase production and sales. Most importantly, it will allow the Group to conduct preliminary work for the FDA trials in the United States, the single largest market for refractive laser sales.

OPERATIONAL REVIEW

Since the launch of the Pulzar Z1 in June 2006 the Group has seen a significant growth in interest from the refractive surgical community, which has allowed us to believe we can achieve targets of three laser sales per month.

Sales come from two main sources. To date, orders have mainly come directly via our sales team, including orders received at the many industry conferences that

CustomVis is present at. However, sales via our distribution network are starting to grow. We now have an established distributor network in most Asian and Middle East countries and are currently extending further into Europe. These distributors have strong local market knowledge and relationships with local surgeons and we anticipate will be a significant source of sales in the future.

We have been particularly excited with the progress made in new territories, for example India, Pakistan and Philippines which has been achieved through a dedicated focus on sales and marketing within these regions. The success of these efforts has led the Group to pursue a greater spread of geographies in recent months, leading us to secure sales in South America, Egypt and the Middle East.

We have also seen a significant increase in interest from European surgeons, a crucial market for CustomVis, and one which until now, has preferred to continue using the excimer gas lasers which are mainly manufactured in Europe. We believe that a strong sales pipeline will develop in this region over the next few years.

The Pulzar Z1 laser continues to prove the advantages of solid state, with one customer claiming world records in treatment numbers. The customer has advised us that over 800 LASIK procedures were completed in a two week period on one CustomVis laser, without any service or replacement of any part or consumable. On one of these days over 90 procedures were performed.

The project to reduce the production cost of the Pulzar Z1 is progressing well, with 10 per cent. savings achieved in the past six months. The project to develop a new multipurpose ophthalmic laser, for which a A\$2.3 million Australian government grant was awarded, is about 50 per cent. complete. The new low cost retinal camera is expected to be launched in June this year. The results from the Presbyopia trial continue to look extremely promising and we expect to submit to Australian TGA for regulatory approval to sell this procedure in the third quarter of this calendar year.

Current Trading

Negative marketing directed at us by our excimer laser competitors has continued to have an adverse effect on our ability to achieve our target of three laser sales per month. However, the continuing growth of our installed base and number of eyes treated, along with the increased sales force and improved marketing now possible after completion of the recent fund raising, should accelerate the sales growth. Furthermore, the pipeline of new orders continues to increase, with six contracts signed in the past two months.

We are now seeing increasing interest in India, where we have seven lasers now installed, Pakistan, where we have now sold two lasers, and the Philippines, where we have two lasers installed and expect two more this year. A newly appointed distributor for India has signed a non-binding agreement to sell 10 lasers in the next 12 months. We are also expecting significant further sales in the next year from the Middle East and African markets.

In line with the Group's strategy to continue its focus on sales, we have been keen to recruit a new experienced Sales Manager to support Dr. Jain. This search has now been concluded and the new Sales Manager will join CustomVis in May, to assist our sales effort in Europe and Asia. The Company is also looking to appoint a sales person with refractive experience to cover the Latin America Market.

OUTLOOK

The recently completed fund raising has put the Company in a strong position to deal with the negative marketing of the old technology competitors. With a clear focus on reducing production costs for the Pulzar Z1, increasing the sales effort and placing lasers with new surgeons in new territories, we are very confident of the future for CustomVis. The Board would like to thank its staff for their continuing hard work and the shareholders for their continuing support.

Emmanuel Rosen

Chairman

Group Profit and Loss Account For the six months ended 31 December 2007

Notes	Six months to 31 December 2007 (Unaudited)	Six months to 31 December 2006 (Unaudited)	Year to 30 June 2007 (Audited)
	£	£	£
Turnover	514,232	371,661	880,613
Cost of sales	(238,521)	(292,451)	(482,917)
Gross profit	275,711	79,210	397,696
Administrative expenses	(994,367)	(995,454)	(2,111,771)
Share Based Payments	(5,282)	-	(107,860)
Other operating income	143,073	144,198	328,307
Operating loss	(580,863)	(772,046)	(1,493,628)
Interest receivable and similar income	12,807	26,600	55,310
Loss on ordinary activities before taxation	(568,056)	(745,446)	(1,438,318)
Tax on loss on ordinary activities	2	-	-

Loss on ordinary activities after taxation transferred to reserves		(568,056)	(745,446)	(1,438,318)
Loss per Ordinary Share				
Basic	3	(0.7p)	(1.34p)	(1.80p)
Diluted	3	(0.7p)	(1.34p)	(1.80p)

Statement of Changes in Equity
For the six months ended 31 December 2007

	Six months to 31 December 2007 (Unaudited)	Six months to 31 December 2006 (Unaudited)	Year to 30 June 2007 (Audited)
	£	£	£
Loss for the financial period	(568,056)	(745,446)	(1,438,318)
Currency translation differences on foreign currency net investments	-	1,772	(17,777)
Prior period Adjustment	-	-	(309,155)
Total recognised gains and losses relating to the period	(568,056)	(743,674)	(1,765,250)

All the above figures relate to continuing activities.

Group Balance Sheet
As at 31 December 2007

Notes	Six months to 31 December 2007 (Unaudited)	Six months to 31 December 2006 (Unaudited)	Year to 30 June 2007 (Audited)
	£	£	£
Current			

Current assets				
Stock		1,308,427	791,040	1,117,917
Debtors		1,733,266	464,365	923,481
Cash at bank and in hand		181,774	550,293	897,399
		<u>3,223,467</u>	<u>1,805,698</u>	<u>2,938,797</u>
Non-Current Assets				
Intangible assets		-	-	-
Tangible assets	4	186,533	305,099	218,662
		<u>186,533</u>	<u>305,099</u>	<u>218,662</u>
Total Assets		<u>3,410,000</u>	<u>2,110,797</u>	<u>3,157,459</u>
Current Liabilities				
Trade and Other Payables		497,313	489,640	618,951
Income In Advance		197,777	-	-
Directors Advance		20,037	-	-
Deferred Warranty Income		246,324	-	-
		<u>961,451</u>	<u>489,640</u>	<u>618,951</u>
Non-Current Liabilities				
Trade and Other Payables		-	-	139,861
Total Liabilities		<u>961,451</u>	<u>489,640</u>	<u>758,812</u>
Net Assets		<u>2,448,549</u>	<u>1,621,157</u>	<u>2,398,647</u>
EQUITY				
Issued Capital		4,765,957	3,240,957	4,765,957
Share premium account	5	10,301,015	10,442,369	10,301,015
Option Reserve	5	422,297	310,750	417,015
Foreign currency translation reserve	5	127,189	146,739	127,189
Retained Earnings	5	(13,167,909)	(12,519,657)	13,212,529
Total Equity		<u>2,448,549</u>	<u>1,621,157</u>	<u>2,398,647</u>

Group Cash Flow Statement
For the six months ended 31 December 2007

	Note	Six months to 31 December 2007 (Unaudited)	Six months to 31 December 2006 (Unaudited)	Year to 30 June 2007 (Audited)
		£	£	£
Reconciliation of operating loss to net cash outflow from operating activities				
Operating loss		(568,056)	(772,046)	(1,493,628)
Depreciation and amortisation		50,757	42,356	134,580
Share Based Payments		5,282	1,595	107,860
Decrease in debtors		(809,785)	(392,983)	(852,099)
(Increase) in stock		190,510	154,549	(173,328)
(Decrease)/Inc rease in creditors		(202,638)	301,648	570,820
Exchange rate differences arising on cash balances		(136,338)	3,393	(2,092)
Other Payments		65,007	-	-
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Net cash outflow from operating activities		(727,554)	(661,489)	(1,706,887)
		=====	=====	=====

Cash Flow Statement

Net cash outflow from operating activities		(727,554)	(661,489)	(1,706,887)
Return on investments and servicing of finance		12,807	26,600	55,310
Capital expenditure		(878)	(52,604)	(72,456)
		-----	-----	-----
		(715,625)	(687,493)	(1,724,033)
Financing		-	-	1,383,646
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Increase/ (decrease) in cash in the period		(715,625)	(687,493)	(340,387)
		=====	=====	=====

Reconciliation
of net cash
flow to

movement in net funds/(debt)	6		
(Decrease)/inc rease in cash in the period	(715,625)	(687,493)	(340,387)
Net funds as at 30 June 2007	897,399	1,237,786	1,237,786
Net funds at 31 December 2007	181,774	550,293	897,399

Notes to the Financial Statements
For the six months ended 31 December 2007

1. Basis of preparation

These accounts are unaudited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The interim results have been prepared in accordance with the accounting policies which will be set out in the annual report and financial statements for the year ending 30 June 2008.

The financial information relating to the year ended 30 June 2007 has been extracted from the financial statements which have been delivered to the Registrar of Companies. The independent auditors' report on those accounts was unqualified.

2. Taxation

No corporation tax has been provided for in the period as the projected taxable losses for the period and taxation losses brought forward indicate that the Group will have no tax liability for the period.

Deferred tax assets arising from trading losses have not been recognised on the basis that their future economic benefit is uncertain.

3. Loss per Ordinary Share

	Six months to 31 December 2007 £	Six months to 31 December 2006 £	Year to 30 June 2007 £
Loss for the period attributable to shareholders	(568,056)	(745,446)	(1,438,318)
Weighted average number of shares in issue	95,319,148	55,582,984	80,069,148

Diluted loss per share has been calculated using the same figures as the basic calculation. No account has been taken of options, as these potential Ordinary Shares are not considered to be dilutive under the definitions of the applicable

accounting standards.

4. Tangible fixed assets

	Plant and Machinery	Furniture, fittings & equipment	Leasehold Improvements	Leased Assets	Total
	£	£	£	£	£
Cost					
At 1 July 2007	312,734	154,549	19,234	171,141	657,658
Exchange differences	-	-	-	-	-
Additions	726	305	-	2,828	3,859
Disposals	-	-	-	-	-
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At 31 December 2007	313,460	154,854	19,234	173,969	661,517
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Depreciation/ amortisation					
At 1 July 2007	215,363	144,517	11,546	67,570	438,996
Exchange differences	(7,441)	(4,993)	-	(2,335)	(14,769)
Charge for the period	19,479	6,896	2,009	22,373	50,757
Disposals	-	-	-	-	-
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At 31 December 2007	227,401	146,420	13,555	87,608	474,984
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Net book value					
At 1 July 2007	97,371	10,032	7,688	103,571	218,662
	=====	=====	=====	=====	=====
At 31 December 2007	86,059	8,434	5,679	86,361	186,533
	=====	=====	=====	=====	=====

5. Reserves

	Share premium account	Option Reserve	Foreign Currency Reserve	Profit and Loss Account	Total
	£	£	£	£	£
At 1 July 2007	10,301,015	417,015	127,189	(13,212,529)	(2,367,310)
Loss for the period	-	-	-	(568,056)	(568,056)
Prior Period Adjustment	-	-	-	(612,676)	(612,676)
Share Based Payments	-	5,282	-	-	5,282
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At 31 December 2007	10,301,015	422,297	127,189	(13,167,909)	(2,930,084)
	=====	=====	=====	=====	=====

6. Gross cash flows

	Six months to 31 December 2007 £	Six months to 31 December 2006 £	Year to 30 June 2007 £
Returns on investments and servicing of finance			
Interest received	12,807 =====	26,600 =====	55,310 =====
Capital expenditure			
Payments to acquire tangible fixed assets	(878) =====	(52,604) =====	(72,456) =====
Financing			
Issue of ordinary share capital	- =====	- =====	1,383,646 =====

7. Analysis of changes in net funds

	At 1 July 2007 £	Cash Flows £	At 31 December 2007 £
Cash at bank and in hand	897,399 =====	(715,625) =====	181,774 =====

8. Dividends

No dividends were paid or are proposed in respect of the six months ended 31 December 2007.

9. Copies of the interim results will be sent to shareholders shortly and will be available from the registered office of the Company, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH and from the Company's website www.customvis.com.

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