



Embargoed until 0700

6 October 2004

CustomVis plc
("CustomVis" or "the Group")

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2004

Introduction

CustomVis, which designs and markets surgical laser vision equipment for custom surgery, is pleased to announce its results for the year ended 30 June 2004. The Group was admitted to the Alternative Investment Market in London on 8 July 2003, having raised £11.5m, before costs, through an institutional placing. As a consequence, the financial results reported upon in this statement relate to the first post-IPO period.

These funds were raised to enable management to scale up the Group's production, sales and service capabilities. The Group's sales, production and service networks are now well established with the first five lasers having been delivered before the year-end. These lasers are at various stages in their trial periods. The next five lasers are in advanced stages of production.

As previously announced, it has become apparent that the Group will be unable to meet the forecasts detailed in the Prospectus of July 2003. Delays in "scaling-up" the production facilities have negatively impacted our ability to obtain the clinical data required to achieve the forecast sales. In addition, some minor technical issues encountered in trials impacted laser system production. This resulted in the number of eyes treated to date, by the first machines delivered, being much lower than anticipated.

Financial Results

The Group recorded a loss after tax of £4,010,932 (2003: £660,238) for the year ended 30 June 2004 on sales of £8,851 (2003: £2,848), reflecting the increased costs associated with the "scale-up" of production. This equated to a loss of 11.6p (2003: loss of 7.6p) per share.

Group net assets at 30 June 2004 were £7.4m (2003: £0.95m). This included intangible assets of £1.21m (2003: £1.56m) and net current assets of £5.9m (2003: £0.63m), which includes cash funds of £6.9m (2003: £0.77m). Net expenditure per month is at present approximately £0.38m.

In July 2004, the Convertible Loan of £1.34m was fully repaid.

Given that the current focus of all Group resources is the production and sale of the CustomVis™ System, the Board does not propose to pay a dividend.

Overview of Business

Business Progress

As a result of the significant gearing up of production during the year, together with the recruitment of leading people in the sector, the Board believes the Group is well positioned to make significant progress in the calendar year 2005.

Treatment rates are now accelerating, predominately from the placement of lasers in Columbia and Norway. Approximately 90 eyes have now been treated around the world. The initial clinical data is very encouraging with results indicating that our solid-state laser system is already able to match the results of our competitors' products. Further refinements to our system are expected to continue to improve the surgical outcomes.

Key goals for the next eighteen months are to obtain sufficient clinical data to advance the sale of lasers into existing markets, where regulatory approvals are held, and advance the approval processes for additional markets. In addition, the Group is aiming to be cash flow positive by the end of calendar year 2005. Through the approval processes improvements have been made in laser design and the Group has established quality control processes that would be the envy of many companies of a similar size.

There continues to be substantial interest in acquiring our system and the key over the next eighteen months will be to turn this positive feedback into sales and receipts.

Market

The Laser Vision Correction Industry continues to grow. Our solid state technology shows significant advantages over the non-solid state systems in existence. As noted in our Prospectus, the solid state system increases reliability and avoids the need for toxic gases. The reduced service requirements make it less likely that our system will cause surgery results to deteriorate over time.

The Group attends trade shows around the world and interest in our system is increasing, but additional clinical data is still required. Whilst this data is being collected, work continues on establishing the distributor network. Three distributors have signed agreements to market and sell our lasers in Asia and Europe, with a minimum of eight sales in total. In addition we are proceeding with Chinese regulatory approval, a twelve to eighteen month process. Subject to this approval, another distributor has committed to selling five lasers in the first year after this approval is received. Preliminary submissions for U.S. regulatory approval have also been made.

Management & Staff

The Group has grown significantly over the past twelve months. Due to the size of the operation in Western Australia, the Group is centralising the executive functions in Perth, WA. The reporting, accounting processes and systems are currently being upgraded.

The Board continues to review its structure and processes. As previously announced Mr Harry Sykes resigned after the year end. Dr William Ardrey moved from an executive to a non-executive role during the year and the remuneration and audit committees have been established.

Commenting on the outlook, Bill Colvin, Chairman of CustomVis said:

"The Group is at an important stage. Having reached a point where we can at least match the performance of our competitors' lasers we now need to turn our production platform and encouraging clinical trials into confirmed sales, cash and ultimately profits for our shareholders."

- Ends -

Further information:

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CUSTOMVIS PLC
GROUP PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	30 June 04 £	30 June 03 £
Turnover and gross profit		8,851	2,848
Administrative expenses		(4,420,528)	(692,043)
Other operating income		59,353	23,818
Operating loss		<u>(4,352,324)</u>	<u>(665,377)</u>
Interest receivable and similar income		341,392	7,768
Loss on ordinary activities before taxation		<u>(4,010,932)</u>	<u>(657,609)</u>
Tax on loss on ordinary activities		-	(2,629)
Loss on ordinary activities, after tax, transferred to reserves		<u>(4,010,932)</u>	<u>(660,238)</u>
Loss per ordinary share:			
Basic	1	(11.6p)	(7.6p)
Diluted	1	(11.6p)	(7.6p)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES - UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

Loss for the financial year	(4,010,932)	(660,238)
Currency translation differences on foreign currency net investments	<u>(135,650)</u>	<u>19,304</u>
Total recognised gains and losses relating to the year	<u>(4,146,582)</u>	<u>(640,934)</u>

All the above figures relate to continuing activities

CUSTOMVIS PLC
GROUP BALANCE SHEET - UNAUDITED
AS AT 30 JUNE 2004

	Notes	30 June 04 £	30 June 03 £
Fixed assets			
Intangible assets		1,216,988	1,565,278
Tangible assets		<u>298,303</u>	<u>100,033</u>
		<u>1,515,291</u>	<u>1,665,311</u>
Current assets			
Stock		682,027	-
Debtors		236,199	286,545
Cash at bank and in hand		<u>6,893,905</u>	<u>773,458</u>
		<u>7,812,131</u>	<u>1,060,003</u>
Creditors: amounts falling due within one year			
Trade and other creditors		(572,971)	(429,236)
Convertible debt		<u>(1,342,844)</u>	<u>-</u>
		<u>(1,915,815)</u>	<u>(429,236)</u>
Net current assets		<u>5,896,316</u>	<u>630,767</u>
Net assets less current liabilities		7,411,607	2,296,078
Creditors: amounts falling due after more than one year (including convertible debt)			
		<u>-</u>	<u>(1,342,844)</u>
Net assets		<u>7,411,607</u>	<u>953,234</u>
Capital and reserves			
Called up share capital	3	1,735,957	1,048,090
Share premium account		10,463,166	546,078
Foreign currency translation reserve		(116,346)	19,304
Profit and loss account		<u>(4,671,170)</u>	<u>(660,238)</u>
Shareholders' funds	4	<u>7,411,607</u>	<u>953,234</u>

CUSTOMVIS PLC
COMPANY BALANCE SHEET - UNAUDITED
AS AT 30 JUNE 2004

	Notes	30 June 04 £	30 June 03 £
Fixed assets			
Tangible assets		25,157	-
Investments	2	<u>1,000,316</u>	<u>1,000,316</u>
		<u>1,025,473</u>	<u>1,000,316</u>
Current assets			
Debtors		7,767,581	1,157,124
Cash at bank and in hand		<u>3,510,265</u>	<u>764,001</u>
		<u>11,277,846</u>	<u>1,921,125</u>
Creditors: amounts falling due within one year			
Creditors		(48,619)	(5,000)
Convertible debt		<u>(1,342,844)</u>	<u>-</u>
		<u>(1,391,463)</u>	<u>(5,000)</u>
Net current assets		<u>9,886,383</u>	<u>1,916,125</u>
Net assets less current liabilities		10,911,856	2,916,441
Creditors: amounts falling due after more than one year (including convertible debt)		<u>-</u>	<u>1,342,844</u>
Net assets		<u>10,911,856</u>	<u>1,573,597</u>
Capital and reserves			
Called up share capital	3	1,735,957	1,048,090
Share premium account		10,463,166	546,078
Profit and loss account		<u>(1,287,267)</u>	<u>(20,571)</u>
Shareholders' funds	4	<u>10,911,856</u>	<u>1,573,597</u>

CUSTOMVIS PLC
GROUP CASH FLOW STATEMENT - UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	30 June 04 £	30 June 03 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(4,352,324)	(665,377)
Depreciation and amortisation		400,704	105,537
Impairment of intangible fixed assets		22,247	-
Decrease in debtors		50,346	(252,036)
(Increase) in stock		(682,027)	-
Increase in creditors		143,735	166,799
Exchange rate difference arising on cash balances		(124,832)	-
		<u>(4,542,151)</u>	<u>(645,077)</u>
Net cash outflow from operating activities			
Cash flow statement			
Net cash outflow from operating activities		(4,542,151)	(645,077)
Returns on investments and servicing of finance	5	341,392	7,768
Taxation	5	-	(2,629)
Capital expenditure	5	(283,749)	(70,743)
Acquisitions and disposals	5	-	122,243
		<u>(4,484,508)</u>	<u>(588,438)</u>
Financing	5	10,604,955	1,361,896
		<u>6,120,447</u>	<u>773,458</u>
Increase in cash in the year			
Reconciliation of net cash flow to movement in net funds/(debt) (Note 6)			
Increase in cash in the year		6,120,447	773,458
Opening net debt		<u>(569,386)</u>	<u>(1,342,844)</u>
Closing net funds/(debt)		<u>5,551,061</u>	<u>(569,386)</u>

CUSTOMVIS PLC
NOTES TO THE FINANCIAL STATEMENTS - UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

1. Loss per Share

	30 June 04
	£
Loss for the year attributable to shareholders	<u>(4,010,932)</u>
	Number
Weighted average number of shares in issue	<u>34,439,861</u>

The weighted average number of shares in issue was calculated by taking into account the exercise of options on 1,120,000 Ordinary Shares on 1 July, 2003, and the issue of 12,637,363 Ordinary Shares on 8 July, 2003 by way of flotation on the Alternative Investment Market.

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.

2. Fixed asset investments – Company

	30 June 04	30 June 03
	£	£
Subsidiary undertaking		
Cost and net book value		
Opening balance	1,000,316	-
Additions	<u>-</u>	<u>1,000,316</u>
At 30 June 2004	<u>1,000,316</u>	<u>1,000,316</u>

The above investment relates entirely to the subsidiary undertaking, CLVR Pty. Ltd. purchased on 17 April 2003.

3. Share capital – Group and Company

	30 June 04	30 June 03
	£	£
Authorised		
100,000,000 Ordinary shares of 5p each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
34,719,148 (2003: 20,961,785 Ordinary shares of 5p each)	<u>1,735,957</u>	<u>1,048,090</u>

On 1 July 2003 options were exercised by Gem Consulting for 1,120,000 Ordinary Shares at a price of £0.62 per share. On 7 July 2004 12,637,363 Ordinary Shares of 5p each were issued for cash at a price of 91p per share.

CUSTOMVIS PLC
NOTES TO THE FINANCIAL STATEMENTS – UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

	30 June 04	30 June 03
	£	£
4. Reconciliation of movements in shareholders' funds – Group		
Opening shareholders' funds	953,234	-
Loss for the period	(4,010,932)	(660,238)
Net proceeds of equity share issue	10,604,955	1,594,168
On translation of assets held in foreign currencies	(135,650)	19,304
	<u>7,411,607</u>	<u>953,234</u>
Reconciliation of movements in shareholders' funds – Company		
Opening shareholders' funds	1,573,597	-
Loss for the period	(1,266,696)	(20,571)
Net proceeds of equity share issue	10,604,955	1,594,168
	<u>10,911,856</u>	<u>1,573,597</u>
5. Gross cash flows – Group		
Returns on investments and servicing of finance		
Interest received	<u>341,392</u>	<u>7,768</u>
Taxation		
Tax paid	<u>-</u>	<u>(2,629)</u>
Capital expenditure		
Payments to acquire intangible assets	-	(19,695)
Payments to acquire tangible assets	<u>(283,749)</u>	<u>(51,048)</u>
	<u>(283,749)</u>	<u>(70,743)</u>
Acquisitions and disposals		
Cash assets acquired from subsidiary	<u>-</u>	<u>122,243</u>
Financing		
Issue of ordinary share capital	10,604,955	19,052
New debenture loan	<u>-</u>	<u>1,342,844</u>
	<u>10,604,955</u>	<u>1,361,896</u>
6. Analysis of changes in net debt – Group	Cash flows	Closing balance
	£	£
Cash at bank and in hand	6,893,905	773,458
Debt due within one year	<u>(1,342,844)</u>	<u>(1,342,844)</u>
Net debt at 30 June 2004	<u>5,551,061</u>	<u>(569,386)</u>

CUSTOMVIS PLC
NOTES TO THE FINANCIAL STATEMENTS – UNAUDITED
FOR THE YEAR ENDED 30 JUNE 2004

7. Accounting policies

These statements are prepared using the accounting policies which were used for the most recently published full financial statements.

8. Other Information

The financial information set out in the announcement does not constitute the Company's statutory accounts for the year ended 30 June 2004, which will be delivered to the Registrar in due course. Comparatives have been extracted from the Company's statutory accounts for the period ended 30 June 2003.

The directors are not recommending payment of a dividend.

9. Approval

This preliminary announcement was approved with the authority of the Board of Directors on 5th October 2004.