



2 July 2003

CustomVis plc

Placing & Admission to AIM

CustomVis plc (“CustomVis” or “the Company”), which designs and markets customised surgical laser vision equipment, announces the successful completion of the placing relating to its admission to AIM, a market operated by the London Stock Exchange.

- 12,637,363 new ordinary shares have been placed with UK institutional investors at the Placing Price of 91p per ordinary share
- The amount of new money raised for the Company totals £11.5 million (gross)
- The Company will have a market capitalisation of £31.6 million at the Placing Price, including the £11.5 million (gross) proceeds
- Proceeds from the placing will be used to:
 - increase the scale and production capacity for the CustomVis™ System
 - expand the Company’s existing sales, service and marketing infrastructure
 - fund further research and development
 - develop and commercialise the CustomVis™ System; plans are underway to seek FDA approval, enabling access to the United States market
- Dealings in the ordinary shares are expected to commence on Tuesday 8 July 2003
- Collins Stewart is nominated adviser and broker to CustomVis

Words and expressions defined in the prospectus of CustomVis dated 2 July 2003 shall have the same meaning in this announcement unless the context otherwise requires.

Dr Van Saarloos, Chief Executive Officer of CustomVis, commented:

“We are delighted with the support we have received from institutional investors during the marketing process.

“Having received confirmation of the TGA’s intention to issue both the CE mark and TGA approval, the placing will enable CustomVis to further develop and commercialise the CustomVis™ System initially in the UK, Europe, Asia Pacific, Latin America and Australasia, a market estimated to be worth £1.2 billion.

“The technology offers a new solution for eye surgeons and patients that have been frustrated by the limits of Laser Vision Correction technology to date and our system will be able to treat those previously untreatable conditions as well as repair damage to eyes that have been unsuccessfully operated on previously. We look forward to building on our significant success to date and continuing to take strides forward in patient treatment.”

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Key Information

The CustomVis business was set up in March 2001 to address a number of problems being experienced in the field of laser vision correction ("LVC"). LVC surgery involves the use of a laser to re-shape the cornea to try to correct visual abnormalities. Currently, the most common form of LVC surgery utilises excimer laser technology. The Directors believe that this technology is approaching the end of its product development cycle as its ability to perform high quality custom laser treatment is proving difficult. This is mainly due to technological limitations including eye tracking technologies, pulse rates and/or beam spot sizes of the laser. The CustomVis™ System has been designed to address these issues and meet the requirements of effective custom LVC surgery.

The Directors believe that successful LVC surgery requires precision, accuracy and reliability. To perform these requirements successfully the Directors believe that a laser requires a fine, fast cutting spot to effectively ablate the cornea without damaging the remaining corneal tissue, a comprehensive tracking system to track any movement or rotation of the eye during surgery and leading edge diagnostic tools to collate the data and produce a surgical plan. The Directors believe that CustomVis produces the only system that can offer all of these features in a fully integrated package.

Key Strengths

The Directors believe that the CustomVis™ System has the following key technical strengths:

- a fast pulse rate, desired spot size and innovative tracking and scanning systems which allow for:
 - (i) treatment of higher order vision disorders which were previously considered untreatable;
 - (ii) improved visual acuity and contrast sensitivity for standard treatments; and
 - (iii) the ability to repair eyes damaged by previous eye laser surgery;
- the laser's longer wavelength of 213nm is less affected by moisture and humidity. This appears to reduce the potential for thermal damage to the remaining corneal tissue, which leads to safer and more consistent treatments;
- the solid state system increases reliability and avoids the need to use toxic gases and their environmental controls thereby reducing running costs; and
- the CustomVis™ System is a composite system and is easy to use. The touch screen system incorporates the pre-operative registration of the eye tracker with the wavefront and topography data, and provides the surgeon with the flexibility to optimise treatment.

The Directors believe that CustomVis has the following key strengths:

- this proven, patent pending technology with a number of innovative features should enable entry to new markets by allowing a more customised approach to standard and non-standard vision disorders;
- significant market opportunity initially in the UK, Europe, Asia Pacific, Latin America and Australasia having received confirmation from TGA of its intention to issue both TGA approval and the CE mark;
- orders received from globally recognised leading ophthalmic surgeons operating in a variety of countries;
- an experienced management team and a board of Directors who have achieved international recognition amongst leading surgeons and clinics;
- technological expertise and low cost production in Perth, Western Australia; and
- as indicated in Part VII of the prospectus, near term profitability in prospect.

Market strategy and opportunities

Technology is the key driver of new laser system sales. With the smallest spot size, fastest pulse rate, and fastest eye-tracker response, the Directors believe that the CustomVis™ System is currently the only system on the market capable of delivering the full requirements of customised surgery. Surgeons and opinion leaders in the LVC industry are continually looking for new technology to enhance their offering and many of these are already expressing an interest in the CustomVis™ System.

The Company's initial strategy is to target the world's leading ophthalmic surgeons and eye care clinics. Whilst CustomVis will continue to regard these activities as its primary focus, it also intends to establish its market share through a combination of direct and agent distribution and service models depending on specific markets.

The Directors believe that using the current gas-based LVC technology:

- approximately 10 per cent. of patients require re-treatment;
- a significant proportion of patients who have been treated could have achieved a better outcome; and
- approximately 10 – 15 per cent. of patients are not currently suitable for treatment.

The Directors believe that the above represents a significant market opportunity. With the incidence of common disorders such as myopia and hyperopia increasing, a large proportion of the world's population are now potential candidates for LVC surgery.

Having received confirmation from TGA of its intention to issue both TGA approval and the CE mark, the Company initially has access to LVC markets outside the US and Japan, estimated at £1.2 billion in annual procedures revenue. In due course the Company intends to secure access to the US LVC market which is currently estimated to represent a further £1.2 billion. Custom surgery is a largely untapped market, currently representing some 15 – 20 per cent. or approximately £400 million of the total LVC market.

Current trading and prospects

CustomVis unveiled the prototype of the CustomVis™ System in November 2002 at the American Academy of Ophthalmology conference in Orlando, Florida. Following the first ever successful treatments of highly irregular astigmatisms using the CustomVis™ System, the Company has recently treated the second set of patients.

Having received confirmation from TGA of its intention to issue TGA approval and CE mark, the Company aims to manufacture and distribute the CustomVis™ System throughout the UK, Europe, Asia Pacific, Latin America and Australasia.

Discussions have been held with several leading opinion forming refractive surgeons across various countries. These have resulted in orders being placed for these new systems (equivalent to the first six months' production) and further interest has been received in relation to additional sales of new systems.

Reasons for the Placing and use of proceeds

The Placing will raise approximately £10.0 million, net of expenses, for the Company. These proceeds will be used to increase the scale and production capacity for the CustomVis™ System and further expand the Company's existing sales, service and marketing infrastructure. If required, part of these proceeds will also be used to redeem the Loan Notes. To maintain competitive advantage, the Directors will also use a portion of the funds for further research and development.

The Directors believe that the increased financial resources and enhanced profile of the Company within the market place will further enable CustomVis to develop and commercialise its CustomVis™ System. Plans are underway to seek FDA approval thereby enabling access to the United States market.

The Placing

The Company is issuing 12,637,363 new Ordinary Shares pursuant to the Placing at the Placing Price, which will raise £10.0 million (net of expenses) and will represent approximately 36.3% per cent. of the enlarged issued share capital following the Placing. The new ordinary shares have been placed by Collins Stewart with institutional investors.

The Placing is conditional upon Admission becoming effective and the Placing Agreement becoming unconditional in all respects.

There are no existing shareholders who are selling shares pursuant to the Placing. Following the Placing, it is expected that the interests of the Directors will, in aggregate, amount to 43.1% per cent. of the enlarged issued share capital.

Placing Statistics

Placing Price	91p
Number of ordinary shares in issue prior to the Placing	22,081,785
Number of shares being issued	12,637,363
Number of ordinary shares in issue following the Placing	34,719,148
Estimated expenses of the Placing	£1.5 million
Estimated net proceeds of the Placing receivable by the Company	£10.0 million
Percentage of the enlarged ordinary issued share capital available in the Placing	36.3%
Market capitalisation at the Placing Price	£31.6 million

Lock-in arrangements

The Directors and Novamed Limited (a company controlled by Simon Gordon, one of the Directors) have undertaken to the Company and Collins Stewart not to dispose of any interest which they have in the share capital of the Company for a period of two years after Admission or, if earlier, until such a date as the Company announces an interim profit for the six month period to 31 December 2004. The Directors and Novamed Limited have also given orderly marketing undertakings to the Company and Collins Stewart for the 12 months following the end of the lock-in arrangements.

Jennifer van Saarloos, Custom Lasers Inc, Asian Lasers Inc and Moksh Pty Ltd, who together hold approximately 27.1% per cent. of the issued share capital of the Company following the Placing (assuming the exercise of all outstanding share options) have each entered into a lock-in agreement with the Company and Collins Stewart pursuant to which they have agreed not to dispose of any of the Ordinary Shares held by them for a period of 12 months after Admission. These Shareholders have also agreed to orderly marketing undertakings to the Company and Collins Stewart for the 12 months following the end of the lock-in arrangements.

All remaining existing Shareholders (other than the trustees of the Thorstone (S.E.) Retirement and Death Benefit Scheme) have entered into orderly marketing undertakings with the Company and Collins Stewart pursuant to which, *inter alia*, they have agreed not to sell any Ordinary Shares for a period of 12 months following Admission without first seeking to sell them through the Company's broker.

Words and expressions defined in the prospectus of CustomVis dated 2 July 2003 shall have the same meaning in this announcement unless the context otherwise requires.

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For the purposes of this press release Collins Stewart Limited, which is regulated by the Financial Services Authority, is acting exclusively for the Company and no one else in connection with the Placing and proposed Admission. If you require advice in relation to this press release you should contact your solicitor, accountant or other professional adviser under the Financial Services and Markets Act 2000.

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