18 May 2007

CustomVis

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	PE (x)	Yield (%)
06/05	0.2	(4.6)	(13.4)	0.0	N/A	N/A
06/06	0.1	(2.2)	(3.9)	0.0	N/A	N/A
06/07e	0.4	(1.6)	(2.1)	0.0	N/A	N/A
06/08e	2.0	(0.5)	(0.5)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items

Investment summary: Sales clarifying

Strengthening sales and excellent clinical results are validating the core investment case for CustomVis. Led by industry guru Dr Paul van Saarloos, CustomVis still has the only marketed solid-state laser with major advantages in clinical performance. Rising production will allow significant sales development into Europe. Acquisition is possible after US entry. Reported sales and profits are smoothed due to leasing.

Sales strengthen for unique product

At the interim stage, CustomVis had four confirmed orders and nine further orders being finalised. Sales are limited by supply availability but the company is confident of selling up to 13 units this FY and potentially over 36 next FY. European sales development is scheduled to start in May and expected to build through 2008. A grant of AU$2.3m for an R&D project will strengthen the lead and reduce costs.

2011 US market entry will open acquisition potential

CustomVis aims to start a two to three year US clinical trial around the New Year period. FDA approval, plus a by then substantial installed base, could make CustomVis an attractive acquisition target at a premium: potentially 33x earnings and 6x sales.

Leasing smoothes growth

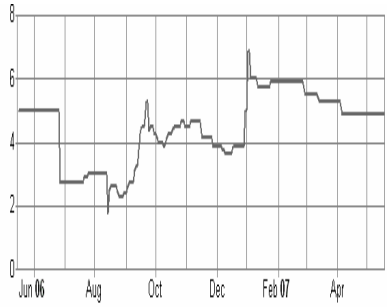
The company uses a leasing strategy to generate sales in its current third world markets. This smoothes underlying sales growth over two to three years and obscures profitability whilst impacting cash flow. To fuel high-growth rates, further funding in 2008 cannot be excluded.

Valuation: Leases obscure profits

On a traditional sales basis, the valuation could be c.£47m (P/E 15x) by FY end 30 June 2009, giving a discounted value (at 15%) of £34m today: 36p per share. However, on a leasing basis with a 3x sales multiple and an estimate of future lease payment values, the 2009 value is c. £20m, implying £9.6m today: 10p per share.

Price	4.57p
Market Cap	£5m

Share price graph



Share details

Code	CUS
Listing	AIM
Sector	Medical Devices
Shares in issue	95.3m

Price

52 week	High	Low
	6.59p	1.68p

Balance Sheet as at 30 Jun 2006

Debt/Equity (%)	N/A
NAV per share (p)	0.13
Net cash (£m)	1.2

Business

CustomVis designs, builds and sells innovative lasers for high-end custom eye surgery. Based in Australia, sales are mostly in Asia and emerging countries but the European market should develop from 2008.

Valuation

	2006	2007e	2008e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	0.1
ROE	N/A	N/A	N/A

Geography based on revenues

UK	Europe	US	Other
0%	0%	0%	100%

Analyst

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Investment summary: Sales clarifying

Company description: Solid technical leadership

CustomVis produces and sells the only solid-state laser surgical device, the Pulzar Z1, for correction of eyesight. Competitors use older technology which is less flexible and more costly. CustomVis has now proved the clinical case and is slowly gaining medical acceptance with growing sales — although all recent sales are outside the key US and European markets.

Valuation

The company is valued, firstly, as if all sales were cash only and, secondly, on the current lease strategy basis. This shows a large disparity: £34m non-leased (theory) vs. £9.6m leased (actual). On the direct cash sales model, cash flows for 2007, 2008 and 2009 have been used with a P/E multiple of 15 on projected 2009 profits as the terminal value. These cash flows are discounted at 15%. This gives a 2009 value of £47m, equal to £34m today. In our view, this should be regarded as the minimum target acquisition price.

On the actual lease business model, CustomVis will have high depreciation charges, a demanding cash flow profile that will need careful management and postponed revenues. It should be both profitable and cash generative by 2009. At the valuation point in 2009, CustomVis will have c.£6m of lease payments owed, which will generate cash flows over the subsequent two to three years. These have been taken into account with a 2009 NPV (at 5%) of £5.6m. In addition, a terminal value of three times sales gives a £14.7m value. Therefore, the projected 2009 value is over £19m. Taking cash flows into account, this gives an NPV (at 15%) of about £9.6 million: 10p per share. Leasing appears essential to sales development as other funding in current Asian and emerging markets may not be available. Islamic finance does not allow interest to be charged. More European sales may be on a cash basis as other funding is presumably available. Management could also factor leasing revenues once volume has risen in order to recoup working capital.

Sensitivities

- Prices vary; we assume an average of £125,000: ideally 25% on delivery, the remainder on a two to three year lease.
- Production rates and quality — three lasers per month is challenging, and doubling by 2009 adds further strain.
- Production costs: wages are written off so unclear; the gross margin is assumed to be around 40%. Opportunities exist to cut costs and an R&D project is running to do so.
- Enforcing lease payments in developing countries like Syria and Azerbaijan may be interesting although a credit control strategy is in place.
- Competition in Europe and the US could be much tougher but revenues might be higher.
- Gaining US regulatory approval will be costly and the timing is not guaranteed.

Financials

Rapid growth, high cost of goods and most sales revenue tied up in operating leases creates a heavy working capital requirement. Management believes the January 2007, £1.3m net funding is adequate, but further funding may be needed in 2008 if growth accelerates as hoped. Forecasts for 2007 and 2008 have been made.

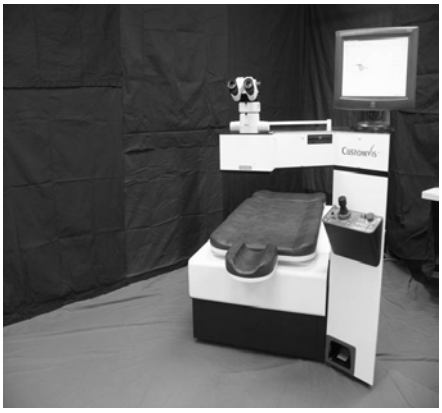
Company description: Solid market position

CustomVis was quoted based on technical advantages and these have been validated. No direct solid-state competitor has emerged and the company has an AU$2.3m grant contributing to its R&D programme to strengthen its lead and reduce production costs. The technical advantages are now resulting in strong growth, but sales are production limited. However, the leasing strategy implies smoothing of profits and a heavy working capital need.

Laser eye surgery: The CustomVis technical advantage

The CustomVis laser, the Pulzar Z1 uses solid-state technology to produce a high-energy, cool, ultraviolet beam of controlled laser light 0.6mm in diameter. Competing excimer lasers also produce high-energy light for eye surgery but these all work by exciting a mix of argon and (toxic) fluorine gases, require regular calibration and are noisy — like working next to a bus engine. The fluorine gas also corrodes the laser, requiring major spare parts every six to nine months. Gas supply outside Europe and the US can be problematic; fresh gas is required every day for operation.

By using solid state, CustomVis avoids the use of gases; the instrument is smaller, is easily maintained and has a fast start-up time. This offers a quiet working environment and lessens the need for technical support staff — a service every three months is recommended. It can also improve patient throughput for a busy surgical unit thereby generating more revenue per unit.



The surgical procedure undertaken is the ablation of tissue from the cornea – the transparent film and tissue at the front of the eye. The procedure is called laser *in situ* keratomileusis (LASIK).

Medical aspects: LASIK

Light passes through the cornea, which bends it into the lens, which then focuses it onto the retina at the back of the eye. By changing the thickness and smoothing the surface of the cornea, eyesight is improved to the 20/20 “perfect” standard. Removal of the thickness of less than the diameter of a hair may fully correct short sight. The procedure itself takes a few minutes. There are various surgical approaches and the Pulsar Z1 system is compatible with all modern surgical systems such as LASIK and the newer epi-LASIK.

The best results are achieved by custom measurement of the detailed topography of the cornea using an optical wavefront device. CustomVis signed a deal with Tracey Technologies Corp, a US manufacturer of vision analysis equipment, in 2005 for such an OEM wavefront system which interfaces data direct to the laser. Once mapped, the cutting program is calculated. To operate, the laser needs accurate positioning software indicating where to cut for the best results. The laser scans rapidly over the eye surface. The Pulzar Z1 has very fast scanning and response times, twice as fast as competitors. It can also track all six ways that the eye can move — the closest competitor is CustomVue with four ways.

Ultraviolet controversies

A minor debate has occurred as to whether the 213nm wavelength used by the Pulzar Z1 damages DNA and as a result might cause cancer. The argument is somewhat surreal in that DNA absorbs and is badly damaged at two ultraviolet wavelength peaks of 254nm and 185nm. The wavelength of excimer technology is 193nm, which is closer to the 185nm peak danger zone than the Pulzar Z1. In addition, both are high-energy, cool UV sources designed to remove tissue by very rapid, molecular tissue destruction. Practical experience and further experiment have not shown long-term UVC damage from either laser system

The excimer 193nm wavelength has disadvantages as it is absorbed 1,000 times more by water than 213nm. This means that the cutting depth of an excimer depends on the water in the tissue. Clinically, the surgeon may cut slightly too much (dry weather) or too little (wet weather), getting suboptimal results. The Pulzar Z1 has a reproducible cutting depth, giving more accuracy. To show this clinically will demand a large data set and a steady stream of results is being published.

Finally, 213nm shows less heating of tissue (as less is absorbed by water). For some applications, this is an advantage over 193nm.

The market

In the demanding US market, there are three FDA-approved custom LASIK systems: from VISX (AMO), Bausch & Lomb and Alcon. The precise range of conditions allowed for each varies. Current standards are set by the AMO Inc. (VISX) CustomVue system which claims clinical performance showing that 98% of patients gained at least 20/20 vision and 70% gained better than 20/20. All can drive (20/40) without glasses or contact lenses. Data indicates that the Pulsar Z1 could also gain such approval but a clinical trial for FDA approval will be needed, probably requiring 400 patients with a six-month follow-up; this will take two to three years to run and file for approval. To date, about 10,000 treatments have been done with the Pulzar Z1.

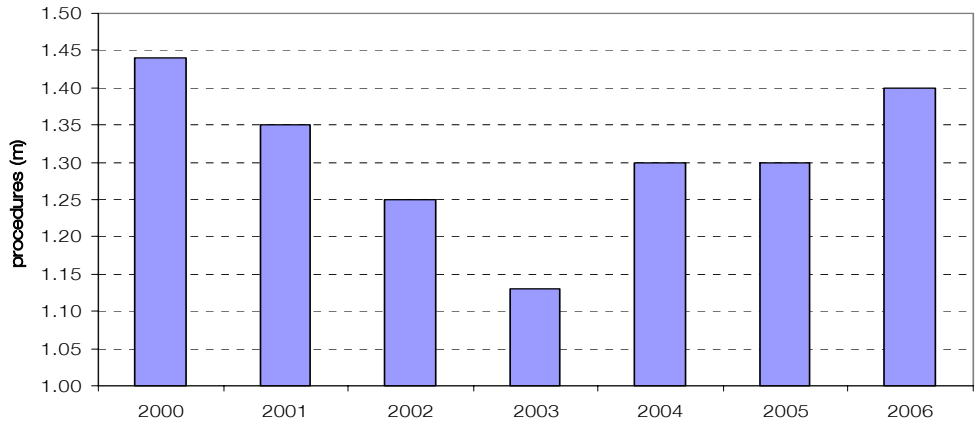
The US market (best data) has plateaued in the number of procedures (1.4m), although gentle growth has resumed. The world market is estimated at c.3.7m procedures and may grow to 4.9m by 2010. LASIK faces limited indirect competition from implanted lenses and from new radiowave technology (Conductive Keratoplasty, CK), mainly to correct baby boomer near sight weakness (presbyopia). CustomVis is developing a presbyopia procedure to compete with CK and increase LASIK demand.

AMO owns the CustomVue system (via the acquisition of VISX Inc for US$1.3bn in 2005) and has recently acquired Intralase, developer of a LASIK-related laser keratome technology, for US$808m. AMO claims 60% of the installed US base. There are technically strong German competitors, particularly Wavelight and Schwind. Bausch & Lomb is a strong player in the eye care market, claiming a majority world market share of procedures, but lasers are a relatively small business unit for it, with falling sales. Companies with older technology, such as Laserlight, have been squeezed from the US market.

The overall global installed laser base is c.6,000 units with a nominal replacement cycle of five years: 1,200 per year plus new sales growth. Owing to the reactive gas used, excimer lasers must be regularly replaced even if usage is low. Some 400 sales per year are in the US, with c.800 elsewhere. The market is estimated at c.US$370 million per year, 40% in the US. Hence,

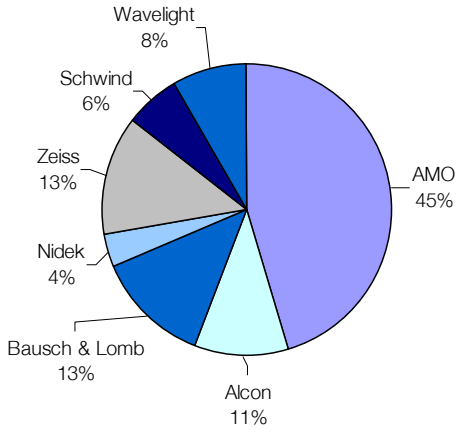
CustomVis sales of at least 60 units per year, as forecast for 2009, are not unreasonable, and a target of 100–200 should be achievable in the long term.

Exhibit 1: US LASIK eye procedures



Source: Market Scope

Exhibit 2: Estimated current market shares of LASIK Excimer and related equipment



Source: Company accounts, Edison estimates

CustomVis market development

CustomVis has recently focused on sales to Asian and emerging markets: 18 out of 20 sales or potential sales to date. Here, there are fewer barriers to the adoption of new technology and the solid-state, low-maintenance laser is ideal. Currently, sales are limited by production capacity, now building to three per month.

The next market will be Europe, where non–invasive medical devices already certified in Australia do not require new clinical studies. Sales will probably not be apparent until after June 2008, putting them into FY09. CustomVis also uses distributors to boost sales. We note, however, that a higher price will be needed to make money (as margins are cut by at least 25% via distributors).

An R&D programme costing c.AU$5m is being backed by a AU$2.3m Australian government grant. This will enable an improved design and reduced manufacturing costs. A US clinical trial could start late this calendar year and might cost c.US$2–3 million. US marketing is unlikely before 2011.

Patents

Lasersight holds a key US patent on the use of excimer technology for eye surgery. This is strictly enforced and royalties charged per use of up to US$250. AMO (via the VISX acquisition) has also built a substantial patent portfolio. As a solid-state product, the Pulzar Z1 is probably outside these patents; this could make CustomVis an attractive acquisition candidate.

CustomVis has three patents protecting solid-state lasers and has filed for two more. In addition, the CEO jointly holds other IP originally developed by another company (Q-Vis) that may be critical to CustomVis and will be assigned once the co-owner can be bought out.

An acquisition target?

The technology advantages are still present and this means that the company would be an attractive acquisition target once US regulatory approval (FDA) is obtained. Sales success in Europe in 2008 could also trigger acquisition interest. There are several German competitors, such as Wavelight and Schwind, which could drive the CustomVis technology into the US market.

However, all the major groups have established excimer platforms and sustaining technical innovation is still occurring. Any licensee or acquirer would need to be able to position solid-state as an addition to its range unless it came under serous threat from a new entrant. Laser sales at Bausch & Lomb seem to be slipping badly, so a new product line could fit there. Acquisition would need the CEO's agreement given his significant stake (9.3% directly plus control of a further 4.1%).

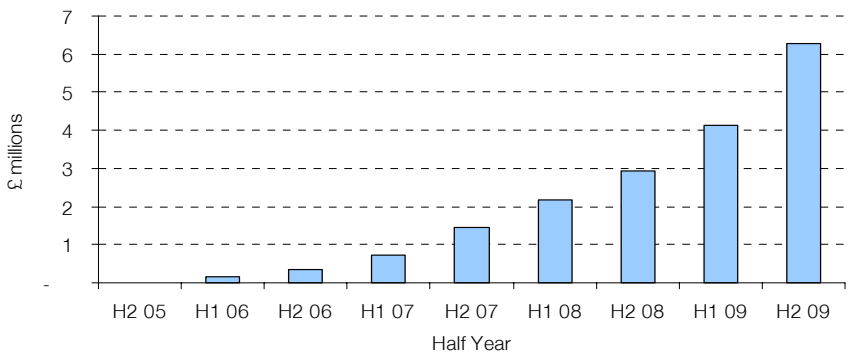
Leasing: Key to growth but requires capital

To gain sales in the early growth phases, CustomVis developed a leased strategy which allows medical users to fund the instruments as they earn revenues. The deposit, lease period, overall price and service costs are key variables. Ideally, the deposit is high, lease period low and additional service and per-use revenues can be earned.

Lease basis

Strong sales growth, driving for a c.10% market share, is likely to postpone significant revenues. By June 2009, over £6m could be due under leases (see Exhibit 3). These revenues are released over a two to three year period. The cumulative lease value also represents a working capital drain as this cash is not available.

Exhibit 3: Lease obligations due to CustomVis

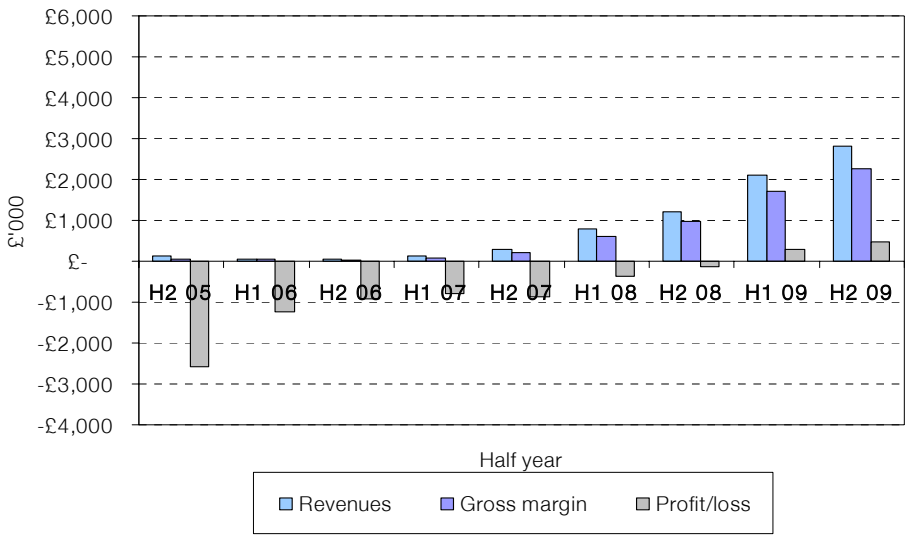


Source: Edison forecasts, CustomVis

Exhibits 4 and 5 compare the historic and forecast sales on the lease basis or if the accounts are stated on a cash sale basis.

High depreciation and lower immediate revenues mask profits to 2009 in the current model (see Exhibit 4 below). Cash flows (not shown) are under more strain as the cost of goods (which appears as capital expenditure on leased equipment) takes longer to recoup.

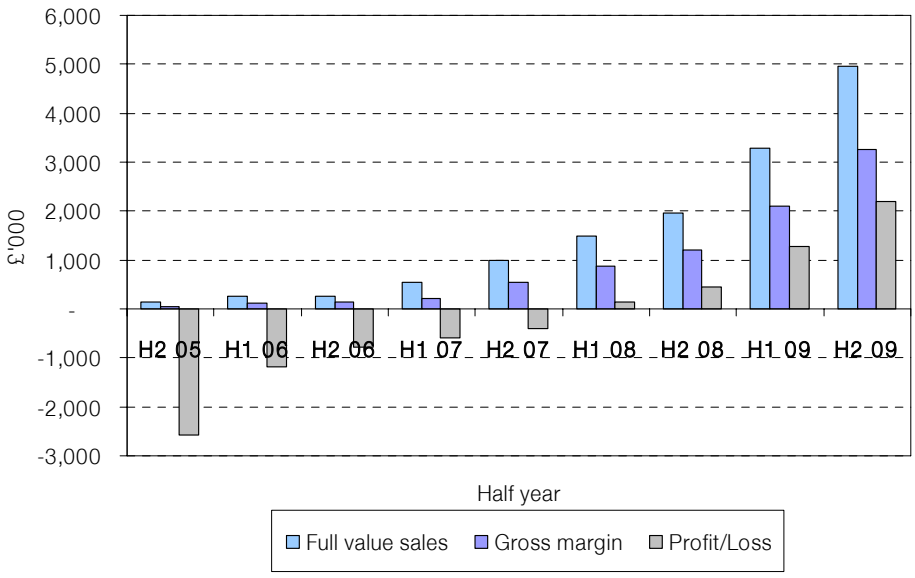
Exhibit 4: Revenues, margins and profit forecast using the leasing strategy



Source: Company accounts, Edison forecasts

In Exhibit 5, the same sales and administration figures have been used but depreciation is limited to manufacturing plant and IT, and there is a strong positive cash flow provided costs are controlled.

Exhibit 5: Revenues, margins and profit on a cash sales basis



Source: Company accounts, Edison forecasts

Sensitivities

The valuation is very sensitive to several factors. However, most of these are wholly or partly under management control.

Volumes and prices obtained

The company is driving an aggressive sale expansion to 72 per year by 2009. This may not be achieved and other technical issues could arise. Prices are believed to be around £110,000–£150,000 per system, including packaged additional OEM equipment, with an average sale estimated at £125,000 plus c.£7,000 delivery fees. Of this, ideally 25% is received as an up-front payment, usually on delivery, although much less may be agreed to close a sale. The remainder is paid on an operating lease basis, ideally over two years, but may be three or more. This creates forecasting uncertainty.

Production and cost of goods

CustomVis is lean, with c.30 staff at present. Producing three lasers per month will challenge the system and doubling this by 2009 will add further strain. Management resources may be thinly spread as the CEO is also the R&D director and a back-up sales person. Mukesh Jain is now the lead sales person and a key part of the senior team. He previously headed sales for Nidek and other excimer manufacturers. Hence, we assume a controlled rise in costs as staffing increases.

For leased lasers the COGS is booked as capital expenditure but it is a real cash item. Buying in larger quantities of OEM material, particularly the crystals needed to obtain the 213nm wavelength, should cut this by at least 25% by 2009. Labour costs are taken in the P&L but this obscures the true cost of goods. Margins are stated to be 40–50% with a 60–75% target by 2009. The COGS in the accounts only show the direct cost of Tracey wavefront equipment packaged with the laser (c.£11,000 per unit) plus shipping costs (passed to the customer).

Sales and service revenues

CustomVis currently sells in the less developed market sector. Competition in Europe and the US may be much tougher. Flat developed markets will not help. No licensing or OEM strategy appears to be in place. Margins need to be robust to allow a realistic distributor strategy as a good national distributor will demand c.25% markup to invest themselves in the brand.

As leased equipment, there is no service income at present. Servicing is every three months and the small and geographically widespread base implies high cost. A strong, profitable servicing revenue stream will develop as the lease period matures from 2008 onwards.

Bad debt risk

Although CustomVis retains title to leased lasers, enforcing bad debts in Azerbaijan, Syria and other such countries may be difficult. So far, no bad debts have appeared. The Pulsar Z1 is fitted with a "pay as you go" chip that, if not kept in credit, locks the laser. This functionality offers a possible fee per use business model. Regular servicing is critical to the doctors so bad debts are less likely.

US regulators

The FDA is notoriously pedantic and no clinical trial process in the US has a guaranteed success. The technical safety debate over 213nm vs. 193nm may appear arcane and unfair but could demand longer-term follow-up studies or long-term animal toxicity data.

Valuation

To value CustomVis, one needs to take account of the forecast sensitivities whist recognising the very strong, emerging sales story and proven technical superiority of the Pulzar Z1.

We have done this by comparing the leasing and cash forecasts as above. Sensitivities to the sales forecasts are managed by using a 15% discount rate and prudent terminal values. The discount rate reflects the reality that the product is physically produced, has now treated about 10,000 eyes and is with over 10 customers and a further number of opinion leaders. The procedure is also standard medical practice. The laser is also positioned towards higher-value custom treatments so should be less subject to competition from other medical procedures.

Valuation on lease basis

The valuation issue on the current strategy is how to recognise the sales growth and account for the current value of future profits. Standard terminal value methods like P/E ratio distort the picture as profits are taken in the future. Hence, we have used a sales multiple to 2009 and added in the NPV of the leased, post 2009, revenue stream (discounted at 5%). This gives a present value, discounted at 15%, of £9.6m: equal to 10p per share.

Valuation on cash basis

This is a more straightforward comparative valuation to demonstrate inherent value. It could be achieved by use of a finance partner, recognising that some form of finance package is needed for high value capital expense by customers. This model is much less capital intensive and indeed should be highly cash generative. A P/E multiple is more appropriate for a terminal value estimate and 15 has been used given that this is less then the potential growth rate. Discounting at 15% gives a theoretical value of £34m, which is 36p per share.

Acquisition value: £25m–£100m range

The recent acquisition of Intralase by AMO provides a benchmark value once CustomVis is formally established in the market. Intralase sold 204 lasers in 2006 and generated revenues of US$131.9m with net earnings of US$24.3m. The Intralase laser is used to prepare the eye for surgery with a laser such as the Pulsar Z1. This laser also occupies a unique technical position.

The acquisition price was US$808m: six times sales and 33 times net earnings. That could indicate a very speculative 2009 CustomVis acquisition value of £25m-30m on our lease based 2009 forecast. On a more appropriate recalculated cash sales basis, this could be in the £50m–£100m range.

The Intralase deal shows that a solid novel technology coupled with a strong sales base is very attractive to large medical device companies which are prepared to pay a premium.

Limited sales expectations in the price

The key variable is sales. The current share price is sustained if sales are assumed to build more slowly to only 26 lasers in 2009, compared with a target of 60. Hence, a significant amount of caution has been assumed in the current price, creating significant headroom for share price progression.

Financials

This section will review the sales process and its accounting treatment. A short narrative on the evolution of the business since the AIM admission in 2003 is also provided.

Treatment of leased sales

Lasers are ordered by customers with both a contract and a small deposit. Delivery currently takes up to three months. Ideally, customers pay a 25% deposit on delivery with the remainder in equal monthly or quarterly instalments over two years. Some leases are for three or more years. The deposit is also a matter of negotiation.

Once delivered, we assume that the capital cost of the laser, basically OEM equipment in the machine, is written from work in progress and stock accounts to the leased capital account as capital expenditure. This is straight line depreciated over the contract lifetime. Wage and admin costs are written off to the P&L.

Cost of goods in the P&L refers to the sale of Tracey wavefront equipment and the c.£7,000 delivery and installation charge, ideally paid by the customer also. These together will be c.£18,000 per laser installed.

Overall, the gross margin is believed to be over 50% and could increase to over 70% if planned cost reductions are achieved.

Company evolution

CustomVis gained an AIM quote in July 2003, raising £11.5m gross at a post-money value of £31.6m. At that time, the company had one development instrument and had treated six eyes. Although regulatory approval from the Australian authorities had been granted, subsequent changes were required to the instrument design. The board nonetheless took the decision to run as a full sales operation with c.70 people despite the need to re-engineer. This meant that sales did not start until January 2005, with one instrument shipped to South Korea. Major problems with purchased optical systems during FY06 then meant a prolonged delay in shipping units and required upgrades to existing sale and test systems. This problem was not resolved until June 2006, when the final design and specification was re-launched in Singapore.

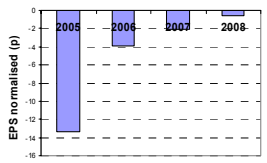
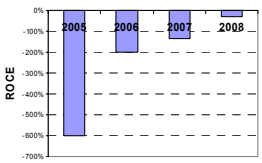
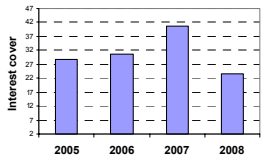
Sales from that date have been good. Two sales were made in June 2006 and a further four were achieved between July and December 2006. Currently, nine units await shipping dates.

The sales delay eroded the capital raised at IPO. Further funding rounds (gross) of £1.73m (at 5.75p) and £1.5m (at 5p) were undertaken in October 2005 and January 2007 respectively. Re-structuring was implemented in 2005, with annual losses reduced from c.£5 million in 2004 to c.£2m in 2006.

Exhibit 6: Financials

£'000	2005	2006	2007e	2008e
30-June	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS				
Revenue	**151**	**89**	**413**	**1,992**
Cost of Sales	(88)	(32)	(142)	(405)
Gross Profit	62	57	272	1,587
EBITDA	**(5,243)**	**(2,348)**	**(1,882)**	**(1,164)**
Operating Profit (before GW and except.)	**(4,804)**	**(2,229)**	**(1,689)**	**(526)**
Goodwill Amortisation	0	0	0	0
Exceptionals	0	0	0	0
Other	0	0	0	0
Operating Profit	**(4,804)**	**(2,229)**	**(1,689)**	**(526)**
Net Interest	166	73	42	22
Profit Before Tax (norm)	**(4,638)**	**(2,156)**	**(1,647)**	**(504)**
Profit Before Tax (FRS 3)	**(4,638)**	**(2,156)**	**(1,647)**	**(504)**
Tax	0.0	0.0	0.0	0.0
Profit After Tax (norm)	**(4,638)**	**(2,156)**	**(1,647)**	**(504)**
Profit After Tax (FRS 3)	**(4,638)**	**(2,156)**	**(1,647)**	**(504)**
Average Number of Shares Outstanding (m)	34.7	55.8	80.1	95.3
EPS - normalised (p)	(13.4)	(3.9)	(2.1)	(0.5)
EPS - FRS 3 (p)	(13.4)	(3.9)	(2.1)	(0.5)
Dividend per share (p)	0.0	0.0	0.0	0.0
Gross Margin (%)	41.3	63.7	65.7	79.7
EBITDA Margin (%)	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)	N/A	N/A	N/A	N/A
BALANCE SHEET				
Fixed Assets	**322**	**296**	**763**	**1,179**
Intangible Assets	0	0	0	0
Tangible Assets	322	296	763	1,179
Investment in associates	0	0	0	0
Current Assets	**3,186**	**2,255**	**1,996**	**1,440**
Stocks	1,042	946	988	1,426
Debtors	179	71	163	306
Cash	1,965	1,238	844	(293)
Current Liabilities	**(458)**	**(188)**	**(501)**	**(864)**
Creditors	(458)	(188)	(501)	(864)
Short term borrowings	0	0	0	0
Long Term Liabilities	**0**	**0**	**0**	**0**
Long term borrowings	0	0	0	0
Other long term liabilities	0	0	0	0
Net Assets	**3,050**	**2,363**	**2,258**	**1,755**
CASH FLOW				
Operating Cash Flow	**(3,618)**	**(2,179)**	**(1,298)**	**(108)**
Net Interest	166	73	42	22
Tax	0	0	0	0
Capex	(134)	(105)	(662)	(1,052)
Acquisitions/disposals	0	0	0	0
Financing	0	1,484	1,340	0
Dividends	0	0	0	0
Net Cash Flow	(3,586)	(727)	(578)	(1,137)
Opening net debt/(cash)	**(6,894)**	**(1,965)**	**(1,238)**	**(844)**
HP finance leases initiated	0	0	0	0
Other	(1,343)	0	185	0
Closing net debt/(cash)	**(1,965)**	**(1,238)**	**(844)**	**293**

Source: Company accounts/Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
			Litigation/regulatory	●
			Pensions	○
			Currency	◖
			Stock overhang	○
			Interest rates	○
			Oil/commodity prices	○

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 04-08e	N/A	ROCE 07e	N/A	Gearing 07e	N/A	Address:	
EPS CAGR 06-08e	N/A	Avg ROCE 04-08e	N/A	Interest cover 07e	40.6	P.O. BOX 518, Balcatta, Western Australia – 6914, AUSTRALIA	
EBITDA CAGR 04-08e	N/A	ROE 07e	N/A	CA/CL 07e	4.0		
EBITDA CAGR 06-08e	N/A	Gross margin 07e	65.7	Stock turn 07e	873	Phone	+61892734000
Sales CAGR 04-08e	287	Operating margin 07e	N/A	Debtor days 07e	144	Fax	+61892734044
Sales CAGR 06-08e	373	Gr mgn / Op mgn 07e	N/A	Creditor days 07e	443	www.customvis.com	

Principal shareholders	%
AXA Investment Managers UK	14.3
Aviva plc	14.2
Dr P van Saarloos	9.3
FMR Corp	8.8
First State Investment Managers	6.7
Shares controlled by Dr van Saarloos	4.2

Forthcoming announcements/catalysts	Date *
AGM	October
Trading update	July
Preliminary results	September
*Note: * = estimated*	

Management team

CEO: Dr Paul van Saarloos

Dr van Saarloos holds over 100 patents, has co-authored over 30 published scientific papers in the area of ophthalmic technology, and has commercialised numerous technologies. He also performs the roles of Chief Scientist and Research & Development manager.

CFO: Narinder Elhence

Narinder Elhence has held senior executive positions with leading blue chip companies in Australia and overseas in Finance, Information Technology and Business Advisory Services. He has extensive international experience. He was appointed CFO and Company Secretary in April 2007.

Chairman: Emanuel Rosen

Emanuel Rosen is the medical director of the Boots Opticians Eye Laser Service. Mr Rosen has over 35 years of experience in the medical field and is a member and past President of leading eye surgery societies. He is also the author and editor of a number of publications.