



OPTOS PLC

("Optos" or the "Company" or the "Group")

UPDATE ON VISION AND STRATEGIC APPROACH

LONDON, UK, 26 February 2009 – At today's Annual General Meeting of Optos plc (LSE: OPTS), a leading medical retinal imaging company, Roy Davis, Chief Executive Officer, will outline his vision and strategic approach for the next stage in the Company's development.

Following eight years of sustained double digit growth the Company is taking action to respond to the global economic downturn. Optos has invested to build an extensive installed base for its technology, with 3,811 devices installed with health care professionals under the Company's core pay-per-patient business model as at 31 December 2008. This provides an excellent position on which to focus on the Company's core optometry business whose vision is to be recognised as the leading provider of retinal diagnostics through leveraging its unique wide-field imaging technology.

To achieve this vision the Company will:

- Simplify and restructure the organisation based around global functions to focus on delivering outstanding customer service to optometrists and their patients;
- Improve asset utilisation in its installed base to strengthen its recurring revenue stream. This will include actions to increase usage levels and also the efficiency of billing and other administration, customer service and awareness, training and the implementation of new sales structures and incentives;
- Reduce reliance on revenues from capital sales of equipment;
- Deliver a customer value proposition for recessionary times;
- Demonstrate clinically that the **optomap®** Retinal Exam is a standard of care in wellness screening;
- Continue to develop its core technology platform, including a lower cost variant for smaller practices, and supporting software packages; and
- Selective international expansion.

The Company will expand into ophthalmology in a measured way. Devices will be placed with key opinion leaders to demonstrate the clinical efficacy of the technology and support clinical research publication. R&D projects will be prioritised to focus on short to medium term benefits, primarily benefiting the Company's existing customer base.

Market outlook

The global retinal diagnostic market is forecast to grow at 6.5% CAGR (Source: Market Scope) from \$464m in 2007 to \$635m by 2012 with fundus cameras (within which Optos is classified) predicted to be the main driver of growth with over 75% of the total market. In Optos's principal US market, optometry practitioners conduct approximately 85 million comprehensive eye examinations every year representing a significant opportunity for the Company to increase its share of the market. Optos's ultra wide-field imaging technology remains unique in this market and the Company is a leader in retinal imaging with a market share estimated at 17%.

Financial Outlook for 2009

As announced in the Company's IMS dated 28 January 2009, revenue growth in the first quarter of 2009 was 6% on the core pay-per-patient model and 4% overall. While the installed base grew by 14% versus the same period last year, the contract renewal rate declined resulting in a small net decrease in the installed base during the first quarter.

The focus on driving increases in revenue per site through improved asset utilisation in the hands of the best customers will initially be more than offset by the reduced focus on new installations and capital sales, resulting in pay-per-patient revenue expectations in the region of \$90 million. Customer contract renewals are expected to be greater than 80% for the full year. Installed base growth will be limited, reflecting the renewed focus on the Company's pay-per-patient business within the existing customer base. Free cash flow will show a significant improvement due to lower capital expenditure on new devices.

The Company continues to receive strong support from its current vendor finance partners who continue to fund new customer contracts at competitive rates. The Company is in discussion with several banks in order to further diversify its sources of capital through increasing its number of vendor finance partners as well as reviewing alternate ways to use debt to fund future growth. The Company remains comfortable with its ability to fund planned installations in the future either on a self-funding or vendor financing basis.

Commenting, Roy Davis, said,

"In the first three months since my appointment as CEO I have reviewed, assessed and identified the operational and strategic issues facing the business. I am confident that the steps we are taking to focus our business on our core optometry market and to simplify our organisation to deliver outstanding levels of customer service and support is the right course to take in the current climate."

"These steps mark the next stage in the development of Optos. To date we have invested to create a strong installed base and, given the changed economic climate, we now need to leverage that asset more effectively. I believe that through these actions we will build a strong, highly profitable business that is known for being the global leader in optometry. Over the longer term this will provide a platform from which to pursue other value creating ideas."

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Note to Editors

Optos plc is a leading medical retinal imaging company whose technology provides healthcare professionals with a digital, ultra wide-field scan of the retina, the light-sensitive area at the back of the eye. Optos' platform technology is the Panoramic200 Scanning Laser Ophthalmoscope device - known as the P200. In a quarter of a second the P200 device produces a high resolution image of up to 200 degrees or approximately 82 percent of the retina in a single capture. The image - branded the **optomap®** Retinal Exam - provides eye care practitioners with clinically useful information that facilitates the early detection of disorders and diseases evidenced in the retina, such as glaucoma, diabetic retinopathy and age-related macular degeneration. Retinal imaging can also indicate evidence of non-eye or systemic diseases such as diabetes, hypertension and certain cancers. Optos' technology provides an unequalled combination of wide-field retinal imaging, speed and convenience for both practitioner and patient and can help save sight and save lives. Optos is incorporated in Scotland under the Companies Act 1985 with registered number SC139953. The Company maintains its Registered Office at Queensferry House, Carnegie Business Campus, Dunfermline, Scotland KY11 8GR United Kingdom.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about its industry, its beliefs and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.