



ASX/MEDIA RELEASE

FY 08 Full Year Results – increased revenue by 21.5%

Wednesday, 20th August 2008: Leading Australian developer and manufacturer of prosthetic implants and medical devices, Advanced Surgical Design & Manufacture Limited (ASX:AMT) announced today its 2008 financial year results.

Result highlights include:

Revenue of \$7.1m (2007: \$5.8m) up 21.5% (Prospectus \$7.2m) - strong core sales unit growth and pricing increases across most product lines have resulted in a strong sales growth performance. Establishment of a sales and clinical presence in the UK and Victoria has assisted in a stronger second half sales performance.

EBITDA of \$0.9m (2007: \$0.54m) up 68.5% (Prospectus \$0.9m) - reflected regimented cost control and increases in efficiency of the manufacturing process, while continuing to build our capacity.

NPAT of \$0.2m (2007: (\$0.4M)) up 142.9% (Prospectus \$0.2m) - improved EBITDA/revenue ratio of 12.9% (FY07 9.3%). This result was after the expensing of all research and development expenses and share based payments.

Earnings per share was 0.54 cents per share, a 134% increase over FY07.

“After 14 years of growth ASDM has had another successful year of innovation, consolidation and improvement in results. ASDM is committed to bringing an improvement to patients’ lives through the successful commercialisation of innovative medical devices using leading edge technology combined with world’s best practice in design and manufacture.”, said ASDM Chief Executive Officer Dr Greg Roger.

Key achievements during the financial year ended 30 June 2008 include;

- Successfully listing on the Australian Securities Exchange, raising \$1.8m in capital
- Reducing debt – approximately \$3M.
- Continued trials of the efficacy of the Peripheral Access Device.
- Significant investment in developing new markets locally and globally by establishing a clinical team in the UK and further developing our local sales force with an appointment in Victoria of an experienced sales agent.
- Licensing our scientifically tested and successfully commercialised “Polishing Technology” used for joint replacement components to a US based multinational orthopaedic group
- Maintaining a strong positive operating cash flow position

The current year has seen a period of strategic consolidation and positioning by the company. It has enabled us to prepare for the next step in our development as Australia’s premier orthopaedic group.

We continue to progress as was outlined in the Prospectus by:

- developing and manufacturing our own instrument sets for joint replacements, a key requirement for future sales growth and with long lead times, which will further enhance our marketing and sales capability
- continued new product development – Peripheral Access Device and others; and
- protecting and licensing our intellectual property.

ENDS

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ABOUT ADVANCED SURGICAL

Advanced Surgical designs and manufactures medical devices. Its principal product is the Active Knee, a prosthetic implant of which more than 4,000 have been implanted. This product is supported by a range of Orthopaedic accessories and surgical tools and other Orthopaedic products.

Advanced Surgical provides a highly effective integrated service to surgeons building on its strengths in design and engineering. Core capabilities that underpin this service are integrated design and engineering, regulatory/compliance competency, manufacturing, distribution and customer service.

The company has built an extensive patent and product development portfolio through collaborative research relationships with universities, companies and surgeon inventors that extends beyond orthopaedics. These collaborations are yielding promising projects in several specialities with strong prospects for commercialisation over the next few years.

For more information, please visit www.asdm.com.au

