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ASX/MEDIA RELEASE

Portland denies Hip Cup Patent Infringement

Portland Orthopaedics Limited (Company) (ASX: PLD), a leading Australian developer and manufacturer of joint replacement implants with a growing presence in the Australian and US Market, advises that despite assertion to the contrary, it is **NOT** in negotiations with Advanced Surgical Design & Manufacture Limited (ASX:AMT) regarding an alleged patent infringement claim.

AMT has recently, alleged that PLD is infringing one or two of AMT's patents.

Despite the difficulty in securing the exact detail of AMT's claim, PLD has provided information to assist AMT to reach a conclusion of non-infringement.

PLD maintains a strong position that the Equator +™ Acetabular Cup System does not infringe either of AMT's hip cup patents. PLD has spent considerable time and resources with its US Patent Attorneys analysing the matter, including seeking second and independent opinions, and it strenuously maintains that there is no infringement. **Consequently the Directors of PLD regard AMT's claims without substance or merit.**

The Equator+™ Acetabular Cup System is one of PLD's advanced technology products in the area of hip joint replacement. PLD's technology is helping Orthopaedic Surgeons enable better patient outcomes through use of its modular designs. The Equator+™ Acetabular Cup System is covered by a Provisional Patent Application which was first lodged in April 2001 and published as an International Patent Application in November 2002 in the US, Europe, Canada, Japan, Australia and New Zealand.

For further information please contact:

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About Portland Orthopaedics: Listed on the ASX in December 2005, Portland (ASX:PLD) is a developer and manufacturer of specialist hip replacements. With a focus on modular and clinically differentiated prostheses, Portland has developed a unique, high technology Hip Replacement range aimed at increasing implant longevity. Based in Sydney, Australia, Portland employs 28 people in the design and development of its products. Portland has regulatory approval to sell a range of primary and revision hip replacement products in the US, Europe, Australia and New Zealand. Its core technologies are protected and future applications are primarily aimed at Hip and Knee prostheses.