



**Company Announcements
Australian Stock Exchange Limited**

By electronic transmission

20 December 2007

Dear Sir

CHAIRMAN'S ADDRESS AND CEO REPORT TO ANNUAL GENERAL MEETING

Attached is a copy of the Chairman's Address together with the Chief Executive Officer's Report to be made to shareholders at the Company's Annual General Meeting today.

Yours faithfully

**RICHARD ULRICK
COMPANY SECRETARY**



ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED
2007 Annual General Meeting
Chairman's Address

Welcome to the first Annual General Meeting of the listed company, Advanced Surgical Design and Manufacture Limited.

ASDM has a long history of bringing innovation in medical devices to the Australian Public and the world. The listing of ASDM on the ASX gives us the potential to broaden the extent of our delivery of these devices, both in terms of the range of products and our geographic reach.

Through 2007 we have grown the sales revenue of our total knee replacement as well as the range of other medical devices we provide. In addition we have made solid progress with the vascular surgery clinical trial commenced in July 2006.

ASDM is a company positioned to provide design, engineering, research and commercialisation skills in the medical device field and we look forward to delivering upon this mission statement into 2008.

On behalf of you, our shareholders, I congratulate our management and staff on their efforts to grow the company to this level and wish them well for the coming year.

Peter Kazacos
Chairman
20 December 2007



ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED
2007 Annual General Meeting
Chief Executive Officer's Report

Ladies and Gentlemen: It has been just over two weeks since the successful listing of ASDM on the Australian Stock Exchange. While the strong interest in our stock reflects management's positive views of ASDM's future, not a great deal has changed since the issuing of the Prospectus, which remains available here and on our website.

I would, however, like to take this opportunity to highlight a couple of aspects of ASDM's operations to perhaps deepen your understanding of the way we work and our future potential.

As our Chairman Peter Kazacos has mentioned, ASDM has a long history of bringing innovation in medical devices to the Australian Public and the world. Through this process, over the years, ASDM and its personnel have learnt a great deal about the engineering, manufacturing, regulatory and marketing aspects of Medical Device development. We aim to utilise and leverage these skill sets to bring more devices to market, devices originating from within ASDM and also coming from innovative surgeons and inventors throughout Australia.

Two examples will serve to highlight how this works in practice. Firstly, our Active Total Knee Replacement, the first of which was implanted in 1992, has undergone a number of upgrades of instrumentation and appearance, while still keeping the core kinematics and fixation. The process of instrumentation improvement is a long one, with frequent and iterative consultation with designing surgeons. This has allowed ASDM to market a knee with more than 15 years successful track record, with published results of the first 1,000 implanted being amongst the best in the world literature and with features and technologies incorporated in the implants that are at the leading edge of current knee replacements.

Secondly, ASDM is currently managing the Clinical Trial of the Peripheral Access Device, or PAD, developed with AllVascular Pty Limited, and the implementation, through the PAD, of the Hyper-perfusion Treatment pioneered by Dr Rod Lane. This treatment aims to restore circulation to legs afflicted with peripheral vascular disease, commonly the result of smoking and/or diabetes. Approximately 340,000 legs are amputated each year in the Western world due to this pathology. This Clinical Trial is extremely exciting for ASDM to be a part of and a successful outcome could affect the lives of hundreds of thousands of people each year. ASDM personnel are involved during the surgery, during the in hospital treatment and in collating the Clinical Evidence data from this trial.

Currently, the Clinical Trial has less than half the patients we believe will be required to satisfy the Regulatory Authorities and allow the device to be CE Marked and sold into Australia and Europe in the first instance. We are however working with AllVascular to complete this trial as soon as practicable.

Finally, the management and staff of ASDM would like to thank the shareholders of ASDM for their support and the Board for its unfailing support and wise guidance over the past years.

Greg Roger
Chief Executive Officer
20 December 2007