



2009 Annual General Meeting Chairman's Address

Ladies and Gentlemen: Welcome to the 2009 AGM of ASDM. The past year has been one of challenging market conditions, with many Australian Biotech companies suffering. ASDM has maintained a strong financial position, expanded into new markets and continued with the development of its exciting new product portfolio.

Before I hand over to our CEO, Greg Roger to expand on ASDM performance, I would like to make the following key points:

1. ASDM's orthopaedic business continues to grow and we generate positive cash flow from this side of the business.
2. ASDM has a strong potential upside with its innovative new product pipeline, most particularly the PAD.
3. ASDM has shown its ability to continue to invest in R&D from its operating cash flow and from time to time its cash reserves.
4. ASDM's management team has proven its strength over the past two years managing a very difficult operating environment. ASDM continues with both short and long term incentives for its management team and these incentives are only triggered when a combination of EBITDA and share price success is achieved.

The Board and Management of ASDM remain confident that all of our shareholdings remain an excellent medium and long term investment. On behalf of you, our shareholders, I thank our management and staff for their efforts in this past year.

Peter Kazacos

Chairman

26 November, 2009