



ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED

2008 Annual General Meeting

Chairman's Address

Ladies and Gentlemen: Welcome to the 2008 AGM of ASDM. In a year of challenging market conditions ASDM has been able to maintain a strong financial position while expanding into new markets both locally and internationally. Our CEO, Dr Greg Roger, shortly will elaborate on this in his report.

Before I hand over to Greg I would like to leave you with the following key facts:

1. ASDM continues to generate profits from its traditional orthopaedic devices business. This business is growing.
2. ASDM also has potential strong business upside in its new products. The first new key product is the PAD.
3. ASDM has the ability to invest in R&D from its existing cash flow.
4. ASDM has cash reserves which it will use as required to grow its traditional and new product business.
5. ASDM has a strong management team to take the company forward into the future.

ASDM is working towards continued growth and profit and it is not until the 2007-2008 EBITDA is exceeded that any CEO incentive is triggered.

It is for these reasons that I feel confident that all of our shareholdings in ASDM remain an excellent medium to long term investment.

Finally, on behalf of you, our shareholders, I thank our management and staff on their efforts.

Peter Kazacos

Chairman

12 November 2008