



ASX/MEDIA RELEASE

Wednesday 29th October 2008: The following is a summary of recent Peripheral Access Device (PAD) commercialisation initiatives being undertaken by ASDM.

Highlights

- **PAD presented at iLegx conference in London**
- **First European PAD case, successful as expected**
- **ASDM proceeding with commercialisation plans**

PAD presented at iLegx conference in London

Recently, over 25th-26th October 2008, an inaugural Interdisciplinary Leg Summit (iLegx) conference was held at Imperial College, London. This conference was dedicated to the reduction of the amount of leg amputations being performed worldwide. The conference was attended by leading surgeons and researchers in this field.

ASDM featured prominently, with a stand demonstrating the Peripheral Access Device (PAD) technology and the hyperperfusion treatment.

At the iLegx Conference, ASDM was represented by Dr. Greg Roger and Engineering and Sales staff. Interest in the PAD was very strong and ASDM fielded enquiries from surgeons from the UK and across Europe.

First European PAD case successful

The first PAD clinical case outside of Australia has successfully demonstrated the effectiveness of the treatment. This case was performed in Frankfurt last week by Professor Thomas Schmitz-Rixen, a leading investigator in the field of neo-vascularisation.

Prior to commencement of treatment, the patient had already lost part of his foot to peripheral vascular disease. Following the PAD hyperfusion, limb circulation is presently improving as expected.

ASDM proceeding with commercialisation plans

ASDM's trials of the PAD are continuing in Australian and, now, overseas centres.

Recently, the PAD was also presented in the on-line edition of the prestigious Journal of Vascular Surgery. Dr Rod Lane, the inventor of this treatment, was the lead author on this paper.

Anticipating that these trials will provide convincing clinical evidence of the efficacy of the device, ASDM is preparing to progressively commercialise the PAD across the world. This puts ASDM on course in its plan to roll out the PAD technology through selected centres of excellence in each country.

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ABOUT DIABETES AND LIMB AMPUTATIONS

The WHO has recognised that there is a global “epidemic of obesity” and the prevalence of type 2 diabetes is rising in parallel. Studies from the UK suggest a prevalence of diagnosed diabetes of about 7% for adult men and 5% for adult woman by the year 2010. Increasing numbers of the elderly in the population will lead to a corresponding increase in numbers of patients with leg/foot tissue loss, as the highest prevalence occurs in the most elderly.

Amputation is one of the most feared complications. The impact on the patient's life is immense and survival is bleak, with a 2-year mortality of up to 50%. There is an urgent need to reduce amputation rates, which vary considerably globally and nationally.

Already the number of leg amputations among 65+ years old patients has nearly doubled since 1997. They have warned that a relentless increase in lower limb amputations is likely, due to changes in demography and increased risks of concurrent chronic illnesses like diabetes.

ASDM estimates that currently about 370,000 limb amputations are performed annually in the Western world.

ABOUT THE PERIPHERAL ACCESS DEVICE

Advanced Surgical has the exclusive worldwide manufacturing rights to the Peripheral Access Device (PAD), which aims to improve the lives of patients suffering vascular insufficiency, or Peripheral Vascular Disease (PVD).

The PAD was designed and engineered by ASDM in collaboration with the surgeon inventor, Dr Rod Lane of AllVascular Pty Limited. The PAD enables the delivery of a unique treatment, developed by Dr Lane, in affected patients. ASDM worked with Dr. Lane in developing the device through bench testing, animal testing and now human trials.

The PAD promises to dramatically improve the chances of avoiding amputation in patients suffering vascular insufficiency, which typically arises as a result of diabetes or smoking. This treatment is novel and is particularly suited for patients with the advanced stage of the disease.

The key to this device is its ability to access the patient's principal arteries, intermittently, with the device remaining implanted until after the course of treatments is complete. Between treatment sessions the device is sealed and it is envisaged that the patient will be able to stay at home.

ABOUT ASDM

Advanced Surgical designs and manufactures medical devices. Its principal product is the Active Knee, a prosthetic implant of which more than 3,000 have been implanted including 600+ in 2007. 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.