



4TH QUARTER 2008 INVESTOR UPDATE

21 April 2008

Dear Investor,

This newsletter is to ensure that all shareholders are kept informed of developments at ASDM Limited. While we regularly announce news on the ASX site, not all shareholders have access to this on a regular basis. We will be providing this summary newsletter each quarter henceforth.

Since listing on December 5th, 2007, ASDM has followed its intended program of organic growth in Orthopaedic sales, continued basic and applied research and assisting with the clinical trial for the PAD device used in vascular surgery. In addition ASDM has been represented at a number of meetings with the TGA and through AusBiotech has contributed to the Innovation Review currently underway with the Federal Government.

ASDM's CEO has presented at Conferences on Regulatory Standards in Australia, AusBiotech's Meeting in Adelaide on Developing Trends in Business Development, the Association of International Vascular Surgeons in France and Sydney University's Bio-Engineering Meeting.

The Clinical Trial with the PAD Device, used to save limbs threatened with amputation from gangrene, is progressing well. The tenth device implanted was announced in January of this year and a number of patients successfully treated since. These early results were presented at the Association of International Vascular Surgeon's annual scientific meeting in March of this year. As a result there has been strong interest from a number of centres in the US and Europe, to broaden the trial internationally.

Cardiac surgeons have also expressed interest in utilising the PAD as part of the cardiac bypass required for open heart surgery. We hope to commence these trials in the near future.

As announced last month, ASDM has signed a Memorandum of Understanding for the licensing of its proprietary polishing technology, used for joint replacement components, to a US Based multi-national company. In addition to the anticipated revenue stream this will provide the promotion of this technology and market awareness of its benefits will be greatly enhanced.

ASDM has appointed sales staff in Victoria and the United Kingdom this year to support its continued growth in sales and to allow the distribution of its new products as well. The Clavicle Pin is now in broader use in Australia and the Carpal plate was presented at the specialty hand meeting in March. ASDM's new product pipeline has a number of other developments still in the prototype or research phase, ensuring new products in the coming years.

The Excellence in Biotechnology Investment Forum, to be held April 21st, has listed ASDM as a finalist in their "Biotech Debut of the Year" Award. Inclusion as a finalist is an honour indeed, with the result being announced on April 21st at the Gala dinner.

We thank you again for your support of ASDM. If you have any further questions about ASDM and its progress please feel free to email me at

greg@asdm.com.au or telephone on 02 9439 4448.

Alternatively visit us at our re-launched website www.asdm.com.au.

Please forward your email address to us so we can provide this sort of update electronically to as many people as possible.



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ABOUT ADVANCED SURGICAL DESIGN AND MANUFACTURE

ASDM 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.

ASDM 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.

For more information, please visit www.asdm.com.au

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