



ASX/MEDIA RELEASE

ASDM Business Update

Tuesday, 1st October 2008: The following provides an update on the initiatives currently being undertaken by ASDM

First Total Knee Patients in United Kingdom

Following its appointment of direct UK sales agents earlier in the year, ASDM is pleased to announce that the first bookings for the Active Knee in UK patients have been made. Patients are to be treated in both private and public (NHS) hospitals.

This represents the first stage of ASDM's expansion into Europe for its orthopaedic range of products. ASDM is currently evaluating the appointment of distributors in other European countries.

First PAD surgeons trained for Australia and Europe

Initial steps towards commercialisation of the Peripheral Access Device (PAD) have commenced with training of surgeons from around Australia and Europe. This follows receipt of expressions of interest from practising vascular surgeons.

Interest in this life saving technology has been heightened since the publication of the use of the PAD in hyperperfusion of limbs threatened with amputation in the on-line edition of the prestigious Journal of Vascular Surgery. Dr Rod Lane, the inventor of this treatment, is the lead author on this paper. So far, the results of the trials have been very impressive and we expect this program to conclude by the end of this calendar year.

Anticipating that these trials will provide convincing clinical evidence of the efficacy of the device, ASDM is preparing to progressively commercialise the PAD globally. We estimate that about 370,000 limb amputations are performed annually in the Western world.

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.

Contact Details:

Dr Greg Roger
CEO

Advanced Surgical Design
& Manufacture Limited

T: 61 2 9439 4448

www.asdm.com.au

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

This treatment is novel and meets a need, particularly for those with the advanced stage of the disease. The key to this device is the ability to access the patient's arteries at large diameter, 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 ADVANCED SURGICAL

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.