



ASX/MEDIA RELEASE

Results for the half-year to 31 December 2007

SYDNEY 22 February 2008: Leading Australian developer and manufacturer of prosthetic implants and medical devices, Advanced Surgical Design and Manufacture Limited ("ASDM") (ASX: AMT) is pleased to announce its maiden result since successfully listing on the ASX in December 2007.

The highlights for the period

- Successful listing on ASX raising \$1.9m
- 14.7% gain in sales revenue to \$2.7m
- 23% reduction in loss after tax
- Operating cash flow positive
- 10th PAD trial announcement

Total revenue from continuing operations during the half year was \$2.7m (2006 half-year: \$2.3m) representing an increase of 14.7%. This growth was achieved through a mixture of pricing and volume gains. ASDM has a number of revenue streams which it is continuing to develop, including direct product sales as well as design and value added engineering and manufacturing services. The half-year has also seen the development of key initiatives in sales and marketing which are expected to crystallise in the period to June 2008. Typically, the company achieves a larger percentage of annual sales revenue in the second half of the financial year and the recent addition of sales staff in the UK, Victoria and Tasmania serves to underpin this trend.

The loss after tax for the period of \$0.26 million was a 23% reduction on the same period last year and was inclusive of a pre-tax share based payments expense of \$0.2m. A feature of the half-year was that the company's operating cash flow was positive for the period.

A key achievement during the period was the tenth Peripheral Access Device (PAD) implant in a patient in Sydney by Dr Lane of AllVascular Pty Limited, the developers of the hyperperfusion treatment for vascular disease. The device is exclusively designed and manufactured by ASDM. This program is part of the ongoing clinical trial in vascular surgery treating patients with gangrene as a result of peripheral arterial disease. This is a late stage treatment where there is no other alternative but limb amputation. ASDM is of the opinion that this is a groundbreaking treatment with a substantial global need and the clinical program is seeking to prove its efficacy against this background.

ASDM CEO, Dr Greg Roger said, "This is a very pleasing result given the undertaking of the IPO and the typical seasonality in the company's results. Management is confident of achieving its prospectus forecast for 2007-08."

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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