



ASX/MEDIA RELEASE

NEW DISTRIBUTION AGREEMENT FOR SUBSTANTIAL GROWTH IN SALES AND PROFIT

- ASDM signs major distribution agreement with Permedica to deliver a full range of implantable orthopaedic devices
- The Australian total hip and knee market alone is estimated to be in excess of \$400m annually
- New product range will leverage ASDM's well established sales and marketing resources in Australia

SYDNEY 20 OCTOBER, 2010 - Australian medical device company, Advanced Surgical Design and Manufacture Limited (ASDM) (ASX: AMT), today announced that it had entered into a major and strategic agreement with European orthopaedic group Permedica S.p.A. The exclusive agreement will enable ASDM to sell a broad range of implantable orthopaedic devices into a greatly expanded market in Australia.

The combined hip and knee market in Australia is estimated to be in excess of \$400m annually.

The new product range will leverage ASDM's well established sales and marketing resources.

The Permedica product lines include hip replacements of established design and clinical history. Importantly, these products will complement ASDM's Active Knee which itself has more than 18 years of excellent clinical results.

Early revenues are expected in the 2011 financial year following Australian regulatory approval to sell the Permedica devices.

ASDM's Active artificial knee will continue to be a major source of revenue for the company and is experiencing increase in revenues for the company for the current financial year.

Dr Greg Roger, ASDM's CEO and Managing Director said "We are absolutely committed to growing both sales and bottom line profitability. The Permedica transaction is an exciting opportunity for ASDM. We have a well established reputation in the community and a great sales and marketing team. Our relationship with Permedica will enable ASDM to capitalise on our core strengths by profitably selling a much larger product range."

Mr Marco Perego of Permedica said "This exclusive relationship with ASDM is extremely important to us. We're very keen to see this as a highly successful venture and will be actively engaged in supporting ASDM at all stages."

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ABOUT ADVANCED SURGICAL DESIGN AND MANUFACTURE

ASDM designs, manufactures and distributes medical devices. Its principal product is the Active Knee, a prosthetic implant of which more than 4,500 have been implanted. 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

ABOUT PERMEDICA SpA

Founded in 1986 as a medical supplies distributor, today Permedica S.p.A. has become a leading provider of orthopaedic surgical products.

Located in Merate near the hills of the Brianza district of Northern Italy, Permedica occupies one of the largest and most modern production facilities in Europe, dedicated to promoting continuous growth and innovation within the orthopaedic sector. Talented young engineers and technicians enable Permedica to respond rapidly to market changes and requirements within the orthopaedic and dental community.

Commitments to excellence in research & development, manufacturing and marketing of leading edge joint arthroplasty products are the basis for the company's continuous expansion. Permedica S.p.A. has as its principal Mission in the designing, development, manufacturing and distribution of superior products and services to our customers. Quality, price and service are key elements that guarantee our company's dedication to constant improvement.

