

ASX/MEDIA RELEASE

Signs Transitional Services Agreement with Orthofix

<u>SYDNEY 7 AUGUST, 2013</u> – Australia's largest manufacturer of orthopaedic devices, Advanced Surgical Design and Manufacture Limited (ASDM) (ASX: AMT), today announced the execution of a 12 month Transitional Services Agreement "TSA" with Orthofix Inc's subsidiary, Orthofix Australia Pty Ltd.

Under the TSA, ASDM will provide distribution services as Orthofix Australia develops a direct sales force. As a result of the new arrangements, the existing spinal business held by ASDM has been acquired by Orthofix Australia.

This transaction continues ASDM's focus of strengthening the balance sheet and allows ASDM to focus on its orthopaedic product range in delivering sales growth and profitability.

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ABOUT ADVANCED SURGICAL DESIGN AND MANUFACTURE

ASDM is Australia's largest manufacturer of orthopaedic devices. Our focus is to deliver responsive customer service through our extensive capabilities. Our goal is to build a strong and profitable medical company.

Our principal product is the Active Total Knee, which has significantly improved the quality of life for approximately 8,000 people globally.

We also exclusively distribute Small Bone Innovations and Arthrosurface Inc implantable orthopaedic devices.

The company continues to build upon its extensive patent and product development portfolio. We have extensive research relationships with universities, companies and surgeon inventors. Our partnerships are building innovative products which will deliver significant shareholder wealth.



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