



ASX/MEDIA RELEASE

Non-Renounceable Pro Rata Rights Issue to raise approximately \$1.5m

SYDNEY 22 FEBRUARY, 2013 – Australia's largest manufacturer of orthopaedic devices, Advanced Surgical Design and Manufacture Limited (ASDM) (ASX: AMT), today announced details of the foreshadowed Rights Issue.

The Rights Issue will be made to Eligible Shareholders at an issue price of \$0.11 per share on the basis of 1 New Share for every 3 Shares held on the Record Date (7 pm, 4 March 2013). The Rights Issue is not underwritten.

Eligible Shareholders will also be able to apply for additional New Shares at the same price.

The Rights Issue price is the same price paid in a placement of 15% of the Company's issued capital announced to the ASX on 18 February 2013.

The proceeds of the Rights Issue will be directed to the following:

| Use of Funds | Amount |
|---------------------------|---------------|
| | |
| Working capital | \$0.7m |
| Sales channel development | \$0.7m |
| Costs of the Offer | \$0.1m |
| | |
| Total Proceeds | \$1.5m |

An Offer Document setting out more fully the details of the issue will be lodged with the Australian Securities Exchange later today in accordance with the annexed Rights Issue timetable.

Contact Details: Company

Mr Peter Kazacos – Chairman
Advanced Surgical Design & Manufacture Limited
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Rights Issue Timetable

| Event | Date |
|--|------------------------------------|
| Announcement of Rights Issue, 708AA cleansing notice, Offer Document and Appendix 3B lodged with ASX | Friday, 22nd February 2013 |
| Notice to Shareholders containing information required by Appendix 3B | Monday, 25th February 2013 |
| Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue | Tuesday, 26th February 2013 |
| Record Date – the date for determining entitlements of Shareholders to participate in the Rights Issue | 7.00 p.m., Monday, 4th March 2013 |
| Despatch of Offer Document and Entitlement and Acceptance Form to Eligible Shareholders | Friday, 8th March 2013 |
| Rights Issue opens for acceptances | Monday, 11th March 2013 |
| Closing Date-Offer closes | 5.00 p.m., Monday, 25th March 2013 |
| Rights Issue Securities quoted on a deferred settlement basis | Tuesday, 26th March 2013 |
| Shortfall notification to ASX | Thursday, 28th March 2013 |
| Allotment of New Shares | Tuesday, 2nd April 2013 |
| Despatch of Certificates to Shareholders | Wednesday, 3rd April 2013 |
| Normal trading of New Shares issued under the Rights Issue expected to commence on ASX | Thursday, 4th April 2013 |

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 large and highly profitable medical company.

Our principal product is the Active Total Knee, which has significantly improved the quality of life for 7,500 people globally.

We also exclusively distribute Small Bone Innovations, Orthofix Spinal Implants, SpineGuard and ArthroSurface Inc implantable orthopaedic devices, accessories and surgical instruments.

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.