PORTLAND ORTHOPAEDICS

28th August, 2008

Company Announcements Office
Australian Securities Exchange Limited
Level 6
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

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In accordance with the Listing Rules, the following is the Preliminary Final Report of the Company for the Financial Year ended 30th June, 2008.

Yours faithfully,
For and on behalf of Portland Orthopaedics Limited

R. P. Gregson

Richard Gregson
Company Secretary

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PORTLAND ORTHOPAEDICS

Preliminary Final Report

Of

Portland Orthopaedics Limited

for the Financial Year Ended 30 June 2008

ABN 92 086 839 992

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

Current reporting period: Financial Year Ended 30 June 2008

Previous reporting period: Financial Year Ended 30 June 2007

Preliminary un-audited results for the financial year ended 30 June 2008

Sydney, 29 August, 2008 – Portland Orthopaedics Limited (ASX:PLD) announces a preliminary unaudited EBITDA loss before One-off expenses of $4.1m for the year ending 30 June 2008 (FY08). This is similar to that of the prior year (FY07) despite a drop in revenue associated with the termination of the company's US distribution agreement with Plus Orthopaedics in July 2007.

	FY08	FY07	Fav/(unfav) Variance
Revenue	$4.2m	$5.7m	($1.5m)
Gross Profit	$2.4m	$2.4m	-
Contribution Margin	$1.8m	$2.4m	($0.6m)
Operating Expenses	($5.9m)	($6.5m)	$0.6m
EBITDA loss before One-off expenses	**($4.1m)**	**($4.1m)**	-
Interest, Dep'n and Amortisation	($0.7m)	($0.5m)	($0.2m)
One-off expenses	($4.4m)	($1.1m)	($3.3m)
Loss before Income tax expense	($9.2m)	($5.7m)	($3.5m)

Highlights include:

- The rapid response re-establishing alternate distribution channels following the termination of the US Distribution agreement with Plus Orthopaedics after its acquisition by Smith & Nephew. Portland established an independent sales agent network that has allowed the continued enrolment of US Surgeons and continues today to introduce new surgeons to the M-COR™ Primary Modular Hip and Equator Plus™ Acetabular System. US Procedure numbers in the second half (254) grew by 19% from the first half (214).
- The launch of the M-COR™ and Equator Plus™ in Australia including the Ceramic Liner. Australian Procedure numbers grew in the second half (62) by 59% from the first half (39).
- Gross Profit margins in FY08 (57.1%) were significantly higher than FY07 (42.1%) in part reflecting the change of distribution model and as well as better efficiencies gained from outsourced manufacturing. FY08 contribution margin was 3 percentage points higher than FY07.
- EBITDA before One-off expenses in FY08 was similar to FY07 even after the drop in sales revenue. This demonstrates Portland's commitment to operating expense control (9.2% lower than FY07) and the better contribution margin driven by the change in distribution model in the US.
- Net $2.1m raised in the second half from the Share Purchase Plan and Rights Issue in a difficult market for capital fund raising. As at 16 August 2008, PLD has over $1.6m cash and cash equivalents.
- Significant progress made toward the release in FY09 of two new hip products to complement the M-COR™ Primary Stem.

Financial Performance

In the last half of FY08, the company underwent a period of major operational change and re-focused its efforts on achieving cash break-even and profitability as soon as possible. These goals were to be achieved while maintaining the company's capability to continually meet the changing technical needs of Orthopaedic Surgeons and maintain its competitive advantage. The Board believed that much of the future value of the company was embodied in its innovative resources. The strategy to achieve these goals involved operational cost control, investment in inventory and instrumentation to support a strong growth in Sales revenue in the US and Australian markets and re-focusing its R&D resources into new product projects which have a strong return on investment and a short time to market.

The company is focussed on growing the number of procedures where its product is implanted, by 2.2 times, in FY09, which is similar to the second half over the first half growth in FY08. This growth will support its drive to cash flow breakeven. Despite difficult economic conditions in the US and emerging economic malaise in Australia the company is forecasting continued market share growth in FY09.

The company's M-COR™ Primary Hip and Equator Plus™ Acetabular System, released in FY07, have shown excellent early clinical results and attracted praise from surgeons. **Portland's M-COR™ hip stem is considered among the best of breed modular hip stems**. A recent independent customer survey of surgeons and sales agents elicited comments such as:
" spectacular ", "great product", "real easy pick-up for surgeons", "M-COR right on the verge of taking off", "really excited about it", "had great results from my first patient", "doesn't require shift in practice", "ecstatic", "patients exceedingly happy", "sky is the limit for M-COR volumes", "once doctors try M-COR they don't go back", dramatically better no question", "best modular hip on the market", "the stem has great modularity".

US Sales were $3.1m in FY08 compared with $3.5m in FY07. While the termination of the Plus Orthopaedics distribution agreement impacted market share growth in FY08, the company is pleased with the outcome from the establishment of its own independent sales agent network.

Sales in Australia were $1.0m compared with $1.4m in FY07. The reason for this was a decline in usage of the DTC™ prior to the full release of the M-COR™ Primary Stem in November 2007as further inventory became available. The company has moved to support strong sales ambitions in FY09 by the appointment of Lifehealthcare as its Australian sales agent.

There were no sales into Europe and no grant income recorded in FY08.

The change in distribution models in the US and Australia has resulted in a net gain of 3 percentage points in contribution margin after accounting for sales agent commissions. The company expects gross profits to again improve in FY09 as it continues to explore further outsourcing of its manufacturing.

FY08 operating expense, from continued operations, results show good signs of an improving business with 8.3% decrease from FY07 with the company maintaining its innovative capability. A number of key categories of expense showed improvement over FY07 including net employee expenses (after normalising for changes in expenses attributed to the Executive and Staff Option Plan), research expenses and facilities expenses.

EBITDA, before One-off items, was similar to FY07 despite a decline in income resulting from a forced change in the US distribution model.

The company has reported a loss after One-off items and before tax of $9.2m compared with $5.7m in FY07. In FY08 the company chose to write-down the DTC™ inventory and intellectual property by $3.1m following the removal of this product from the market. Portland also wrote down $546k worth of **M-COR™** instrument sets during FY08, which the company acquired from Plus Orthopaedics. Other One-off expenses in FY08 include a termination payment of $312k to the previous CEO and $400k was expensed with regard to the ESOP costs associated with the previous CEO's stock options which vested immediately on his termination. Depreciation expenses in FY08 increased due to the increase instrument sets re-acquired from Plus Orthopaedics and financing costs were higher as a result of the Convertible note that was put in place in December 2007. FY08 expenses also included costs associated with the company's fund raising efforts in April and June 2008.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the year ended 30 June 2008

Revenue and Net Profit		**Percentage Change %**		**Amount $**
Revenues from ordinary activities	Down	27%	to	4,181,181
Loss from ordinary activities after tax attributable to members	Up	60%	to	(9,156,113)
Loss in the period attributable to members	Up	60%	to	(9,156,113)

Dividends	**Amount per security**	**Franked amount per security**
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Record date for determining entitlements to the dividend	Not applicable	

Brief Explanation of revenue, Net Profit and Dividends

Total revenue for the year decreased by $1.5m (27%) during the year.

US Sales were $3.1m in FY08 compared with $3.5m in FY07. While the termination of the Plus Orthopaedics distribution agreement impacted market share growth in FY08, the company is pleased with the outcome from the establishment of its own independent sales agent network.

Sales in Australia were $1.0m compared with $1.4m in FY07. The reason for this was a decline in usage of the DTC™ prior to the full release of the M-COR™ Primary Stem in November 2007as further inventory became available. The company has moved to support strong sales ambitions in FY09 by the appointment of Lifehealthcare as its Australian sales agent.

There were no European sales (FY07 $0.4m) or Grant income recorded during the year.

The company incurred an EBITDA loss before One-off items of $4.1m (FY07; $4.1m). This result demonstrates Portland's commitment to controlling operating expenses and the improved margins driven by the new distribution model in the USA.

The after tax loss from ordinary activities increased from $5.7m in FY07 to $9.2m in FY08. This is an increase of $3.5m.

In FY08 the company chose to write-down the DTC™ inventory and intellectual property by $3.1m following the removal of this product from the market. Portland also wrote down $546k worth of **M-COR™** instrument sets during FY08, which the company acquired from Plus Orthopaedics at a discounted value. Other One-off expenses in FY08 include a termination payment of $311k to the previous CEO and $400k was expensed with regard to the ESOP costs associated with the previous CEO's stock options which vested immediately on his termination.

For more details refer to note 3 – Commentary on consolidated results.

Income Statement
For the year ended 30 June 2008

	Notes	Consolidated 2008 $	2007 $
Revenue	2a	**4,181,181**	5,738,980
Cost of Goods Sold	2b	**(1,698,439)**	(3,368,665)
Sales Agent Commissions		**(586,417)**	-
Employee benefits expense		**(3,188,435)**	(3,146,715)
Depreciation and amortisation expenses	4	**(559,567)**	(413,441)
Finance costs	2a	**(200,390)**	(46,128)
Share register and ASX fees		**(72,806)**	(64,596)
Legal and professional fees		**(666,229)**	(490,632)
Consulting fees		**(433,004)**	(265,435)
Facilities expenses		**(301,675)**	(955,499)
Travel & entertainment expenses		**(426,422)**	(383,143)
Sales, distribution and marketing expenses		**(282,165)**	(232,392)
Research expenses		**(345,788)**	(730,895)
CEO termination expense		**(711,655)**	-
DTC inventory write-off		**(1,375,000)**	(1,138,565)
DTC intellectual property write-off		**(1,700,000)**	-
Write off of instrument sets	6	**(545,705)**	-
Other expenses from ordinary activities		**(243,597)**	(228,969)
Loss before income tax expense		**(9,156,113)**	(5,726,095)
Income tax expense		**-**	-
Loss attributable to members of the parent entity		**(9,156,113)**	(5,726,095)
Loss per share for losses from continuing operations attributable to the ordinary equity holders of the company			
Basic loss per share	9	**(0.07)**	(0.05)
Diluted loss per share	9	**(0.07)**	(0.05)

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet
As at 30 June 2008

	Note	Consolidated 2008 $	Consolidated 2007 $
Current assets:			
Cash and cash equivalents		**189,204**	3,911,046
Trade and other receivables		**328,192**	315,682
Inventories		**2,528,859**	3,040,268
Other		**153,116**	165,885
Total current assets		**3,199,371**	7,432,881
Non-current assets:			
Property, plant and equipment	6	**1,351,330**	944,481
Intangible assets		**3,014,481**	3,982,964
Total non-current assets		**4,365,811**	4,927,445
Total assets		**7,565,182**	12,360,326
Current liabilities:			
Trade and other payables		**3,034,009**	1,548,063
Short-term borrowings		**172,927**	181,698
Short-term provisions		**144,591**	263,137
Total current liabilities		**3,351,527**	1,992,898
Non-current liabilities:			
Long-term borrowings		**1,500,159**	214,416
Long-term provisions		**53,466**	56,759
Total non-current liabilities		**1,553,625**	271,175
Total liabilities		**4,905,152**	2,264,073
Net assets		**2,660,030**	10,096,253
Equity:			
Issued capital		**29,932,306**	29,513,431
Options reserve		**1,546,637**	508,582
Translation reserve		**595,750**	332,790
Accumulated losses		**(29,414,663)**	(20,258,550)
Total equity		**2,660,030**	10,096,253

The above balance sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement
For the year ended 30 June 2008

	Note	Consolidated 2008 $	2007 $
Cash flows from operating activities:			
Receipts from customers		**4,170,665**	5,735,114
Payments to suppliers and employees		**(7,008,328)**	(10,838,603)
Interest received		**215,063**	103,321
Finance costs		**(125,439)**	(46,128)
Net cash used in operating activities	4	**(2,748,039)**	(5,046,296)
Cash flows from investing activities:			
Purchase of property, plant and equipment		**(1,477,677)**	(214,809)
Purchase of intangible assets		**(878,460)**	(808,662)
Net cash used in investing activities		**(2,356,137)**	(1,023,471)
Cash flows from financing activities:			
Proceeds from issue of shares & Convertible notes		**1,630,699**	6,011,295
Share transaction costs		**(81,107)**	(396,930)
Repayment of borrowings		**(167,258)**	(207,469)
Net cash provided by financing activities		**1,382,334**	5,405,646
Net increase/(decrease) in cash held		**(3,721,842)**	(664,121)
Cash at beginning of financial year		**3,911,046**	4,575,167
Cash at end of financial year	8	**189,204**	3,911,046

The above cash flow statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2008

Consolidated Entity

	Issued Capital $	Retained Losses $	Option reserve $	Translation Reserve $	Total $
Balance at 1 July 2006	**23,899,066**	**(14,532,455)**	**174,665**	**(4,022)**	**9,537,254**
Foreign exchange gain/(loss) arising on retranslation of foreign operations	-	-	-	336,812	336,812
Net Income recognised directly in equity	-	-	-	336,812	336,812
Loss for the period	-	(5,726,095)	-	-	(5,726,095)
Total recognised income and expense for the period	**-**	**(5,726,095)**	**-**	**336,812**	**(5,389,283)**
Shares issued in the period	6,011,295	-	-	-	6,011,295
Costs associated with the issue of shares	(396,930)	-	-	-	(396,930)
Movement in option reserve relating to share based payment expense	-	-	333,917	-	333,917
Balance at 30 June 2007	**29,513,431**	**(20,258,550)**	**508,582**	**332,790**	**10,096,253**
Foreign exchange gain/(loss) arising on retranslation of foreign operations	-	-	-	262,960	262,960
Net Income recognised directly in equity	-	-	-	262,960	262,960
Loss for the period	-	(9,156,113)	-	-	(9,156,113)
Total recognised income and expense for the period	-	(9,156,113)	-	262,960	(8,893,153)
Shares issued in the period	499,982	-	-	-	499,982
Costs associated with the issue of shares	(81,107)	-	-	-	(81,107)
Movement in option reserve relating to share based payment expense	-	-	1,038,055	-	1,038,055
Balance at 30 June 2008	**29,932,306**	**(29,414,663)**	**1,546,637**	**595,750**	**2,660,030**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Note 2a. Revenue

	Consolidated	
	2008	2007
	$	$
Revenue from operating activities		
Sale of goods	**4,081,716**	5,462,440
Revenue from outside the operating activities		
Interest - other corporations	**76,027**	222,953
Other	**23,438**	53,587
	99,465	276,540
Revenue from ordinary activities	**4,181,181**	5,738,980

Note 2b. Loss from Ordinary Activities

	Consolidated	
	2008	2007
	$	$
Expenses		
Cost of Goods Sold	**1,698,439**	3,368,665
Depreciation		
Instruments	**237,043**	69,956
Office equipment	**36,036**	33,686
Furniture and fittings	**18,331**	18,719
Leasehold improvements	**33,853**	17,359
Motor vehicles	**26,997**	32,892
Manufacturing equipment	**172,863**	152,290
	525,123	324,902
Amortisation		
Patents	**58,913**	61,509
Development costs	**88,030**	42,949
Software	-	15,732
	146,943	120,190

Note 2b. Cont'd

Finance costs		
Interest and finance charges paid	200,390	46,128
	200,390	46,128
Rental expenses relating to operating leases		
Minimum lease payments	88,647	92,940
Total rental expenses	88,647	92,940
Foreign Currency Translation gains/(losses)	266,452	53,586
Research expenses	345,787	1,130,895
Write down of intellectual property	1,700,000	-
Write down of inventory	1,727,779	738,566
Write off of instrument sets	545,705	-
Share based payments	1,038,055	333,917

Note 3. Commentary on consolidated results – Review of Operations

In the last half of FY08, the company underwent a period of major operational change and re-focused its efforts on achieving cash break-even and profitability as soon as possible. These goals were to be achieved while maintaining the company's capability to continually meet the changing technical needs of Orthopaedic Surgeons and maintain its competitive advantage. The Board believed that much of the future value of the company was embodied in its innovative resources. The strategy to achieve these goals involved operational cost control, investment in inventory and instrumentation to support a strong growth in sales revenue in the US and Australian markets and re-focusing its R&D resources into new product projects which have a strong return on investment and a short time to market.

The company is focussed on growing the number of procedures where its product is implanted by, 2.2 times in FY09, which is similar to the second half over the first half growth in FY08. This growth will support its drive to cash flow breakeven. Despite difficult economic conditions in the US and emerging economic malaise in Australia the company is forecasting continued market share growth in FY09.

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"spectacular", "great product", "real easy pick-up for surgeons", "M-COR right on the verge of taking off", "really excited about it", "had great results from my first patient", "doesn't require shift in practice", "ecstatic", "patients exceedingly happy", "sky is the limit for M-COR volumes", "once doctors try M-COR they don't go back", dramatically better no question", "best modular hip on the market", "the stem has great modularity".

The change in distribution models in the US and Australia has resulted in a net gain of 3 percentage points in contribution margin after accounting for sales agent commissions. The company expects gross profits to again improve in FY09 as it continues to explore further outsourcing of its manufacturing.

FY08 operating expense, from continued operations, results show good signs of an improving business with 8.3% decrease from FY07 with the company maintaining its innovative capability. A number of key categories of expense showed improvement over FY07 including net employee expenses (after normalising for changes in expenses attributed to the Executive and Staff Option Plan), research expenses and facilities expenses.

EBITDA, before One-off items, was similar to FY07 despite a decline in income resulting from a forced change in the US distribution model.

Note 3. Cont'd

The company has reported a loss after One-off items and before tax of $9.2m compared with $5.7m in FY07. In FY08 the company chose to write-down the DTC™ inventory and intellectual property by $3.1m following the removal of this product from the market. Portland also wrote down $546k worth of **M-COR™** instrument sets during FY08, which the company acquired from Plus Orthopaedics. Other One-off expenses in FY08 include a termination payment of $312k to the previous CEO and $400k was expensed with regard to the ESOP costs associated with the previous CEO's stock options which vested immediately on his termination. Depreciation expenses in FY08 increased due to the increase instrument sets re-acquired from Plus Orthopaedics and financing costs were higher as a result of the Convertible note that was put in place in December 2007. FY08 expenses also included costs associated with the company's fund raising efforts in April and June 2008.

Note 4. Cashflow information

	Consolidated	
	2008	**2007**
	$	**$**
Operating loss after tax	**(9,156,113)**	(5,726,095)
Depreciation expense *($112,948 capitalised in Inventory)*	**525,122**	324,902
Amortisation expense	**146,943**	88,539
Non-cash employee benefits expense - share based payments	**1,038,055**	333,917
Decrease in trade and other debtors	**72,912**	183,361
Increase in inventories	**(863,591)**	(16,976)
Increase in trade and other creditors	**1,914,820**	(310,962)
Decrease in provision for employee entitlements	**(121,839)**	77,018
Interest paid satisfied by the issue of shares	**74,947**	
DTC inventory write-off	**1,375,000**	-
DTC intellectual property write-off	**1,700,000**	-
Write off of instrument sets	**545,705**	
Cash outflow from operating activities	**(2,748,039)**	(5,046,296)

Note 5. Segment Information

Business Segments
The Company operates in one business segment globally, being orthopaedic implants.

Geographical Segments
Although the consolidated entity's divisions are managed on a global basis they operate in two main geographical areas, Australia and the United States.

2008	Australia $	United States $	Inter-segment eliminations $	Consolidated $
Sales to external customers	950,776	3,130,940	-	4,081,716
Inter-segmental sales	1,802,887		(1,802,887)	-
				-
Revenue from operating activities	2,753,663	3,130,940	(1,802,887	4,081,716
Revenue from non-operating activities	99,465	-	-	99,465
Total segment revenue	2,853,128	3,130,940	(1,802,887)	4,181,181
Segment result	(8,344,723)	(811,390)	-	(9,156,113)
Segment assets	7,286,586	278,596	-	7,565,182
Segment liabilities	(1,914,240)	(2,990,912)	-	(4,905,152)
Acquisitions of intangibles	-	-	-	-
Depreciation and amortisation expense	(556,780)	(2,787)	-	(559,567)
Share based payments	(1,038,055)	-	-	(1,038,055)

Note 6. Non Current Assets – Property, Plant and Equipment

Consolidated	$
Carrying amount as at 1 July 2007	944,481
Additions:	
Instruments	**1,364,665**
Other	129,808
Total	1,494,473
Less: Depreciation	**(525,122)**
Less: Written Down Value of Disposals	**(16,798)**
Less: Write-off of **M-COR™** Instrument sets (Plus Orthopaedics)	**(545,705)**
Carrying amount as at 30 June 2008	**1,351,330**

Note 7. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	2008 %	2007 %
Portland Orthopaedics Inc	United States of America	Ordinary	100	100
Portland Square Pty Ltd	Australia	Ordinary	100	100
Portland Orthopaedics IP Holdings Pty Ltd	Australia	Ordinary	100	100
Portland Square Manufacturing Pty Ltd	Australia	Ordinary	100	100
Portland Orthopaedics (Aust.) Pty Ltd	Australia	Ordinary	100	100
Vimek Pty Ltd	Australia	Ordinary	46	46
Portland Orthopaedics Limited	United Kingdom	Ordinary	100	100
Entities controlled by Portland Square Manufacturing Pty Ltd				
Vimek Pty Ltd	Australia	Ordinary	54	54

Note 8. Events occurring after reporting date

After the reporting date, James Wynn, CFO and Company Secretary resigned and was replaced by Ralph Stonell as CFO and Dr Richard Gregson as Company Secretary.

The Company completed a non-renounceable Rights Issue on 25th July 2008 that raised $1.91m. 76,260,886 new fully paid ordinary shares have been issued to existing shareholders.

Ron Sekel resigned as a Director of Portland Orthopaedics Limited on 25 August 2008.

Note 9. Loss per share

Consolidated	30 June 2008	30 June 2007
Loss per share for losses from continuing operations attributable to the ordinary equity holders of the company		
Basic loss per share	**(0.07)**	(0.05)
Diluted loss per share	**(0.07)**	(0.05)
The losses used to calculate the basic and diluted earnings per share are $8,610,408 (2007: $5,726,095) being the losses from continuing operations attributable to the ordinary equity holders of the company		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	**127,113,107**	114,974,449
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	**127,113,107**	114,974,449

Options

Options exercisable are considered anti-dilutive in the calculation of potential ordinary shares

Note 10. Net Tangible assets per security

Consolidated	30 June 2008	30 June 2007
Net tangible asset backing per ordinary share	$0.002	$0.053

Note 11. Issued capital

Consolidated	30 June 2008	30 June 2007
Fully paid ordinary shares	162,899,356	155,746,357

During the year 7,145,499 ordinary shares where issued through convertible notes and the Share Purchase Plan. Also, during the year 7,500 listed options were exercised for 7,500 ordinary shares.

Note 12. Details of entities over which control has been gained or lost

There are no entities over which control has been gained or lost during the current or previous financial year.

Note 13. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies;

☐ The accounts have been audited

☒ The accounts are in the process of being audited or subject to review- ***Note: The Board and Auditors are currently reviewing the company's impairment testing of its non-current assets.***

☐ The accounts have been subject to review

☐ The accounts have not yet been audited or reviewed

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subject to review

N/A

Description of dispute or qualification if the accounts have been audited or subject to review

Nil

About Portland Orthopaedics: Listed on the ASX in December 2005, Portland (ASX:PLD) is a developer and manufacturer of specialist hip replacements. With a focus on modular and clinically differentiated prostheses, Portland has developed a unique, high technology Hip Replacement range aimed at increasing implant longevity. Based in Sydney, Australia, Portland employs 28 people in the design and development of its products. Portland has regulatory approval to sell a range of primary and revision hip replacement products in the US, Europe, Australia and New Zealand. Its core technologies are protected and future applications are primarily aimed at Hip and Knee prostheses.

Important notice:
The statements contained in this news release that are forward-looking are based on current expectations that are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include, but are not limited to, changes in market conditions, anticipated increases in the rate of new customers, the development of new products and services, the enhancement of existing products and services, competitive pressures, system failures, economic and political conditions, changes in consumer behaviour and the introduction of competing products having technological and/or other advantages.