



To: Company Announcements Office, ASX

Adelaide, 4th March 2011

**Austofix enters into new commercial arrangement
With Australia's largest provider of private orthopaedic surgery**

Adelaide-based orthopaedic implant manufacturer, Austofix (ASX:AYX) has entered into a commercial arrangement with Ortho Group Pty Ltd (OGL), an arrangement that will enable Austofix to work with, and market its products to, some of the country's leading orthopaedic surgeons.

Austofix specialises in the design, development and manufacture of a large range of orthopaedic devices, including trauma fixation products and joint replacements.

Austofix Managing Director, Mark Szolga, said he was pleased OGL had recognised both the quality of the company's products and its ability, through pricing, to help contain costs for governments, patients and health funds.

"It is a significant agreement for us on a number of fronts," Mr Szolga said.

"The agreement opens up opportunities for us among the 60 orthopaedic surgeons and six sports' medicine specialists associated with OGL; provides continual clinical input and advice that will guide our research and development; helps drive down costs and, most importantly, leads to better surgical outcomes for orthopaedic patients.

"We're delighted to have the opportunity with OGL to contribute to those outcomes while, at the same time, being able to work with a larger number of surgeons who will continually assess and, we hope, consider using our products.

"While there is no obligation on OGL-connected surgeons to select our products specifically, we believe our 'gold standard' quality and our company's ability to respond flexibly and quickly to demands will be viewed positively by surgeons," Mr Szolga said.

"We look forward to a mutually beneficial association with the OGL group in order, ultimately, to advance integrated healthcare in Australia and to improve the group's surgeons' access to our comprehensive range of world-class prostheses.

"The agreement has come at an opportune time for Austofix as we're about to launch a new range of hip prostheses which offer surgeons world-class quality but at significantly lower costs than equivalent prostheses currently available," Mr Szolga added.

Further information:

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