

Stanmore receives £4m investment from Imperial Innovations Group plc

Proceeds to finance expansion of distribution in UK and US and new product development

20 July 2011 - Stanmore Implants (“Stanmore”), specialists in the design and manufacture of patient specific implants for complex orthopaedic reconstructions, announces today that it has received £4m in equity investment from Imperial Innovations Group plc.

This news follows the announcement in June that Stanmore had received US FDA 510k approval for its Juvenile Tumour System (“JTS”) non-invasive extendible distal femoral replacement (“JTS implant”), for use in paediatric orthopaedic oncology surgery. Stanmore is now launching the JTS in the United States market and the proceeds will be used in part to help build a specialist sales force for this important product. The proceeds will also be used to support the development of Stanmore’s other innovative and differentiated new technologies. These include the Savile Row System, the world’s first fully personalised early knee replacement surgery system that combines patient specific implants with a proprietary robotic intra-operative system, and ITAP, a novel approach to enabling the direct attachment of an exoprosthesis to the skeleton of amputees, thereby giving the patient greater mobility and comfort over traditional socket based systems.

Prior to today’s fundraising, Stanmore has previously raised finance from Abingworth, specialist investors in life sciences, as well as Ivy Capital and MDY Healthcare plc.

In addition to the financing, Stanmore welcomes John Holden to the Board of Stanmore as a non-executive director. He is Director of Investments at Imperial Innovations having joined in 2007. He spent the first six years of his career as a corporate financier in the City and then eight years with 3i.

Brian Steer, Executive Chairman of Stanmore, said:

“We are delighted to welcome Imperial Innovations to our shareholder base. Whilst we have a solid core business generating increased revenues, we now have the funds to accelerate the development of our new, groundbreaking technologies and drive the commercialisation of our non-invasive extendible implants in the UK and the US.”

Susan Searle, Imperial Innovations’ CEO, said:

“We are excited to work with Stanmore and believe their unique product and service offering is well placed to grow in the future. We look forward to working with Brian and his team as Stanmore enters the next phase in its growth.”

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Notes to Editors

Stanmore Implants Worldwide

Stanmore Implants Worldwide is an innovative orthopaedic business focused on the design and manufacture of both bespoke and modular implants for limb sparing and complex primary and revision joint replacement.

Stanmore designs, manufactures and markets a custom implant service alongside a portfolio of orthopaedic implants for limb salvage and complex joint replacement, and is known for creating some of the world's most successful implants.

Stanmore acquired its robotic bone preparation technology through the acquisition of Acrobot, a medical devices company specialising in computer assisted orthopaedic surgery in August 2010.

Juvenile Tumour System

The JTS implant is used to replace large sections of the distal femur (thigh bone) that has been removed during surgery, often to treat cancer. Previously patients had to undergo multiple, painful surgeries in order to lengthen their implants as they grew. The JTS implant uses an electromagnetic device in order to lengthen the prosthesis without the need for surgery, anaesthesia or sedation, thus reducing the risk of complications.

In November 2002 the first patient, a 13-year-old girl, received the JTS non-invasive extendible implant in the UK. Today she has reached skeletal maturity with legs of equal length. Since 2002, over 330 devices have been implanted at specialist centres in 16 countries worldwide. Each implant is designed and manufactured specifically for the recipient patient by the team at Stanmore.

The JTS implant also delivers significant health economic benefits. A recent US study identified that it costs US\$269 per non-invasive lengthening procedure compared with approximately US\$10,500 if surgery is required. Stanmore is a global leader in this profitable, niche market and now with FDA approval expects to capture a significant share of the US market

About Imperial Innovations

Imperial Innovations creates, builds and invests in pioneering technologies addressing global problems in healthcare, energy, engineering and the environment. It combines deep understanding of science and technology with commercial acumen and strong investment expertise. In December 2010 Innovations raised £140m to accelerate the making of, and increase the size of, investments in companies established under its existing intellectual property pipeline agreement with Imperial College London. The Group also intends to invest in companies founded by or based on technology from the University of Oxford, the University of Cambridge and University College London. Imperial Innovations has already achieved significant success with its early investments; for example its £1.5m investment in obesity drug developer Thiakis could return up to £22m, following its sale for £100m in 2008, while the sale of Respivert, a small molecule drug discovery company, resulted in Innovations realising £9.5m, a 4.7x return on investment. In the year to 31 July 2010, Innovations invested £14.0m in 20 ventures, helping to launch three new companies.

About Abingworth

Abingworth is an international investment group dedicated exclusively to the life sciences and healthcare sector. The company invests at all stages of development including early and late-stage venture financing, growth equity and public companies. Founded in 1973, Abingworth has a lengthy track record of backing market-leading companies. Abingworth has a specialist team of over 20 professionals with both a broad range of skill sets and access to an extensive network of industry contacts. Abingworth has funds under management of over \$1.25 billion and offices in London, Menlo Park (California) and Boston.
www.abingworth.com