

Surgical Innovations Group plc (AIM: SUN), the designer and manufacturer of creative solutions for minimally invasive surgery ('MIS'), has today announced a trading update for its financial year ended 31 December 2012, which saw substantially improved trading across both SI Brand and OEM segments in the second half of 2012, driven by increased product demand resulting in contracted orders for delivery in 2012 of £5.6m, an increase of 85% on first half sales. Gross margins have improved by three basis points to 50.3% (FY 2011: 47.3%), following a decision to promote SI branded products, which now represent 68% of overall sales.

Due to manufacturing capacity constraints at the existing Leeds facility and a delay in US regulatory approval in the final month of the year, £1m of these orders will be recognised as revenue in the first week of the financial year ending 31 December 2013, which means that the current financial year has started well and provides a sound platform for the remainder of the current financial year.

Graham Bowland, Chief Executive Officer, commented: "I am pleased with the strong sales performance that we've achieved in the second half of the year. There is no doubt that the manufacturing capacity constraints we experienced in the final quarter of 2012 justify the need for our proposed new facility part funded by the award of the £5m RGF."