

Since the release of Surgical Innovations' interim results on 25 September 2014, the Board has conducted a further review of the Company's balance sheet.

The Board's review, which has now been concluded, will result in exceptional charges of approximately £1.6 million being incurred, which will be recognised in the Company's results for the year to 31 December 2014. These are in addition to the exceptional charges incurred in the Company's recent interim results announced on 25 September 2014.

Items within these exceptional charges include a write-down in the carrying value of non-current trade receivables under the rebate scheme in place with certain of the Company's overseas distribution partners and the regrettable cost of redundancies made as part of the Board's ongoing program to reduce the Company's costs.

The Board's review also identified revenues previously recognised on certain transactions where a sales return will be required in the Company's results for the year to 31 December 2014. Current year revenues will be reduced by approximately £0.6 million as a result.

As previously notified, the Board expects that the Company will report a significant loss before tax for the full year. Against this backdrop, short-term working capital funding and cash generation remains the Board's key priority and further updates will be provided to shareholders as appropriate.