

Surgical Innovations Group plc (AIM: SUN), the designer and manufacturer of creative solutions for minimally invasive surgery ('MIS'), provides the following trading update for the 12 months ended 31 December 2013.

Total revenues for the year ended 31 December 2013 will be £8.6m, a 13% increase against the previous year (2012: £7.6m). The Group's strategy for long term growth is the development of the SI Brand within the lucrative US market, underpinned by the appointment in May 2013 of an SI President of US Sales and Operations. The Group is therefore pleased to report a substantial increase of 75% in sales to the US of SI Branded products, through multiple new routes to market, clearly demonstrating our potential for growth and vindicating the high level of initial investment required. Overall, SI Branded product revenues have grown by 23% driven by the demand for our resposable technology.

Group profitability has been adversely affected by the combined effect of the US dollar exchange rate and more significantly the strategic investment during the second half of the year in manufacturing operations designed to streamline and improve process flows of individual product lines to enable and support the 75% growth in US revenues. As a result, the adjusted EBITDA (excluding exceptional items) for the year ended 31 December 2013 will be significantly below the reported number for the year ending December 2012 (2012: £2.9m).