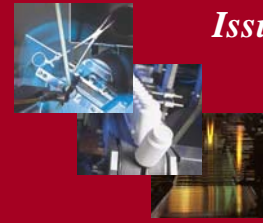




CUTTING EDGE

THE S MURRAY NEWS UPDATE



Issue One:
April 2006

Welcome ...

... to the first edition of **Cutting Edge**, the S Murray & Co News Update, designed to bring you, the customer, up to date with the latest developments within the company and to share our aims and ambitions with you for the year ahead.

2005 was a challenging year for both manufacturers and distributors within the UK surgical instrument industry, due to the well-publicised cut-backs within the NHS. We would like to thank all of our customers for your valued support during this time.

With the advent of the Supercentre decontamination initiatives in 2006 and 2007, the next two years look set to be an exciting period for the UK NHS and for the industry as a whole.

With these developments in mind, and ever aware of the challenges of supporting a global marketplace, our aims and ambitions for the coming months are summarised as follows:

- to build on our increased export business
- to become more price competitive in a wider range of instruments
- to encourage the development and further the sales of new products and ranges – including our single use suction tubes
- to upgrade our website to enhance the S Murray brand name and product image
- to introduce new packaging for high value items to improve the protection and presentation of the product
- to further improve on our quality of service and speed of deliveries

Export Expansion – Reaching the World

We are delighted that 2005 saw an increase in export sales of **21.5% on the previous year.**

Not only do we appreciate how much business has grown with our existing customers, but we are very pleased to have developed new markets. In particular we are delighted to have expanded our relationships in South Africa and Australia.

In January 2006 Divisional Sales Manager, Tristan Murray, attended

the Arab Health Exhibition in Dubai to visit our existing partners in the Middle East, as well as seeking to establish contacts in new regions. A particular highlight of the trip was a visit to one of the major local hospitals (pictured below), which provided a wonderful opportunity to develop the on-going relationship with our distributor in the area.

Over the last six months we have also welcomed two of our principal customers at our (still relatively) new

Tawam Hospital, Abu-Dhabi, UAE



factory in Sheffield. As much as we would like to bring the world to our factory, we are aware that this is not always practical! We are currently working on a promotional video to show our manufacturing facility at its finest. We hope this will help to develop a greater understanding of the processes involved for you and your customers.

Achema 2006

In May, we will be exhibiting at the Achema Exhibition in Frankfurt, Germany. The show, which takes place once every three years, is the premier international show for Laboratory and Medical equipment. We are looking forward to welcoming many of our distributors from around the world at this event and will be in Hall 6.2 Stand F16.

We look forward to seeing you there!



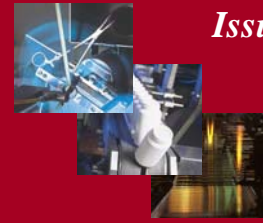
We hope you enjoy this first edition of Cutting Edge. Please send us your comments to surgical.sales@smurray.co.uk



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Lower Prices for 2006

We have worked extremely hard during the latter half of 2005 to develop a new Price List that is more competitive both within the UK and internationally. With 350 prices reduced and 850 items held in price, any necessary increases have been kept to a minimum.

Price reductions have been introduced in particular in the following product areas:

- Self Retaining Retractors
- Holloware
- Uterine Dilators
- Extraction Forceps
- ENT Aural Forceps

Additional hard copies of the new Price List are available on request as well as an Excel version, which has been colour-coded to highlight the items that have been reduced or held in 2006.

Stainless additions ...

We are now able to offer stainless steel equivalents of our Poole Suction Tubes, Proctoscopes and Rectal Specula at equivalent or reduced prices on the chrome plated versions. These can be found on pages 20, 26 and 27 of the Price List respectively.



Joining the Fight Against MRSA

'No-Germs' is a new, instant hand sanitiser, which is proving to be a very popular product in the UK retail market following great success in the US. Unlike similar products in the marketplace, No-Germs is alcohol free - so one pump of foam rubbed into the hands simultaneously kills germs and moisturises.

The bottle is manufactured and printed at the S Murray blow-moulding factory in Woking. We have already produced close to 300,000 of the 50ml Foamer Bottles, with a larger size to be launched in the Spring and anticipate demand in excess of 1 million in 2006.

'No-Germs' can already be purchased in Tesco, Waitrose, Lloyds the Chemists and service stations up and down the UK and will be appearing on the shelves of Boots in April.

We are now looking for distributors to promote the product to the hospital markets both in the UK and internationally and would be pleased to hear from interested companies.



Single Use Suction Tubes

Sales of the S Murray/Samco Single-Use Zoellner Suction Tube exceeded 40,000 units in January 2006 and are continuing to climb after the product was launched in 2003.

We are planning on introducing additional patterns to the range over the coming months and look forward to receiving your suggestions and continued support for this growing product group.

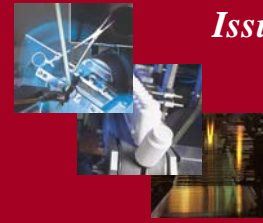
For further information about this, or any product, please do not hesitate to contact us.





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Web-site Development

We are continually working on up-gradng the S Murray web-site ...

www.smurray.co.uk

The site currently offers a background to the company and its history, links to our quality and CE certificates and offers a flavour of the range we manufacture and supply. As always, we would welcome any ideas and suggestions as to the sort of information that you would like to see on there, so that we may tailor the web-site accordingly.

Further development of the site will provide increased and more detailed information on the company in general and the products in our surgical range. It will also serve as a promotional aid to the launch of new products in due course.



Additional information will focus on:

- increased information on our principal distributors, including web-site links and full contact details
- a guide to the manufacturing processes behind surgical instruments – including the video tour of our factory in Sheffield
- links to other relevant web-sites
- links to guidance documents offering recommended sets for a selection of surgical procedures

New Packaging

We are in the process of introducing new packaging for our products, both to improve the protection of some of our more delicate instruments and to reinforce the message that an S Murray product is a quality product.

This will include boxes for our rongeurs and bone cutters, rigid boxes for our ENT aural forceps, picks and probes and protective tubing for our diathermy forceps.

Product Marking

Over recent months we have begun etching S Murray code numbers onto our instruments for a number of our customers at home and abroad. This service is now available free of charge to all our customers.

Etching of alternative reference numbers or theatre department names, for example, is also available for a modest fee. Please do not hesitate to contact us if you have any such requirements, either for individual orders, or on a permanent basis.

Quality of Service and Speed of Delivery

Our customer service is a permanent area of attention within the company and we work daily to improve on our level of performance.

Over recent years we have invested significantly in our staffing levels and manufacturing facility – moving to our new Sheffield factory in 2003. This has enabled us to significantly improve our stock levels and we are continuing to do so.

Our aim is to provide as many items ex-stock as possible, whilst working

towards the swiftest manufacturing times that we can achieve.

We aim to acknowledge all orders via e-mail; to keep you advised of lead-times and to forewarn you of the long delivery times that inevitably occur on occasion.

It is also our intention to maintain a regular contact with all our customers, to keep you up to date with the day-to-day processing of your orders and deliveries and to provide technical and quality information whenever requested.

And on a Personal Note ...

Both Tristan Murray and Mike Grigg (Customer Services Manager) are in the process of 'celebrating' new eras as we will no longer be twenty-somethings.

We would both appreciate your sensitivity and understanding at this delicate time!

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Thank you!

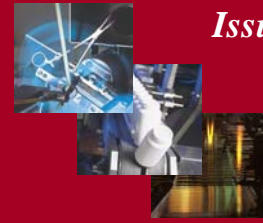




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Sir Harold Gillies, Sir Archibald McIndoe, and the foundations of modern day plastic surgery

As a regular feature, we thought it would be interesting to explore some of the names behind the surgical instruments we use today ... to go through the archives and discover the origins of these instruments and the surgeons who developed them. Where better place to start than with two of the most familiar names in surgical instrument history? They have given their names to dissecting forceps, needleholders, osteotomes, raspatories and skin hooks to name but a few ... Surgeons Gillies and McIndoe.

There can be fewer better examples of inspirational surgeons than cousins Harold Gillies (1882-1960) and Archibald McIndoe (1900-1960). Both born in New Zealand, they were to develop reconstructive surgical techniques that would not only transform the lives of the service-men they treated, but were to leave a legacy that continues to this day.

Born in Dunedin, New Zealand, in 1882, Harold Gillies attended preparatory school in England, before returning to his native New Zealand and Wanganui College. A talented painter and gifted sportsman, he was well received when he entered Cambridge University in 1901. With such physical dexterity and artistic ability, it is perhaps no wonder that he was to become outstanding in the field of 'aesthetic, reconstructive surgery', as he later described the field.



Sir Harold Gillies

Upon completing his studies at Cambridge University, Gillies undertook his formal training at St Bartholomew's Hospital, London, qualifying in 1910. That same year he was made a Fellow of the Royal College of Surgeons. When the First World War broke out four years later, Gillies joined the Red Cross and was posted to Belgium as a commissioned officer. It was here he developed his passion for plastic surgery.

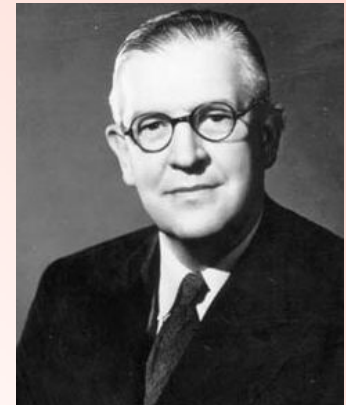
Inspired by the work of Frenchmen Auguste Valadier and Hippolyte Morestin, Gillies made a submission to the British Army for a plastic surgery unit and, in 1916, was given the opportunity at the Cambridge Military Hospital, Aldershot ... his request had been granted. This facility rapidly proved inadequate and, in 1917, a new, 1,000 bed hospital devoted to facial surgery was developed at Sidcup. The Queen's Hospital, later to become Queen Mary's Hospital, provided an opportunity for Gillies to develop his techniques for plastic surgery, with more than 11,000 operations performed on over 5,000 men.

Standing Gillies apart from his predecessors was the notion that surgery could not just reconstruct, but actually improve. As such, his work with servicemen pioneered the practice of using tissue from other parts of the body to rebuild the face. His attention to the aesthetic side of reconstructive surgery led him to describe his own work as a 'strange new art' and ultimately led to the birth of modern day cosmetic surgery.

Sir Archibald McIndoe, Gillies' cousin, was to join him in England in 1930. Born in 1900 and educated through to university in New Zealand, McIndoe was awarded the first New Zealand Fellowship at the Mayo Clinic in the United States, where he became appointed First Assistant in Surgery in 1929. On arriving in England in 1930, and on the suggestion of his cousin, he took up an appointment in the Department of Plastic Surgery at St. Bartholomew's Hospital, London.

McIndoe was later appointed the Consultant in Plastic Surgery to the Royal Air Force and moved to the Queen Victoria Hospital, East Grinstead at the

outbreak of the Second World War. It was in this role, that he was to find fame for the pioneering work he did with pilots who had been horrifically burned in their planes during the Battle of Britain and throughout the War.



Sir Archibald McIndoe

McIndoe dealt with deep burns and knew that early grafts were essential for the patient's recovery. He also knew that his patients, or 'boys' as he liked to call them, were likely to spend a considerable time in hospital, with some of them requiring over 30 operations. The work he did in experimenting with ways of ensuring the skin grafts took gave rise to the affectionately named 'Guinea Pig Club', which is still recognised today.

As with Gillies, McIndoe's passion was not limited to the medical and physical well-being of his patients. Instead, he worked with the local community of East Grinstead to ensure that his 'boys', due to the intensity of their operations, were not ostracised from the very people they had fought to protect. A poignant reminder not just of the power of reconstructive surgery, but of the exceptional men who pioneered it.

Selected references & further information:

Reginald Pound: Gillies: Surgeon Extraordinaire (1964, Michael Joseph Ltd, London)

Eugene Grayland: Famous New Zealanders (1968, Whitcome & Tombs, New Zealand)

Internet site: www.wikipedia.org