



ASX Release

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PolyNovo Announces Third Global Licensing Deal

29 February 2008

Xceed Capital Limited (ASX: XCD) ('Xceed') is pleased to announce that its subsidiary company, PolyNovo Biomaterials Ltd ('PolyNovo') has finalised an exclusive licensing agreement with Smith and Nephew, Inc. (NYSE: SNN; LSE: SN) ('Smith & Nephew') for the development and commercialisation of PolyNovo's NovoSorb™ in two distinct orthopaedics fields:

- 1 Fracture Fixation; and
- 2 Bone void fillers.

The estimated market for such devices is US\$150 Million per annum however PolyNovo believes that the advantages of NovoSorb™ have the potential to significantly grow this market.

The key commercial elements of the transaction between PolyNovo and Smith & Nephew are as follows:

- 1 Milestone payments will be made by Smith & Nephew on the signing of the agreement and upon achievement of certain development and regulatory events.
- 2 A royalty will be paid on worldwide sales of future licensed products brought to market by Smith & Nephew.

Dr Ian Griffiths, Chief Executive Officer of PolyNovo said "We are delighted to have successfully concluded our exclusive negotiations with Smith & Nephew. In our view the applications of NovoSorb™ licensed to Smith & Nephew have enormous potential and we are excited to be developing them with such a high calibre partner."

Mark Augusti, President of Smith & Nephew Trauma & Clinical Therapies said "We are pleased by this agreement with PolyNovo. We are always looking for unique technology which in turn helps us create new products for our surgeon customers."

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PolyNovo Biomaterials Ltd

PolyNovo's technology is titled NovoSorb™ and is based on novel composition of matter and process patents developed within CSIRO's Division of Molecular and Health Technologies.

PolyNovo is focused on commercialising NovoSorb™ to produce a range of medical products that can be safely broken down and excreted (biodegradable) and utilised (bioresorbable) by the human body. NovoSorb™ offers flexibility which allows it to be formulated either as an injectable gel that can be cured in-situ or on demand or as a solid form product with the compressive strength similar to bone. Degradation time can be pre-set according to use and can range from as little as a few days to multiple years.

NovoSorb™ can be tailored to large world markets with potential applications in the areas as diverse as orthopaedics, orthodontics, drug delivery, wound care, tissue engineering, nerve regeneration and cartilage repair.

For more information, please visit the company's website at www.polynovo.com

Xceed Capital Ltd

Xceed Capital Limited is an investment company based in Perth, Australia and is listed on the Australian Securities Exchange (ASX: XCD). Historically, Xceed has worked closely with CSIRO to successfully spin-off two companies. These companies, Boron Molecular Pty Ltd (100% owned) and PolyNovo Biomaterials Ltd (owned 64% by Xceed with the remaining 36% interest owned by CSIRO) both commenced with exclusively licensed or assigned core technologies developed by CSIRO.

For more information, please visit the company's website at www.xceedbiotech.com.

Smith and Nephew

Smith & Nephew is a global medical technology business, specialising in Orthopaedic Reconstruction, Orthopaedic Trauma and Clinical Therapies, Endoscopy and Advanced Wound Management products. Smith & Nephew is a global leader in arthroscopy and advanced wound management and is one of the leading global orthopaedics companies.

Smith & Nephew is dedicated to helping improve people's lives. The Company prides itself on the strength of its relationships with its surgeons and professional healthcare customers, with whom its name is synonymous with high standards of performance, innovation and trust. The Company operates in 32 countries around the world. Annual sales in 2007 were nearly \$3.4 billion.

For more information, please visit the company's website at www.smith-nephew.com.