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Activity

In 2009 revenues grew 22%. Excluding the contribution from the USA, revenues growth was 14%. Since August of this year, Spineart is present in the USA through its new subsidiary Spineart USA. The first surgeries were performed in October and users feedbacks are extremely positive. In terms of revenues it is too early to draw too many conclusions from these first 3 months however US sales for 2009 exceeded budget plan by 20%.

Gross Margin and Operating Profit

Gross margin reached 73% of revenues, a moderate improvement compared to 2008. This stability is mainly due to the constant product mix compared to last year and the still limited contribution to total revenues from the USA after only one quarter of activity. However the strengthening of the Swiss Franc against the Euro had a negative impact estimated at 0.5% of revenues. Operating margin stood at 5% of revenues, negatively impacted by one-off costs related to the opening of the US subsidiary and the related operating costs (salaries, rent...) incurred from August while commercial activity only started in October. In comparison, Spineart's operating margin in 2008 was superior to 15% of revenues.

Technology Platforms

In 2009 the JULIET[®] and TRYPTIK[®] ranges of lumbar and cervical intersomatic cages were registered with the US FDA as well as the posterior fixation system ROMEO[®]. In addition the first surgery with the posterior dynamic stabilization system YODA[®] was performed in Bordeaux, France.

Prospects

2010 will be mainly spent on developing our newly established commercial presence in the USA, strengthening our international distribution network and broadening our offer of technological solutions for spine surgery.