



**Inion Oy  
("Inion or the "Company")**

**Interim Management Statement**

**Tampere, Finland and Guildford, UK.** 19 May 2009, Inion (LSE: IIN.L), a company focused on the development and commercialisation of novel biodegradable medical implants, today publishes its Interim Management Statement ("IMS") for the period 1 January 2009 to date.

- During the period, Inion continued to evaluate a range of options aimed at ensuring sufficient funding to enable it to continue with its current strategy. However, notwithstanding that certain indicative commitments were obtained from a number of investors, due to the prevailing equity market conditions, the Company has not been able to secure a sufficient level of funding. The Company is continuing discussions with a number of parties in relation to other strategic transactions or divestment of certain assets to raise additional funding.
- In order to conserve existing cash resources, all current activities are now focused on generating sales in our key markets while other activities, including manufacturing, have been suspended.
- In March 2009, Inion received 510(k) regulatory clearance from the US Food and Drug Administration (FDA) for its new Inion BioRestore™ Sahara bone filling implants for use in spinal and orthopaedic surgical procedures. This is an important product particularly for use in conjunction with Inion's new biodegradable spinal graft containment systems for spinal fusion procedures (Inion S-1™ and Inion S-2™ systems), which received 510(k) marketing clearance in the US in mid-2008 and provided a significant boost to sales in this market during the second half of 2008.
- Inion announced on 29 April 2009 that it intends to apply to cancel the admission of its Ordinary Shares on the Official List and to trading on the London Stock Exchange's market for listed securities. It is anticipated that the effective date of the Cancellation will be 24 June 2009, pending approval by shareholders at an Extraordinary General Meeting to be held in Tampere, Finland on 26 May 2009. Full details can be found on the Company's website [www.inion.com](http://www.inion.com).
- Invoiced sales for Q1 2009 are €697,000, with the order book at €242,000 at the end of Q1 2008 (compared with €824,000 and €537,000, respectively at the end of Q1 2008). Sales for the period 1 January – 18 May 2009 were €1,209,000 (2008: €1,678,000) with the order book at €346,000.
- The updated cash position of the Group as at 15 May 2009 was €0.7 million. As a consequence of the actions taken to reduce overhead expenditure and headcount levels, future cash expenditure has been considerably reduced. The cash balance at the end of the month is expected to be €1.0 million.

Chris Lee, Inion's CEO, said: "The early part of 2009 has been a very difficult and disappointing time for Inion as we have tried unsuccessfully to raise the funds needed to support our business strategy. This is a very frustrating situation given the operational

progress the Company has made in the last 12 months, particularly in the US. We are now exploring a range of options that will allow us to generate as much value as possible for our shareholders and will continue to update the market as appropriate.”

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**About Inion ([www.inion.com](http://www.inion.com))**

Inion Oy is a medical devices company focused on the development and successful commercialisation of innovative and unique biodegradable and bioactive surgical implants in selected high value orthopaedic market segments.

Inion's core expertise and technology lies in the design and manufacture of innovative biodegradable plates, screws, pins and membranes, which are used to enhance the healing of bone or soft tissue injuries to the skeleton, such as those caused by trauma or by reconstructive surgery. Inion implants are made from its proprietary Inion family of biomaterials, with properties tailored for specific surgical applications, in terms of strength, flexibility and rate of degradation

Inion is also focused on developing proprietary new bioactive and biodegradable biomaterials that promote bone healing and accelerate patient rehabilitation.

Inion was incorporated in early 2000 and listed on the Official List of the UK Listing Authority in December 2004 (ticker: IIN). The Company has offices in the UK and US, and its head office, R&D and production facilities are in Tampere, Finland.

*This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products), and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "will", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those relating to Inion's funding requirements, regulatory approvals, reliance on third parties, intellectual property, key personnel and other factors. These forward-looking statements speak only as at the date of this announcement. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in the Group's*

*expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statement.*