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Press information

Lombard Medical Technologies PLC
("Lombard" or "Company")

£1.6 million Fundraising

London, UK, 26 September 2008 – Lombard Medical Technologies PLC (AIM: LMT), the specialist medical device company, announces a fundraising for the Company raising approximately £1.6 million (before expenses of approximately £0.2 million).

Highlights

- Fundraising by way of a Placing and a Subscription of Convertible Loan Notes to raise net proceeds (after expenses) of approximately £1.4 million. The Placing has been underwritten by Nomura Code Securities Limited.
- The Company is offering qualifying shareholders and employees the opportunity to participate in the fundraising by offering them the chance to subscribe for Convertible Loan Notes on equivalent terms and conditions to the Placing and the Subscription up to the value of €2.5 million (approximately £2.0 million)
- Certain Directors have agreed to take up a total of £75,000 of Convertible Loan Notes
- A significant Middle Eastern bank has expressed an interest in investing through equity up to \$15 million in Lombard
- The proceeds allow the Company to complete its ongoing long-term financing discussions as well as progress the following key near-term objectives:
 - Complete recruitment of the Aorfix™ US clinical trial
 - File to widen the European label claim for Aorfix™ to include the treatment of high-angle-neck aneurysms (up to 90°)
 - Secure FDA approval of EndoRefix™ in late 2008 or early 2009

Investors in Lombard should be aware that the proceeds from the Placing and Subscription together with the Company's existing cash resources will allow it to trade into January 2009. If the Board is unable to secure additional sources of funding, the Company will have insufficient resources to trade beyond that date.

The Placing was marketed by Nomura Code Securities Limited and the Subscription by the Company's exclusive US agent Summer Street Research Partners.

Simon Neathercoat, Lombard Medical's Non-Executive Chairman, said:

"We are very pleased that the investment community has continued to show its support for the Company, particularly at a time when the capital markets are under such pressure. These funds provide us with the breathing space we require, whilst talks continue with a number of parties to secure the long-term funding requirements of the Company."

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Lombard Medical Technologies PLC is a medical devices group developing stent grafts and other medical products for use in the treatment of vascular disease. The Company's lead product, Aorfix™, is an endovascular stent graft for the treatment of abdominal aortic aneurysms (AAAs), a balloon-like enlargement of the aorta which, if untreated, may rupture and cause death. Approximately 1.7 million people have AAAs in the US where it is the 13th largest cause of death. The market for endovascular stent grafts for the treatment of AAA is currently worth over \$600 million and is expected to grow to around a \$1 billion by 2010. Aorfix™ is currently being commercialised in the EU, with a pivotal clinical trial ongoing in the USA.

The Company's Polymer Coatings Division has developed a novel hydrophilic surface treatment to reduce friction on catheters called GlideMax™, which is available for licensing, and is using its polymer coating technology in a number of research collaborations developing novel products for the \$5 billion drug-eluting stent market.

The Company headquartered in Oxfordshire, with operations in Yorkshire, Ayrshire and Boston, USA employs over 100 people.

Further background on the Company can be found at www.lombardmedical.com.

Proposed Placing and Subscription of Convertible Loan Notes to raise approximately £1.6 million and Offer to Qualifying Participants of Convertible Loan Notes and Notice of General Meeting

The Board of Lombard announces that the Company is proposing to raise approximately £1.6 million before expenses by means of a placing and a subscription of Convertible Loan Notes. In conjunction with this placing and subscription, the Board also announces details of an offer to Qualifying Shareholders and Qualifying Employees that may raise up to a further €2.5 million (approximately £2.0 million) through the issue of Convertible Loan Notes. The Placing, Subscription and Offer are all subject, inter alia, to the approval of Shareholders at the General Meeting to be held on Monday 13 October 2008. Set out below are further details of these fundraising initiatives and of the progress made by the Company since the announcement of the interim results in July.

During 2008, the Company has continued to pursue its stated strategies of focussing its efforts and resources on the development and commercialisation of its family of Aorfix™ stent grafts whilst seeking to secure the long-term financing of the Company through the disposal of non-core assets and inward investment from either a trade partner or strategic investor.

The Company can report good progress with the first part of this strategy with momentum behind Aorfix™ continuing to build both in clinical trial recruitment and commercial sales. Progress has also been made with the quest to secure the long-term financing of the Company as, along with the proposed Placing, Subscription and Offer, the Company announces that it has received a strong indication of interest in making a long-term equity investment in the Company of up to US\$15 million from a significant Middle Eastern bank. This investment is subject, inter alia, to contract, successful completion of a due diligence exercise and Shareholder approval. It is likely that, following an investment of this size, the potential investor would hold in excess of 30 per cent. of the share capital of the Company. Accordingly, the proposed investment would be subject to the grant by The Panel on Takeovers and Mergers of a waiver of the obligation to make an offer for the entire issued share capital of the Company, conditional upon Shareholder approval. It is intended that their potential equity investment will take the form of a subscription of new Ordinary Shares at a price of 2.5 pence per Ordinary Share. This proposed investment will be the subject of a separate circular to be produced in due course. As described more fully below, this investment would result in the mandatory conversion of all outstanding Convertible Loan Notes, with one fully paid new Ordinary Share issued for each 2.5p nominal of Convertible Loan Notes converted.

Although the Board's efforts to dispose of the Company's non-core assets have yet to bear fruit, various courses of action continue to be pursued that may provide further funding to the Group.

Whilst the funds raised in the Placing and Subscription are not sufficient to secure the long-term future of the Group, they will fund the Company into January 2009. As the Board recognised that without news of a fundraising in the short-term there would be further downward pressure on the Company's share price, it took the decision to complete and announce this interim fundraising whilst continuing its discussions with other parties who, for various reasons, could not commit funds at this point in time. The Board remains confident that it will secure the long-term funding requirements of the Company in due course.

Investors should be aware that the proceeds from the Placing and Subscription together with the Company's existing cash resources will allow it to trade into January 2009. If the Board is unable to secure additional sources of funding, the Company will have insufficient resources to trade beyond that date.

Principal Terms of the Convertible Loan Notes

The Convertible Loan Notes will be unsecured and will yield a gross coupon of 1.0 per cent. above the average annual Base Rate of the Bank of England. The interest payable will be satisfied by the issue of further Convertible Loan Notes.

A notice of conversion may be served by a holder of Convertible Loan Notes at any time until the final redemption date. There is a mandatory conversion of all Convertible Loan Notes upon any fundraising by the Company, where the Company raises at least £6,000,000 before the deduction of expenses. In each case each 2.5p nominal of Convertible Loan Notes will be convertible into one new fully paid Ordinary Share.

Until the Convertible Loan Notes are repaid or converted in full, the Company shall not issue any loan or stock or create or grant any security ranking in priority to the Convertible Loan Notes, unless the Noteholders have granted their prior consent.

The Directors have not applied, and do not intend to apply to the London Stock Exchange or any other recognised investment exchange for the Convertible Loan Notes to be admitted to trading. The Convertible Loan Notes will however be transferable. The Company will use its reasonable endeavours to seek admission to trading of the new Ordinary Shares issued on conversion of the Convertible Loan Notes on any recognised investment exchange on which the Ordinary Shares are then traded.

Further details of the Convertible Loan Notes are set out in the circular being posted to Shareholders today.

Chief Executive's Review

For further and more detailed information on the Company's business, see Brian Howlett's review set out below under the title "Chief Executive's Review".

Strategy and Use of Funds

The £1.4 million (net of costs) being raised from the Placing and Subscription along with up to €2.5 million (approximately £2 million) from the Offer will, the Director's believe, enable the Company to complete its ongoing long-term financing discussions as well as progress the following key near-term objectives:

1. Aorfix™ US Clinical Trial – to complete recruitment in Q1 2009;
2. Aorfix™ European Arbitrator II trial – to file for TÜV approval to widen the existing CE Mark to include the treatment of high-angle-neck aneurysms (up to 90 degrees) by the end of Q1 2009; and
3. EndoRefix™ – to secure FDA approval in late 2008 or early 2009.

Working Capital

At 24 September 2008, the Company had cash and short-term deposits of £1.9 million. For the Company to be able to pursue its stated strategy, it is essential that the Company raises the proceeds pursuant to the Placing and Subscription.

The Directors believe that along with existing cash balances the net proceeds of the Placing and Subscription will raise sufficient working capital to fund the Company into January 2009.

Placing and Subscription

The Company has today placed Convertible Loan Notes with institutional investors to raise approximately £1.1 million before expenses. This Placing has been underwritten by Nomura Code other than in relation to the Convertible Loan Notes issued to the Directors (as referred to in the paragraph below) and the NCS Notes. In addition, two US investors have entered into Subscription Agreements whereby they will subscribe for Convertible Loan Notes raising a further £0.55 million in aggregate before expenses. Together, the Placing and the Subscription will raise a total of approximately £1.6 million before expenses. The Subscription has not been underwritten by Nomura Code.

As part of the Placing, Nomura Code has agreed to subscribe for the NCS Notes and the subscription price of £50,000 will be satisfied by the discharge of the debt owed by the Company in respect of 50 per cent. of the corporate finance fee payable to Nomura Code pursuant to the Placing Agreement.

Placing Participation by Directors

As part of the Placing, the following Directors have agreed to subscribe for the indicated amount of Convertible Loan Notes in cash:

Simon Neathercoat	£5,000
Brian Howlett	£10,000
Tim Cook	£10,000
Craig Rennie	£20,000
Martin Rothman	£20,000
Michael Stevens	£10,000
Total	£75,000

The participation by these Directors in the Placing constitutes a related party transaction under the AIM Rules. Mr Richard Johnson and Mr Tim Hall, being the only Directors not participating in the Placing, consider, having consulted the Company's nominated adviser, Nomura Code, that the terms on which the Directors are participating in the Placing are fair and reasonable insofar as the Company's Shareholders are concerned.

Subscription by Substantial Shareholders

Camden Partners currently hold 21,269,291 Ordinary Shares representing 15.9% of the Company's Existing Ordinary Shares. As part of the Subscription, Camden Partners have agreed to subscribe for £283,019 nominal of Convertible Loan Notes in cash. As Camden Partners is a substantial shareholder of the Company, this subscription constitutes a related party transaction under the AIM Rules. The Directors, with the exception of Mr Richard Johnston, who is a director of Camden Partners, consider, having consulted the Company's nominated adviser, Nomura Code, that the terms on which Camden partners are subscribing for Convertible Loan Notes are fair and reasonable insofar as the Company's Shareholders are concerned.

Invesco Limited (previously Amvescap PLC) currently holds 14,560,956 Ordinary Shares representing 10.9% of the Company's Existing Ordinary Shares. As part of the Placing, Invesco Limited has agreed to subscribe for £500,000 nominal of Convertible Loan Notes in cash. As Invesco Limited is a substantial shareholder of the Company, this subscription constitutes a related party transaction under the AIM Rules. The Directors consider, having consulted the Company's nominated adviser, Nomura Code, that the terms on which Invesco Limited are subscribing for Convertible Loan Notes are fair and reasonable insofar as the Company's Shareholders are concerned.

Offer to Qualifying Shareholders and Qualifying Employees

Qualifying Participants should be aware that, if the Board is unable to secure additional sources of funding, the Company will have insufficient resources to trade beyond January 2009.

The Company considers it important that Qualifying Shareholders and Qualifying Employees have an opportunity to participate in the fundraising on equivalent terms and conditions. The Company has been advised that Qualifying Participants can subscribe, in aggregate, for up to €2.5 million without the Company having to produce a prospectus which would be time-consuming and costly. At current exchange rates, €2.5 million equates to approximately £2.0 million. In the event that Qualifying Participants apply for an aggregate amount that is greater than the €2.5 Million Maximum and/or the Rule 9 Subscription Threshold, the Directors will use their discretion to scale back such applications such that this maximum and/or threshold is not exceeded.

Further information on the Offer is set out in the circular being posted to Qualifying Participants today and below.

The Offer is not being underwritten.

General Meeting

The Placing, the Subscription and the Offer are subject, inter alia, to the approval of Shareholders at the General Meeting of the Company.

Set out in the circular is the notice convening a General Meeting to be held on 13 October 2008 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 10.00 a.m. at which the Resolutions will be proposed.

Resolution 1 increases the authorised share capital from £10,000,000 to £11,000,000.

Resolution 2 authorises the Directors to issue relevant securities up to a maximum of £4,000,000 nominal of Convertible Loan Notes (convertible into Ordinary Shares with a maximum aggregate nominal value of £3,200,000) and other relevant securities up to £1,860,000 in nominal value, being approximately one third of the Enlarged Issued Share Capital, provided that such authority shall expire on 12 October 2013.

Resolution 3 authorises the Directors to disapply statutory pre-emption rights in certain circumstances (including the issue of £4,000,000 nominal Convertible Loan Notes (convertible into Ordinary Shares with a maximum aggregate nominal value of £3,200,000)) and in respect of equity securities up to £558,000, being approximately 10% of the Enlarged Issued Share Capital, provided that such authority shall expire on 12 October 2013.

Importance of vote

As the Placing, Subscription and Offer are conditional, inter alia, upon the passing by Shareholders of the Resolutions at the General Meeting, Shareholders should be aware that, if the Resolutions are not passed and the Placing, Subscription and Offer do not take place, funds will not be received by the Company. In this event, the Directors estimate that the Company's current working capital, under the Company's current business plan, would be insufficient to allow the Company to trade beyond November 2008.

Chief Executive's Review

Aorfix™ US Clinical Trial

A total of 88 patients as at 24 September 2008 had been recruited into the pivotal US trial for Aorfix™ (PYTHAGORAS) which represents just over half the filing requirement of 160 patients. However, the Company expects to recruit in total around 180 patients to meet the submission data requirement of 160 after normal patient attrition during the year-long follow-up period.

There are now a total of 32 centres with all the requisite authorisations and training to use Aorfix™ in high-angle-neck aneurysms, up from 22 at 30 June and just eight at the start of the year. The Company aims to have a total of 50 centres actively recruiting patients in the fourth quarter which will further increase recruitment rates.

As previously reported, Aorfix™ has been accepted as a modular PMA. The first module of which, containing the preclinical and shelf-life testing, was submitted to the FDA for review on 20 August 2008.

Arbiter II Trial in Europe

Recruitment into the Arbiter II trial, designed to widen CE Mark approval for Aorfix™ in Europe to include patients with high-angle-neck aneurysms for which there is no approved endovascular device, has been completed this month.

Aorfix™ Sales

As expected, sales of Aorfix™ during the holiday months of July and August slowed but continue to record significant growth over the corresponding period last year.

The total number of patients treated with Aorfix™ now exceeds 590 up from 524 at 30 June 2008 and data from the Company's Retrospective Aorfix Data Retrieval ("RADAR") registry containing a large proportion of these cases was presented at the European Society for Vascular Surgery ("ESVS") meeting earlier this month with a further update given at the Cardiovascular and Interventional Radiological Society of Europe ("CIRSE") meeting on 14 September 2008.

In the peer reviewed Late Breaking Abstract Session at CIRSE, Mr Jan Macierewicz presented the results of the RADAR voluntary registry in which there are 338 commercial Aorfix devices implanted. The registry has been derived from 13 sites in 6 countries across Europe. Mr Macierewicz indicated that the mean aneurysm neck angles in the registry were 60°, which is on the upper limit of other commercial devices available. Clinical outcome for 65 patients with sequential follow up to 36 months showed that the RADAR patient cohort has revealed that Aorfix™ has good clinical outcomes in terms of clinical events, mortality rate, endoleak, migration and fracture for up to 36 months. Mr Macierewicz concluded that "Aorfix™ is becoming a versatile device for both routine and complex anatomies, with a wider range of indications."

EndoRefix™ Endostapler

Enrolment into the US trial for EndoRefix™ slowed over the holiday months but there are now 29 patients enrolled with 11 centres actively recruiting patients and a further 3 centres in the process of obtaining IRB or contract approval. Trial recruitment is expected to be completed early in Q4 which, with the short 30-day follow-up, gives the potential for FDA approval around the turn of the year.

Risk Factors

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In such circumstances, the trading price of Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company or the Group. There can also be no guarantee that the Company's investment objectives will be achieved.

Prospective investors should be aware that the value of Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their initial investment. In addition, it is possible that the market price of Ordinary Shares in the Company may be less than the underlying net asset value per Ordinary Share.

References to the Company are also deemed to include, where appropriate, each member of the Group.

History of losses

The Group has experienced operating losses in each year since its inception and, as at 30 June 2008, had an accumulated deficit of £45 million. The Group will incur further losses and there can be no assurance that the Group will ever achieve significant revenues or profitability.

Necessity of further funding

The current funding round will not raise sufficient money to take the Group to profitability and unless a strategic investor or trade partner and/or additional financial resources are secured in January 2009 the Group would be unable to continue to trade, and investors would be unlikely to recover their investment in the Company.

Divestment of non-core assets

The Company is in the process of exploring strategic options for, and the possible divestment of non-core assets. Should these strategic options cease to be attractive, or should the divestment not proceed, this may have an adverse impact on the financial and operational position of the Group.

Protection of patents and proprietary rights

The Company's ability to compete effectively with other companies depends, inter alia, on its exploitation of technology. However, there can be no assurance that competitors have not developed or will not develop substantially equivalent information or techniques or otherwise gain access to the Company's technology. Nor can there be any assurance that patents will be issued with respect to the Company's applications now pending, or which may be applied for in the future, nor that the lack of any such patents will not have a material adverse effect on the Company's ability to develop and market its proposed products. Also, no assurance can be given that the Company will develop products which are patentable or that patents will be sufficiently broad in their scope to provide protection for the Company's intellectual property rights against third parties. Nor can there be any assurance as to the ownership, validity or scope of any patents which have been, or may in the future be, issued to the Company or that claims with respect thereto would not be asserted by other parties.

Substantial costs may be incurred if the Company challenges the proprietary rights of others or is required to defend its proprietary rights.

The commercial success of the Company and the Group will also depend upon non-infringement of patents granted to third parties who may have filed applications or who have obtained or may obtain patents relating to products which might inhibit the Company's ability to develop and exploit its own products. If this is the case, the Company may have to obtain alternative technology or reach commercial terms on the exploitation of other parties' intellectual property rights. There can be no assurance that the Company will be able to obtain alternative technology or, if any licences are required, that the Company will be able to obtain any such licence on commercially favourable terms, if at all. This may have a material adverse effect on the Company and the Group.

Liquidity of Ordinary Shares

The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may be, or may become, relatively illiquid and, therefore, such shares may be or may become difficult to sell. Admission to AIM does not imply that there will always be a liquid market for Ordinary Shares.

Liquidity of Convertible Loan Notes

As the Convertible Loan Notes will not be admitted to AIM or any other recognised investment exchange, the holders of Convertible Loan Notes may find that the Convertible Loan Notes are difficult to transfer. However, once the Convertible Loan Notes are converted into new Ordinary Shares, the risk factor paragraph above applies.

Stock market perception

The stock market perception of securities related to the medical products sector may change and, accordingly, the value of Ordinary Shares may fluctuate or decline.

Competition

The Company expects competition both for its existing products and for those currently under development. Competition may come from companies which have greater research, development, marketing, financial and personnel resources than the Company. Competitors may precede the Company in developing and receiving regulatory approval or may succeed in developing a product that is more effective or economically viable than that developed by the Company. Such activities could render the Company's technology and products obsolete and/or otherwise non-competitive.

Potential threat of drug-based treatments

Drug-based treatments or therapies may supersede medical devices in cardiovascular applications although this potential threat is reduced by slow lead times in drug-based product development and the length of time required in obtaining regulatory approvals.

Product development slower than anticipated

In the event that the Company does not meet anticipated product development and revenue levels, the working capital requirements of the Company could be adversely affected.

Development approvals

Development of products may be hindered by the length of time required to obtain regulatory approvals, to carry out clinical trials and to obtain licences and by future regulatory changes or developments. Indeed, some products that undergo development may never obtain the requisite regulatory approvals to reach production and this may materially affect the business and value of the Company. FDA approval has not been obtained for Aorfix™.

Market acceptance of new products

The Company will be dependent upon the new products and processes that it develops. New products and processes that have undergone development and regulatory approval may not necessarily gain market acceptance.

Delay to FDA approval

There is a risk that the FDA may take longer than expected to approve the Company's products.

Market penetration rates

The Company's business model assumes that over time its product will be adopted by the market. However, it is possible that penetration rates may be slower than the Company's forecasts assume.

Key suppliers

The Company is dependent upon an important sub-assembler and a number of key suppliers in the production of its lead product Aorfix™. Although the Company retains business interruption insurance and holds strategic stocks of key raw materials, a long-term interruption in the supply of a key raw material or the ability of the sub-assembler to deliver could result in an interruption of the supply of Aorfix™ which would delay the US trial and FDA approval, and slow market penetration in Europe.

Manufacture

The Company manufactures its products within a strict regulatory environment. Although the Company rigorously tests any changes to the manufacturing process prior to its implementation there remains a risk that small changes to the process required to improve manufacturing capacity and efficiency may have an unforeseen detrimental impact on product quality that could result in a temporary interruption to product supply.

Expected Timetable of Principal Events

Record Date	2008 6.00 p.m. on 24 September
Date of the circular to shareholders and posting of the Application Forms and Forms of Proxy	26 September
Latest time and date for receipt of completed Application Forms and payment in full under the Offer	10.00 am on 9 October
Latest time and date for receipt of Forms of Proxy	10.00 am on 9 October
General Meeting	10.00 am on 13 October
The results of the Offer and General Meeting announced by way of a Regulatory Information Service	13 October
Definitive loan note certificates for Convertible Loan Notes despatched by no later than	20 October

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement on a Regulatory Information Service. References to time in this document are to London time.

Placing, Subscription And Offer Statistics

Number of Ordinary Shares in issue at the date of this document	133,979,931 shares
Nominal value of Placing Notes	£1,075,000
Maximum nominal value of Offer Notes	£1,984,600
Nominal value of Subscription Notes	£552,561
Enlarged Issued Share Capital ¹	278,466,371
Percentage of Enlarged Issued Share Capital represented by the Placing Notes, Subscription Notes and Offer Notes when fully converted	51.9%
Gross proceeds of the Placing and Subscription	£1.6 million
Estimated net proceeds of the Placing and Subscription	£1.4 million

¹ Assuming full subscription of the Offer Notes and full conversion of the Convertible Loan Notes into Ordinary Shares on issuance.

Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

“€2.5 Million Maximum”	the aggregate maximum subscription under the Offer (before expenses) of less than €2.5 million
“2006 Act”	the Companies Act 2006, as amended from time to time
“Act”	the Companies Act 1985 (as amended)
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the rules for companies with a class of securities admitted to AIM and their nominated advisers published by the London Stock Exchange governing admission to and the operation of AIM, as in force at today’s date
“Application Form”	the application form in respect of the Offer accompanying this document
“Camden Partners”	Camden Partners Strategic Fund 11-A, LP and Camden Partners Strategic Fund 11-B, LP
“Capita Registrars”	Capita Registrars Limited, registrars and receiving agents to the Company
“City Code”	The City Code on Takeovers and Mergers as modified, varied or amended from time to time
“Companies Act”	the company law provisions of the 2006 Act (as such term is defined in section 2(2) of the 2006 Act), Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the provisions of the Companies Consolidation (Consequential Provisions) Act 1985 and the Act that remain in force
“Company” or “Lombard”	Lombard Medical Technologies PLC (company number 04636949) and whose registered office address is 4 Trident Park, Basil Hill Road, Didcot, Oxfordshire OX11 7HJ
“Convertible Loan Notes”	the £4 million nominal of unsecured convertible redeemable loan notes of the Company to be created by a loan note instrument to be dated on or about 13 October 2008
“CREST”	the Relevant System for the paperless settlement of share transfers and the holding of shares in uncertified form in respect of which Euroclear is the Operator (as defined by the Crest Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
“Directors” or “Board”	the board of directors of the Company
“DTRs”	the Disclosure Rules and Transparency Rules published by the FSA
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company as enlarged by the full conversion of the Placing Notes, the Subscription Notes and the Offer Notes on issuance and assuming that all Offer Notes are taken up
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the Ordinary Shares in issue and fully paid as at this date
“Financial Promotion Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended

“Form of Proxy”	the form of proxy for use in connection with the General Meeting accompanying this document
“FSA”	the Financial Services Authority
“General Meeting”	the general meeting of Lombard convened for 10.00 a.m. on Monday, 13 October 2008 (or any adjournment thereof), notice of which is set out in the circular
“Group”	the Company and its Subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“NCS Notes”	the £50,000 nominal of Convertible Loan Notes to be issued to Nomura Code as part of the Placing pursued to the terms of the Placing Agreement
“NCS Termination Notes”	the £25,000 nominal of Convertible Loan Notes to be issued to Nomura Code in the event of termination of the Placing Agreement in certain circumstances
“Nomura Code”	Nomura Code Securities Limited
“Offer”	the offer of the Offer Notes on the terms and conditions set out in this document and the Application Form accompanying this document
“Offer Notes”	up to approximately £2.0 million nominal of Convertible Loan Notes
“Option Schemes”	the Lombard Medical Technologies PLC Share Option Plan and the Lombard Medical Technologies PLC Share Option Plan (2005)
“Ordinary Shares”	ordinary shares of 2 pence each in the capital of the Company
“Placees”	subscribers for Placing Notes pursuant to the Placing Agreement
“Placing”	the placing of the Placing Notes pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 26 September 2008 and made between Nomura Code and the Company in relation to the Placing, further details of which are set out in Part V of this document
“Placing Notes”	the £1,075,000 nominal of Convertible Loan Notes to be issued pursuant to the Placing Agreement
“£” and “p”	respectively pounds and pence sterling, the lawful currency of the United Kingdom
“Prospectus Rules”	the Prospectus Rules published by the FSA
“Qualifying Employees”	persons employed by any member of the Group on the Record Date who are in any jurisdiction in which an offer to sell or invitation to subscribe for the Offer Notes is not unlawful and does not require the Offer or the Offer Notes to be approved by, or registered with, any regulatory body
“Qualifying Participants”	Qualifying Employees and Qualifying Shareholders
“Qualifying Shareholders”	Shareholders on the register of members of the Company on the Record Date who are in any jurisdiction in which an offer to sell or invitation to subscribe for the Offer Notes is not unlawful and does not require the Offer or the Offer Notes to

	be approved by, or registered with, any regulatory body
“Record Date”	the record date in relation to the Offer, being 6.00 p.m. on 24 September 2008
“Relevant System”	has the meaning given in the CREST Regulations
“Resolutions”	the resolutions set out in the notice of the General Meeting at the end of this document and “Resolution” shall mean any of them
“Rule 9 Subscription Threshold”	the maximum number of Offer Notes which, when converted and aggregated with the relevant Qualifying Participant’s existing holding of, or interest in, Ordinary Shares, does not exceed:(i) together with any person acting in concert with that Qualifying Participant 30 per cent. of the total voting rights of the Company; or (ii) together with any person acting in concert with that Qualifying Participant who currently holds or is or are interested in more than 30 per cent. of the total voting rights of the Company, but less than 50 per cent. of the total voting rights of the Company, that percentage (between 30 per cent. and 50 per cent.) of voting rights of the Company
“Shareholders”	holders of Ordinary Shares
“Straus”	Straus Partners, L.P., Straus GEPT Partner, L.P., and Straus Healthcare Partners, L.P.
“Subscribers”	subscribers for the Subscription Notes pursuant to the Subscription Agreements
“Subscription”	the subscription for the Subscription Notes pursuant to the Subscription Agreements
“Subscription Agreements”	the agreements made between the Company and the Subscribers, further details of which are set out in Part V of this document
“Subscription Notes”	the £552,561 nominal of Convertible Loan Notes to be issued to the Subscribers pursuant to the Subscription Agreements
“Subsidiaries”	the subsidiaries of the Company set out in paragraph 5 of Part V of this document
“US” or “USA” or “United States of America”	the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction

Glossary

Aneurysm	balloon-like enlargement of a blood vessel resulting from a weakening in the vessel wall
Endoleak	leakage of blood beyond the stent graft into the space between the outer stent wall and the wall of the blood vessel
Endostapler	a stapling instrument used endoscopically for the purposes of fixing tissues to other tissues or devices
FDA	the US Food and Drug Administration
Investigational Device Exemption or IDE	an approval by the FDA for a device that permits its use in clinical study to collect the safety and effectiveness data required for an application to market the device
Independent Review Board or IRB	a committee that has been formally designated to approve, monitor and review biomedical and behavioural research involving humans with the aim to protect the rights and welfare of the research subjects
PMA	Pre-Market Approval
stent graft	a tubular device made of fabric attached to an expandable metal structure. Once the metal structure is expanded, the device forms a tube
thoracic aortic aneurysm or TAA	balloon-like enlargement of the aorta in the region of the thorax (occurring in the length of the aorta between the heart and the diaphragm)
TÜV	Technischer Überwachungsverein, a third party organisation appointed to be a notified body by a member state of the European Union to undertake prescribed activities relating to quality standards including, inter alia, providing conformity assessment in support of CE markings