



## 2009 Annual General Meeting

### Chairman's Address

I am pleased to report that, despite the unprecedented global economic turmoil over the past 18 months, AtCor has experienced a positive year in terms of both its operational performance and putting in place the building blocks to support future growth and sustainability.

AtCor has an excellent technology in the SphygmoCor system. It provides, non-invasively and relatively inexpensively, important information on the cardiac and circulatory systems function that can allow physicians to identify potential issues earlier and, thereby, allow earlier intervention in the progression of the disease.

As we look to the medium term, seldom has a technology such as SphygmoCor been more relevant to healthcare providers. As the incidence of cardiac and circulatory disease continues to rise and treatments put more strain on already struggling healthcare systems in most developed economies, a relatively low cost solution that can help in earlier and less costly intervention is attractive. AtCor's SphygmoCor system is well placed to provide many of the answers to allow more cost-effective management of these diseases.

Now to our operating results for FY09. AtCor delivered strong sales of \$11.2 million, representing growth over the prior year of 74% (47% in constant currency). AtCor has now exceeded the \$10 million per annum sales mark and all the regions in which we operate contributed strong growth, with the US the stand-out performer.

In addition to strong sales, the gross margin for the year was 84.5%, up from 80.1% in the prior year. The net loss for the year of \$1.7 million was a significant reduction from the \$3.8 million net loss in FY08. Finally, one of the most satisfying results was our net cash position of \$3.4 million at year end, unchanged from a year earlier. During the year, approx \$600k of cash was consumed through operations – but this was offset by a payment of \$700k, representing a portion of loans by the company outstanding at year-end. I can report that, as of today, there are no loans outstanding as further repayments have been made since year-end,.

The positive performance of the company has enabled us to confirm that we do not anticipate the need for any further cash to support our operating activities for the foreseeable future.

In addition to the strong financial results, other significant achievements that, I believe, validate both our technology and strategy include:-



- First, our success in enabling major pharmaceutical and biotech companies to access valuable information during clinical trials by utilizing SphygmoCor. This has contributed to AtCor receiving contracts to the value of US\$6.7 million during the year, as well as enjoying a major increase in revenue generated through sales to pharma and biotech companies.
- Second, a number of important clinical papers were published that support the use of SphygmoCor in a clinical setting. Such publications are crucial, as solid and robust publications tend to be a precursor to change in clinical practice. Given the papers that have been published and those in the pipeline, it is fair to say that AtCor is well placed in terms of both the quantity and quality of clinical publications.
- Third, a number of new product offerings were successfully launched during the year. Whilst new products are important to grow sales, they have the additional benefit of demonstrating AtCor's leadership in, and commitment to, our market.
- Finally, in order to have long term success, it is critical to have the appropriate technology/product that addresses an unmet need, and with SphygmoCor we are convinced we have such a technology.
- It is also critical to have the organisation and talent to successfully execute on plans. I am very proud and confident of the AtCor team and its ability to deliver. We continue to build on a strong team that has us well-placed for further success in FY10 and beyond.

I want to thank you, our shareholders, for your continued support. Bringing a game-changing technology to the market is not a trivial exercise. It takes time, diligence, hard work and patience. I am delighted with our progress. We appreciate your commitment and I hope you can now see the significant strides being taken by your company, which should help unlock considerable value.

Finally, on behalf of all shareholders, I want to thank the employees and management of AtCor, our medical advisers and, most importantly, our customers. They continue to lead the way in the early identification and treatment of cardiovascular disease.