

7 October 2011

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ALT IUM L I M I T E D

Dear Shareholder,

The Altium Limited Board ('Board') would like to invite you, or your representatives, to attend the 2011 Annual General Meeting ('Meeting') of Altium Limited ('Company'). The Meeting will be held at the **Manly Pacific Hotel Sydney, Clarendon Room, 55 North Steyne, Manly, Sydney, 2095, at 3pm on Tuesday, 8 November 2011.**

General Business

Financial statements and reports

1. To receive the financial report, directors' report and auditor's report for the Company for the financial year ended 30 June 2011.

Remuneration report

2. To receive, consider and adopt the Remuneration Report of the Company for the financial year ended 30 June 2011, which forms part of the Directors' Report.

Election of directors

3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
Samuel Weiss, a director retiring from office in accordance with Articles 7.2-7.4 of the Constitution of the Company, is re-elected as a director of the Company.
4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
Kayvan Oboudiyat, a director retiring from office in accordance with Articles 7.2-7.4 of the Constitution of the Company, is re-elected as a director of the Company.
5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
David Warren, a director retiring from office in accordance with Articles 7.2-7.4 of the Constitution of the Company, is re-elected as a director of the Company.

Special Resolution - Proportional Takeover Resolution Renewal

6. To consider and, if thought fit, to pass the following resolution as a special resolution:

That articles 3.17 to 3.18 inclusive of the Company's Constitution requiring prior shareholder approval for a proportional takeover of the Company, be re-adopted for a further period of three years from the date of this Meeting in accordance with Section 648G of the Corporations Act 2001 (Cwlth) ('Corporations Act').

Dated 7 October 2011

By Order of the Board



Kayvan Oboudiyat
Company Secretary

Notes to the Notice of Annual General Meeting

• Explanatory Notes

The Company's shareholders should read the Explanatory Notes accompanying, and forming part of, this Notice of Annual General Meeting for more details on the resolutions to be voted on at the Annual General Meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed.

• Voting Exclusion

The Company will disregard any votes cast on Resolution 2 by or on behalf of Key Management Personnel ("KMP") and closely related parties of KMP, whether the votes are cast as a shareholder, proxy or in any other capacity. However, the Company will not disregard a vote cast by a KMP or closely related party, if the vote is cast:-

- (a) in their capacity as proxy for a person who is entitled to vote on that Resolution, in accordance with the written direction on the Proxy Form; or
- (b) in their capacity as the Chairman of the Annual General Meeting as a proxy, provided that the proxy form specifies how the Chairman is to vote on Resolution 2, and the vote is not cast on behalf of a KMP or a closely related party of a KMP.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct your proxy how to vote on Resolution 2 on the proxy form (this is known as an "undirected proxy"), you are directing the Chairman to vote in favour of Resolution 2, even if that resolution is connected directly or indirectly with the remuneration of the KMPs. Therefore, if you do not wish to have the Chairman voting in favour of Resolution 2 as a result of your undirected proxy, you should direct the Chairman to vote "against" or "abstain".

For the purposes of this voting exclusion statement:

- KMP includes employees and officers of the Company who have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including the Company's Directors and certain senior executives: and
- Closely related parties of a member of the KMP include any of the following:
 - a) the spouses, children or dependents of a member;
 - b) the children or dependents of the member's spouse;
 - c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
 - d) a company controlled by the member.

If you cannot attend the meeting and plan to appoint a proxy to attend and vote on your behalf, please note that recent changes to the Corporations Act apply to this meeting and could affect whether or not your proxy is able to vote on your behalf, particularly in relation to Resolution 2. Please read this Notice of Meeting carefully and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form.

• Proxies

If you are unable to attend and vote at the Meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed Form of Proxy. The instrument appointing a proxy must be in writing under the hand of the appointer or their attorney duly authorised in writing, or if such appointer is a corporation, under its common seal or under the hand of its duly authorised officer or attorney.

A shareholder entitled to attend and vote is entitled to appoint a proxy and if entitled to cast two or more votes at the Meeting, may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If no such proportion or number is specified, each proxy may exercise half of the shareholder's votes. A proxy can be an individual or a body corporate and need not be a member of the Company.

Subject to any applicable voting restrictions, where an appointment specifies the way the proxy is to vote on the resolution:

- the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- if the proxy is not the Chairman, the proxy need not vote on a poll but if the proxy does so, the proxy vote must vote that way; and
- if the proxy is the Chairman, the proxy must vote on a poll and must vote that way.

In addition, there are now some circumstances where the Chairman will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman as their proxy. This will be the case where:

- the appointment of proxy specifies the way the proxy is to vote on a particular resolution;
- the Chairman is not named as the proxy;
- a poll is being called on the resolution; and
- either of the following applies:
 - (i) the proxy is not recorded as attending the Annual General Meeting; or
 - (ii) the proxy attends the Annual General Meeting but does not vote on the resolution.

Shareholders should consider directing their proxy as to how to vote on each resolution by crossing either a "For" or "Against" box when lodging their proxy form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

The proxy form together with the authority (if any) under which it is signed or a notarially certified copy of that authority must be received at the Company's registered office or by the Company's share register, Computershare Investor Services Pty Ltd (Ph: 1300 850 505) no later than **9am (AEST), Monday, 7 November 2011**.

The completed Form of Proxy may be lodged:

IN PERSON:	Share Registry	Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
	Registered Office	Altium Limited 3 Minna Close, Belrose NSW 2085, Australia
BY MAIL:	Share Registry	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia
BY FAX:	Share Registry	(within Australia) 1800 783 447 (overseas) +61 3 9473 2555

Voting Entitlement Cut-offs

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* and Article 6.1 of the Company's Constitution, the time nominated by the Board for the purposes of determining the voting entitlements at the Meeting is **7pm (AEST), Friday 4th November 2011**.

Explanatory Notes

Item 1: Financial statements and reports

As required by section 317 of the *Corporations Act 2001 (Cth)* (“**Corporations Act**”), the financial report, directors’ report and auditor’s report of the Company for the financial year ended 30 June 2011 will be laid before the Meeting. There is no requirement for a formal resolution on this item. Shareholders will be given reasonable opportunity to ask questions and make comments on these reports at the Meeting.

Item 2: Remuneration report

Section 300A of the Corporations Act requires listed companies to include a remuneration report within the directors’ report. The remuneration report must be put to a vote of members at the Meeting. The vote on the resolution will be advisory only and will not bind the directors or the Company. Shareholders will be given reasonable opportunity to ask questions and make comments on these reports at the Meeting.

Recommendation

Noting that each director has a personal interest in their own remuneration from the Company, as described in the remuneration report, the Board unanimously recommends the adoption of the remuneration report.

With Shareholder permission, the Chair of the Meeting intends to vote undirected proxies in favour of item 2.

Items 3 - 5: Election of directors

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third Annual General Meeting (AGM) following the director’s appointment or three years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the entity. This rule does not apply to the Chief Executive Officer.

Retirement

Article 7.2 of the constitution requires that at each annual general meeting any Director required to retire under the Listing Rules must retire from office and is eligible for re-election.

Article 7.3 requires that if the Listing Rules require an election of Directors each year, an election must be held.

Article 7.4 states that if an election is required under 7.3 and no Director is required to retire under the constitution, then the Board will determine which director/s should retire.

Directors Samuel Weiss, Kavyan Oboudiyat and David Warren retire by rotation under Article 7.3 and offer themselves for re-election.

Candidate information

Samuel Weiss AB MS FAICD, Non-executive Chairman

Sam joined the Altium Board as a Non-executive Director on 1 January 2007 and was elected Chairman of the Board on 4 October of that year. Sam is Chairman of Open Universities Pty Ltd and a Non-executive Director of Oroton Group Ltd, Breville Group Ltd, and iProperty Ltd. He is a Director of the Sydney Festival and is President of The Benevolent Society. He brings valuable experience from his previous roles as Vice President, Asia-Pacific, Gateway Computers and Chief Operating Officer for Nike Europe.

Kayvan Oboudiyat BE (Hons) GDA FAICD, Executive Vice Chairman

Kayvan has been a Director since 1997. Originally Kayvan was appointed Managing Director, becoming Chief Executive Officer in 1999 and Joint Chief Executive Officer in 2001. Kayvan has served in his current role of Executive Vice Chairman since 2005. Kayvan has played a key role in driving the group's development of new business opportunities. Prior to joining the group, Kayvan spent eleven years with Telstra, including three years as a Senior Executive in the International Business Unit. Kayvan is also the Company Secretary.

Dr David Warren BSc Tas, HonDSc Tas, MAIP, FAICD, Non-executive Director

Dave has served as a member of the Board since 1991. His work in astronomy led him into the world of software and electronic design where he has since gained more than 30 years experience. After joining Altium's management team in 1987, Dave served as President of Altium's USA operation from 1994 to 1995. Since 1995 he has worked in the areas of mergers, acquisitions, sales and corporate development prior to becoming a Non-executive Board member in 2004. Dave has served on a number of company boards both private and public.

Recommendation

The Board has significantly benefited from the contributions of Mr Weiss, Mr Oboudiyat, and Dr Warren. The Board (other than each director in relation to their own re-election) unanimously recommends that shareholders vote in favour of items 3 - 5.

The Chair of the Meeting intends to vote undirected proxies in favour of items 3 - 5.

Item 6: Renewal of Proportional Takeover Approval Provisions

The Company proposes to put to the shareholders a resolution to renew the Company's proportional takeover approval provisions contained in articles 3.17 to 3.18 inclusive of the Company's Constitution.

The Constitution of the Company contains provisions that prohibit the registration of any transfer of shares giving effect to an offer made under a proportional takeover scheme (that is, an offer for some but not all of the holders' shares in the Company) unless and until the persons holding shares in a class which the offer under the takeover was made have passed an ordinary resolution approving the scheme.

The offeror and any associate of the offeror are excluded from voting on that resolution. To remain effective, these provisions must be renewed by the shareholders in a general meeting every 3 years. In accordance with section 648G of the Corporations Act these proportional takeover approval provisions cease to apply unless otherwise renewed.

Effect of the provisions

If articles 3.17 to 3.18 of the Company's Constitution are renewed and a proportional takeover bid is made for a class of securities in the Company, the Directors will be required to convene a general meeting of the holders in that class to vote on a resolution to approve the proportional takeover bid or to conduct a postal ballot to approve the proportional takeover bid. The resolution must be voted on at least 15 days before the bid closes. The bidder and any associates of the bidder will be excluded from voting.

If the resolution is rejected by the holders, then the bid will be deemed to be withdrawn and registration of any transfer of securities resulting from the proportional takeover bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of securities to the bidder will be registered provided they comply with the other provisions of the Constitution.

If no resolution is voted on at least 15 days before the close of the bid, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

The renewed provisions will expire after three years, unless again renewed by the holders by a special resolution.

Reasons for proposing resolution

Part 6.5 Subdivision 5 C of the Corporations Act 2001 (Cwlth) permits the inclusion and renewal of proportional takeover approval provisions in the Constitution.

The Directors consider that the holders should continue to have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without the holders having the opportunity to dispose of all their securities. The provisions give the holders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual holders can make a separate decision as to whether they wish to accept the bid for their securities.

Present acquisition proposals

As at the date of this statement, none of the Directors are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of the advantages and disadvantages of the proportional takeover approval provisions during the period they have been in effect

During the period in which articles 3.17 to 3.18 have been in effect there have been no proportional takeover bids made for the Company and the article has therefore not been activated. It may be argued that during the period for which articles 3.17 to 3.18 have been in effect it has had the disadvantage of discouraging proportional takeover bids and reducing any takeover speculation element in the Company's share price.

Potential advantages and disadvantages

The provisions enable the Directors to ascertain the views of the holders on a proportional takeover bid. Apart from this, there is no specific advantage for Directors, as Directors, in renewing the proportional takeover approval provisions.

The provisions also ensure that all holders will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed. This should ensure that the terms of any future proportional bids are structured to be attractive to a majority of independent holders.

It may be argued that the proportional takeover approval provisions make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn may reduce opportunities which the holders may have to sell some of their securities at an attractive price to persons securing control of the Company, and it may reduce an element of takeover speculation from the Company's security price. It may also be argued that the provisions constitute an additional restriction on the ability of the holders to deal freely with their securities.

Recommendation

The Directors consider that, on balance, renewal of the provisions in the Constitution is in the best interests of the holders and accordingly recommend that you vote in favour of the resolution.