

Appendix 4B

Preliminary final report

Introduced 30/6/2002.

Name of entity

Altium Limited

ABN or equivalent company reference

009 568 772

Half yearly
(tick)

Preliminary
final (tick)

X

Financial year ended ('current period')

30 June 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (<i>item 1.1</i>)	Down	9%	to	52,388
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	Down	82%	to	2,253
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	Down	82%	to	2,253
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)		2.0 ¢		2.0 ¢
Interim dividend (<i>Half yearly report only - item 15.6</i>)		- ¢		- ¢
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)		4.5 ¢ 3.5 ¢		4.5 ¢ - ¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		20 th September, 2002		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	52,388	57,876
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(48,635)	(37,781)
1.3 Borrowing costs	(99)	(10)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	3,654	20,085
1.6 Income tax on ordinary activities (<i>see note 4</i>)	(1,401)	(7,487)
1.7 Profit (loss) from ordinary activities after tax	2,253	12,598
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	2,253	12,598
1.10 Net profit (loss) attributable to outside ⁺ equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	2,253	12,598
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	-	-

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS	2.6	16.4
1.19 Diluted EPS	2.6	16.2

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance
Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	2,253	12,598
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	2,253	12,598

Revenue and expenses from ordinary activities

(*see note 15*)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	52,045	53,120
1.24 Interest revenue	68	1,124
1.25 Other gains		
Exchange gain	-	3,524
Other	275	108
1.26 Details of relevant expenses		
Changes in inventory	(134)	249
Raw materials used	(326)	(1,792)
Employee benefits expense	(24,389)	(18,033)
Amortisation of intangibles	(6,282)	(3,599)
Rental expense	(2,518)	(1,612)
Advertising and direct mail	(5,158)	(4,362)
Restructuring and redundancy expenses	(1,617)	-
Professional advice expenses	(1,304)	(1,894)
Communications	(993)	(923)
Net loss on foreign currency transactions	(601)	-
Other expenses	(3,970)	(4,778)
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(1,343)	(1,037)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	3,405	1,178

+ See chapter 19 for defined terms.

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	18,392	12,861
1.31 Net profit (loss) attributable to members (item 1.11)	2,253	12,598
1.32 Net transfers from (to) reserves (details if material)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(3,944)	(7,067)
1.35 Retained profits (accumulated losses) at end of financial period	16,701	18,392

Intangible and extraordinary items

<i>Consolidated - current period</i>				
	Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
	(a)	(b)	(c)	(d)
2.1 Amortisation of goodwill	5,079	-	-	5,079
2.2 Amortisation of other intangibles	1,203	(361)	-	842
2.3 Total amortisation of intangibles	6,282	(361)	-	5,921
2.4 Extraordinary items (details)	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.22 in the half yearly report)	1,101	5,024
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	1,152	7,574

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets			
4.1 Cash	6,542	8,036	3,987
4.2 Receivables	12,092	15,908	11,762
4.3 Investments	-	-	-
4.4 Inventories	401	535	441
4.5 Tax assets	1,612	-	843
4.6 Other (provide details if material)	918	678	1,179
4.7 Total current assets	21,565	25,157	18,212
Non-current assets			
4.8 Receivables	-	-	-
4.9 Investments (equity accounted)	-	-	-
4.10 Other investments	-	-	-
4.11 Inventories	-	-	-
4.12 Exploration and evaluation expenditure capitalised	-	-	-
4.13 Development	-	-	-
4.14 Other property, plant and equipment	2,168	2,594	2,549
4.15 Intangibles	121,295	123,378	122,497
4.16 Tax assets	6,183	5,119	6,481
4.17 Other (provide details if material)	333	379	343
4.18 Total non-current assets	129,979	131,470	131,870
4.19 Total assets	151,544	156,627	150,082
Current liabilities			
4.20 Payables	4,921	6,239	3,374
4.21 Interest bearing liabilities	385	718	1,140
4.22 Tax liabilities	-	992	-
4.23 Provisions exc. tax liabilities	1,293	1,609	1,454
4.24 Other (provide details if material)	6,660	9,051	7,609
4.25 Total current liabilities	13,259	18,609	13,577
Non-current liabilities			
4.26 Payables	-	-	-
4.27 Interest bearing liabilities	69	-	-
4.28 Tax liabilities	3,475	2,223	2,833
4.29 Provisions exc. tax liabilities	186	213	269
4.30 Other (provide details if material)	-	-	-
4.31 Total non-current liabilities	3,730	2,436	3,102
4.32 Total liabilities	16,989	21,045	16,679
4.33 Net assets	134,555	135,582	133,403

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

	Equity			
4.34	Capital/contributed equity	117,854	117,190	117,854
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	16,701	18,392	15,549
4.37	Equity attributable to members of the parent entity	134,555	135,582	133,403
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	134,555	135,582	133,403
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	n/a
5.2	Expenditure incurred during current period	n/a
5.3	Expenditure written off during current period	n/a
5.4	Acquisitions, disposals, revaluation increments, etc.	n/a
5.5	Expenditure transferred to Development Properties	n/a
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	n/a

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	n/a
6.2	Expenditure incurred during current period	n/a
6.3	Expenditure transferred from exploration and evaluation	n/a
6.4	Expenditure written off during current period	n/a
6.5	Acquisitions, disposals, revaluation increments, etc.	n/a
6.6	Expenditure transferred to mine properties	n/a
6.7	Closing balance as shown in the consolidated balance sheet (item 4.13)	n/a

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000	
Cash flows related to operating activities			
7.1	Receipts from customers	53,229	49,163
7.2	Payments to suppliers and employees	(42,245)	(29,363)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	68	1,124
7.6	Interest and other costs of finance paid	(93)	(10)
7.7	Income taxes paid	(3,818)	(6,433)
7.8	Other (provide details if material)	-	-
7.9	Net operating cash flows	7,141	14,481
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(802)	(1,084)
7.11	Proceeds from sale of property, plant and equipment	28	33
7.12	Payment for purchases of equity investments	-	(52,274)
	Payment for restructuring of acquired controlled entities	-	(766)
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Payments for intellectual property	(3,405)	(5,332)
	Payments for AltiumOne	(542)	-
	Payments for trademarks	(252)	(614)
7.17	Net investing cash flows	(4,973)	(60,037)
Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	664	30,384
7.19	Proceeds from borrowings	-	308
7.20	Repayment of borrowings	(211)	(992)
7.21	Dividends paid	(3,944)	(7,067)
7.22	Other (provide details if material)	-	-
7.23	Net financing cash flows	(3,491)	22,633
7.24	Net increase (decrease) in cash held	(1,323)	(22,923)
7.25	Cash at beginning of period (see Reconciliation of cash)	7,516	30,439
7.26	Exchange rate adjustments to item 7.25.	-	-

+ See chapter 19 for defined terms.

7.27 Cash at end of period
(see *Reconciliation of cash*)

6,193	7,516
--------------	--------------

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

n/a

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	6,542	8,036
8.2 Deposits at call	-	-
8.3 Bank overdraft	(349)	(520)
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	6,193	7,516

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	7.0%	35%
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	1.7%	9.3%

+ See chapter 19 for defined terms.

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

Basic earnings per share	2.6
Diluted earnings per share	2.6
Weighted average number of ordinary shares used in the calculation of basic earnings per share	87,611,472
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	87,769,530

NTA backing (see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	15 cents	14 cents

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

n/a	
-----	--

+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	n/a
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	-
13.3 Date from which such profit has been calculated	
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	-

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	n/a
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	-
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	-
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	-

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	Friday 4th October, 2002
15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved)	Friday 20th September, 2002
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	YES

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	2.0 ¢	2.0 ¢	- ¢
15.5	Previous year	4.5 ¢	4.5 ¢	- ¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	- ¢	- ¢	- ¢
15.7	Previous year	3.5 ¢	- ¢	- ¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	2.0 ¢	8.0 ¢
15.9 Preference +securities	- ¢	- ¢

Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	1,753	3,944
15.11 Preference +securities <i>(each class separately)</i>	-	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	1,753	3,944

The +dividend or distribution plans shown below are in operation.

The directors declared a dividend of 2 cents per share franked to 100% on the 6th of September 2002, the record date for entitlements will be 20th September 2002.

The last date(s) for receipt of election notices for the +dividend or distribution plans

None

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

+ See chapter 19 for defined terms.

--

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	n/a	n/a
16.2 Income tax on ordinary activities	n/a	n/a
16.3 Profit (loss) from ordinary activities after tax	n/a	n/a
16.4 Extraordinary items net of tax	n/a	n/a
16.5 Net profit (loss)	n/a	n/a
16.6 Adjustments	n/a	n/a
16.7 Share of net profit (loss) of associates and joint venture entities	n/a	n/a

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ('from dd/mm/yy') or disposal ('to dd/mm/yy').)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (<i>item 1.9</i>)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities	n/a	n/a	n/a	n/a
17.2 Total	n/a	n/a	n/a	n/a
17.3 Other material interests	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a
17.4 Total	n/a	n/a	n/a	n/a

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities (description)	-	-	-	-
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	(a) None (b) None	(a) None (b) None	-	-
18.3 +Ordinary securities	87,631,224	87,631,224	-	-
18.4 Changes during current period (a) Increases through issues Exercise of options (b) Decreases through returns of capital, buybacks	(a) 194,250 (b) None	(a) 194,250 (b) None	3.42 -	3.42 -
18.5 +Convertible debt securities (description and conversion factor)	-	-	-	-
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	(a) None (b) None	(a) None (b) None	-	-
18.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Altium Employee Options	177,600	-	0.34	18/06/04
Altium Employee Options	2,474,000	-	3.42	09/06/05
Altium Employee Options	1,395,650	-	5.50	29/09/05
Altium Director Options	1,440,000	-	5.50	20/11/05
Altium Employee Options	1,656,160	-	4.20	12/10/06
Altium Employee Options	1,061,450	-	4.20	07/11/06
Altium Employee Options	123,000	-	3.56	04/12/06
18.8 Issued during current period				
Altium Employee Options	1,776,960	-	4.20	12/10/06
Altium Employee Options	1,141,950	-	4.20	07/11/06
Altium Employee Options	123,000	-	3.56	04/12/06

+ See chapter 19 for defined terms.

Estimated value of all options issued based on Black-Scholes method.	\$			
2002	208,850			
2001	4,447,270			

These estimated values have been assessed using a Black-Scholes based option-pricing model. Factors taken into account by this option-pricing model include the exercise price, the term of the option and the market value of the share at the time the options were granted. The company acknowledges that while these estimates are based on the Black-Scholes option-pricing model, the valuation will vary widely due to fluctuations in the companies share price.

18.10	Expired during current period				
	Altium Employee Options	524,750	-	3.42	09/06/05
	Altium Employee Options	294,900	-	5.50	29/09/05
	Altium Employee Options	120,800	-	4.20	12/10/06
	Altium Employee Options	80,500	-	4.20	07/11/06
18.11	Debentures (<i>description</i>)	None	None		
18.12	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
18.13	Unsecured notes (<i>description</i>)	None	None		
18.14	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

Refer to Attachment 1

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 Preliminary final report

⁺ See chapter 19 for defined terms.

- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

The 2001/2002 financial year provided many challenges and opportunities for the company. In recent years, Altium has experienced consistent strong growth in sales and profitability; however, in 2002 financial year the company was unable to sustain this financial growth. With 97% of the company's revenues generated overseas, the company experienced difficult economic conditions in the wake of the US recession. In addition to these external forces, the company's revenue was affected by the decision to defer the release of Protel DXP. Originally scheduled for release in April 2002, the directors determined that the company would be better served strategically by deferring the release until July.

Over the later months of the financial year, the company experienced signs of gradual recovery in the US markets and also throughout Asia.

With a full year contribution of the Tasking group, operating expenses were up over the previous year. With over 120 engineers employed in research and development, the total R&D expense increased by 50% over the year. In addition to R&D, the expanded product range required additional sales and marketing costs, up 17%. In response to a contraction in business conditions, the company undertook business rationalisation and restructuring. Smaller sales offices in Italy, France, The Netherlands and on East Coast of USA were closed and these markets were supported out of the company's main sales offices in San Diego, Stuttgart and Switzerland. All costs associated with the restructure and redundancies have been expensed in the period, totalling \$1.6 million. General and administrative expenses were up by 43% with depreciation and amortisation up by 64%. The significant increase in amortisation was as a result of the full year effect of the Tasking acquisition.

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

On 10th July 2002, Altium Germany GmbH acquired the EDA business of Hoschar AG for \$3.2 million in cash and shares. Hoschar AG has operated for over 15 years as a distributor of EDA products in German speaking markets and has developed a strong customer base and brand position. The acquisition will strengthen Altium's market penetration in what is the second largest market for its products in the world. The acquisition is anticipated to be EPS accretive in 2003 financial year.

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The franking amount balance at year-end was \$441,745 debit. Based on anticipated future franking credits available a fully franked dividend of \$1,752,624 will be payable in relation to the 2002 financial year.

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

None

+ See chapter 19 for defined terms.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

None

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

n/a

+ See chapter 19 for defined terms.

Additional disclosure for trusts

- | | |
|---|-----|
| <p>20.1 Number of units held by the management company or responsible entity or their related parties.</p> | n/a |
| <p>20.2 A statement of the fees and commissions payable to the management company or responsible entity.</p> <p>Identify:</p> <p>? initial service charges</p> <p>? management fees</p> <p>? other fees</p> | n/a |

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	TBA
Date	
Time	
Approximate date the ⁺ annual report will be available	

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the ⁺accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on ⁺accounts to which one of the following applies.
(Tick one)

⁺ See chapter 19 for defined terms.

The ⁺accounts have been audited.

The ⁺accounts have been subject to review.

X The ⁺accounts are in the process of being audited or subject to review.

The ⁺accounts have *not* yet been audited or reviewed.

5 Audit report attached.

6 The entity has a formally constituted audit committee.

Sign here: Date:
(Director/Company Secretary)

Print name:

⁺ See chapter 19 for defined terms.

Attachment 1
Segment information

Primary reporting - geographic segments

Although the consolidated entity's divisions are managed on a global basis they operate in four main geographical areas:

Australia

The home country of the parent entity which is also the main operating entity. The areas of operation are design, development and sale of computer software for the design of electronic products.

North America

Comprises the sale of computer software for the design of electronic products throughout USA and Canada.

Europe

Comprises the sale of computer software for the design of electronic products throughout Europe.

Asia

Comprises the sale of computer software for the design of electronic products throughout Asia.

	Australia	North	Europe	Asia	Other	Inter-	Consolidated
	\$'000	America	\$'000	\$'000	\$'000	segment	\$'000
		\$'000				eliminations/	\$'000
						unallocated	\$'000
						\$'000	\$'000
2002							
Sales to customers outside the economic entity	891	24,056	18,287	7,899	912		52,045
Inter-segment sales	23,056	2,026	6,854	265	-	(32,201)	-
Other revenue	3,595	7,888	4,164	(351)	-	(13,905)	1,391
Total segment revenue	27,542	33,970	29,305	7,813	912	(46,106)	53,436
Segment result	8,469	4,970	3,910	3,213	912	(9,698)	11,776
Unallocated expenses							(8,122)
Profit from ordinary activities before income tax expense							3,654
Income tax expense							(1,401)
Net Profit							2,253
Segment assets	142,319	47,913	80,308	2,030	-	(121,026)	151,544
Segment liabilities	5,958	30,030	59,359	2,115	-	(80,473)	16,989
Acquisitions of property, plant and equipment	698	88	123	18	-	-	927
Depreciation and amortisation expense	5,130	1,916	551	28	-	-	7,625

+ See chapter 19 for defined terms.

	Australia \$'000	North America \$'000	Europe \$'000	Asia \$'000	Other \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
2001							
Sales to customers outside the economic entity	1,428	29,916	13,290	7,633	854		53,120
Inter-segment sales	876	14,285	5,008	2,236	-	(22,405)	-
Other revenue	7,177	(865)	(157)	(41)	-	(1,358)	4,756
Total segment revenue	9,481	43,336	18,141	9,828	854	(23,763)	57,876
Segment result	2,391	13,856	5,327	4,925	854	(54)	27,299
Unallocated expenses							(7,214)
Profit from ordinary activities before income tax expense							20,085
Income tax expense							(7,487)
Net Profit							12,598
Segment assets	142,029	55,081	88,278	4,169	-	(132,930)	156,627
Segment liabilities	7,108	43,115	87,836	3,694	-	(120,708)	21,045
Acquisitions of property, plant and equipment	589	117	251	127	-	-	1,084
Depreciation and amortisation expense	1,498	1,965	1,156	17	-	-	4,636

Notes to and forming part of the segment information

(a) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and the revised segment reporting accounting standard, AASB 1005 Segment Reporting. Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. Segment liabilities consist primarily of trade and other creditors and employee entitlements. Segment assets and liabilities do not include income taxes.

(b) Inter-segment transfers

The pricing of inter-segment transactions is based on a notional mark-up on cost, similar to transactions with parties outside the consolidated entity.

(c) Secondary reporting – business segments

The directors have determined the company does not operate in more than one business segment, as such no secondary reporting segment information had been presented.

+ See chapter 19 for defined terms.

Attachment 2

Income tax	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:				
Profit from ordinary activities before income tax expense	3,654	20,085	6,360	15,889
Income tax calculated @ 30% (2001 @ 34%)	1,096	6,829	1,908	5,402
Tax effect of permanent differences:				
Research and development claim	(1,004)	(410)	(1,004)	(410)
US stock option deductions	-	(506)	-	-
Goodwill amortisation	1,524	780	-	-
Exempt dividend	-	-	(98)	-
Sundry items	-	(143)	(1)	(235)
Income tax adjusted for permanent differences	1,616	6,550	805	4,757
Under/(over) provision in prior year	(245)	577	(56)	(2)
Recognition of unbooked timing differences	-	212	-	212
Net adjustment to deferred income tax liabilities and assets to reflect the decrease in company tax rate to 30% (2001: 34%)	-	(365)	-	(362)
Effect of different rates of tax on overseas income	30	513	-	-
Aggregate income tax expense	1,401	7,487	749	4,605
Aggregate income tax comprises:				
Current taxation provision	1,051	4,386	-	3,009
Deferred income tax provision	1,245	910	1,489	1,650
Future income tax benefit	(650)	1,614	(684)	(52)
(Over)/under provision in prior year	(245)	577	(56)	(2)
	1,401	7,487	749	4,605

+ See chapter 19 for defined terms.

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(b) Future income tax benefit attributed to losses included in future income tax benefit.	5,418	3,014	643	-
The directors estimate that the potential future income tax benefit at 30 June 2002 in respect of tax losses not brought to account is	3,930	262	-	-

The benefit for tax losses will be only obtained if:

- (i) the consolidated entity derives future assessable income of a nature and amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the consolidated entity, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

+ See chapter 19 for defined terms.

Attachment 3

Remuneration of auditors	Consolidated Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
During the year the auditor of the parent entity and its related practices earned the following remuneration:				
PricewaterhouseCoopers – Australia firm				
Audit or review of financial reports of the entity or any entity in the consolidated entity	248,480	222,000	105,400	102,500
Other services				
- Other assurance services	95,042	487,767	95,012	3,250
- Taxation compliance, consulting and advisory services	489,820	36,735	489,820	5,250
	<u>584,862</u>	<u>524,502</u>	<u>584,832</u>	<u>8,500</u>
Total remuneration	833,342	746,502	690,232	111,000
Related practices of PricewaterhouseCoopers Australian firm (including overseas PricewaterhouseCoopers firms)				
Audit or review of financial reports of the entity or any entity in the consolidated entity	22,584	13,566	-	-
Other services				
- Other assurance services	50,580	-	-	-
- Legal services	61,189	45,188	61,189	45,188
- Taxation compliance, consulting and advisory services	576,200	505,401	-	-
	<u>687,969</u>	<u>550,589</u>	<u>61,189</u>	<u>45,188</u>
Total remuneration	710,553	564,155	61,189	45,188
Total PricewaterhouseCoopers Remuneration	1,543,795	1,310,657	751,421	156,188

Of the total remuneration to PricewaterhouseCoopers approximately \$450,000 represents non-recurring fees in relation to the consolidation and restructure of the Altium group entities and activities.

From time to time the company will employ accountants to provide consulting services. The company and its combined controlled entities has a policy of seeking competitive tender for all major projects. Amounts in excess of \$20,000 must be approved by the audit committee. When appointing auditors or appointing accountants for non-audit services, the executive director and CFO, Mr D Charles, is not permitted to vote.

+ See chapter 19 for defined terms.