



September 29, 2005

Corporate Communications Contact

Altium Limited
Level 3, 12a Rodborough Road
Frenchs Forest, NSW 2086
Australia
www.altium.com
Telephone: +61 2 9975 7710
Fax: +61 2 9975 7720
Email: investor.relations@altium.com.au

Chairman's address, AGM 2005

Introduction

This has been a challenging and exciting time for Altium. The electronics industry is moving at an ever-increasing pace to satisfy consumer demand for smarter and more feature-rich products. The companies that supply engineers with the tools used to create these products need to keep pace. What's more, they need to anticipate the emergence of new electronics design technologies. I'm pleased to say that, from a technology standpoint, Altium has risen to this challenge. We have developed innovative technology that addresses not only the current needs of engineers, but gives them the tools to adopt the design methodologies they will use in the future.

The journey to this point has involved an intensive R&D effort designed to anticipate the needs of what is now emerging as the next 'big thing' in electronic product development – the use of high-capacity programmable devices as a platform for complete electronic systems. Altium's recognition of this trend in the late 1990's has driven our product development and technology acquisition strategy over the last few years.

In May of this year we introduced Altium Designer, a single design application that represents our unified electronic development system and encompasses all of the technology that we have developed, acquired and integrated over the last several years.

Having achieved our goals in the technology field we have been concentrating on the development of our global sales and marketing team. I am pleased to announce the recent appointment of a very experienced V.P in the US. The task of putting in place the necessary structures and resources to effectively take our message to the market and significantly increase sales performance in all regions, is the Company's prime focus in the short-to-medium term.

Of course, this shift in focus also aligns with Altium's vision of bringing the most advanced design technology available to the mainstream of electronics designers and developers.

Financial performance

With the realignment of our strategic and tactical goals there has been a significant increase in the intensity of marketing and PR efforts around the release of Altium Designer. As a result, the second half of the 2004/2005 financial year showed a strengthening of the Company's financial performance with a profit after tax of AU\$0.4 million. This was offset, however, by a slow first half, resulting in a full year total revenue of AU\$40 million and a reported loss of AU\$1.1 million overall. Cash flow over the full financial year was positive at \$1.4 million and the cash position at June 2005 was \$3.6 million.

Sales booked for the full year showed an increase of 4% over the previous financial year in local currency terms but were down 1% on the previous year in Australian dollars.

While the full year result fell short of the Board's expectations, strengthening sales in the latter half of the financial year and the successful launch of the Altium Designer system, point to continuing improvements in the Company's results moving into the future.

We expect the positive trend seen in the latter half of the financial year to continue as the Company ramps up further marketing initiatives behind Altium Designer. The Company has rolled out a new and more focused strategic selling methodology across its global sales organization. This is expected to increase sales activity and performance, leading to a higher degree of successful closure on all generated sales opportunities moving forward.

Changes to the Board and Executive positions

In order to align the entire company at all levels, behind our aggressive sales ambitions, there have been several changes in the makeup of the Board of Directors and Altium's Executive, designed to reflect the shift in focus of the Company.

Bruce Edwards and Stephen Duvall have both retired from the Board and I'd like to thank them for the valuable contributions they have made. Dave Warren has relinquished his Executive role in the Company to take up a Non-Executive Director position, and Darren Charles stepped down from his position on the Board, but remains in his position as Chief Financial Officer for the Company.

These changes will increase the ratio of Non-Executive to Executive Directors and strengthen the Board's independence and ability to efficiently oversee the performance of the Company.

Kayvan Oboudiyat, who has shared the joint CEO role with Nick Martin, has moved to the position of Executive Vice Chairman of Altium and will bring his considerable experience and talent to the task of developing special business opportunities, particularly the vast potential for Altium within Asian markets. Nick Martin will take the role of sole CEO.

Focusing on the future

I believe that all these changes, combined with the refocusing of the Company's resources to create a world-class sales and marketing organization, will allow Altium to successfully capitalize on the opportunities that are now presenting themselves. Mainstream electronics designers are moving their systems onto programmable devices in increasing numbers. We have developed a unique and highly compelling technology and product base targeted towards this move. The Company is now focused on taking its message to the market and translating its R&D success into sales wins and financial success.

We will continue with the disclosure policy of informing the market on a regular basis of quarterly sales and of any significant movements which may affect the bottom line results.

On behalf of the Board I would like to thank our shareholders for their continued support. Our thanks also go to all of our Altium employees worldwide, whose continued hard work and dedication have sustained our position as a global leader in innovative mainstream solutions for electronic design.

Both the Board and I are optimistic that with the technology we have delivered and the actions being taken in sales and marketing, we will be profitable in 2006.

C.J. Rooke, Chairman, Altium Limited, 29 September 2005.

About Altium Limited

Altium Limited (ASX: ALU) is a global developer and supplier of electronics design software for the Microsoft Windows environment. Founded in 1985, Altium released the world's first Microsoft Windows-based printed circuit board design tool in 1991 and continues to provide advanced, easy-to-use and affordable software design tools to electronics engineers, designers, and developers worldwide. Altium's products offer tailored solutions covering a range of hardware and software design processes including the Nexar, Protel, P-CAD and TASKING brands.

Altium is headquartered in Sydney, Australia and operates a number of sales and support offices in Australia, the United States, Japan, Europe and China, as well as maintaining a large reseller network in all other major markets. Prior to August 6, 2001, Altium Limited traded as Protel International Limited {ASX:PRI}. More information is available at www.altium.com.

Altium, CAMtastic, CircuitStudio, Design Explorer, DXP, LiveDesign, NanoBoard, NanoTalk, Nexar, nVisage, P-CAD, Protel, Situs, TASKING, and Topological Autorouting and their respective logos are trademarks or registered trademarks of Altium Limited or its subsidiaries. All other registered or unregistered trademarks referenced herein are the property of their respective owners, and no trademark rights to the same are claimed.