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Before I begin, let me remind you that we changed our operating and reporting currency to US dollars during the past financial year, which is how our results are reported unless stated otherwise.

SUMMARY RESULTS

In our last update to investors, we reported mixed results for the year to June 2008.

We achieved strong sales and revenue growth, delivered the first paid-for release of Altium Designer in two years, and built the worldwide management and leadership team that we believe gives Altium the skills, experience and determination to lead Altium forward.

Sales grew 22%, to US\$55.8 million.
Revenue grew 25%, to US\$53.1 million.

However, while we reported modest EBITDA of just over half a million dollars, we also reported an overall net loss after tax of US\$2.8 million.

REPORT CARD

In our recent Investor Update, we noted that progress compared to our bigger objectives has been good, but we were very disappointed with our failure to drive this through to the bottom line last financial year.

Building up our senior leadership team over the last twelve months has been a key part of our broader strategy and a major investment for the company.

Recruiting the right players for the team that will deliver on our vision has been a real challenge and has taken significantly more time than expected. This, combined with sales growth that did not meet expectations, has left us posting an after-tax loss for the year.

We believe that the Altium Leadership team has the right balance of talent, expertise, experience and drive required to take Altium to the next level as a world-class software company. I'll come back and give some more detailed information about our new senior team members later on.

But before we do that I'd like to talk about the growth model for Altium.

FINANCIAL MODEL

In April of this year we communicated to shareholders a financial model for growing the Altium business.

This is a simple model, based on the relatively fixed cost nature of our business, which calls for a growth in sales of between 20% and 30% per year with a cost growth of less than 10%.

This model does not reflect the true potential of our business but is designed to provide a very healthy return on investment while we continue to push towards the real breakthrough performance that we believe is latent in the opportunity in front of us. I'll define what we mean by breakthrough later on.

This year we are expecting to see the first fruits of this growth model.

There are two aspects to this:

The first is the cost management side.

Our plans for the current financial year do not call for the same scale of investment as the last couple of years and we anticipate maintaining costs within this target range.

Although we do not release profit numbers for the quarter, I can confirm that costs for the first quarter of this financial year are in line with our budget and this model.

We are balancing the need to manage costs without making the mistake of being overly reactive, and cutting costs in a way that would hurt our ability to work towards the real prize.

CONTINUED GROWTH

The second aspect of the model is sales growth.

We see the growth over the last few years (sales have nearly doubled since 2005) as strong evidence that we are getting traction with our new approach for the design of electronics products.

Although we don't regard this as a sign of the breakthrough we are really looking for, it does validate our 20%-30% sales growth targets, which we have met so far this year, with first quarter growth of 28%.

Altium's Growth Model – Summary

This growth model is designed to produce a significant improvement in profit in a relatively short time. And as long as we continue this trend for sales growth, and manage our costs well, we will be able to deliver on the promise of our model.

Importantly, the model delivers strong financial returns independent of achieving massive acceptance of our new way of designing electronics products. Even with our market share for electronic design tools today, this can continue for many years.

We will keep you updated on progress compared with our model through the current financial year.

Effect of Currency Changes

I also would like to mention the effect of the recent dramatic changes in the value of the Australian dollar. Although we now report results in US dollars, the effect of these movements on our sales and revenue numbers is much less significant than it has been in the past.

Because of our significant Australian cost base, this movement will likely provide us with some improvement to our profitability this year.

After many years of the strength of the Australian dollar working against us, it's gratifying to have it improve our chances to meet our financial goals, for a change.

Why we are doing this?

Looking beyond our financial objectives and performance, I would like to review where we are with our overall organizational goals.

ALTIUM'S VISION

As we have communicated many times over the years, both to you, our shareholders, and to our current and prospective customers, the Altium vision - unchanged since the Company's inception - is to break down barriers to innovation and technological advancement and provide every electronics designer with easy access to the best possible design tools.

This is the driving force behind why the Company was founded and is still the vision that guides our strategies today.

Even as Altium grows as an international organization, with less than half of our worldwide team now located in Sydney, it is the quintessential Australian character of the company that helps us to stay focused on giving all electronics designers a "fair go".

How do we do this?

We can do this because we have developed software that can be exploited by any electronics designer to help him or her create and build the next generation of electronic products.

We know that our technology and products have reached the stage where they can and do deliver dramatic improvements to those who harness their potential, because today, we have many customers who have shared their success stories with us and are living examples of this.

So what will “Breakthrough” look like?

Now that we have a growth model in place that will deliver strong financial returns as we pursue the bigger prize, we are no longer dependent on when this actually occurs.

Big technological steps forward can take time to translate into mainstream use and even if they offer clear and unarguable advantage, it is often hard to predict when critical mass will be reached and large scale adoption occur.

The development of the business growth model I have just described is a response to our better understanding of this.

The movement of new technology products from its use by “early adopters” to the stage where it becomes the new standard approach will be the definition of “breakthrough” for Altium.

The fact that Altium remains an independent company, essentially debt free, in an industry that has seen much consolidation and turmoil, means that those shareholders who remain with us will not only be able to share in the interim financial returns we plan to generate, but also be able to experience the full benefit of the realization of the opportunity we have created.

This fact, combined with our business growth model, will allow us to continue to develop the market and products for the unified design of electronics and to establish Unified Design as the next standard way to design electronic products.

Before we move on to the official business of the meeting I would like to comment briefly on two changes in our leadership team:

BUILDING THE ORGANIZATION

On the back of the growth in sales that we delivered in all regions in the last financial year, our new CFO, Richard Leon, is charged with managing costs to the targets in the financial model just discussed, and to work with the leadership team to tap the larger opportunity that we believe remains for Altium.

And we have now moved and expanded the sales organization under the direct management of André Pravaz, who has also been a member of Altium’s board since

January 2007. André will lead the worldwide sales organization as Executive Vice President, Worldwide Field Operations, through this next stage of growth, and provide significantly greater bandwidth to the senior management team.

The financial year saw new leadership in place in the Americas, Japan, China and the rest of the Asia-Pacific region. Together with Europe and our headquarters team, this new leadership team strengthens our sales, business development, channel development and financial management capabilities.

ENDS

About Altium

Altium Limited (ASX:ALU) provides world-leading unified design solutions that break down the barriers to innovation, and help organizations easily harness the latest devices and technologies, to create their next generation of electronic products.

Altium's solutions are unique because they unify the separate processes of electronics design, all within a single electronics design environment, working off a single data model, which links all the aspects of electronics product design into one process.

Founded in 1985, Altium has headquarters in Sydney, Australia, sales offices in the United States, Europe, Japan, China, and resellers in all other major markets. For more information, please visit www.altium.com.

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