

Corporate Communications Contact

Alan Smith
Altium Limited
Level 3, 12a Rodborough Road
Frenchs Forest, NSW, 2086
www.altium.com
Telephone: +61 2 8986 4409
Fax: +61 2 8986 4440
Email: alan.smith@altium.com.au

For immediate release

Altium ends financial year with continued solid growth, strong cash balance

Proposes a return to shareholders of 6 cents per share

SYDNEY, Australia – 22 August, 2007 – Altium Limited the leading developer of unified electronic product design solutions, has confirmed its final financial results for the financial year ending 30 June, 2007.

Altium ended the financial year with a cash balance of \$10.7 million, up 68%. Revenues grew 18%, and sales grew 26%.

As a result, Altium proposes to provide a return to shareholders of 6 cents per share in the form of a capital reduction, subject to shareholder approval at the company's forthcoming annual general meeting.

Results highlights

- FY 2006/7 sales grew 31% measured in local currencies, and 26% measured in Australian dollars to \$57.5 million
- FY 2006/7 revenue grew 18%, measured in Australian dollars to \$53.4 million
- FY 2006/7 EBITDA grew 2% to \$6.6 million
- FY2006/7 cash position at 30 June, 2007 was AU\$10.7 million, up 68%
- Capital return for shareholders of 6 cents per share (subject to shareholder approval) in the form of an equal reduction of share capital

FY 2006/7 results

For the financial year ending 30 June, 2007, sales were \$57.5 million, up 26% from \$45.5 million for the corresponding period a year ago.

For the full financial year ending 30 June, 2007, sales for the Americas grew 30% measured in US\$; European sales grew 17% measured in euros; and APAC sales grew 67% measured in US\$, all compared with the corresponding period a year ago.

Revenue for the full year ending 30 June, 2007 was \$53.4 million, up 18% from \$45.2 million reported for the corresponding period a year ago.

For the financial year ending 30 June, 2007, the balance of revenue not yet recognized was \$9.1 million, up 72% from a balance of \$5.3 million from the corresponding period as at a year ago.

The cash balance as at 30 June, 2007 was \$10.7 million, up 68% from \$6.4 million at the corresponding date a year ago.

Profit before tax is \$1.6 million, up 36%.

Comments from Nick Martin, CEO of Altium Limited

Nick Martin, CEO of Altium Limited, commented: "Altium's software helps electronic designers incorporate new technologies into their products and get these to market faster than their competitors. As we continue to help organizations make the transition to this new unified approach to electronics design, our confidence continues to grow.

"This year's results are a reflection of the growing traction of our solutions and although there is still much work to do, the products we offer today provide our customers with a clear step into this new approach to designing electronics".

Comments from Darren Charles, CFO of Altium Limited

"Our business generates revenue through three primary sources – selling new licenses, selling upgrades to earlier versions, or having customers take up software assurance contracts.

“All of these grew in 2006/7: licence sales grew by 13%, software assurance and maintenance sales grew by 76% and our Altium Designer 6 user base grew by 87%. As important is how these results are reflected in our financial reports.

“Software assurance is a contract that gives customers the right to receive all upgrades that we release during the term of the contract. A contract term typically last 12 months and we receive payment at the commencement of the contract.

“Despite booking the sale and receiving the payment at the start of the contract, for accounting purposes we are required to defer the recognition of the revenue associated with sales of software assurance/maintenance. The effect of this can be seen in the movement in our deferred revenue account on the balance sheet.

“We started the year with deferred revenue of \$5.3 million, and ended it with \$9.1 million. This is \$9.1 million of revenue that we will recognize in the 2007/2008 financial year, but for which we have already received the cash. This deferred recognition of revenue manifests itself as the difference between our reported sales (\$57.5 million) and our reported revenue (\$53.4 million). This is also one of the major reasons why our operating cash flow had a larger increase compared with other measures of performance, such as profit before and after tax, and it feeds directly into our cash balance as at the end of the financial year.

“In view of these results, we proposed to make an improved return to investors. This will be in the form of a reduction of share capital of 6 cents per share, subject to shareholder approval at Altium’s forthcoming annual general meeting.”

ENDS

Summary of final financial results for FY 2006/7

<i>Altium FY 2006/2007 results</i>	12 months ending 30 June 2007 (AU\$'000s)	12 months ending 30 June 2006 (AU\$'000s)	Change
Sales	57,527	45,529	26%
Revenue	53,381	45,210	18%
EBITDA	6,592	6,473	2%
Operating cash flow	8,953	3,483	157%
Profit from ordinary activities before tax	1,580	1,163	36%
Income tax expense (benefit)	514	(394)	n/a
Profit from ordinary activities after tax attributable to members	1,066	1,557	(32%)
Profit for the period attributable to members	1,066	1,557	(32%)

<i>Altium FY 2006/2007 local currency results</i>	12 months ending 30 June 2007 (\$'000s)	12 months ending 30 June 2006 (\$'000s)	Change
Regional Product Sales			
Americas (USD)	19,850	15,249	30%
Europe (EUR)	11,426	9,791	17%
APAC (USD)	10,141	6,072	67%
Consulting Services			
Consulting (EUR)	581	605	(4%)**

Sales information is presented here for APAC as a consolidated region covering Australia, New Zealand, Japan and SE Asia. Europe includes the Middle East and Africa. Americas includes the United States, Canada and South America.

**As with the previous year, consulting revenues decline due to a winding down of these operations to focus on the company's core software business.

About Altium

Altium Limited (ASX:ALU) is the leading developer of electronic product development solutions dedicated to unifying the different design disciplines involved in electronics product development. Altium products ensure all electronic engineers, designers, developers, and their organizations, take maximum advantage of emerging design technologies to bring smarter products to market faster and easier. 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.

About Altium Designer

Altium Designer is the electronics design industry's only electronics product development system that removes the barriers imposed by disparate design flows and unifies the different design disciplines involved in electronics product development – the design of the hardware, the programmable hardware and the embedded software. Altium Designer's unified design environment means users can harness the potential of the latest electronics

technologies, and move to a 'soft' design methodology without the need to acquire specialist programmable device expertise. This provides companies with increased design flexibility, reduced production costs and quickens time to market. Altium Designer also delivers the freedom to move between any device, from any vendor, at any time. It lowers total cost of ownership by eliminating the need to integrate extra devices at extra cost to increase functionality, or to create a complete solution. For more information, please visit <http://www.altium.com/Products/AltiumDesigner/>.

For more information, visit us at www.altium.com.