

Altium to acquire Morfik Technology Pty Ltd

Altium will incorporate Morfik cloud-application development technology into its electronics design software

SYDNEY, Australia – 16 September 2010 – Electronics design software company Altium (ASX:ALU) has announced it intends to acquire Australian cloud-application development company Morfik Technology. The deal is subject to completing the due diligence process successfully, and entering into a definitive Share Purchase Agreement.

Details of the proposed acquisition

The parties have entered into a memorandum of understanding which contemplates that Altium will acquire Morfik in a scrip transaction with Altium issuing 13.3 million fully paid ordinary shares (representing approximately 14.9% of outstanding shares) for 100% of Morfik's outstanding shares. The Altium shares to be issued may be subject to disposal restrictions at least during the first 12 months after their issue. This is a matter to be further developed by the parties.

Under the terms of the proposal being considered, all members of Morfik's team will join Altium and Altium will acquire all Morfik's IP and other assets, which are located in Sydney, Hobart, and Kiev in Ukraine. Morfik's CEO, Aram Mirkazemi, will join Altium's executive team as Chief of Engineering. He will work with Altium's founder and CEO/CTO Nick Martin on defining R&D strategy and directing product development.

However, the proposal remains entirely subject to completion of finalised documentation and accordingly no assurance can be given that it will take place in the form currently contemplated, or at all.

Altium has been using Morfik's technology and development tools for a number of years as key elements in the development of its own web-based infrastructure for the electronics design process.

The reason that Altium is moving to acquire Morfik is to bolster Altium's engineering team and technological capabilities in the web application domain, and accelerate the development of this platform for Altium's customers. When developed, this will also let electronics designers develop their own ecosystems of intelligent, connected devices, running their own cloud-based applications. These 'device ecosystems' will provide the next generation of experiences for their customers.

More immediately, when combined with the forthcoming new release of Altium Designer, this will provide a framework for the creation of a web-based content delivery model that will in turn allow for a significant improvement in the value added by Altium's subscription services.

Altium will continue Morfik's existing business model, which sells software tools and subscriptions for building web-based applications, for Morfik's existing customers. Altium believes this is fundamental to the development of the distributed applications that provide the intelligence in these future device ecosystems. Historically, Morfik has focused on building cloud applications that serve conventional personal computers (desktop and mobile). This focus will now expand to include the more application-specific devices created by electronics designers that will be part of the next generation of the Internet.

Last year, Altium published a paper on the need for electronics designers to expand their role to address the bigger task of designing and engineering web-based 'device ecosystems'. These ecosystems consist of a platform comprising the actual electronic devices, connected via the Internet, along with cloud-based software applications that run on this platform.

For more information on this background, go to the paper called [What's Next For Electronics Devices](#) on Altium's web site.

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Corporate Communication Contact:

Alan Smith
Altium Limited
+61 2 8622 8109 or 0404 432 700
alan.smith@altium.com

About Morfik

Morfik Technology Pty Ltd is an Australian software company with offices in Sydney, Hobart and Kiev, Ukraine. Its products are used by professional software engineers to design, engineer and deploy cloud-based software applications. Morfik's software engineering approach to development makes it suitable for building applications that, like electronics design, involve large amounts of complex, dynamic content. For more information, visit www.morfik.com.

Aram Mirkazemi was a director of Altium at the time of its initial public offering, but only remained on the Board for a short period. Mr Mirkazemi has maintained an interest in approximately 3-4% of Altium's share capital through family investments. Mr Mirkazemi has no other relationship with Altium.

About Altium

Altium Limited (ASX:ALU) creates electronics design software based on the belief that anyone who wants to create electronic products that make a difference should be able to do so. Altium's unified electronics design environment links all aspects of electronics product design in a single application that is priced to be as affordable as possible. This helps electronics designers break down barriers to innovation, harness the latest devices and technologies, manage their projects across broad design 'ecosystems', and create connected, intelligent designs.

Founded in 1985, Altium has headquarters in Sydney, and operates worldwide. For more information, visit www.altium.com.

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