

Altium announces final, audited results for year to 30 June 2010 Marked improvement in second-half sales offsets weak first-half

SYDNEY, Australia – 30 August 2010 – Electronics design software company Altium (ASX:ALU) has announced its final, audited financial results for the three months ending 30 June 2010 and for the financial year ending 30 June 2010.

Fourth-quarter and second-half summaries

Sales for the three months ending 30 June 2010 grew 4% to US\$15.1 million, compared to the corresponding period a year ago.

In the second half of the financial year, sales increased by 9% to US\$26.2 million compared to the corresponding period a year ago and increased by 29% from the first half of the financial year just ended.

Financial year summary

For the financial year overall, sales were US\$46.5 million, down 10% from the corresponding period a year ago. The adjusted operating result was a loss of US\$1.2 million, and the reported loss after income tax including non-cash accounting adjustments was US\$10.4 million. Details are as follows:

	<u>Year ending 30 June 2010 (US\$ millions)</u>
Sales to customers	46.5
Operating cash expenses	(46.3)
Depreciation	(1.4)
Adjusted operating result	(1.2)
Other Non-cash items	(5.3)
Loss before income tax	(6.5)
Income tax expense	(3.9)
Reported loss after income tax	(10.4)

Revenue was down 11% to US\$45.0 million. The cash balance as at 30 June 2010 increased by US\$1.4 million to US\$4.8 million.

Comments from Nick Martin, CEO

“The financial year saw Altium continue to withstand tough economic conditions in all our markets. Despite these difficult conditions we have been able to stay focused on our longer-term objectives. Our goal is to emerge as a much stronger business as these conditions improve. In the meantime we continue to invest in and drive our bigger objective of helping the electronics industry move forward to harness new and exciting technologies and opportunities.

“It was pleasing to see sales grow across all regions (with the exception of China) in the second half compared to the first, but we remain cautious with our expectations for the new financial year. We will continue to manage the business with this in mind, looking to push our technology and product development programs forward while keeping the business safe from the ups and downs of today’s economic realities.

“Overall we had a very difficult year in China. We believe that the fall in sales in China during the year reflects a petering out of our license compliance business program. China has experienced some economic difficulties and complying with license requirements has dropped down the priority list for many organizations. During this new financial year we will be launching new initiatives in this region to reinvigorate our momentum in China.

“Both cash and deferred revenue balances are stronger year-on-year. The improved cash balance demonstrates that we managed both cash flow and expenses carefully through the year. The deferred revenue balance indicates pent-up demand for our products, based on subscription options taken out by more customers.”

Detailed financial summaries are below.

Financial performance for the 6 months ending 30 June 2010

	6 months ending 30 June 2010 (US\$ millions)	6 months ending 30 June 2009 (US\$ millions)	Change
Worldwide sales	26.2	24.1	9%
Regional sales	(local currencies, millions)	(local currencies, millions)	
Americas (US\$)	11.8	9.8	20%
EMEA (€)	7.0	6.9	1%
Greater China	1.8	2.7	(33%)
APAC excluding Greater China	3.0	2.8	7%
Consulting services (€)	0.33	0.27	22%

Financial performance for the financial year ending 30 June 2010

	12 months ending 30 June 2010 (US\$ millions)	12 months ending 30 June 2009 (US\$ millions)	Change
Worldwide sales	46.5	51.4	(10%)
Worldwide revenue	45.0	50.7	(11%)
Worldwide loss after tax	(10.4)	(0.8) #	(100%+)
Regional sales	(local currencies, millions)	(local currencies, millions)	
Americas (US\$)	19.1	19.4	(2%)
EMEA (€)	12.4	13.0	(5%)
Greater China (US\$)	4.4	7.8	(44%)
APAC excluding Greater China (US\$)	5.3	5.7	(7%)
Consulting services (€)	0.46	0.54	(15%)

EMEA means Europe, the Middle East and Africa. Greater China means the PRC, Hong Kong and Taiwan.

	Year Ending 30 June 2010 (US\$ millions)	Year Ending 30 June 2009 (US\$ millions)
Sales to customers	46.5	51.4
Operating cash expenses	(46.3)	(46.3)
Depreciation	(1.4)	(1.2)
Adjusted operating result	(1.2)	3.9
Other non-cash items [^]	(5.3)	(4.4) #
Loss before income tax	(6.5)	(0.5) #
Income tax expense [*]	(3.9)	(0.3) #
Loss after income tax	(10.4)	(0.8) #

[^] Non-cash items include net adjustment for deferred revenue recognition, amortization, share based payments expense, capitalization of research and development, employee costs and foreign exchange translation differences.

^{*} Income Tax Expense includes a non-cash accounting adjustment of US\$5.9 million relating to the derecognition of deferred tax asset.

Results for the year ended 30 June 2009 have been restated to reflect a prior period adjustment per Note 32 of the Annual Financial Report.

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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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