

2012 Chairman's Address Altium Annual General Meeting

Sydney, Australia - 29 November 2012

Good afternoon. It is a pleasure to reflect with you today on Altium's financial performance over the past twelve months and share with you the opportunities that lie ahead and explain how Altium intends to take full advantage of those opportunities.

Financial Results

Firstly, I will focus on Altium's financial performance over the last financial year. During the 2012 financial year, Altium achieved a welcome return to profitability. This was underpinned by the continued adoption of our electronics design tools, contributing to 21% year on year growth in sales.

Over the past twelve months, Altium has worked hard to identify and help new customers to adopt a new electronics design approach using Altium methodologies and tools. This effort has been targeted at sales of our flagship product, Altium Designer, and the continuous stream of content that is delivered through our own web-based ecosystem, AltiumLive.

I am pleased to report that the company's focus on Altium Designer methodology adoption contributed to a 27% increase in subscription sales year on year, representing 44% of total 2012 sales. This allows us to be connected with our customers every day, all day, which supports our customer-centric focus and provides Altium with greater revenue certainty

Our financial results are detailed in the annual financial report. I will therefore not go into lengthy detail other than to acknowledge the following achievements for the year ended 30 June 2012:

- Altium delivered a net profit after tax of US\$6.1 million. After taking into account one-off and non-cash items, an underlying profit was US\$13.6 million was achieved.
- Altium's cash balance doubled to over US\$13 million, reflecting sales growth combined with prudent management of working capital.
- The Board to declared a dividend of 5 AU cents per ordinary share, which was paid to shareholders on 30 October 2012.

Operating Environment

Altium seeks to deliver to electronic designers around the world tools and methodologies that will enable them to design and build intelligent products that will make for a better world.

We are well positioned to take advantage of the strategic direction that we set for ourselves almost two years ago that led us to move our management and engineering teams to China. At that point we set two strategic goals for the company; firstly, to achieve strong financial results for Altium from rising sales and a healthy balance sheet and secondly to pursue the opportunity that we see for connected devices that are designed with Altium tools and methodologies.

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I am very pleased to say that in the year ended June 2012, as I have already mentioned, we achieved our first strategic goal. In regard to the second strategic goal, whilst we did turn our technology development to the design of device based ecosystems, over the past few months your Board came to the view that we were doing so at the expense of profitability. This led to serious soul searching and discussion, primarily by the Non Executive Directors. We re-affirmed our commitment to financial strength as the pre-requisite to any strategy and came to the view that your company would be better served with different leadership that was committed to return value to shareholders. This led to Altium parting company with its founder and long time Chief Executive, Mr. Nick Martin, and the appointment of my fellow Director, our Executive Vice Chairman, Mr. Kayvan Oboudiyat, as CEO on 15 October 2012.

Our senior leadership team, some of whom are here today, Mr. Richard Leon, our CFO and Mr Aram Mirkazemi, our CTO, are absolutely dedicated to a path that will deliver sustainable and long-term profitability. Technological innovation at Altium will be firmly aimed at achieving commercial success.

Mr. Martin took exception to his departure from the company, and as required by our constitution, from our Board once he was no longer an executive. He called for an extra-ordinary general meeting, which we scheduled to be held immediately upon the conclusion of this AGM, and proposed resolutions to remove each of the current directors from the Board. I will comment further on the EGM in due course, but I can assure you now, that your Board recommended that you vote against each of these motions.

Focus on the Path Ahead

Electronics, computers and smart devices have become an extremely important part of our daily lives. Less visible, but even more important is the rise of embedded computer systems which can be found in an ever growing number of products.

Altium is a leading provider of printed circuit boards (PCBs) and system-level design automation solutions to developers of electronic products and smart embedded devices.

The company will focus its building of a web-based ecosystem around Altium design tools and its user community. In this way, Altium customers will be empowered through access to the tools and technologies that will enable them to build web-based ecosystems for their products and user communities.

Over the next three years, Altium will leverage its experience, expertise and growing strength in the Board Level Design market to reinforce our position in the emerging market for connected smart devices.

With the recent change to our leadership team, Altium is well placed to pursue strategic partnerships that will complement its product offerings.

Conclusion

In conclusion, I wish to assure you that the Altium corporate strategy is to create long-term shareholder value by delivering ongoing value for our customers. The Executive Team at Altium will exercise fiscal discipline while actively pursuing technological innovation that will achieve commercial success.

Before we move to the formal part of the AGM I would like to acknowledge the contribution made to Altium by Mr. William A. 'Bill' Bartee who retires from our Board today. As a senior executive at Macquarie Technology Ventures, a Macquarie Bank company, Bill was instrumental in the IPO of Altium on the ASX and has been a member of our Board ever since. He brought to Altium deep experience in software, telecommunications, and internet services companies both here and in the United States and provided us with valuable advice during his years of service.

Thank you Bill.

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I would like as well to acknowledge the steady and wise support and counsel that I receive from my colleagues on our Board. Their help and commitment has been critical over the past year.

Altium is fortunate to have an extremely loyal, dedicated and hard working group of staff members around the world. I am appreciative of them for their support without which we would be unable to achieve our mission “to enable engineers to design and build intelligent products to make for a better world.”

Lastly I would like to acknowledge the many faithful Altium customers in countries and companies across the globe as well as our shareholders; I have spoken with many of you in recent weeks and look forward to building closer relationships between you and Altium in the years to come.

Thank you.

About Altium

Altium Limited (ASX:ALU) creates electronics design software. Altium’s unified electronics design environment links all aspects of electronic product design in a single application that is priced to be as affordable as possible. This enables electronic designers to innovate, harness the latest devices and technologies, manage their projects across broad design “ecosystems”, and create connected, intelligent devices.

Founded in 1985, Altium operates worldwide. For more information, visit www.altium.com.

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