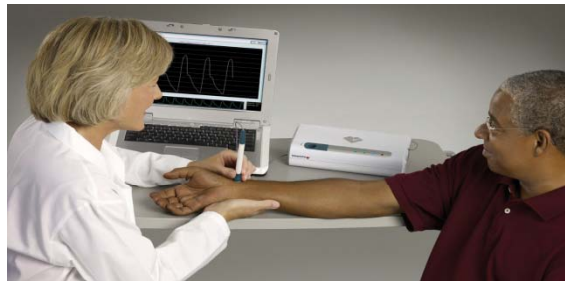


AtCor Medical - ASX:ACG



SphygmoCor
AT THE HEART OF
CARDIOVASCULAR MANAGEMENT

**2010 Annual General Meeting
23 November 2010**

Donal O'Dwyer - Chairman

FY10 – Milestones & Highlights

■ Tough Operating Conditions Improved in 2H

- GFC – Europe, US
- Healthcare Reform uncertainty delayed clinical practice and pharma decisions
- FX effects – tailwind in FY09, major headwind in FY10
- Growth returned 2H –rebound in Clinical & Pharma confidence when US healthcare reform settled

■ Fiscal Highlights

- NPAT loss of **\$1.2m** all in 1H; 2H Breakeven
- Product Sales of **\$9.2m**, down 4% on pcp constant currency basis
- Gross Margins + 560 bps to **90.1%** on lower production costs, FY run rate on EM3 clinician device
- Operating Expenses down **14%** on pcp constant currency basis
- Net Cash Burn of **\$1.8m**, up on pcp \$(0.1)m
- Closing cash of **\$1.6m** (+ \$3.4m trade receivables): 2H cash burn \$0.4m
- Net Assets **\$3.7m**, Negligible Intangibles, No Debt

FY10 Milestones & Highlights

■ FY10 Milestones – Major News Items

- Central Pressure Threshold for Cardiovascular Events Identified in Major Clinical Study: Oct 09
- Central Pressure a Superior Determinant of Left Ventricular Hypertrophy: Feb 10
- SphygmoCor Positive Drug Effects in Pre-Eclampsia: Feb 10
- Launch of SphygmoCor V9 for Clinician Market: Mar 10
- Novartis SphygmoCor Study in African Americans: Mar 10
- US\$0.95m Pharmaceutical Contract: Mar 10
- US\$0.3m Pharmaceutical Contract: Apr 10
- Mayo Clinic Provides Clinician Recommendations for SphygmoCor: May 10
- Positive US Medicare Coverage Decision for Michigan Region : May 10
- US\$1.8m Pharmaceutical Contract: Jun 10

Recent Events

■ News items since 30 June

- Second positive Medicare ruling in Michigan region: **July 10**
- FDA supports use of central blood pressure data in pharmaceutical trials: **Sep 10**
- US\$0.8m pharmaceutical trial contract: **Oct 10**
- Successful capital raise and rights issue announced: **Oct 10**
- US therapeutic grant received: **Nov 10**

Update on Capital Raise & Rights Issue

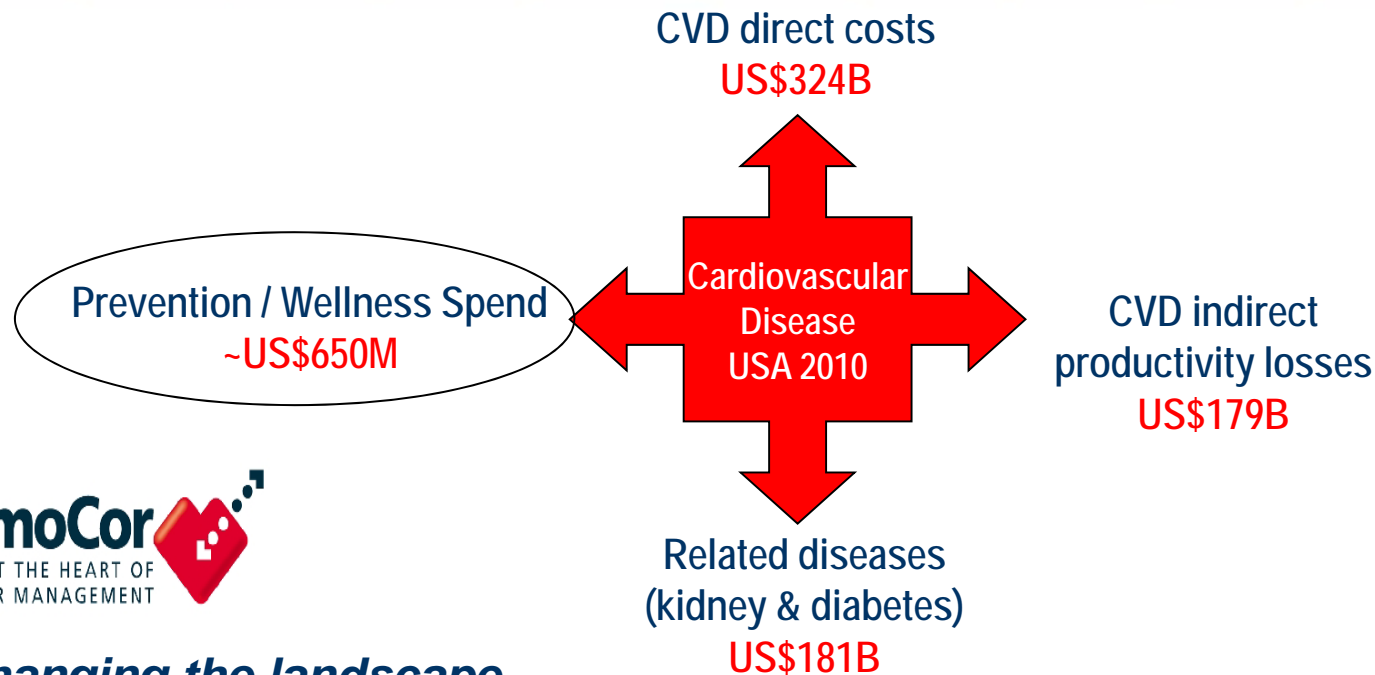
<p>Share Placement completed on 20 October</p>	<ul style="list-style-type: none"> • Raised \$1.02m • Issued 14,550,000 new shares ("15%" rule) • Issue Price of \$0.07
<p>1 for 6 Non-Renounceable Entitlement Offer Closes 26 November</p>	<ul style="list-style-type: none"> • To raise up to \$1.34m • Issue Price of \$0.07 (same as placement) • Issue up to 19,156,944 new shares • Fully Underwritten
<p>Capital Structure Effects</p>	<ul style="list-style-type: none"> • Current issued capital: 100,391,667 (74.86%) • Placement: 14,550,000 (10.85%) • Entitlement Issue: 19,156,944 (14.29%) • Indicative issued capital: (up to) 134,098,611 (100%) • Indicative market capitalisation at 07c: \$9.4m

Use of Funds - \$2.4m

Use of Funds		\$2.4m
Funding pharmaceutical trials leases		\$1.3m
Acceleration of product development program		\$0.5m
Consulting/legal to accelerate US reimbursement		\$0.2m
Additional working capital		\$0.3m
Broker fees		\$0.1m

Changing Healthcare Landscape - Supportive Environment

Prevention, Reduce Patient/Hospital Loads

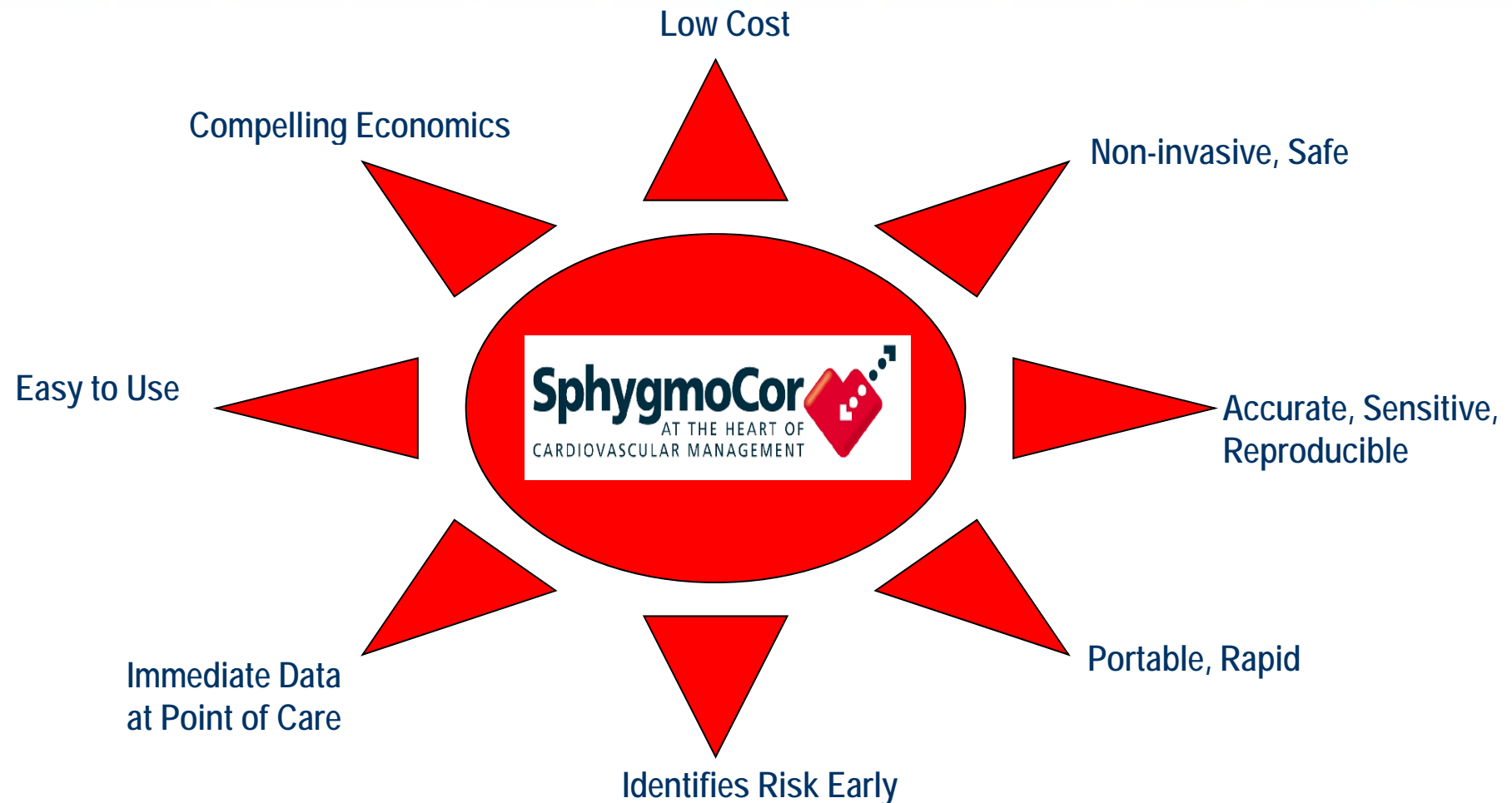


.....*changing the landscape*

- * CP >50% superior in predicting CVD events and outcomes v cuff pressure = ↓ events, ↓ hosp. admissions, ↓ costs
- * CP is **superior** and **independently predictive** in risk models v cuff, cholesterol, smoking, diabetes + others
- * CP Identifies central cardiovascular drug effects = product differentiation by pharma, ↑ drug safety (FDA, EMEA)

Key Factors for Technology Adoption

AtCor well positioned



FY11 Milestones

- Total Business returns to double digit growth (constant curr)
 - Pharma business returns to double digit growth
 - Minimum two significant pharma deals in 1H, first achieved in October
- Leverage drug safety support from CSRC-FDA
 - Has increased pharma market opportunity by minimum of US\$75m
 - Continued regulatory focus on cardiovascular risk in drug trials
- Enter clinical market in major Asian country
 - Local government support
- Additional Clinical studies to Report
 - In support of clinical up-take
 - Studies to report include supportive meta analysis with over 9,000 patients

FY11 Milestones - reimbursement

- Local coverage decisions-drive national coverage & reimbursement
 - Grow US clinical account base to minimum 150 sites
 - Accelerate sales in MI Medicare Region -Target FL, NC & CA/NV Regions
- Target - two diversity coverage decisions with payers
 - Estimated minimum 2.0m covered lives
- Other initiatives
 - Obtain medical society support for national code

Summary

- Growing Recognition of central pressures
 - AtCor retains dominant position
- Acceleration in reimbursement and coding
 - New US states, new payers, broader reach
- Acceleration in pharma clinical trials business
 - Stronger pipeline of opportunities
- Sufficient capital post raise
 - To meet strategic goals

