



AtCor Medical Holdings Limited

ASX Half-year information – 31 December 2008

Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2008 Annual Report.

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AtCor Medical Holdings Limited
 Half-year ended 31 December 2008
 (Previous corresponding period:
 Half-year ended 31 December 2007)

Results for Announcement to the Market

				\$
Revenue from ordinary activities	Up	68%	to	5,541,262
Net profit from ordinary activities after tax attributable to members	Up		to	180,477
Net profit for the period attributable to members	Up		to	180,477

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-

Commentary on Results:

See Review of Operations in Directors' Report.

Explanation of Dividends

No dividends have been declared.

AtCor Medical Holdings Limited
Half-year ended 31 December 2008
(Previous corresponding period:
Half-year ended 31 December 2007)

Supplementary Appendix 4D Information

NTA Backing

	2008	2007
Net tangible asset backing per ordinary share	5.9 cents	7.6 cents

Controlled entities acquired or disposed of

No controlled entities have been acquired or disposed during the period.

Additional dividend/distributions information

No dividends have been declared or paid during or subsequent to the half-year ended 31 December 2008.

Dividend/distribution reinvestment plans

The company has adopted but not implemented a dividend reinvestment plan.

Associates and Joint Venture entities

Not applicable.

Foreign Accounting standards

Not applicable.

Audit Alert

Not applicable.

AtCor Medical Holdings Limited ABN 81 113 252 234
Interim report
for the half-year ended 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by AtCor Medical Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

AtCor Medical Holdings Limited and controlled entities Directors' report

Your directors present their report on the consolidated entity consisting of AtCor Medical Holdings Limited ('AtCor') and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of AtCor Medical Holdings Limited during the whole of the half-year and up to the date of this report:

Donal O'Dwyer (Chairman)
Peter R Jenkins
Michael F O'Rourke
Duncan R Ross (President and CEO)

The following director retired during the reporting period:

Lisa E McIntyre (retired effective 4 November 2008)

The following director was appointed during the reporting period:

David L Brookes (appointed effective 4 November 2008)

Review of operations

During the past six months, AtCor continued to increase revenue through further penetration of the global pharmaceutical market and greater levels of clinical adoption, while positioning the company for future growth.

The company achieved its maiden half year profit after tax of \$180,477 (1H 2008: \$1,678,798 loss) following record sales of \$5,377,038 for the six months to 31 December 2008, up 76% on the previous corresponding period (1H 2008: \$3,057,637). In constant currency terms, sales increased 64% over 1H 2008.

Sales in the United States were up 125% to \$3,563,495 compared to 1H 2008, reflecting the increased demand for central blood pressure measurement using SphygmoCor and clinical trial related services in the pharmaceutical sector. Coming off a strong prior year performance European sales rose 26%, and Asia Pacific sales grew by 11%. The company anticipates continued strong sales growth 2H 2009.

Gross margin for the half was maintained at 83% of sales, and the company expects to maintain margins above 80% this year. Expenses were up by 12% compared with H1 2008, with approximately 40% of this increase attributable to the Australian dollar devaluation and 30% attributable to higher sales commissions and bonuses related to company performance.

Significant depreciation in the Australian dollar against the two major currencies that AtCor transacts in (US\$ and Euro) resulted in a foreign exchange gain of \$604,504 for the 6 month period. This amount included net realised foreign exchange loss of \$224,485 and unrealised gains of \$828,989 chiefly from revaluation of receivables and cash. As the vast majority of AtCor's sales are exports whilst non-sales related expenses are incurred in Australian dollars, AtCor will continue to benefit while the Australian dollar remains discounted against the major currencies.


AtCor's cash and equivalents at 31 December 2008 were \$2,924,484, down \$391,681 from 30 June 2008. This included repayment of loans by staff and directors totalling \$508,979. The remaining loans (current balance \$1,212,099) are due and payable during Q2 fiscal 2010.

The directors and management remain focused on efficient cash management and with anticipated sales growth, strong trade receivables and effective expense control, AtCor does not anticipate the need to raise funds for operating purposes in the foreseeable future.

Auditors Independence Declaration

A copy of the auditors' independence declaration as required under s307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "Donald Dwyer". The signature is written in a cursive style with a checkmark at the end.

D O'Dwyer
Chairman

Sydney
19 February 2009

Auditor's Independence Declaration

As lead auditor for the review of AtCor Medical Holdings Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AtCor Medical Holdings Limited and the entities it controlled during the period.



Mark Dow
PricewaterhouseCoopers

19 February 2009

AtCor Medical Holdings Limited and controlled entities
Consolidated income statement
For the half-year ended 31 December 2008

	Notes	Half year	
		31 December 2008 \$	31 December 2007 \$
Revenue from sale of goods	4	5,377,038	3,057,637
Cost of sales of goods		(931,796)	(528,253)
		<u>4,445,242</u>	<u>2,529,384</u>
Other revenue	4	164,224	249,908
Other income	4	965,574	340,318
Depreciation & amortisation		(87,265)	(62,016)
Marketing and sales expense		(3,134,320)	(2,591,118)
Product development and clinical trial expense		(962,991)	(870,238)
Occupancy expense		(36,659)	(80,422)
Administration and other expense		(1,135,940)	(1,103,167)
Profit/(Loss) before income tax		<u>217,865</u>	<u>(1,587,351)</u>
Income tax expense		(37,388)	(91,447)
Net profit/(loss) for the half-year attributable to member of AtCor		<u>180,477</u>	<u>(1,678,798)</u>
Earnings per share		Cents	Cents
Basic earnings per share	7	0.18	(1.68)
Diluted earnings per share	7	0.18	(1.68)

The above consolidated income statement should be read in conjunction with the accompanying notes.

AtCor Medical Holdings Limited and controlled entities
Consolidated balance sheet
As at 31 December 2008

	31 December 2008 \$	30 June 2008 \$
ASSETS		
Current assets		
Cash and cash equivalents	2,924,484	3,316,165
Receivables	4,194,982	1,877,475
Inventories	648,479	401,157
Other	159,447	99,774
Total current assets	<u>7,927,392</u>	<u>5,694,571</u>
Non-current assets		
Receivables	-	1,683,833
Property, plant and equipment	368,029	350,166
Intangible assets	199,511	222,348
Total non-current assets	<u>567,540</u>	<u>2,256,347</u>
Total assets	<u>8,494,932</u>	<u>7,950,918</u>
LIABILITIES		
Current liabilities		
Payables	2,350,868	1,952,813
Provisions	20,262	19,237
Total current liabilities	<u>2,371,130</u>	<u>1,972,050</u>
Non-current liabilities		
Provisions	19,900	17,371
Total non-current liabilities	<u>19,900</u>	<u>17,371</u>
Total liabilities	<u>2,391,030</u>	<u>1,989,421</u>
Net assets	<u>6,103,902</u>	<u>5,961,497</u>
EQUITY		
Contributed equity	28,981,611	28,981,611
Reserves	550,131	588,203
Accumulated losses	<u>(23,427,840)</u>	<u>(23,608,317)</u>
Total equity	<u>6,103,902</u>	<u>5,961,497</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

AtCor Medical Pty Limited and controlled entities
Consolidated statement of changes in equity
As at 31 December 2008

	Half year	
	31 December 2008 \$	31 December 2007 \$
Total equity at the beginning of the half-year	<u>5,961,497</u>	<u>9,382,472</u>
Exchange difference on translation of foreign operations	<u>(145,820)</u>	-
Income recognised directly in equity	<u>(145,820)</u>	-
Profit/(loss) for the half-year	<u>180,477</u>	<u>(1,678,798)</u>
Total recognised income and expense for the half-year	<u>34,657</u>	<u>(1,678,798)</u>
Transactions with equity holders in their capacity as equity holders:		
Employee share options	<u>107,748</u>	<u>95,382</u>
	<u>107,748</u>	<u>95,382</u>
Total equity at the end of the half-year	<u>6,103,902</u>	<u>7,799,056</u>
Total recognised income and expense for the half-year is attributable to members of AtCor Medical Holdings Limited	<u>180,477</u>	<u>(1,678,798)</u>

The above consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

AtCor Medical Holdings Limited and controlled entities
Consolidated cash flow statement
For the half-year ended 31 December 2008

	Half year	
	31 December 2008 \$	31 December 2007 \$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	4,733,214	2,995,660
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(6,185,701)</u>	<u>(5,848,959)</u>
	(1,452,487)	(2,853,299)
Interest received	126,979	174,862
Other revenue	166,105	302,602
Net cash (outflow) from operating activities	<u>(1,159,403)</u>	<u>(2,375,835)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(82,291)	(52,717)
Repayment of related party loans	508,979	-
Net cash inflow/(outflow) from investing activities	<u>426,688</u>	<u>(52,717)</u>
Net (decrease) in cash and cash equivalents	(732,715)	(2,428,552)
Cash and cash equivalents at the beginning of the half-year	3,316,165	6,999,422
Effects of exchange rate changes on cash and cash equivalents	341,034	-
Cash and cash equivalents at the end of the half-year	<u>2,924,484</u>	<u>4,570,870</u>

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

AtCor Medical Holdings Limited and controlled entities

Notes to the financial statements

For the half-year ended 31 December 2008

Note 1 Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by AtCor Medical Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2 Segment information

Half-year	Europe	Americas	Asia/Pacific	Inter-	Consolidated
31 December 2008	\$	\$	\$	segment	\$
				eliminations/	
				unallocated	
				\$	
Revenue from sale of goods	1,481,599	3,563,495	331,944	-	5,377,038
Other revenue	-	-	-	164,224	164,224
Total segment revenue	<u>1,481,599</u>	<u>3,563,495</u>	<u>331,944</u>	<u>164,224</u>	<u>5,541,262</u>
Segment result	<u>474,299</u>	<u>743,805</u>	<u>90,163</u>	<u>-</u>	<u>1,308,267</u>
Unallocated revenue less unallocated expenses					<u>(1,090,402)</u>
Profit before income tax					<u><u>217,865</u></u>
Half-year					
31 December 2007					
Revenue from sale of goods	1,176,810	1,582,545	298,282	-	3,057,637
Other revenue	-	-	-	316,361	316,361
Total segment revenue	<u>1,176,810</u>	<u>1,582,545</u>	<u>298,282</u>	<u>316,361</u>	<u>3,373,998</u>
Segment result	<u>(35,015)</u>	<u>(491,641)</u>	<u>39,090</u>		<u>(487,566)</u>
Unallocated revenue less unallocated expenses					<u>(1,099,785)</u>
(Loss) before income tax					<u><u>(1,587,351)</u></u>

Note 3 Dividends

No dividends were paid or declared since 30 June 2008 and the directors do not recommend the payment of a dividend.

AtCor Medical Holdings Limited and controlled entities

Notes to the consolidated financial statements

For the half-year ended 31 December 2008

(Continued)

Note 4 Revenue

From continuing operations	Half-year	
	2008	2007
<i>Sales revenue</i>		
Sale of goods	4,603,771	2,635,961
Sales of services	773,267	421,676
	5,377,038	3,057,637
<i>Other revenue</i>		
Interest	164,224	249,908
	164,224	249,908
<i>Other Income</i>		
Grant income	333,572	302,602
Foreign currency exchange gains	604,524	23,957
Other	27,478	13,759
	965,574	340,318

Note 5 Contingent liabilities

There are no contingent liabilities.

Note 6 Event occurring after reporting date

No matter or circumstance has arisen since 31 December 2008 that has significantly affected or may affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 7 Earnings per share

	Half-year	
	2008 Cents	2007 Cents
Basic earnings per share	0.18	(1.68)
Diluted earnings per share	0.18	(1.68)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	100,000,000	100,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	102,163,016	100,000,000

Options

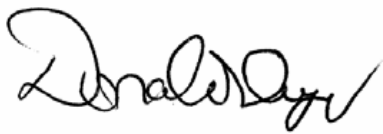
Options granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. As at 31 December 2008 there were 13,500,000 options outstanding (31 December 2007: 8,815,000). The options have not been included in the determination of basic earnings per share.

AtCor Medical Pty Limited and controlled entities
Directors' declaration
31 December 2008

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that AtCor Medical Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



D O'Dwyer
Director

Sydney
19 February 2009

Independent auditor's review report to the members of AtCor Medical Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AtCor Medical Holdings Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the AtCor Medical Holdings Limited Group (the consolidated entity). The consolidated entity comprises both AtCor Medical Holdings Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AtCor Medical Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of
AtCor Medical Holdings LimitedT (continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year ended 31 December 2008 included on AtCor Medical Holdings Limited's web site. The company's directors are responsible for the integrity of the AtCor Medical Holdings Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AtCor Medical Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Mark Dow
Partner

Sydney
19 February 2009