

Appendix 4D Half-Year Report

Altium Limited and Controlled Entities

ACN 009 568 772

Period ended 31 December 2008

Results for announcement to the market

	6 months ended 31 December 2008 US\$'000	6 months ended 31 December 2007 US\$'000	Percentage Change
Revenue from ordinary activities	26,715	23,366	14%
Earnings before interest, tax, depreciation and amortisation	3,697	(642)	676%
Profit (loss) from ordinary activities before tax	1,393	(2,536)	155%
Income tax (expense) benefit	(651)	651	200%
Profit (loss) from ordinary activities after tax attributable to members	742	(1,885)	139%

Dividends	Amount per security	Franked amount per security
Current year:		
Interim dividend	AU\$ 2 cents	-
Record date: 10 March 2009		
Payment date: 24 March 2009		

Return of capital	6 months ended 31 December 2008 US\$'000	6 months ended 31 December 2007 US\$'000
Return of capital	1,238	4,748

NTA Backing	31 December 2008 US\$ cents	30 June 2008 US\$ cents
Net tangible asset backing per ordinary share	10.5 cents	12.5 cents

Audit

This preliminary interim report is based on accounts which have been reviewed. The review report which was unqualified will be made available with group's financial report.

Audit Committee

There is a formally constituted audit committee.



Altium Limited

ACN 009 568 772

Half-Year Report

31 December 2008

Contents

Directors' report	3
Auditor's independence declaration	5
Consolidated income statement	6
Consolidated balance sheet	7
Consolidated statement of changes in equity	8
Consolidated cash flow statement	9
Notes to the consolidated interim financial statements	10
Directors' declaration	14
Independent auditor's review report	15

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 Altium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. A copy of the 30 June 2008 annual financial report can be provided to shareholders on request.

Directors' report

The directors of Altium Limited present their report on the group consisting of Altium Limited 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 Altium Limited during the whole of the half-year and up to the date of this report:

Samuel S Weiss
Nicholas M Martin
Kayvan Oboudiyat
Carl J Rooke
David M Warren
William A Bartee
André J Pravaz – Resigned 3 February 2009

Principal activities

The group's principal activities during the half year were that of the design, development and sale of computer software for the design of electronic products. There were no significant changes in the nature of these activities during the half-year.

Interim results

	6 months ended 31 December 2008 US\$'000	6 months ended 31 December 2007 US\$'000
Profit (loss) from ordinary activities before tax	1,393	(2,536)
Income tax (expense) benefit	(651)	651
Profit (loss) from ordinary activities after tax attributable to members	742	(1,885)

Review of operations

Overview of financial performance and position:

	6 months ended 31 December 2008 US\$'000	6 months ended 31 December 2007 US\$'000	Change
Sales	27,214	23,160	18%
Revenue	26,715	23,366	14%
Earnings before interest, tax, depreciation and amortisation	3,697	(642)	676%
Profit (loss) before tax	1,393	(2,536)	155%
Profit (loss) attributable to members	742	(1,885)	139%
Earnings per share (cents)	0.8	(2.1)	139%
Return of capital per share (AU\$ cents)	2.0	6.0	67%
Adjusted profit (loss) before tax ¹	2,296	(1,442)	259%
Operating cash flows	6,846	942	627%
Cash position	9,177	4,237	117%
Deferred revenue	11,540	11,420	1%
Average number of employees during the half-year	330	322	2%
Number of employees at end of half-year	329	326	1%

¹ Adjusted profit (loss) before tax represents sales less operating costs adjusted for share based payments and amortisation. Sales represent the value of orders invoiced in the period with no adjustment for deferred revenue recognition.

Directors' report (continued)

For the six months ended 31 December 2008, the group continued its ongoing trend of improved sales performance. Reported revenue increased by 14%, driven by underlying growth in sales of 18%.

The following table illustrates sales by region for the six months ended 31 December 2008 compared to the same period in the previous corresponding period.

Sales by region in local currencies:

	6 months ended 31 December 2008 \$'000	6 months ended 31 December 2007 \$'000	Change
Product Sales			
Americas (US\$)	9,594	8,834	9%
Europe (euro)	6,749	5,826	16%
Greater China* (US\$)	5,097	3,285	55%
Asia-Pacific excluding Greater China* (US\$)	2,834	2,374	19%
Consulting Services			
Consulting (euro)	230	254	(9%)

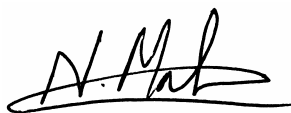
* China has been redefined as Greater China and includes PRC, Taiwan & Hong Kong

Rounding of amounts

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

For and on behalf of the board



Nicholas M Martin
Director, Chief Executive Officer & Chief Technology Officer



Kayvan Oboudiyat
Director & Executive Vice Chairman

Sydney
25 February 2009

Auditor's independence declaration

As lead auditor for the review of Altium 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 Altium Limited and the entities it controlled during the period.



Partner

Sydney
25 February 2009

Altium Limited and Controlled Entities

ACN 009 568 772

Consolidated income statement

For the half-year ended 31 December 2008

	Note	31 December 2008 US\$'000	31 December 2007 US\$'000
Revenue		26,715	23,366
Changes in inventories of finished goods and work in progress		(91)	6
Raw materials and consumables used		(470)	(566)
Employee benefits expense		(16,852)	(16,558)
Depreciation and amortisation expense		(2,329)	(2,054)
Finance costs		(62)	(39)
Rental expense		(1,627)	(1,412)
Marketing expense		(1,324)	(1,654)
Professional advice expense		(745)	(692)
Communication expense		(384)	(363)
Net foreign exchange profit (loss)		859	(243)
Other expenses		(2,297)	(2,327)
Profit (loss) before income tax		1,393	(2,536)
Income tax (expense) benefit		(651)	651
Net profit (loss) attributable to members of Altium Limited		742	(1,885)
		US Cents	US Cents
Basic earnings per share	3	0.8	(2.1)
Diluted earnings per share	3	0.8	(2.1)

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

Altium Limited and Controlled Entities

ACN 009 568 772

Consolidated balance sheet

As at 31 December 2008

	31 December 2008 US\$'000	30 June 2008 US\$'000
Current assets		
Cash and cash equivalents	9,177	5,582
Trade and other receivables	10,502	16,089
Inventories	828	1,239
Tax receivables	104	138
Total current assets	20,611	23,048
Non-current assets		
Other receivables	411	409
Property, plant and equipment	1,933	2,120
Intangible assets	8,500	12,294
Deferred tax assets	4,012	5,008
Total non-current assets	14,856	19,831
Total assets	35,467	42,879
Current liabilities		
Trade and other payables	3,484	4,449
Revenue deferred	11,540	11,420
Borrowings	375	365
Tax liabilities	235	400
Provisions	1,261	1,987
Total current liabilities	16,895	18,621
Non-current liabilities		
Borrowings	479	536
Provisions	245	305
Total non-current liabilities	724	841
Total liabilities	17,619	19,462
Net assets	17,848	23,417
Equity		
Contributed equity	77,170	78,408
Reserves	3,839	8,913
Accumulated losses	(63,161)	(63,904)
Total equity	17,848	23,417

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

Altium Limited and Controlled Entities

ACN 009 568 772

Consolidated statement of changes in equity

For the half-year ended 31 December 2008

	Notes	31 December 2008 US\$'000	31 December 2007 US\$'000
Total equity at the beginning of the half-year		23,417	27,921
Exchange differences on translation of foreign operations		(5,170)	1,235
Profit (loss) for the half-year		742	(1,885)
Total recognised expense for the half-year		(4,428)	(650)
Transactions with equity holders in their capacity as equity holders:			
Return of capital	4	(1,238)	(4,748)
Employee share options		97	118
Issue of shares		-	10
Total equity at the end of the half-year		17,848	22,651

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

Altium Limited and Controlled Entities

ACN 009 568 772

Consolidated cash flow statement

For the half-year ended 31 December 2008

	Notes	31 December 2008 US\$'000	31 December 2007 US\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		32,557	26,303
Payments to trade creditors, other suppliers and employees (inclusive of goods and services tax)		(25,395)	(25,069)
Interest received		88	199
Interest paid		(62)	(39)
Net income taxes paid		(342)	(452)
Net cash inflows from operating activities		6,846	942
Cash flows from investing activities			
Payments for research and development		(742)	(760)
Payments for property, plant and equipment		(511)	(482)
Proceeds from sale of property, plant and equipment		-	43
Net cash outflows from investing activities		(1,253)	(1,199)
Cash flows from financing activities			
Proceeds from issues of shares		-	10
Repayment of borrowings		(191)	(197)
Return of capital	4	(1,238)	(4,748)
Net cash outflows from financing activities		(1,429)	(4,935)
Net increase (decrease) in cash held		4,164	(5,192)
Cash at beginning of the half year		5,582	9,031
Effects of exchange rate changes on cash		(569)	398
Cash at end of the half-year		9,177	4,237

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

Notes to the consolidated interim financial statements

1. Basis of preparation of half-year 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 of 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 Altium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Following the change in presentation currency in 2008, from Australian dollars to US dollars, the comparatives in this report have been restated accordingly. The functional currency of Altium Limited is Australian dollars. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Segment information

Description of segments

Management has determined the operating segments based on the reports used by the Board and Executive team to make strategic decisions and review operational performance.

The Board and Executive consider the business from a geographical perspective and have identified four reportable segments:

- Americas – comprises the sales of products throughout the USA, Canada and South America;
- EMEA – comprises the sales of products throughout Europe, Middle East and Africa;
- Greater China – comprises the sales of products throughout PRC, Taiwan & Hong Kong; and
- Asia Pacific – comprises the sales of products throughout Asia (ex-Greater China), Australia and New Zealand.

Since the presentation of segment information in the 2008 Annual Report, China has been redefined as Greater China and includes PRC, Taiwan and Hong Kong.

Global functions, including research and development, are included in the 'Others' column. Sales and revenue in this segment relates to consulting services, which are included as a recovery of research and development costs in the reports provided to the Board and Executive.

Segment information provided to the Board and Executive

The segment information provided to the Board and Executive for the reportable segments for the year ended 31 December 2008 is as follows:

	Americas US\$'000	EMEA US\$'000	Greater China US\$'000	Asia Pacific US\$'000	Others US\$'000	Total US\$'000
Revenue from external customers	9,466	9,008	4,942	2,840	371	26,627
Segment sales	9,594	9,377	5,097	2,834	312	27,214
Adjusted operating profit	5,393	5,663	3,783	1,118	(13,661)	2,296
Depreciation	108	39	33	33	369	582
Segment assets	8,450	7,294	1,783	5,216	8,608	31,351
Unallocated assets						4,116
Total assets						35,467
Total segment liabilities	6,712	4,785	155	3,350	1,528	16,530
Unallocated liabilities						1,089
Total liabilities						17,619

Segment information (continued)

The segment information provided to the Board and Executive for the reportable segments for the year ended 31 December 2007 is as follows:

	Americas US\$'000	EMEA US\$'000	Greater China US\$'000	Asia Pacific US\$'000	Others US\$'000	Total US\$'000
Revenue from external customers	9,127	7,944	2,833	2,702	549	23,155
Segment sales	8,834	8,306	3,285	2,374	361	23,160
Adjusted operating profit	3,395	4,627	2,146	604	(12,214)	(1,442)
Depreciation	89	53	9	35	313	499
Segment assets	6,665	6,848	1,565	5,843	11,960	32,881
Unallocated assets						3,996
Total assets						36,877
Total segment liabilities	5,069	4,011	109	2,120	2,148	13,457
Unallocated liabilities						770
Total liabilities						14,227

Other segment information

Segment sales and segment revenue

Sales between segments are excluded from the segment information and do not form part of the reports used by the Board and Executive. Segment sales is the measure used by the Board and Executive and consists of the following amounts invoiced for:

- Software despatched to a customer;
- Support and assurance contracts invoiced pursuant to a sales order; and
- Training services invoiced pursuant to a sales order.

Segment revenue is the revenue recognised as per AASB 118 Revenue and consists of the following:

- Software despatched to a customer where the associated risks have passed to the customer;
- Support and assurance services performed during the period; and
- Training services performed during the period.

Segment sales reconciles to total revenue as follows:

	31 December 2008 US\$'000	31 December 2007 US\$'000
Total segment sales	27,214	23,160
Net adjustment for deferred revenue recognition	(587)	(5)
Total segment revenue	26,627	23,155
Interest revenue	87	199
Other revenue	1	12
Total revenue	26,715	23,366

Adjusted operating profit

The Board and Executive assess the performance of the operating segments using an adjusted operating profit measure. This measure incorporates segment sales (as described above), excludes non-cash expenses, including amortisation and share based payments, non-recurring expenditure and unrealised gains and losses.

Adjusted operating profit reconciles to profit (loss) before income tax as follows:

	31 December 2008 US\$'000	31 December 2007 US\$'000
Adjusted operating profit	2,296	(1,442)
Net adjustment for deferred revenue recognition	(587)	(5)
Amortisation	(1,747)	(1,555)
Share based payments expense	(100)	(118)
Capitalisation of NB2 intangible assets	644	655
FX movement	859	(243)
Other	28	172
Profit (loss) before income tax	<u>1,393</u>	<u>(2,536)</u>

3. Earnings per share

	31 December 2008 US Cents	31 December 2007 US Cents
Basic earnings per share	0.8	(2.1)
Diluted earnings per share	0.8	(2.1)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	89,162,009	89,157,036
Adjustment for share options for the calculation of diluted earnings per share	-	516,218
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	<u>89,162,009</u>	<u>89,673,254</u>
	US\$'000	US\$'000
Earnings used for basic and diluted earnings per share	742	(1,885)
Profit (loss) after income tax per income statement	742	(1,885)

Information concerning the classification of securities

Options

Options granted under the Altium Option Plan, the Directors' Option Plan, the Altium Employee Share Option Plan and the Altium Director Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent that the current share price is greater than the exercise price of the outstanding options and to the extent that they are dilutive. The options have not been included in the determination of basic earnings per share.

For the half year ended 31 December 2008, all options are anti dilutive and were not included in the calculation of diluted earnings per share.

4. Dividends

Dividends not recognised at the end of the half year

Since the end of the half-year the directors have recommended the payment of an unfranked interim dividend of AU\$ 2 cents per fully paid ordinary share (2007: Nil). The amount of proposed dividend expected to be paid on 24 March 2009 but not recognised as a liability at the end of half year, is

31 December 2008 US\$'000	31 December 2007 US\$'000
1,231	-

5. Capital Repayment

Capital repayment for the year ended 30 June 2008 of AU\$ 2 cents (2007: AU\$ 6 cents) per share fully paid on 05 November 2008.

31 December 2008 US\$'000	31 December 2007 US\$'000
1,238	4,748

6. Contingent liabilities

No significant contingent liabilities existed within the group as at 31 December 2008.

7. Events occurring after balance date

No matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect:

- the group's operations in future financial years, or
- the results of those operations in future financial years, or
- the group's state of affairs in future financial years.

Altium Limited

ACN 009 568 772

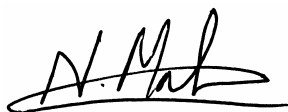
Directors' declaration

In the directors opinion:

- a) the financial statements and notes set out on pages 6 to 13 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the group's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, the changes in equity and its cash flows, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that Altium 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.

For and on behalf of the board



Nicholas M Martin
Director, Chief Executive Officer & Chief Technology Officer



Kayvan Oboudiyat
Director & Executive Vice Chairman

Sydney
25 February 2009

INDEPENDENT AUDITOR'S REVIEW REPORT

to the members of Altium Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Altium Limited (the company), 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 both Altium Limited and the Altium Limited Group (the group). The group comprises 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 Altium 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.

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 Altium Limited for the half-year ended 31 December 2008 included on Altium Limited's web site. The company's directors are responsible for the integrity of the Altium Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. 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 Altium 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



Partner

Sydney
25 February 2009