



ASX release

23 February 2015

AtCor reports first half profit

AtCor Medical Holdings Limited (ASX:ACG), the developer and marketer of the SphygmoCor[®] system which measures central aortic blood pressures and arterial stiffness non-invasively, today reported an after-tax profit of \$0.04 million for H1 FY2015, compared to a \$1 million loss in the prior comparative period (pcp). The improvement was driven by sales growth, improved gross margin, continued control over expenses and foreign currency gains.

Sales for the half year were \$2.9 million, an increase of 7% on the pcp and up 5% on a constant currency basis. Sales rose in AtCor's key geographic regions, comprising the Americas, Europe, the Middle East and Africa (EMEA) and Asia-Pacific. Sales in the Americas rose 4.4%, including clinical practice sales rising 52% and higher US research sales, up 78%.

Whilst pharmaceutical sector sales declined on the pcp, notable orders included a new pharmaceutical contract; an expansion of an existing pharmaceutical contract, and a multi-unit sale to Sunshine Heart, the C-Pulse heart assist device manufacturer for patients with moderate to severe heart failure. This transaction followed an evaluation which confirmed the considerable benefit of adding SphygmoCor to assist C-Pulse programming and patient therapy optimisation.

Gross margin improved to 84.5%, up from 81.9% in the pcp. AtCor maintained tight control on costs. Expenses, despite head winds from the US dollar, were \$0.2 million or 5% lower than the previous reporting period. The company successfully completed a \$1 million capital raise in November 2014. At 31 December, 2014 AtCor held \$2.5 million cash, compared to \$2.2 million at 30 June 2014. Subsequent to balance date, AtCor received a \$0.5 million R&D tax credit and at 31 January 2015 held \$2.9 million cash.

AtCor Medical Chief Executive officer Duncan Ross said, "We are pleased to report a solid financial performance in the first half. The use of SphygmoCor expanded with its selection for multi centre trials related to Alzheimer's disease and a US publically funded study in lowering cholesterol, supporting SphygmoCor's gold standard position as the leading system for measuring central aortic blood pressures and arterial stiffness. We continue to maintain a strong pipeline of opportunities."

AtCor on the Move

The company continued to advance a number of core initiatives:

The Renal Physicians Association (RPA) application for a CPT1 code to the American Medical Association (AMA) CPT panel was presented and voted upon earlier this month. CPT (Common Procedural Terminology) is a listing of descriptive terms and identifying codes for reporting medical services and procedures. The code would cover the SphygmoCor test. Release of the panel actions is expected in March 2015. If the RPA receives a positive outcome from the panel the code should take effect from 1 January 2016 pending successful completion of the remaining steps.

The joint clinical study with a Fortune 500 medical device company using SphygmoCor's patented methodology for cardiac pace maker optimisation was successfully completed. AtCor is now commencing discussions with the firm's business development group.

Negotiations with pharmaceutical companies regarding use of SphygmoCor in clinical trials continue and AtCor anticipates new contracts will be confirmed in the second half. The pharmaceutical sector is an important, long-term market for SphygmoCor.

The 24-hour device ambulatory blood pressure device with central pressures – **Oscar2 with SphygmoCor inside** – has been completed and is now progressing through regulatory processes. The new device, which has been jointly developed by AtCor and SunTech Medical, Inc. is expected to receive CE Mark in the current quarter and FDA clearance prior to fiscal year end. These regulatory clearances will allow the device to be sold in medical markets.

Key studies and position papers from medical societies supporting the adoption of central pressures in clinical practice are expected to be published in leading medical journals.

About AtCor Medical

AtCor Medical develops and markets products for the early detection of cardiovascular risk and management of cardiovascular disease. Its technology allows researchers and clinicians to measure central aortic blood pressure non-invasively. The company's SphygmoCor® system visibly identifies the effects of reflected blood pressure in the central aortic pressure wave, effects which cannot be detected with standard blood pressure monitoring. More than 3,700 SphygmoCor® systems are currently in use worldwide at major medical institutions, research institutions and in various clinical trials with leading pharmaceutical companies. The company's technology has been featured in over 800 peer-reviewed studies published in leading medical journals and thousands of citations. AtCor has operations in Australia, the United States, and Europe. For further information, please visit our web site at www.atcormedical.com.

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