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2012 Chairman's Address
CathRx Ltd Annual General Meeting
Sydney, 14 November 2012



CathRx is seeking to enter global cardiac catheter markets with our patented modular single use device (SUD) catheters designed to dramatically lower the costs of these important clinical procedures without compromising device quality or safety.

During the second half of the 2012 financial year, we focussed on raising funds for the continuing development of our range of cardiac catheters. We were successful in obtaining a \$1 million secured loan. The Company has also recently received approximately \$2.2 million from a research and development tax offset. Provided the company successfully delists, I believe these fund raising efforts will culminate in a rights issue for approximately an additional \$5 million for additional working capital for continued product development.

We are now moving to establish licencing & collaboration agreements with strategic players to provide a path to market our product range.

As described in our shareholder reports, CathRx has restructured its operations to become a specialist catheter technology design house, and establishing contract manufacturing capacity to produce these products significantly reducing operating cash burn.

The Company recently filed an application to be delisted from ASX as it considers it will be best placed to generate shareholder value as an unlisted company.

I would like to extend my personal gratitude to shareholders for their patience and support, to our key staff without whom we could not do this work and to our Board who have worked without pay since February to guide the business forward.

Finally, as many of you know, after 3 years with CathRx, in August 2012 Mr Jeffrey Goodman retired as a director due to health reasons. I would like to acknowledge Jeffrey's substantial contribution to the company and thank him for his services.

I look forward to reporting positive progress over the coming year.

Thank you.

Denis Hanley
Chairman & Chief Executive Officer



2012 Annual General Meeting

Chairman's Presentation

Forward looking statements

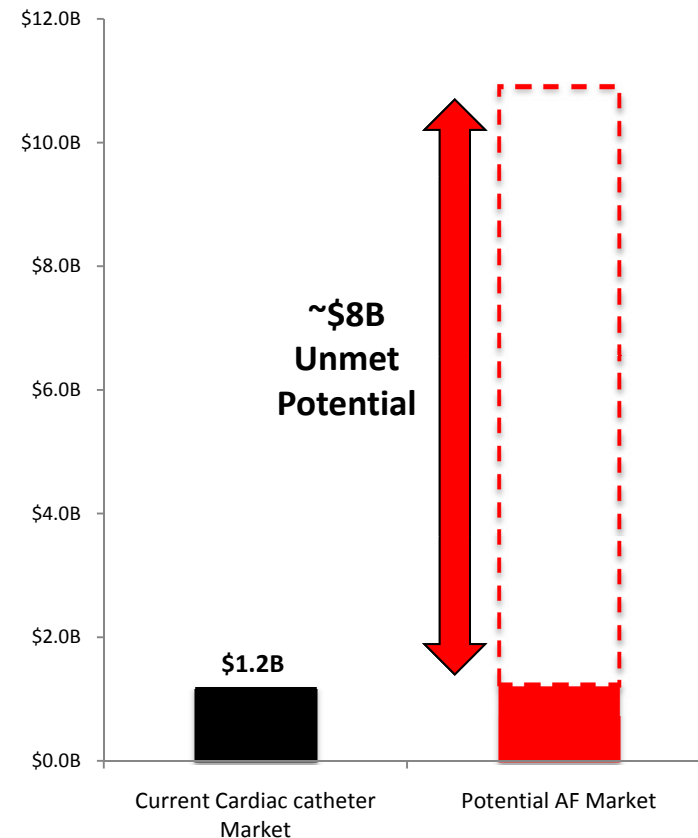
To the extent that this presentation contains any forecasts, projections or other forward looking statements, they are based upon current expectations and are subject to uncertainty and contingencies, many of which are outside the control of CathRx. Actual performance, events, results or outcomes may differ for a variety of reasons. Furthermore, the assumptions underlying the forward looking statements could prove inaccurate or incorrect. Therefore, there can be no assurance actual results, performance or achievements will be as stated. The reliance that a recipient of this presentation places on any statement, forecast, projection or assumption is a matter for their own commercial judgment. This presentation has been prepared in good faith and with due care. However, none of CathRx or its directors, employees or advisers warrant or represent the accuracy or completeness of the information contained in this presentation.

14 November 2012

Targeting a potential \$multi Billion Expansion to the \$1.2B Cardiac Catheter Market

- Atrial Fibrillation (AF) is a major cause of stroke and healthcare costs:
 - Current drugs only address symptoms
 - Cardiac ablation is a potential cure
 - However, only ~3% of AF patients are treated with ablation
- Current market constrained by:
 - High device cost
 - Budget constraints
 - Reprocessing limitations

Estimated Cardiac Catheter Market Potential*



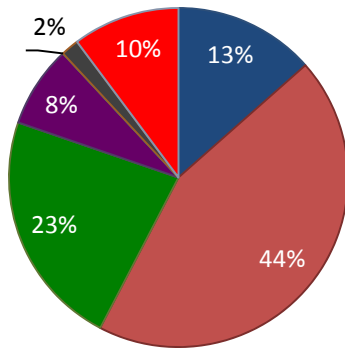
- Current \$1.2B global cardiac catheter market estimated from CathRx market information

* The potential AF Market is a CathRx estimate based on assuming cardiac catheter ablation penetration can increase from 3% to 50% of AF patients

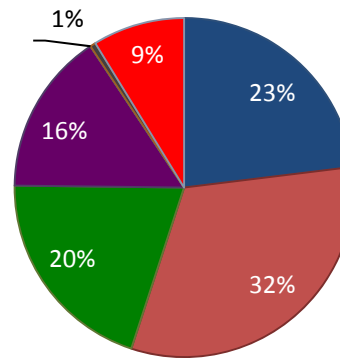
US Cardiac Catheter Market Share

Several Players have Product Gaps

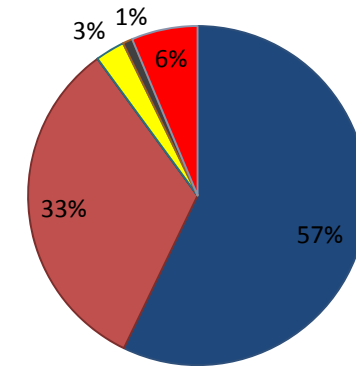
Fixed Curve



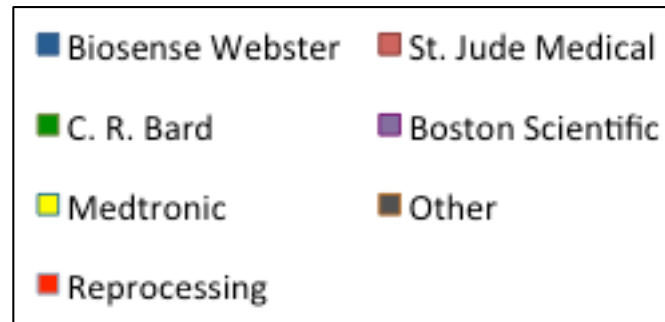
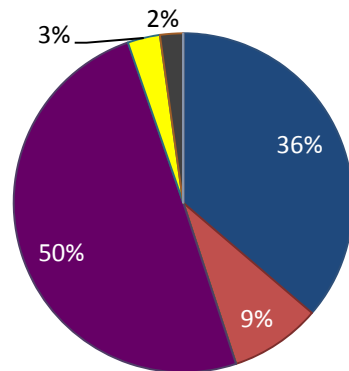
Deflectable Diagnostics



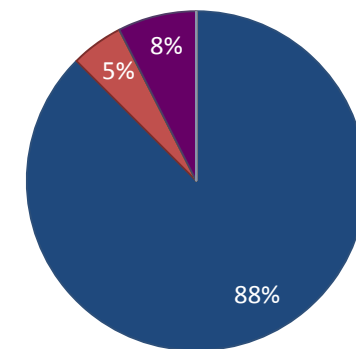
Loop Diagnostics



Conventional Ablation



Irrigated Ablation

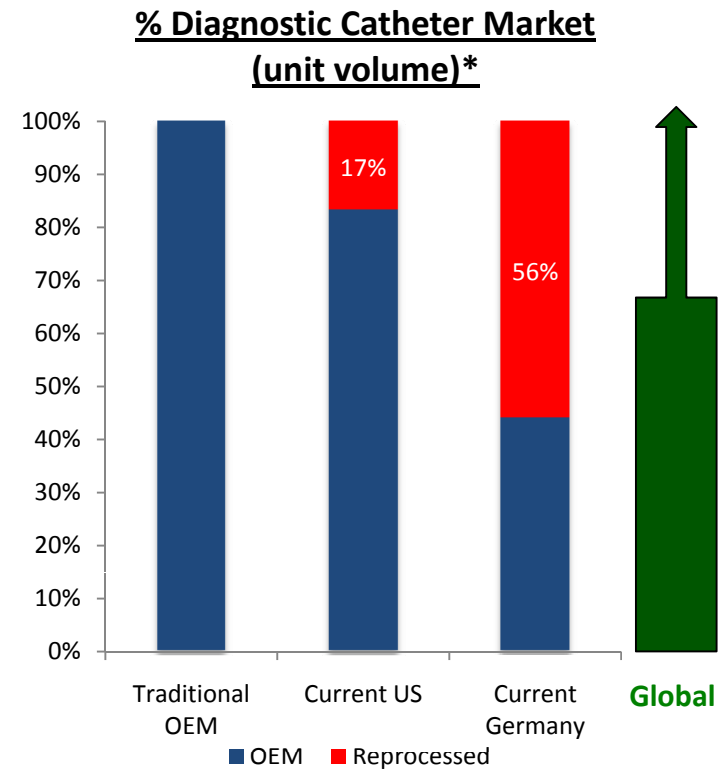


Source: CathRx estimates from market information

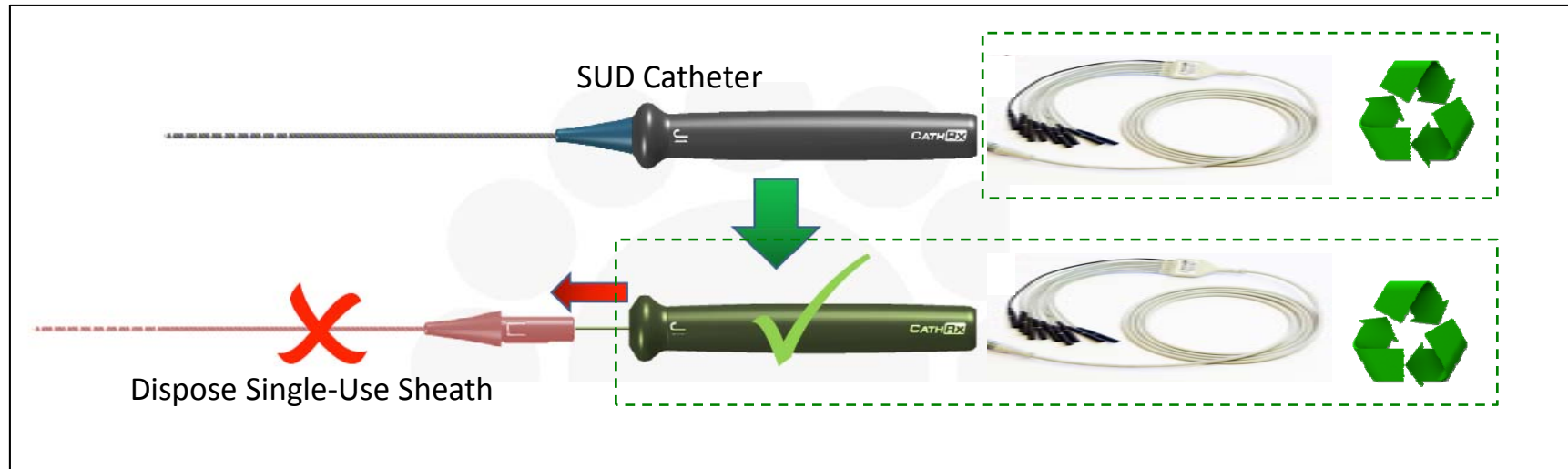
Market Evolution: Low Price Solutions Required



1. Traditionally Cardiac Catheters sold by original device manufacturers (OEM's) as **single-use devices (SUD's)**
2. Reprocessing has now achieved significant market share by enabling single-use devices to be re-used after a cleaning, sterilisation and testing process & offering large **cost savings** to hospitals (US & Germany). However, several countries discourage or ban reprocessing largely due to safety concerns (eg. UK, France)
3. CathRx has designed **unique Disposable Sheath** catheters that can deliver cost savings to hospitals without re-using bloodstream contacting components
 - **Potential to register as single-use device for each cycle**
 - **Minimises device cost whilst maintaining high quality & functionality**
 - **Applicable to all markets**



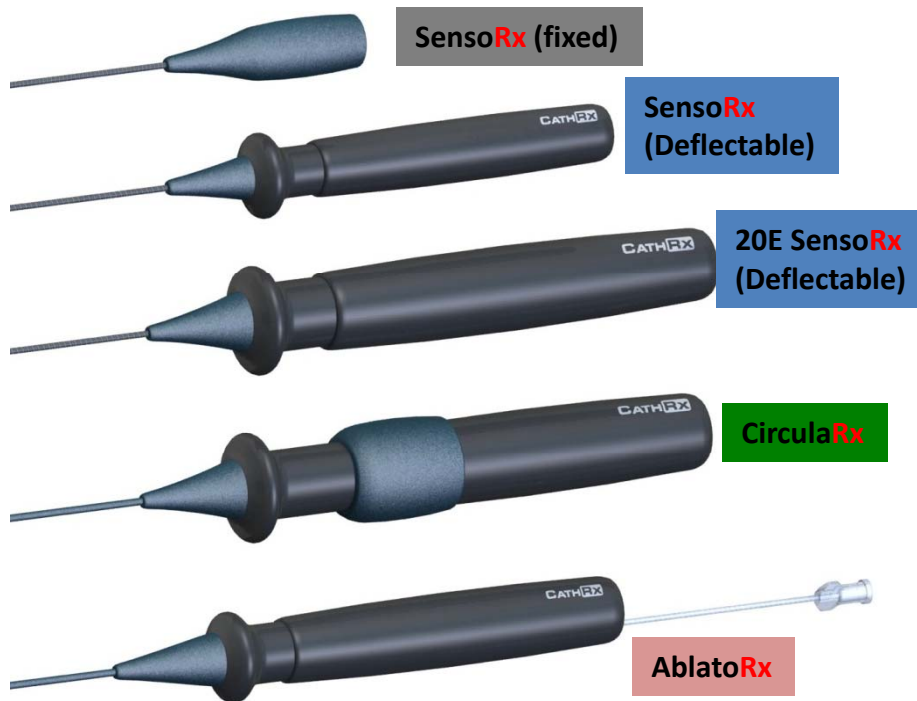
CXD Technology Breakthrough: Disposable Single Use Sheath Catheter



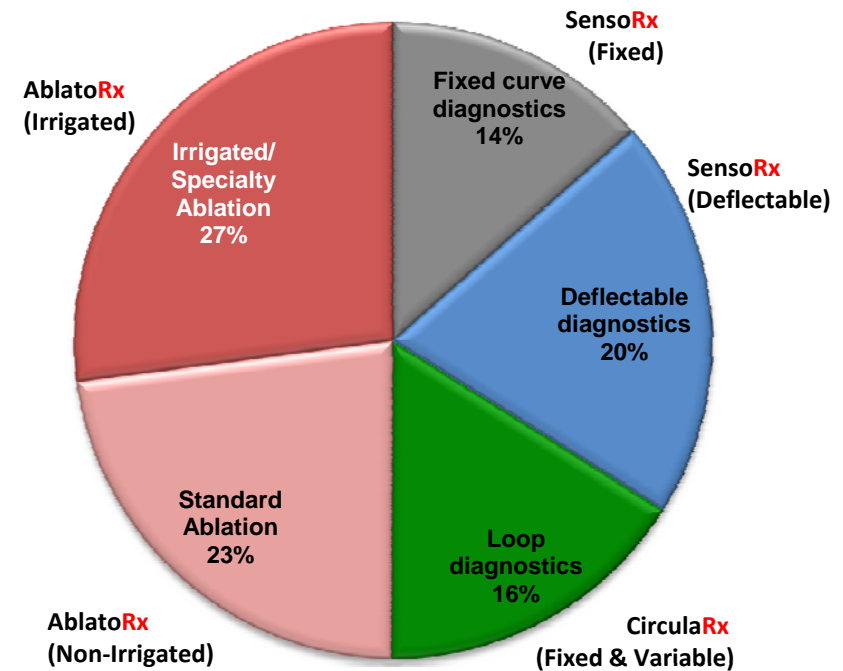
- ✓ SUD Sheath every use
- ✓ Potential for ~50% Hospital Savings
- ✓ Potential for ~70% Gross Margins
- ✓ Designed for Sustainability
- ✓ Designed to compete with Reprocessors

CXD Disposable Sheath Catheters: Address All Major Market Segments

CXD Modular SUD Catheter Family



\$1.2B Global Catheter Market*
(Estimated Market Segments by Value)



*CathRx estimates from market information

Hospital Economics – CXD Model @ 50% discount to SUD

Illustrative Example: Deflectable 10E (USA)

- Assume current market price of deflectable 10E product = \$470
- Set CathRx price per use @ \$235 per use (50% discount)
- Hospital purchases 1 new deca for every 4 uses, Reprocessors charge \$235 per reuse

USE #	OEM		Reprocessor			CathRx Model	
	OEM*	Hospital cost	OEM**	Reprocessor***	Hospital cost	Fee per use	Hospital Cost
1	\$470	\$470	\$470	-	\$470	\$235	\$235
2	\$470	\$470	-	\$235	\$235	\$235	\$235
3	\$470	\$470	-	\$235	\$235	\$235	\$235
4	\$470	\$470	-	\$235	\$235	\$235	\$235
5	\$470	\$470	\$470	-	\$470	\$235	\$235
6	\$470	\$470	-	\$235	\$235	\$235	\$235
7	\$470	\$470	-	\$235	\$235	\$235	\$235
8	\$470	\$470	-	\$235	\$235	\$235	\$235
TOTAL	\$3,760	\$3,760	\$940	\$1,410	\$2,350	\$1,880	\$1,880

* Estimated average price of a deflectable deca in the United States

** Average number of re-uses of deflectable diagnostics is 3.1x according to MRG report

** Estimated fees for reprocessing deflectable deca products (from 2011 Ascent brochure)

→ CXD MODEL CAN COMPETE ECONOMICALLY WITH REPROCESSING

Future – CXD Patents → Freedom to Operate in Advanced AF Market

Multi-electrode irrigation

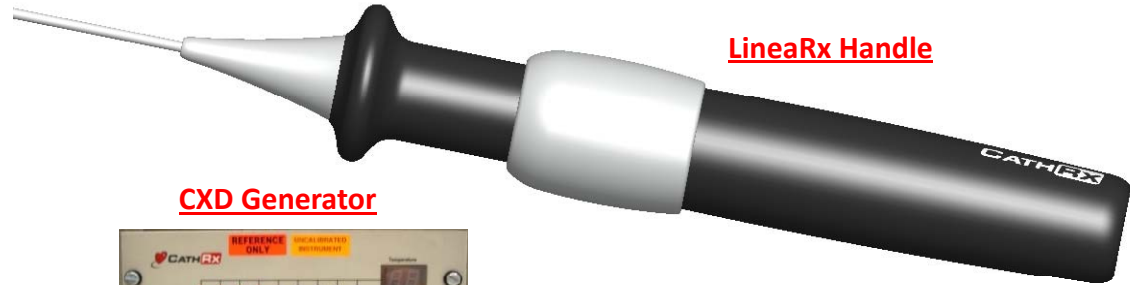


Family 42: Cable based catheter construction method for irrigation catheters at multi-electrode

Family 54: A multi-electrode irrigated catheters

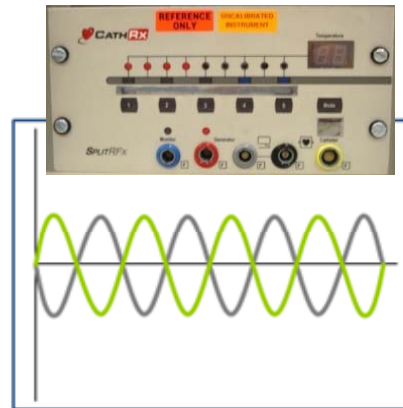
Family 6: Double loop catheter, for Sensing & Linear lesions simultaneously

Double Loop Catheter



LineRx Handle

CXD Generator



Generator Comparison

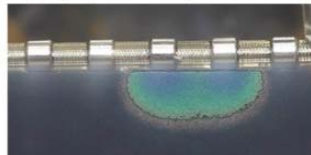
Family 50: Multi-electrode ablation including individual temperature feedback and power delivery

Family 4 & 29: Out of Phase RF system for linear lesions

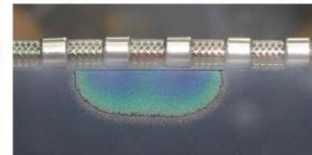
Generator comparison – similar lesion depths

- Generator – Ablation Frontiers
- Catheter – Ablation Frontiers TVAC
- Generator – CathRx
- Catheter – Ablation Frontiers TVAC

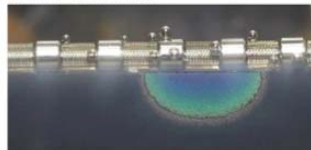
Unipolar (20W) – 4.67mm deep



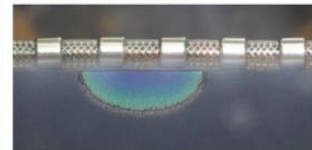
Unipolar (27.5W) – 4.33mm deep



4:1 (7W) – 4.27mm deep



Phased (3W) – 3.62mm deep



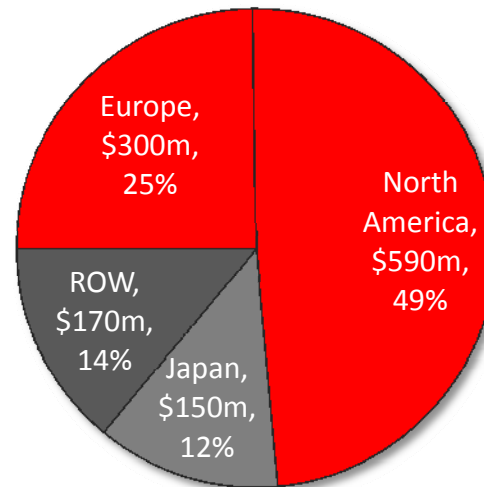
Sliding Electrode (RF Delivery through irrigation)



Next Steps

- Begin discussions with global original equipment manufacturers (OEM's)
 - OEM's are predominately based in the US
 - OEM's have global operations and may be interested in global transaction/s
 - Planning to initiate discussions in November
- Important for the delisting to be complete to maximise flexibility in negotiations

2012 Estimated Cardiac Catheter Markets (US\$)



Questions
