



ASX release

31 January 2013

AtCor to report profit for H1 FY2013

- **Strong sales growth**
- **Cash flow positive**
- **Reimbursement code to facilitate increased clinical sales in US**

AtCor Medical Holdings Limited (ASX:ACG), the developer and marketer of the SphygmoCor[®] system which measures central blood pressures and arterial stiffness non-invasively, today announced unaudited H1 FY2013 sales of \$5.4million, a 43% increase over the prior corresponding period (42% on a constant currency basis). Sales in H1 FY2012 were \$3.8 million.

The company expects to report a profit when its audited results for the half year are announced later in February.

H1 FY2013 cash flow was positive and a marked improvement over H1 FY2012, as reported in last week's Appendix 4C. Cash balance at 31 December was \$2.1million vs. \$1.1million at 30 June, 2012, and net cash inflow for H1 2013 was \$1.0million compared to a net outflow of \$0.66million pcp. Cash flow from operating activities (excluding the R&D tax credit of \$0.70million received in December 2012) was positive for both H1 FY2013 quarters and was \$0.41million for the half year, reflecting improved sales performance and cost savings enacted in Q4 FY2012.

In the US, strong pharmaceutical and research sales led to a sales increase of 54% above pcp. Despite continued economic challenges in Southern Europe, sales volume in the region was maintained even though the company's headcount reduced from 3 to 2 people. The launch of the SphygmoCor[®] XCEL, designed to improve ease of use in clinical practice, contributed to sales growth of 18% in Australia and New Zealand, but sales in Asia declined, based on order timing and the lead time required to secure XCEL registration in key markets such as China, Japan and Korea.

In November, AtCor announced it had received FDA 510k clearance to begin marketing the SphygmoCor[®] XCEL in the US and, effective 1 January, a category III CPT (Common Procedural Terminology) code covering the SphygmoCor[®] test was officially released by the American Medical Association (AMA) (0311T). Clinicians now have a specific code to apply for equitable reimbursement from payers, and stronger clinical sales in the US are expected in H2.

The pharmaceutical clinical trials business, a major contributor to the strong H1 results, is expanding its reach to new clients and into new drug categories with current clients. More pharmaceutical orders are expected during H2.

AtCor Medical chief executive officer, Duncan Ross, said: "We are very pleased with our H1 performance. Our team delivered and we are on track to achieve our key financial metrics for the year, including strong sales growth and a cash flow positive business. We look forward to keeping our shareholders and the market apprised of our continued progress."

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 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 3,000 SphygmoCor® systems are currently in use worldwide at major medical institutions, research institutions and in various clinical trials with leading pharmaceutical companies, and the company's technology have been featured in over 700 peer-reviewed studies published in leading medical journals. 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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