

25 July 2013

ASX ANNOUNCEMENT

CHAIRMAN'S LETTER

"May you live in interesting times", purported to originate as a Chinese curse (unproven), reflects the world and Analytica's space at the moment. Fortunately Analytica's team see fantastic opportunity in the next 12 months.

- **Analytica Autostart Burette marketing getting traction**
- **Analytica NEW product – Category Killer in the Incontinence market**
- **Let's communicate, there is a lot happening in the next 12 months.**

AutoStart™ Infusion System

Analytica's flagship product is the AutoStart Burette. This product despite overwhelming evidence of cost effectiveness and safety has struggled for a foothold in the small Australian market. The board commissioned South-South Capital Partners to source partners in other countries to commercialise this outstanding product.

The success of this strategy is reflected in a heads of agreement, followed by a distribution agreement signed for Taiwan. Since a heads of agreement was signed in Brazil, negotiations are advancing to a more expanded agreement encompassing a collaboration providing a larger market than originally envisaged.

Although other opportunities have been presented Analytica has prudently chosen to ensure these arrangements have the bugs ironed out before launching into other markets.

With the FDA approved production facility, tooled, tested and in place and once the regulatory process for each country is completed the enthusiasm of our partners promises a stronger result for this product.

PeriCoach™ Pelvic Floor Exercise system

A decision was made 4 years ago to secure the future of the company by diversifying and developing a range of products, to ensure your investment was not totally dependent on one

product. As a result the PeriCoach will be launched to market in 2014. After selecting this market space Analytica commissioned market research to ensure there was a need and a demand. There is a huge market and substantial demand.

Clinicians have been involved in all steps of the development to ensure market requirements are exceeded. Our engineering team have excelled in developing a safe, discrete, feature rich device connected to an outstanding data management system.

Fortunately what has also evolved in that period of 4 years is discussion on the topic of incontinence. A topic that was shunned as embarrassing, has now become much more open. From the likes of celebrity Whoopi Goldberg declaring on television she has the condition, to the Australian Physiotherapy Association launching a campaign, "What a Waste"¹ the PeriCoach is arriving at the right time.

This is an exciting product as it ticks all the boxes, need, demand, public awareness, clinician support, self-management with clinician support, e health, app and web connectivity, and not reliant on entrenched distributors. And it works spectacularly!

The attached newsletter provides an overview of the product.

Keeping you up to date

We want to raise the level of communications with you, Analytica's owners. Mail is slow, costly and inefficient. To be more current and efficient, email is the quickest and most cost effective. Could we have your email address please? We will not fill your inbox just periodic updates.

We are keen to have you involved in this exciting period. So can we tempt you?

The 22nd National Conference on Incontinence being run by the Continence Foundation of Australia from 23 - 26 October 2013 at Crown Conference Centre, Perth, WA, will provide the first opportunity for Analytica to openly showcase the PeriCoach to professionals from a number of disciplines who deal with incontinence.

To encourage subscriptions to our new email mailing list **we are giving away a trip for 2 nights in Perth for a shareholder. The prize includes economy flights for two from your nearest state capital, transfers, two nights' accommodation, and guest entry to the National Incontinence Conference to visit us at Booth 49.**

¹ http://www.physiotherapy.asn.au/APAWCM/Advocacy/Campaigns/Continence_Week_2013.aspx

Conditions Apply²

To enter simply visit Analytica's website www.analyticamedical.com and use the link to register your email address.

We look forward to sharing this exciting journey which we feel confident will reward your patience.

For, and on behalf of the board,

Dr Michael Monsour

Chairman, Board of Directors

Analytica Limited (ASX:ALT) is an Australian company dedicated to the design, development and supply of a range of Class I and IIa medical devices.



² Entries close 15th September 2013. Eligible to registered shareholders as at 15th September 2013. Unmarketable parcels (less than 25,000 shares) ineligible.

ANALYTICA SHAREHOLDER UPDATE **JULY 2013**



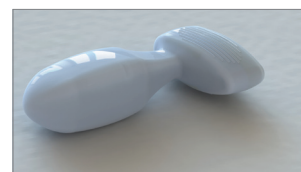
WELCOME TO THE FIRST IN A REGULAR SERIES OF NEWSLETTERS AIMED AT PROVIDING YOU WITH THE LATEST INFORMATION ABOUT ANALYTICA'S MOST EXCITING INNOVATION - **THE PERICOACH**. THIS NEWSLETTER ENABLES YOU TO TRACK THE PROGRESS OF THIS NOVEL SYSTEM DESIGNED TO EASE THE BURDEN OF INCONTINENCE FOR WOMEN.



INVESTOR CHECKLIST

This document describes our new PeriCoach System for addressing urinary incontinence in women. Analytica thinks we're really onto something here and we're excited. Here's some reasons why you, as one of our loyal shareholders should be excited too.

- ✓ IP protection in major markets worldwide
- ✓ Addresses a well-known condition using proven treatment
- ✓ Massive market
- ✓ Direct to consumer model means we're not reliant on multinationals or distributors
- ✓ Early clinician involvement and input means relevance and a channel into the market
- ✓ Early market research – eyes wide open
- ✓ New market space – no known competition
- ✓ Global marketing and sales strategy underway
- ✓ Low risk product – straightforward regulatory passage anticipated
- ✓ Personally controlled eHealth product
- ✓ Subscription based revenue
- ✓ Data-centric product – easy upgrades and feature enhancements
- ✓ Integrated data mining to drive reimbursement strategy
- ✓ Consumer-level medical device – small, easy to use and clean, discreet
- ✓ Significant treatment and patient management benefits for clinicians.
- ✓ Product development well advanced – first production before Christmas



PREVALENCE

In 2010, there were around 4.2 million Australians aged 15 years and over living in the community with urinary incontinence. Over 80% of these are women, and over half of these are under 50 years of age. It is projected that by 2030, the total number of people living in the community with urinary incontinence will rise to 5.6 million (Continence Foundation of Australia 2011). The risk factors are many, with pregnancy, childbirth and menopause being among the more prevalent.

Australians aged
15 years and over living
with urinary incontinence

4.2 Million

Personal expenditure
on urinary incontinence
management products

\$191.2 Million

In 2010 the total financial
cost of incontinence in
Australia

\$42.9 Billion

The personal impact for these women is significant. They are less inclined to partake in social and athletic activities, and studies have cited associated depression as a consequence of incontinence. There is also a significant financial impact of this condition. In 2010, the total financial cost of incontinence (health system expenditure, productivity losses of sufferer and family/carers and dead weight losses [excluding burden of disease]) was estimated to be \$42.9 billion, or approximately \$9,014 per person with incontinence. As a component of that, personal expenditure on urinary incontinence management products and laundry costs was estimated to be \$191.2 million (CONTINENCE FOUNDATION OF AUSTRALIA 2011).

The global incontinence market (i.e. pads) was valued at \$5.26 billion in 2010 and is estimated to reach \$7.08 billion in 2017 with a compound annual growth rate (CAGR) of 3.8 per cent (FROST & SULLIVAN, 2012-04-02)



TREATMENTS

Treatment guidelines state that any woman seeking professional help for stress incontinence should try an exercise program first before resorting to other more invasive treatments such as surgery. For many women, pelvic floor exercise - undertaken in a sustained and regular program - can largely, or even entirely, overcome the symptoms of stress incontinence.

Market Research commissioned by Analytica has identified that the key users of PeriCoach are likely to be women post childbirth (18yrs plus) and women during menopause (45-65 years). With over 5 million women in Australia who have

had children, the potential market, even just for this group is significant. The key prescribers and influencers involved in the treatment and care of women facing incontinence include GPs, gynaecologist/obstetricians and women's health physiotherapists.

Pelvic Floor Exercises can also be done with assistance from a perineometer device – a medical device inserted into the vagina to measure the strength of intravaginal pressure and provide feedback to the user. While there are other perineometers currently on the market, these tend to be large, inaccurate, and indiscreet.

THE STATUS QUO

Publicity and advertising discussing female incontinence in the mainstream media is growing noticeably. Using terms such as slight or light bladder leakage, women are being told that this common issue can be easily managed using underwear protective products such as pads or panty liners.

PERICOACH AIMS TO ADDRESS THE UNDERLYING CAUSE OF INCONTINENCE, AND PROVIDE WOMEN WITH AN ONGOING, LONG TERM TREATMENT PLAN WHICH CAN REDUCE OR ERADICATE THE PROBLEM.



GET IN TOUCH



THE PERICOACH

The PeriCoach (see image above) is a consumer-friendly perineometer which offers unique features and significant advantages over existing perineometers.

Most importantly, the PeriCoach is a total treatment system rather than merely a device.

The PeriCoach system will assist women in maintaining their pelvic floor health by encouraging continued use and providing the data and analysis tools to monitor progress.

PERICOACH IS THE COMPLETE PACKAGE. THE DEVICE, A SUBSCRIPTION DATA PLAN AND ONLINE ANALYSIS TOOLS HAVE BEEN SYSTEMICALLY DESIGNED TO ENCOURAGE WOMEN TO CONTINUE THEIR PELVIC FLOOR EXERCISE PROGRAM WHEN THEY MIGHT OTHERWISE LOSE MOTIVATION.



THE DEVICE

Incumbent devices use pressure to indirectly and often incorrectly measure muscle effectiveness. The PeriCoach offers direct muscle contraction measurement through a patent-pending arrangement of force sensors to directly measure the effectiveness of the puborectalis and pubococcygeus muscle sets (pelvic floor muscles) which control continence.



THE APP

Using Bluetooth connectivity and a proprietary software program, data is transmitted to a consumer's smartphone, tablet or laptop. This "app" allows the user to follow her exercise sessions in real-time with visual and audio feedback, as part of a planned, interactive training programme, not unlike some of the exercise monitoring programs available such as Runkeeper.com



THE CLOUD

To increase the likelihood of compliance, not only does the user have the ability to monitor her own progress, but she will be able to permit her treating Health Care Professional to access her training to oversee participation and results. This is done using a secure database currently being developed by Analytica and an enterprise software developer with global reach.

The PeriCoach smartphone app periodically uploads the training data to this "PeriCloud" database where each physician can see their patient's progress using a web portal. The clinician dashboard identifies which patients are improving, which patients are not exercising and need encouragement, and importantly which patients are doing their exercise but not improving, perhaps warranting clinical attention and follow-up appointments.

This provides a means for clinicians to target patients most in need, and communicate to them through the PeriCoach system. Knowing that your physician is watching drives patient exercise program compliance, which corresponds to better patient outcomes with little extra time actually required by the clinicians.

As well as providing an effective means of encouraging patients, it will also allow clinicians to view the latest industry information condensed by Analytica's global marketing team.

With the appropriate patient permissions, we will also be able to mine anonymised patient data to provide evidence for reimbursement in countries with public health systems, and we are formulating a reimbursement strategy with the assistance of health economists.

INTELLECTUAL PROPERTY

The patent application covering the arrangement of the sensors is currently with the World Intellectual Property Organisation and will be entering national phases in major jurisdictions in the coming weeks.

Analytica is securing patent and trademark protection as well as design registrations in Australia, US, Japan, China, Brazil, India, Germany and France.

Pericoach.com has been acquired as well as a Facebook page and twitter accounts; and our software development partner is well equipped to provide customer support through these social media channels and telephone and email helpdesks.

GET IN TOUCH



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PROGRESS AND PLAN

THE MANUFACTURE OF INJECTION MOULDING TOOLS IS IN PROGRESS, WITH A PILOT PRODUCTION RUN ANTICIPATED IN LATE 2013. ELECTRONIC CIRCUIT BOARD DESIGN IS COMPLETE AND PROPRIETARY FORCE SENSORS ARE BEING MANUFACTURED.

Analytica has conducted in vivo ("in people") trials using prototype devices with the assistance of a number of willing physiotherapists. The feedback has been overwhelmingly positive. As this is a consumer-level medical device however, we also need to get usability feedback from a much larger sample size using members of the general public. The most cost and time-efficient way to achieve this is via a tightly controlled public release using device registered with the Australian Therapeutic Goods Administration (TGA).

Analytica is preparing to list the device through a regulatory partner on the TGA's Australian Register of Therapeutic Goods (ARTG), with the goal of being included by Christmas. ARTG inclusion, and successful validation tests using early production devices will have us on track to

begin the usability trial by the beginning of 2014.

The usability trial will allow us to adjust data collection rates and also to develop the software using real use information.

Frost & Sullivan estimates that the US has about 30% of the global incontinence product market, so we aim to lodge a Pre-market Notification (510(k)) with the US Food and Drug Administration as soon as practicable following the ARTG inclusion.

Plans are in place for a staged global roll out starting mid-2014. Regional marketing specialists will be required and will be procured early. Website localisation, and international logistics and financial systems have already been planned at a higher level.



INDUSTRY INVOLVEMENT

From the very start of this project Analytica has sought to get the advice from key opinion leaders in the field of incontinence. Physiotherapists and urologists across Australia have all given us advice on the shape and functionality, as well as helping us determine what's actually important clinically.

Analytica is also convening a Medical Advisory Board and we are recruiting internationally recognised authorities in the incontinence industry. Appointments will be announced in the coming weeks.



SHAREHOLDER COMPETITION

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TO ENTER SIMPLY VISIT ANALYTICA'S WEBSITE AND USE THE LINK TO REGISTER YOUR EMAIL ADDRESS.

MEET THE PERICOACH PROJECT TEAM

Chelsea

Bioengineer/
Project Manager



Chelsea has a double degree in Mechanical Engineering and Arts (Cultural Studies) and Masters in Biomedical Engineering, and has been working for Analytica for the past 5 1/2 years. The PeriCoach Project Manager, she has been working on the project from its very early stages. Chelsea has developed relationships within the industry, and consulted with physiotherapists to design a device that meets all of their requirements and recommendations. She is excited to see the PeriCoach come to fruition in 2014!

Peter

Electronics Engineer/
Project Manager



Starting his career with combined Bachelor of Microelectronic Engineering and Bachelor of Information Technology degrees from Griffith University, Peter gained a thorough understanding of the electronics industry, from concept to manufacture. With over 12 years in the electronics industry, his skills and experience ranges from high reliability cutting edge medical product design for companies such as Cochlear, to ruggedised industrial products for the construction and mining industry.

Jane

Marketing Manager



With over 20 years' experience in the healthcare industry in both clinical and corporate roles; the last 8 in marketing; Jane has recently joined Analytica as the Marketing Manager, with a specific focus on launching the PeriCoach worldwide. Previous experience marketing male and female pelvic health devices means that she has a good understanding of the disease state, customers and market environment around incontinence.