

28th November 2012

ASX ANNOUNCEMENT

CHAIRMAN'S ADDRESS TO 2012 ANNUAL GENERAL MEETING

Ladies and Gentleman my name is Ross Mangelsdorf.

I am delivering the Chairman's address today, as our Chairman Dr Michael Monsour, has become ill at the last moment and is currently in the Wesley Hospital undergoing medical investigations.

Good morning Ladies and Gentlemen and welcome to today's Annual General Meeting.

My address today will outline the developments within the company during the financial year ending 30 June, as well as bringing you up to date on the activities of the company so far this financial year.

The loss of the company amounted to \$ 2.1 million, after providing for income tax. This represented a 90% decrease on the results reported for the year ended 30 June 2011 of \$203,176. The significant increase was largely from the fair value adjustment in CBio Limited of \$595,485 and the increase in fair value adjustment in CBio Limited in 2011 of \$381,320 a net movement of \$976,806. The increase in depreciation was due to the write off of intellectual property of \$90,000. Administration increased largely due to the costs of the share, rights and option issues. Research and development increase was largely due to the product development of the Perineometer device branded "PeriCoach".

The AutoStart Burette is our core product. Analytica has spent the last twelve months incorporating the two key features of our technology, the AutoStart and the AutoFlush into the one unit.

The combination of these two features necessitated retooling our manufacturing process in China. Analytica also took this opportunity to utilise an FDA approved manufacturing facility so that our product was immediately acceptable in the United States market.

A further enhancement currently being developed will simplify the control mechanism of the new burette. Provisional patents on this new control mechanism have been registered.

Following my address our operations manager will give a more detailed update of the features and the benefits of our AutoStart Autoflush Burette and the new Intellectual Property which we have developed to further enhance our product.

As you realise, Medical Australia is marketing our products in Australia. They have rebranded our AutoStart Burette as First Flow and our Autoflush Burette as First Flush. They have recently introduced the First Flush to their TUTA range of burettes as well as introducing the

First Flow without the Flush feature. Supply issues have delayed those releases but we understand that those issues have now been resolved.

The medical devices market is a crowded market dominated by several large suppliers. To get noticed is difficult and a slow process but Medical Australia is confident they can succeed. Hospital assessments are the key, which requires staff to divert valuable time and to choose from a multitude of new product. To date the leading teaching hospital Concord in Sydney, the NSW ambulance and a major hospital in Queensland are the most prominent. As a result of the Queensland assessment both companies have submitted application to Queensland Health to be included on the approved products list.

Besides the engineering enhancements to our burette range, Analytica's major emphasis during the last twelve months has been marketing initiatives to get our Burette technology introduced to the rest of the world. We have targeted the US, Europe, South America and South East Asia. To facilitate those initiatives it was determined that we had to be in a position to supply immediately, a FDA approved production, low cost product. As such new tooling was commissioned, incorporating both features of the device, together with lower cost design and the associated testing, and is evidenced by the product on display today.

As previously announced, Analytica is in discussions with two major Burette suppliers in the US. Sensitivity dictates that we cannot give a clearer picture but we are excited by the progress that is being made. We hope that in the not too long distant future we will see our products in the US market. However dealing with major multinationals is always a long drawn out process.

A different approach has been deployed for Brazil and the South American market. Analytica has appointed South-South Capital Partners to research, approach and negotiate partners for this substantial market space. The second stage of this project is under way with significant meetings having been completed this last week. Again we are hopeful of a positive announcement in the near future for the supply of our burette technology to the South American market.

Medical Australia have a growing distribution business in the United Kingdom and is utilising that base to introduce the burette to the European market. Analytica are also active in pursuing opportunities in the European market through trade shows as well as business contacts.

Discussions are also currently underway with interested parties in South East Asia for specific markets.

Burette technology is not the only product that Analytica is developing. Research and development, of the burette as well as other products, continues to provide diversity of risk and opportunity.

I now wish to discuss our Perineometer technology.

Our new product which we call PeriCoach, is designed to address urinary incontinence. This is a substantial market estimated at \$2 billion a year in Australia alone. Some 45% of women suffer from urinary incontinence at some stage in their adult life. The development is advancing well. We are hopeful of commencing clinical trials in the new year. Specialist and industry feedback to our product has been very positive. The potential of this product is high. Subject to the variability of research and development we hope to have this product launched in the third quarter of next year. This product has a totally different market space and distribution to that of the burette, and is supported by extensive market research.

Our third product is the ELF2 Rehab. Stimulator.

Development of the ELF2 Rehabilitation Stimulator was initiated to further diversify risk and opportunity. As most are well aware, Botox is commonly associated with the beauty industry but the medical applications and usage of Botox far exceed that of the beauty industry.

In the medical field the placement of the Botox is critical and our device's purpose is to guide the Clinician in determining the most appropriate area to inject the Botox. Although not a mass market, this is a very big and growing market.

A rights issue at 2 cents was completed in late 2011 and the directors were gratified with the support of shareholders in a difficult equity raising market. The associated 4 cent options lapsed in September with understandably little support. An 8 cent option falls due in June 2013, and the success of those options lays in successful sales. The company has sufficient cash in the immediate future but capital will be required in the mid year.

Research and continuing development is the future sustainability of the company, but sales of our Burette products, is the life blood. Having a good product is not sufficient to get the market's attention, hence the range of strategies being deployed.

The Analytica Burette is a safety enhancing product, a cost saving product, a world product, and in our view a very competitive product. At this time last year we were led to believe we were almost across the line. Today we have many more initiatives in play, more experience, but importantly, greater belief that success is very achievable and closer to delivery.

Thank you ladies and gentlemen for you support and we look forward to an exciting year.

Ross Mangelsdorf