



2 March, 2006:

AtCor Medical reports first half sales increase of 40 per cent

AtCor Medical Holdings Limited (ASX:ACG), the developer and marketer of SphygmoCor[®], the first medical system to measure central blood pressure non-invasively, today announced sales of \$1.73 million for the six months to 31 December 2005. This represents an increase of 40 per cent over the first half of 2004/5.

A strong increase in sales in the United States underpinned sales of 95 SphygmoCor units to clinical practices, medical research centres and pharmaceutical companies worldwide. Sales included a significant order from Novartis, a major pharmaceutical company, for use in an international multi-centre clinical trial.

As at 31 December 2005, the company held cash of more than \$15 million. This followed AtCor Medical's IPO which closed oversubscribed in November 2005. The consolidated group loss for the first half was \$1.125 million, in line with expectation. AtCor Medical anticipates growth in expenses during the second half, as the company extends its direct sales and marketing initiatives in the United States.

Mr Ross Harricks, AtCor Medical chief executive officer said, "We are particularly pleased that sales in the United States are gaining momentum. We are building our resources to drive clinical adoption of SphygmoCor in the United States, and this result helps demonstrate the company's growth potential as we build our sales and marketing capabilities in this market."

AtCor Medical is addressing a US\$2 billion potential global market, including a US\$1 billion potential market in the United States.

After balance date, the company has made three new senior appointments to strengthen its sales and marketing team in the United States. These newly-created positions will drive corporate sales to pharmaceutical companies and expansion in the mid-West, as well as expand marketing of SphygmoCor into the cardiovascular specialist market. Additionally, AtCor Medical has appointed a Vice-President Europe based in Germany to build sales in Europe.

SphygmoCor received a powerful endorsement from the Conduit Artery Functional Endpoint (CAFE) sub-study of the Anglo-Scandinavian Cardiac Outcomes Trial (ASCOT), and the Strong Heart Study results released at the American Heart Association conference in November 2005. These two major outcome trials each involved 2-3,000 patients followed for 4-5 years – the CAFÉ trial in the UK, and the NIH-funded Strong Heart Trial in the USA. Both studies showed that measuring central blood pressure at the heart using SphygmoCor is the key to understanding cardiovascular risk, and a better predictor of cardiovascular outcomes such as heart failure, heart attacks and stroke than traditional cuff blood pressure measured at the arm.

Mr Ross Harricks said, "We have made good progress with building our US sales and marketing capability, and we are on target to meet our growth goals. Our strengthened US team will enable us to capitalise on new market opportunities following the positive results of the CAFE and Strong Heart studies. Our vision is that in five years, 10 per cent of the total US clinical market will be using SphygmoCor, and we will have a profitable medical device business that generates group revenues in excess of \$50 million."

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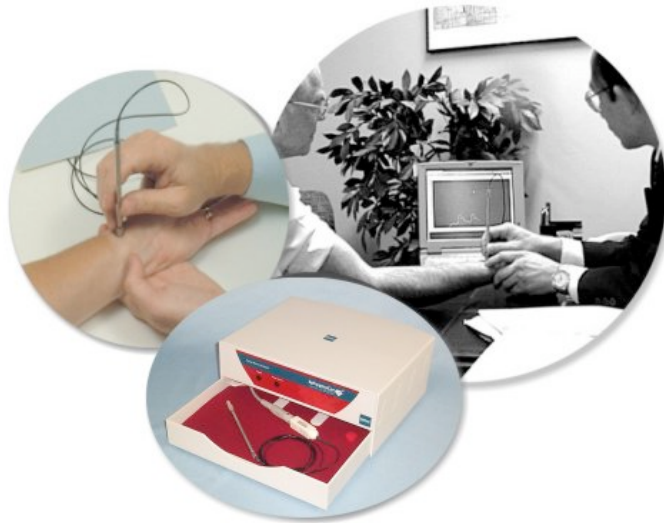
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Investor Presentation

AtCor
M E D I C A L

2 March 2006



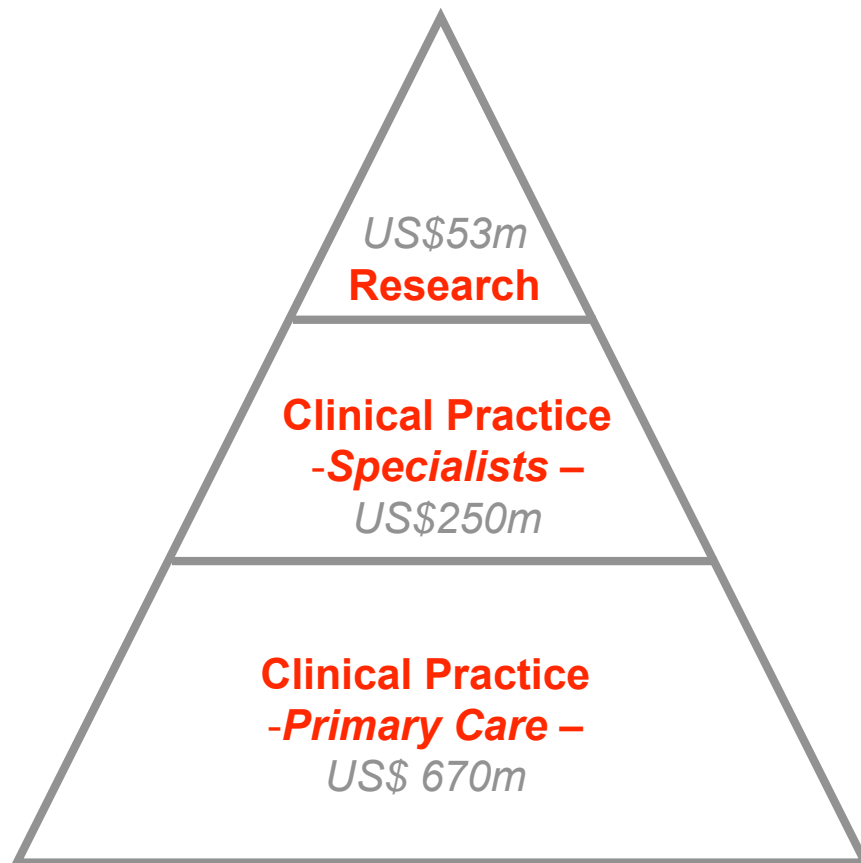
Company Highlights

- A Recap

- AtCor's *SphygmoCor* technology has the ability to transform the assessment and management of cardiovascular (CV) disease which causes;
 - strokes, heart attacks, heart failure
- We are addressing US\$2bn potential global market (US\$1bn in US)
- *SphygmoCor* has unique capability to measure central blood pressures and key heart function parameters....all non-invasively
- We have a globally experienced Board and Management team
- Our IPO in November raised \$15m to implement our plans through to cash flow breakeven.

Potential Sales for *SphygmoCor*

- USA (~US\$1 bn market)



US Research Market

- Universities, hospitals, pharma companies
- **AtCor entered market 2001**
- Sales to date total US\$3m; US\$53m potential

US Clinical Market - *Specialists*

- Cardiologists, Hypertension, Nephrologists (kidneys), Endocrinologists (diabetes)
- **AtCor entered market in late 2005**
- Sales to date total US\$0.1m; US\$250m pot'l

US Clinical Market - *Primary Care*

- Internal Medicine, preventive medicine
- AtCor will enter market once adoption by specialists is sufficiently established
- US\$670m potential

Estimated US SphygmoCor market size: 54,000 units @ US\$17,000 price = US\$0.92bn clinical market.

Company Priorities

- For first year post-IPO

- Create US Sales & Marketing Capability
- Grow Sales Worldwide in the Existing Research & Pharma Markets
- Drive Clinical Adoption in USA

.....To Drive Sales Growth.

Company Progress

- post IPO

Create US Sales & Marketing Capability

- November '05 headcount – 7 people
- New hirings completed since November:
 - Director - Corporate Account Sales (*pharma*)
 - Regional Sales Mgr, Mid West (*new region*)
 - Director - Marketing Services (*promotion, education, training*)
- Hire pending:
 - Director – Reimbursement & Payer Relations (*clinical sales*)

Company Progress

- post IPO

Grow Sales Worldwide in the Research & Pharma Markets

- 1st Half sales up 40% on prior year 1st Half
- Pharma doors being opened by ASCOT/CAFÉ study results
- Europe:
 - Munich-based VP-Europe hired (replaces Sydney resource)
- USA:
 - Dedicated pharma sales exec hired
 - Mid-West sales region staffed
 - Major symposium on Central Blood Pressure sponsored by AtCor at American Cardiology Congress in March
 - Web-based education site established by end-March

Company Progress

- post IPO

Drive Clinical Adoption in USA

- Clinical Studies
 - ASCOT/CAFÉ & Strong Heart reported in November
 - Other clinical papers published
- Reimbursement continuing in pilot region for clinical use
 - Existing CPT code available nationally
 - Recruitment of in-house Reimbursement Exec to support further roll out of coverage in progress
- Education & Training
 - Major Symposium on Central BP being sponsored in March
 - Web-based education site established by end-March
 - Director, Marketing Services recruited

Our Vision of AtCor's Future

- In 5 years, by reaching cumulative 10% penetration of the total US clinical market, AtCor will have:
 - Group revenues >A\$50m p.a. and growing
 - Profitable medical device business
 - A well-established US installed base, generating software-type annual revenues
 - New product introductions from a well-identified stream of further technology developments to maintain competitive edge
 - Non-USA clinical market growth coming on-stream to complement US clinical market at its peak growth stage

Summary

- AtCor has a proven unique technology
- AtCor is addressing the needs of a large and growing market
- We have an established international customer base that we are growing
- We have a clear vision of what the company will be
- We know what we need to do to get there
- We are on target

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