Notice of Annual General Meeting

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ALTIUM LIMITED

8 September 2006

Dear Shareholder,

We would like to invite you, or your representatives, to attend the Annual General Meeting ('Meeting') of Altium Limited ('Company'). The Meeting will be held at the Westin Hotel, Meeting Room III, Heritage Conference Centre (access via Level 6 Bridge), No 1 Martin Place Sydney NSW 2000, at 3.30pm on Tuesday 10 October 2006.

General Business

Financial Statements and Reports

1. To receive the Financial Report of the Company and the Reports of the Directors and the Auditor for the financial year ended 30 June 2006.

Remuneration Report

2. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
   That the Remuneration Report of the Company for the financial year ended 30 June 2006 is adopted.

Election of Directors

3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
   That Nicholas M Martin, a Director retiring from office in accordance with Article 10.3 of the Constitution of the Company, is re-elected as a Director of the Company.
4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
   That William A Bartee, a Director retiring from office in accordance with Article 10.3 of the Constitution of the Company, is re-elected as a Director of the Company.
5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
   That Carl J Rooke, a Director retiring from office in accordance with Article 10.3 of the Constitution of the Company, is re-elected as a Director of the Company.

Special Resolution

Proportional Takeover Resolution Renewal

6. To consider and, if thought fit, to pass the following resolution as a special resolution:
   That articles 5.11 to 5.17 inclusive of the Company's Constitution requiring prior shareholder approval for a proportional takeover of the Company, be re-adopted for a further period of three years from the date of this Meeting in accordance with Section 648G of the Corporations Act 2001 (Cwlth) ('Corporations Act').

Dated 8 September 2006
By Order of the Board

Kayvan Oboudiyat
Company Secretary

Notes:

1. If you are unable to attend and vote at the Meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed Proxy Form. The instrument appointing a proxy must be in writing under the hand of the appointer or their attorney duly authorised in writing, or if such appointer is a corporation, under its common seal or under the hand of its duly authorised officer or attorney.

   A member entitled to attend and vote is entitled to appoint a proxy, or if the member is entitled to cast two or more votes at the Meeting, a member may appoint two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If no such proportion or number is specified, each proxy may exercise half of the member's votes. A proxy need not be a member of the Company.

   The Proxy Form together with the authority (if any) under which it is signed or a notarially certified copy of that authority must be received at the Company's registered office or by the company's share registery, Computershare Investor Services Pty Ltd (Ph: 1300 855 080) no later than **9am (AEST), Monday 9 October 2006**.

The completed Proxy Form may be either:

- mailed to Computershare Investor Services Pty Ltd, GPO Box 4195, Sydney NSW 2001, Australia;
- faxed to Computershare Investor Services Pty Ltd, on +61 2 9473 2118; or
- delivered to Altium Limited, Level 3, 12a Rodborough Rd, Frenchs Forest NSW 2086, Australia.

2. Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 and Article 9.1 of the Company's Constitution, the time nominated by the Board for the purposes of determining the voting entitlements at the Meeting is **7pm (AEST), Monday 9 October 2006**.

Explanatory Notes

Item 1: Financial Statements and Reports

As required by Section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2006 will be laid before the Meeting. There is no requirement for a formal resolution on this item, however members will be given reasonable opportunity to ask questions and make comments on this report at the Meeting.

Item 2: Remuneration Report

Section 300A of the Corporations Act requires listed companies to include a 'Remuneration Report' within the Directors' Report. The Remuneration Report must be put to a vote of members at the Meeting. The vote on the resolution will be advisory only and will not bind the Directors or the Company, however members will be given reasonable opportunity to ask questions and make comments on these reports at the Meeting.

Items 3 – 5: Election of Directors

Australian Stock Exchange Limited ('ASX') Listing Rule 14.4 provides that a Director must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment or 3 years, whichever is longer (this does not apply to the Managing Director). Article 10.3 of the Constitution requires that each Director who has held office for two years or more must retire from office.

Article 10.4 of the Constitution provides that a retiring Director holds office until the conclusion of the meeting at which that Director retires but is eligible for re-election.

Nicholas Martin, William Bartee and Carl Rooke retire by rotation under Article 10.3 and offer themselves for re-election.

Candidate information:

Nicholas M Martin – CEO, Executive Director

Nick Martin founded Altium Limited in 1985 (known then as Protel International) and has served as an Executive Director from the Company's inception and Chief Executive Officer since 1999. It is due to Nick's vision and foresight that Altium is considered a global leader in technology innovation in the electronics design industry. Nick provides the business strategy for the company including the overall financial, marketing and product development direction.

William A Bartee – BS MBA JD, Non-executive Director

Bill Bartee was appointed to the Company board as a Non-executive Director in 1999. Bill has 16 years experience working in US venture capital and private equity industries. He is a former Investment Director for Macquarie Technology Ventures and former CEO of Mantara, a messaging software company. Bill currently holds the position of Managing Director of Globalview Technology Ventures, LLC.

Carl J Rooke – FCA FAICD, Chairman, Non-executive Director

Carl Rooke joined the Board of the Company in 1990 as a Non-executive Director and was appointed Chairman in 1999. Carl is a former Chairman of Horwath Australia and currently holds the position of Executive Director of Horwath Tas Pty Ltd. Carl is a Fellow of the Institute of Chartered Accountants and the Institute of Company Directors and brings to the Company a history of successful business practice with many years of proven experience in management, accounting and finance.

Item 6: Renewal of Proportional Takeover Approval Provisions

The Company proposes to put to the shareholders a resolution to renew the Company's proportional takeover approval provisions contained in articles 5.11 to 5.17 inclusive of the Company's Constitution.

The Constitution of the Company contains provisions (articles 5.11 to 5.17 inclusive) that prohibit the registration of any transfer of shares giving effect to an offer made under a proportional takeover scheme (that is, an offer for some but not all of the holders' shares in the Company) unless and until the persons holding shares in a class which the offer under the takeover was made have passed an ordinary resolution approving the scheme.

The offeror and any associate of the offeror are excluded from voting on that resolution. To remain effective, these provisions must be renewed by the shareholders in a general meeting every 3 years. In accordance with section 648G of the Corporations Act these proportional takeover approval provisions cease to apply unless otherwise renewed.

Effect of the provisions

If articles 5.11 to 5.17 of the Company's Constitution are renewed and a proportional takeover bid is made for a class of securities in the Company, the Directors will be required to convene a general meeting of the holders in that class to vote on a resolution to approve the proportional takeover bid or to conduct a postal ballot to approve the proportional takeover bid. The resolution must be voted on at least 15 days before the bid closes. The bidder and any associates of the bidder will be excluded from voting.

If the resolution is rejected by the holders, then the bid will be deemed to be withdrawn and registration of any transfer of securities resulting from the proportional takeover bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of securities to the bidder will be registered provided they comply with the other provisions of the Constitution.

If no resolution is voted on at least 15 days before the close of the bid, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

The renewed provisions will expire after three years, unless again renewed by the holders by a special resolution.

Reasons for proposing resolution

Part 6.5 Subdivision 5 C of the Corporations Act 2001 (Cwlth) permits the inclusion and renewal of proportional takeover approval provisions in the Constitution.

The Directors consider that the holders should continue to have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without the holders having the opportunity to dispose of all their securities. The provisions give the holders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual holders can make a separate decision as to whether they wish to accept the bid for their securities.

Present acquisition proposals

As at the date of this statement, none of the Directors are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of the advantages and disadvantages of the proportional takeover approval provisions during the period they have been in effect

During the period in which articles 5.11 to 5.17 have been in effect there have been no proportional takeover bids made for the Company and the article has therefore not been activated. It may be argued that during the period for which articles 5.11 to 5.17 have been in effect it has had the disadvantage of discouraging proportional takeover bids and reducing any takeover speculation element in the Company's share price.

Potential advantages and disadvantages

The provisions enable the Directors to ascertain the views of the holders on a proportional takeover bid. Apart from this, there is no specific advantage for Directors, as Directors, in renewing the proportional takeover approval provisions.

The provisions also ensure that all holders will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed. This should ensure that the terms of any future proportional bids are structured to be attractive to a majority of independent holders.

It may be argued that the proportional takeover approval provisions make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn may reduce opportunities which the holders may have to sell some of their securities at an attractive price to persons securing control of the Company, and it may reduce an element of takeover speculation from the Company's security price. It may also be argued that the provisions constitute an additional restriction on the ability of the holders to deal freely with their securities.

The Directors consider that, on balance, renewal of the provisions in the Constitution is in the best interests of the holders and accordingly recommend that you vote in favour of the resolution.