Overview of financial performance and position:

	2006 '000	2005 '000	Percentage change
Revenue and other income from continuing operations	45,555	40,111	14%
Earnings before interest, tax, depreciation and amortisation	6,954	1,672	316%
Profit before tax	1,029	(3,968)	126%
Profit attributable to members	1,415	(1,604)	188%
Earnings per share	1.6	(1.8)	189%
Operating cash flows	3,620	1,412	156%
Cash position as at 30 June 2006	6,352	3,590	77%

Altium's improved revenue and return to profitability was stimulated by the successful execution of the group's new sales and marketing strategy, following on from several years of strategic investment in research and development. The success of the sales and marketing strategy is evidenced by the sales in the USA, as per the table below, where the implementation is most advanced.

Sales in local currencies:

	2006 '000	2005 '000	Percentage change
Product Sales			
USA (US dollars)	15,249	11,514	32%
Europe (Euro)	9,791	8,554	14%
Japan (Japanese yen)	204,114	236,999	(14%)
South East Asia (US dollars)	3,290	2,636	25%
Australia (Australian dollars)	1,596	1,518	5%
Consulting Services			
Consulting (Euro)	624	1,582	(61%)

The significant improvement in the group's cash position has been a direct result of the sales performance over the last six months. This increase allows Altium to continue investment in growth opportunities in order to accelerate market penetration of its ground breaking technology and to provide returns to shareholders.

Regulatory environment

For details regarding the impact of regulatory changes in accounting standards refer to note 33 in the notes to the financial statements section of this report.

Legal

At the date of this report there are no significant legal issues affecting the company.

Health and safety

Altium is committed to providing its employees with a healthy and safe working environment and has in place a comprehensive occupational health and safety program.

Corporate governance

Corporate governance information is included on page 24 of the annual financial report.

Statement of compliance

The above report includes disclosures as recommended in The Group of 100 Incorporated publication: Guide to Review of Operations and Financial Condition.