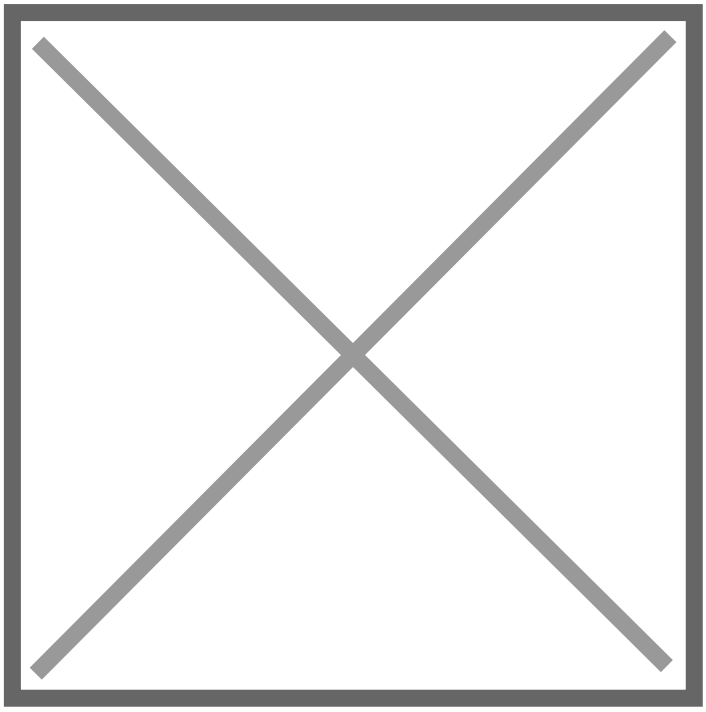
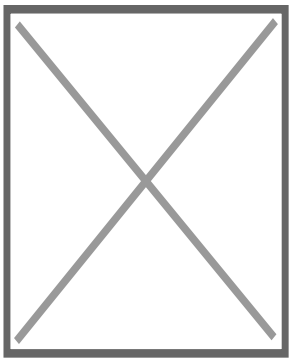
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'China, India are our new markets'

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'China, India are our new markets'



- Duncan Ross, CEO, Atcor Medical

Sydney-headquartered AtCor Medical develops products for clinical use that can non-invasively assess the physiological status and the functioning of the cardiovascular system in humans. "Significant opportunity lies in the Asia Pacific region," informs Duncan Ross, CEO, AtCor Medical, in an interview with BioSpectrum. Some excerpts.

Can you elaborate on Sphy gmoCor's unique technology? How is it different from other similar diagnostic systems?

AtCor Medical manufactures and markets the SphygmoCor Cardiovascular Management System products and services for the early detection and management of cardiovascular disease.

The key attribute of the SphygmoCor system is that it measures central aortic blood pressure or blood pressure at the heart, and provides information regarding the physical status and function of the cardiovascular system through a relatively simple non-invasive test that can be conducted in a doctor's office. Prior to SphygmoCor's development, central blood pressure and other key heart function parameters could only be obtained through more risky, expensive and time consuming invasive methods with significant inconvenience and discomfort to the patient.

SphygmoCor is FDA cleared for measuring central blood pressure non-invasively. Two major cardiovascular outcome studies - the CAFE study and USA National Institute of Health-funded Strong Heart Study - established the importance of central blood pressure in assessing cardiovascular risk and the effects of pharmacologic therapy on clinical outcomes. Both studies

showed central blood pressure to be superior in predicting outcomes to the standard brachial/arm cuff pressure measurement method.

Can you give a brief outline of the company's present product portfolio and its product line-up for the future?

The SphygmoCor system assesses the central blood pressure effects of changes in arterial stiffness, which is a primary driver of general cardiovascular risk such as heart attacks, strokes and heart failure.

The key heart function parameters that SphygmoCor provides are blood pressure at the heart, timing of the heart pumping cycle, and measures of arterial stiffness. It has a comprehensive database of population 'normals' to enable physicians to assess cardiovascular status. We provide clinical, technical and data management support for the pharma and biotech industries. The ability to assess cardiovascular risk and disease in patients, both cost effectively and painlessly, has significant benefits for clinical practice and for patients' health.

A major factor that will contribute to AtCor Medical maintaining its innovation and leadership position in the non-invasive cardiac measurement market is the Australian government's recent $1.6 million grant to AtCor through its Commercial Ready Program. The grant will fund, on a dollar for dollar basis, development of SphygmoCor to enhance adoption in the clinical practice market.

AtCor's objectives include developing new non-invasive cardiovascular parameters, expanding the range of systems, and simplifying use for medical practitioners.

What are the company's growth prospects in the next five years?

We expect substantial growth over the next five years. AtCor has a solid base of over 1,000 systems installed globally serving researchers, clinical specialists and drug developers. In the US alone, AtCor is resident in 14 of the top 20 hospitals as noted by US News and World Report.

In the near-to-mid-term, economic, socio-political and clinical factors will drive at an increasing rate SphygmoCor's adoption in the drug development space. Unlike other device companies that rely solely on basic research sales prior to moving into full clinical adoption, AtCor has developed a rapidly growing biotech pharma and biotech trials business. This will generate significant cash over the short to mid term and help fund AtCor's development of the clinical market.

To insure proper infrastructure to execute and implement our plans, AtCor in the 19 months since our IPO has assembled talented and highly motivated commercial teams in the US, Europe and Asia. We expect substantial growth from the infrastructure currently in place. We have appointed a number of new distributors in key European and Asian markets that will further leverage our current commercial investment.

What is the prevalence of cardiovascular diseases and in what way are you positioning the company to tackle the cardiovascular diseases?

Cardiovascular disease is the leading cause of death in the developed world. Its frequency is increasing due to obesity and ageing. The US alone has over 70 million people with some form of cardiovascular disease, which is the cause of approximately one million deaths per year.

Cardiovascular disease is also the major cause of death in patients suffering diabetes and renal disease.

With a $2 billion potential global market ($1 billion potential US market) and the only FDA cleared device for measuring central blood pressure non-invasively AtCor Medical's SphygmoCor has the opportunity to transform the assessment and management of cardiovascular disease.

From which countries do you see a surging demand for your products?

We see this as a global growth play in all major markets. Currently, we are only scratching the surface of the global $2 billion potential for our products. With our well established market presence in the US and Europe, the Asia Pacific region with its ever increasing incidence of cardiovascular disease and less than 10 percent of our installed base represents a significant market development opportunity for us.

China has undergone a health transition in line with its economy, with cardiovascular disease and stroke supplanting infectious diseases as major causes of death. According to the American Heart Association, there are 50-60 million high blood pressure patients in China, and coronary heart disease is the leading cause of death in urban areas. In India, surveys indicate about 950,000 annual deaths from cardiovascular diseases, but the actual figure may be at least twice as large.

China and India are effectively new markets for AtCor. Together, these countries have approximately 40 per cent of the world's population. Increasing affluence has led to a demand for higher standards of health management and greater focus on preventative medical care.

Do you see India as an important market? If yes, why?

India is the world's second most populous country, and has the world's highest incidence of diabetes and an increasing incidence of hypertension. So, yes, India represents a largely untapped market opportunity for AtCor Medical. With the recent signing of a sales distribution agreement with Vaso-Meditech, which is headquartered in Chennai, we have high expectations of increased sales in India.

Hasthana Rajappa