

**ASX Announcement****CathRx 2H FY2010 sales forecasts**

- CathRx is nearing completion of its distributor coverage in Europe
- However delays in product launches and delays in the signing of key distribution agreements have reduced sales volume achieved and will reduce those forecast for 2H FY2010
- CathRx now anticipates sales for 2H FY2010 will not exceed those achieved in 1H FY2010
- CathRx is undertaking a complete review of its sales forecasts, its operating expenses and capital position

**SYDNEY Australia 1 February 2010:**

Cardiac catheter manufacturer CathRx Ltd (ASX: CXD) announced today that, as previously communicated to the market, it has experienced delays in launching products and signing agreements with distributors in key European regions. As a result CathRx is undertaking a review of its sales forecasts, operating expenses and capital position. Although the Company expects to complete its review in the next few weeks, it now anticipates that sales for 2H FY2010 will not exceed those achieved in 1H FY2010

CEO, Neil Anderson said, "We are very disappointed with this outcome, but are actively addressing the issues that are causing the delays. On the product side these include a number of product features that are not expected to have an impact on the approval process. We have put in place a program to address the product issues and are now re-calibrating our timing with respect to market launch. This delay, coupled with delays in signing of key distributors, is impacting sales volumes which were the underpinning of our previous sales forecasts. Having said that, we continue to receive strong distributor and clinician interest in CathRx's product offering and the overall opportunity we represent for them.

We believe we have a strong advanced product pipeline with the first loop catheters already in clinical use in Europe and the therapeutic device, which is awaiting CE Mark approval."

**End**

**About CathRx**

CathRx is a medical device company which manufactures and markets advanced cardiac catheter solutions for the treatment of people suffering from electrical problems of the heart known as cardiac arrhythmias. CathRx's proprietary diagnostic and therapeutic catheters are designed to give physicians the tools to successfully treat patients with speed, safety and precision. CathRx's diagnostic products are now being sold in Europe.

**About cardiac arrhythmias**



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Cardiac arrhythmia describes a group of increasingly common conditions where there is abnormal electrical activity in the heart. The beating of a normal heart is controlled by electrical impulses. When these impulses are uncoordinated the heart fails to function properly. This can result in complications ranging from fatigue to stroke and even death. More than 10 million people worldwide suffer from abnormal heart rhythms. Atrial fibrillation is the most common form of arrhythmia and affects over 5 million people worldwide. Current drug therapies often fail to control the problem and can have side effects. Physicians worldwide are increasingly using cardiac catheters to diagnose and successfully treat arrhythmias.

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