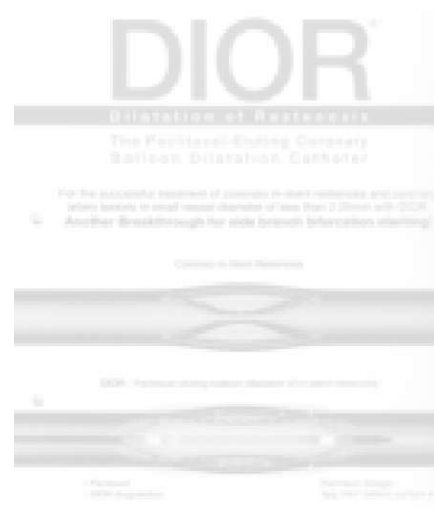




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A Window to Opto Circuits



ADVANCED MICRONIC DEVICES LTD.



EuroCOR
Interventional



CMD's message to shareholders

Dear Fellow Shareholders,

In 2002-03, we had set an ambitious top line target of Rs.500 crores before the decade turns. It gives me immense pleasure to inform you, that our company is now poised to achieve this target and move on to scale greater heights, globally.

We have successfully integrated the invasive range of cardiac and peripheral stents with our non-invasive range of products. Both these segments offer great potential for growth, and we expect them to contribute substantially to our top line in the foreseeable future.

Our company has grown at a phenomenal pace over the last few years and, I would like to place on record that the same has been made possible only on account of the sheer perseverance and hard work of our people at Opto Circuits, and the strong support of all of you, fellow stake holders. The good news is that we intend to deliver similar results in the foreseeable future too, given our strong and expanded product portfolio.

Apart from revenue growth, our Company has grown on other parameters like profits, market capitalization and EPS. We have been consistently rewarding our shareholders for the last 7 years not only through dividend pay outs but also through bonus issues for the past 6 years.

During the financial year 2006-07, Opto Circuits recorded another strong performance and crossed the milestone of Rs. 250 crores in consolidated sales. We witnessed very strong demand for non-invasive business, particularly for SpO2 sensors and Pulse Oximeters. I am glad to inform you that EuroCor products are now registered in 36 countries globally and evoking good response for our products.

The entire range of EuroCor products have been customised to suit most cardio-interventional problems which include BMS, DES, drug eluting catheters, lead wires etc.

The exhilarating response was very encouraging at the Interventional Cardiology Summit held at Goa, in March this year, which was attended by over 170 cardiologists from across the world. We unveiled our innovative product 'DIOR' in the Summit which has an estimated market of US\$ 1.2 billion. I am very confident of this product registering good sales growth.

In addition, we were one of the participants at the Euro PCR 2007 summit held at Barcelona in May 2007, where renowned cardiologists expressed their keenness to use DIOR and our new product MAGICAL, a bare metal stent with a balloon acting as a drug delivery device.

A strong product pipeline needs to be well complemented by an equally robust marketing and distribution network. Currently, we have over 200 distributors across the globe.

CMD's message to shareholders

As we continue to grow in mature markets and establish a stronger presence in emerging markets, we remain confident of pursuing higher growth rates, with focus on profitability and new opportunities. With increasing healthcare awareness, the domestic market is also expected to grow strongly.

The United States, which has the largest single global market, is an important market for us. We have recently appointed Dr. Walter O'Neill to our Board, who is currently the Executive Dean for Clinical Affairs at the University Of Miami's Miller School of Medicine and Fellow of the American College of Cardiology. We are also privileged to have with us some of the most eminent cardiologists to guide us for conducting clinical trials in the US, towards obtaining FDA approval for our products.

One of the key drivers of growth has been acquisitions. Over the past few years, our company has completed several acquisitions. The value being generated by these acquisitions has been tremendous. However, seamless integration, and the resultant value creation for shareholders, is the key to a successful acquisition. At Opto Circuits, we have been able to do just that. These acquisitions have now turned into our growth engines. We believe that there is tremendous opportunity for your Company in the global environment and our growth strategy is centered on finding synergistic revenue opportunities and integrating them with our operations.

In the near term, we would like to consolidate our position. We have successfully integrated EuroCor operations and would now focus on further strengthening our relationship with the distributors.

We have set very high standards in delivering quality products time and again to our customers. For us, the key challenge is to continuously improve the quality of products, which would further strengthen our relationship with our customers. We need to constantly work on R&D, which is our strength, and roll out innovative products into the market, which will help us, remain competitive in our business.

I am very confident that with the kind of infrastructure and the skilled personnel that we have, we should be able to achieve this consistently. The immense professionalism, dedication and support from each employee of Opto group globally, continues to be your Company's greatest asset.

I am happy to inform you that as a part of our expansion strategy, we have decided to develop a specialised facility mainly for the health care industry. Moving in this direction Opto Circuits has got its formal approval from the Government of India to setup sector specific SEZ for manufacture of electronic hardware near Mysore in the state of Karnataka over an area of about 200 acres.

I now sign off, with the assurance that as always, we at Opto Circuits remain committed to driving growth and maximizing shareholder wealth.

Vinod Ramnani

Our Products..... Our Backbone

I) NON-INVASIVE PRODUCTS:

Our non-invasive products are witnessing tremendous demand from all our customers. The Sensors business has registered a growth of 31% and Monitors 29% over the previous year. SpO2 sensors contributed 51% whereas Monitors contributed 12% to this segment in FY07.

We launched 2 new multi parameter patient monitoring systems in 2006-07. We believe these two products have the potential to grow bigger over the next few years. In addition, we plan to introduce 3-4 products over the next 12-18 months in the PMS space. We believe some of these products belong to the niche segment and have the ability to capture significant market share. In addition, with the domestic market gaining scale, we plan to replicate the already launched products in the regulated markets into this market.

M90 Series

Two parameter monitors with options for ECD/RESP, SpO2, NIBP and Temperature. This monitor will be available in bright, high resolution LCD Screen and LED Options with built in printer facility for printing reports.



M50 Series

A sleek design finger pulse oximeters with built-in Lithium battery with simultaneous display of Oxygen Saturation and pulse rate, which gives patient comfort and data accuracy. Ideal for physicians' office, hospital, ambulance, sports medicine and home care.



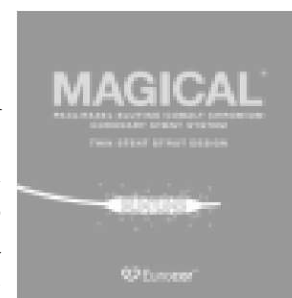
II) INVASIVE PRODUCTS:

A) Cardiac Care Products

With the acquisition of EuroCor, Opto Circuits has gained access into the invasive products space of the healthcare market. EuroCor now has 8 product offerings to its customers in all markets except the US and Japan. A few of our products like MAGICAL, DIOR, TAXCOR, Genius MEGAFLEX, Genius MAGIC, RADIMAX, SUPERCROSS etc., would be key growth drivers in the near future.

MAGICAL:

Unveiled at the Euro PCR summit at Barcelona this year, MAGICAL is a stent which falls in between a pure BMS and a DES. This product is a balloon combined with ultra-flexible bare-metal stent.



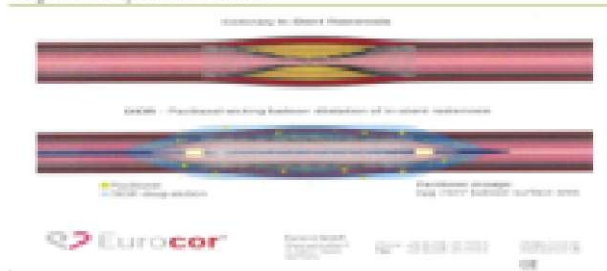
During deployment of the device, the balloon first elutes its drug to minimize cell re-growth and then the bare-metal stent is deployed to ensure the vessel remains clear. This device is a very promising alternative to the DES currently dominating the market, effectively eliminating the potential for late thrombotic events in patients. It is likely to capture a significant market share over the next 12-18 months.

DIOR

A drug-eluting balloon dilation catheter used in PTCA procedures is a revolutionary product of the company. It is one of the prominent breakthroughs in interventional cardiology, since the development of coronary dilatation catheters and coronary stents.

EuroCor has CE certification for its drug eluting balloon catheters. DIOR can be effectively used in treatment of coronary in-stent restenosis and for small-diameter coronary artery lesions. Restenosis is usually treated by placing another stent within the existing one, which at times may exacerbate the condition. Using DIOR is more favorable since the implant of a second stent is eliminated.

Diagrammatic representation of DIOR



TAXCOR & TAXCOR I:

Launched in 2005, TAXCOR & TAXCOR I (second generation innovation of TAXCOR) have been major contributors to EuroCor's sales this year. Polymeric drug carriers, coated on the stents, have been known to cause blood clot formations, also leading to late stage thrombosis complications. EuroCor's drug-eluting coronary stent



system uses a biodegradable carrier to deliver the drug. TAXCOR I is thus, a path-breaking technology in the field of DES products.

In TAXCOR I, the drug is loaded into micro porous cavities (based on an open cellular fully carbonized stent surface). A protective layer of specific amino acid molecules avoids rapid drug elution and within 20 days, it provides for a moderate drug release to the stented coronary artery lesion. Thanks to this clinically advanced technology, the use of TAXCOR I reduces drug dosage from $1.0\mu\text{g}/\text{mm}^2$ down to $0.5\mu\text{g}/\text{mm}^2$ and this in turn eliminates any drug-related inflammation.

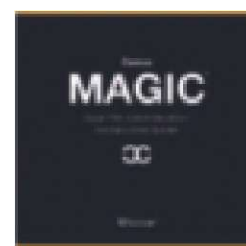
Genius MEGAFLEX:

Genius Megaflex is Bioflexible coronary stent system and has been clinically proven as a low restenosis option with High Clinical safety and efficacy-alternative to Drug Eluting Stent. This stent is well matched with the vessel motion and significantly reduces vascular trauma. It provides a very high radial force to the artery wall and ensures a maximized intra-stent luminal gain.



Genius MAGIC:

This is a Super thin Cobalt Chromium Coronary Stent System. Biology is based on "Megaflexibility" coronary stent biomechanics which reduces restenosis significantly. Genius Magic follows nature by superior pulse synchronicity with every heart beat. Superior unparalleled coronary stenting performance with the greatest stent flexibility and ideal for direct stenting. Genius Magic provides excellent radial strength through the strong Cobalt Chromium Super Alloy.



Our Products..... Our Backbone

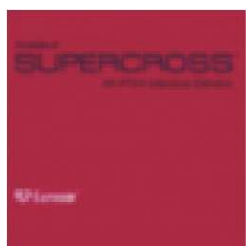
RADIMAX Peripheral Stenting:

This is a state of the art self-expanding peripheral stenting technology. Radimax is manufactured from a solid nitinol tube without any welding points. This is the top clinical performance stenting product providing unique vessel support without risk of vessel reaction. The superb slalom link design, self-expandable nitinol stent can be easily positioned in tortuous vessel morphologies. It ensures excellent vessel wall apposition through perfect conformability to vessel anatomy. Radimax provides excellent intravascular stability. The radial forces are equally distributed to maintain potency throughout the vessel lumen. The intravascular scaffolding stands for superb stenting treatment.



SUPERCROSS Coronary Dilatation Catheter:

The New RX Coronary Dilatation Catheter is the ultimate technology for any coronary dilatation performance. A challenge for tight and occluded lesions. The smoothest (and finest) transition for perfect control. Optimized torque and force transmission. A product with excellent tractability without friction. Progressive transition and exclusive distal end hypo tube design provides a linear stiffness decreasing to more than 12cm to meet and support the distal catheter flexibility.



A brief FAQ on Stents:

Q.1 What is a Stent?

Ans. A stent is a small, lattice-shaped, metal tube that is inserted/implanted permanently into an artery as it helps hold open a artery so that blood can flow through it.

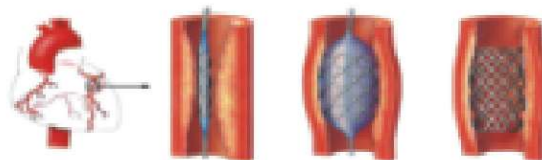
Q.2 When is it used?

Ans. A stent is used to hold open an artery that becomes too narrow due to the deposition of lipoproteins (plasma proteins that carry cholesterol and triglycerides), which cause multiple plaques in the artery.

Q.3 How is it implanted?

Ans. The stent is collapsed to a small diameter and put over a balloon catheter. A guided wire is threaded to the site of narrowing in the artery. The balloon catheter with a collapsed stent is then placed in the narrowed artery using the guide wire. The balloon is then inflated which expands the stent pushing the plaque up against the artery walls. The balloon catheter is then deflated but the stent remains expanded to hold the artery open. The catheter and the guide wire are then removed. The stent continues to remain in the artery to keep the artery open, improving blood flow to the heart muscle and relieves symptoms.

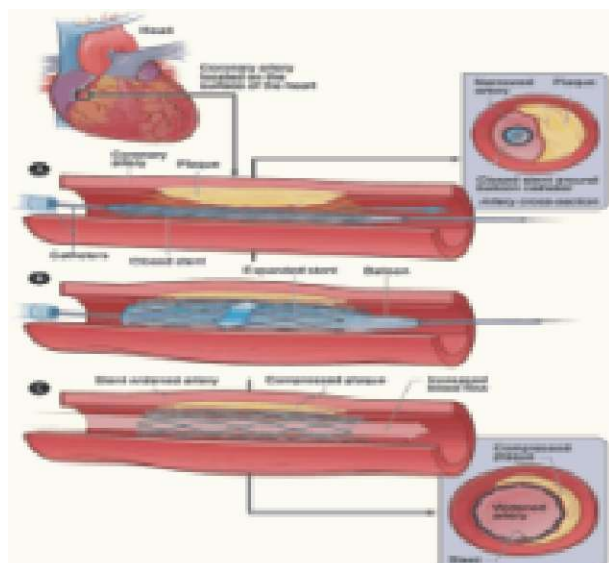
Procedure to implant a stent (a)



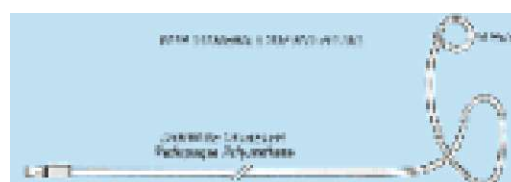
Source: www.americanheart.org

Our Products..... Our Backbone

Procedure to implant a stent (b)



Source: www.americanheart.org



B) Other Products :

We have a range of products manufactured by our recently acquired subsidiaries; Devon Innovations Private Ltd. and Ormed Medical Technology Ltd., both being ISO 9001 Companies.

Devon Innovations with CE mark are pioneers in indigenous manufacture of Catheters and allied products for various medical segments. The core competency is in manufacture of catheters for Urology, Gastroenterology and Gynecology.

The ureteral indwelling stents are hydrolytically stable, least thrombogenic, more tissue compatible and have proven biocompatibility. The physical and chemical characteristics create minimal reactivity of soft tissue, with little or no foreign body reaction. The smooth Polyurethane surface exhibits minimal adhesion in blood contacting situations.



Ormed Medical deals in Orthopaedic prosthesis and Surgical disposables.

MODULAR BIPOLAR FOR MULLER:

Bipolar Prosthesis conforming to International quality standards manufactured at ORMED is having unique features. This has been made from chirulen (imported medical grade UHMW-polyethelene) for enhanced biocompatibility. A product is 100% radiographed to ensure consistency in quality and ready to implant- sterilized by gamma irradiation.



Marketing

Our Strength on the Road Ahead

With a strong R&D team in place, which rolls out quality products, it is imperative to have a strong marketing and distribution network in order to ensure that customers across the farthest geographies can derive the benefits of these products.

We have strengthened our distribution network and are now present in the key markets of US, Europe, Far East and are strengthening our position in the Middle East for the non-invasive products segment. For the invasive products business, we have a global presence except in the US and Japan.

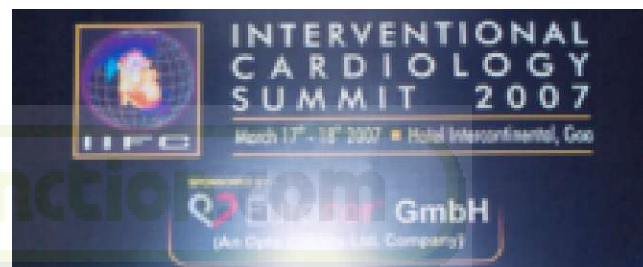
The company has a large pool of distributors in the US, Europe and Far East. In addition, we are well covered in the domestic market. We have been able to strengthen our relationship with our distributors through the sheer quality of products and services offered to the customer. We believe these are the two critical areas, which will further increase Opto's penetration in the regulated markets as well as in India.

We received tremendous response for our stents at various seminars hosted by the company. The Interventional Cardiology Summit at Goa held in March 2007 and the Euro PCR summit in Barcelona organized in May 2007 have brought us closer to the leading cardiologists who have displayed keen interest in using our stents and other cardio vascular products.

The Interventional Cardiology Summit, Goa March 2007

The summit sponsored by EuroCor GmbH was held in Goa in March 2007. Over 170 eminent cardiologists from around the world attended the sessions. Renowned cardiac interventionalists like Dr. Cindy Grines, Dr. Antonio Colombo, Dr. Nishit Choksi and Dr. Kirit Patel presented

papers on important interventional issues and demonstrated 4 live cases on Indian patients with EuroCor's Taxcor stenting technology at the Apollo Victor Hospital, Panaji. Leading cardiologists from India were key participants in various panel discussions.



Euro PCR 07, Barcelona May 2007

EuroCor took part in the Euro PCR-07 and the response was excellent. Cardiologists from all over the world visited our exhibition stand and learnt about our new products, 'DIOR' and 'MAGICAL'. Their response to DIOR was positive and many indicated their keenness to use DIOR. They expressed eagerness to commence registry studies in their countries. DIOR registry studies will start shortly in Italy, Germany, India, Bangladesh, Turkey, Brazil and other countries. New distribution agreements have been signed for countries like Italy, UK, India, Malaysia, Thailand and Mauritius.

EuroCor sponsored a technical session at Euro PCR-07 and the world-renowned cardiologist Dr. Antonio Colombo, Dr. Massimo Sangiorgi and Dr. Balbir Singh handled the session. Over 220 cardiologists from all over the world attended the technical session.



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Financial Review