

BLUE BOOK



Contents

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Compumedics Limited (CMP)



Sector	Industry Group	Sub Industry	Disease Target
Medical Device	Health Care Equipment	Diagnostics	Sleep Disorders, Neurology Disorders, Brain Research

Company Overview

Compumedics Limited is a worldwide leader in the development and commercialisation of computer based medical technology. Its technology has so far focused on the fast growing, high value sleep medicine market though it is increasingly focusing on the associated fields of neurodiagnostics and brain research. By defining life's signals, Compumedic's technology turns vast amounts of data into valuable information that leads to more accurate diagnosis and consequently more effective therapy for some of the most serious health conditions.

Strategy

The Company's core business is the development and commercialisation of technology with a focus on the fast growing Sleep Medicine and Neurology markets. Compumedics is leveraging its existing technology to continue its expansion into a number of related market sectors including cardiac diagnostics, fatigue monitoring, in-depth anesthesia monitoring and sleep disorders therapy.

Key Executives

David Burton – Executive Chairman

David Burton, founder of Compumedics Ltd, received a Clunies Ross National Science and Technology Award for his development of innovative sleep monitoring technology in 2002. The following year, David was honoured as one of Victoria's most talented entrepreneurs, winning the Entrepreneur Of the Year for Technology, Communications, E-commerce and Life Sciences, Southern Region Australia.

Andrew Smith – Chief Operations Officer

David Lawson – Chief Financial Officer

Warwick Freeman – Chief Technology Officer

Jeff Kuznia – VP Sales and Marketing, Americas

David Loiterton – General Manager Sales and Marketing, Australia, Asia, Europe

Key investment information

Market Cap: \$42.0M

Capital Structure (M)

Ord shares on issue: 140.0

Options (fully diluted): 5.0

Convertible notes/other: NIL

Price as at 30-Apr: \$0.30

12 month H/L: \$0.28 – \$0.48

Avg daily turnover: \$0.02M

Official listing date: Dec-00

Substantial Shareholders

D & DJ Burton Holdings Pty Ltd 62.7%

Teijin Limited 5.9%

NJI No. 2 Investment/C 4.9%

Cash Position

Cash (as at Dec-03): \$6.4M

Years with planned expenditure: n/a

Company contact



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Main Company R&D Projects – Major Technology & Market

1: Compumedics Sleep Division

Target Market: Clinical Sleep: Sleep Laboratories/ Clinics, Respiratory Labs, Hospitals, Sleep Physicians, Research Institutions

Stage: Market

Innovation & first class industrial design distinguishes Compumedics (CMP) in the sleep field. The world's first wireless sleep diagnostic system, "Siesta" is used at renowned clinical & research sites globally. Being wireless allows versatility, efficiency & cost savings never available before. "Somte" records both cardiac & respiratory data that uniquely allows comprehensive analyses of the inter-related disorders of sleep & cardiology. Somte facilitates diagnosis in the home with its small size and enhanced ease of use. CMP has > 80% of the Australian sleep market with world recognised clients eg. the Austin & RPAH. Other prestigious clients incl. NASA, Nat. Inst. of Health (USA), the Mayo Clinic (USA), Mannheim Hosp. (GER) & Royal Edinburgh Infirmary (UK).

2: Compumedics Neuroscience Divisions

Target Market: Clinical Neurophysiology – EEG, EMG, Neurologists, Epileptologists, Research Institutions

Stage: Market

This division is devoted to brain and nerve diagnostics and has released a stream of market leading product innovations. "Safiro", an ambulatory, compact & affordable EEG system allows patients free to walk around while excellent quality monitoring & recording occurs. "Comperio", a leading edge diagnostic tool used for nerve & muscle conditions uses the unique "Decomposition Quantitative" protocol for increased speed of data acquisition & processing.

3: Compumedics Neuroscan Division

Target Market: Brain Research: Universities, Research Organisations, Research Hospitals

Stage: Market

This division grew out of the acquisition of Neuroscan two years ago. Its flagship product is "SynAmps2", considered to be the most powerful brain wave amplifier in the world, providing high speed, density and fidelity to a demanding high-end research market. SynAmps2 has active noise cancellation technology that can eliminate the time-consuming preparation stages saving time and scarce resources. SynAmps 2 has over 500 channels, offering far greater sensitivity and functionality. CMP Neuroscan equipment has been adopted by some of the world's premier research groups - Albert Einstein College of Med. (USA), Harvard Uni (USA), Oxford Uni (UK), Tokyo Uni. (Japan) and Beijing Lab of Cognitive Science (China).

Aegis Equities Comments

Market Position: CMP is an emerging leader of diagnostic technology for sleep and brain disorders. CMP's technology monitors cardio-respiratory patterns, brain waves or both. CMP's lab management software is a high value product that helps streamline sleep lab administration and record keeping. CMP's products are high-end, particularly in neuro-diagnostics, enabling sales beyond diagnostic labs and hospitals to academic research units.

Milestone Record: CMP continues to innovate in both sleep and neurology diagnostic lines. It won a sleep equipment contract at a major UK research institution in Oct 03. CMP's new generation brain research product (SynAmps 2) generated \$2.5M sales in its first 6 months on market in 1H04. CMP achieved NPAT of \$1.1M in 1H04, with strong margin improvement, cost reductions and working capital efficiencies.

Risk Profile: CMP's strong track record of technical innovation will need to continue to protect its growth prospects against well-resourced competitors, but CMP must also be careful not to over-extend itself with its product range. CMP is exposed to general economic conditions, as the screws inevitably tighten on hospital and academic capex budgets in downturns. With growing global sales, currency risks will increase, requiring effective hedging strategies.

Compumedics Systems (clockwise from top left) Siesta, SynAmps2, Somte, Comperio DQ



Share price performance



Source: Bloomberg



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