

Full Year Results

***12 months ended
30 June, 2004***

Outline

- **Financial Highlights FYE June 2004**
- **Strategy**
- **Moving Forward**

Financial Highlights FYE June 2004

PROFIT

- **Record, Positive NPAT AUD\$2.4M (\$3.5m at last year's FX rates).**
- **EBITDA grew 55% over the previous year to AUD\$2.9M (90% growth to \$4.0m at last year's FX rates) .**
- **The above results were achieved with the expensing of R&D for the first time in the 2004 year, compared to previous years where R&D costs were capitalised and amortised to the P&L. This resulted in an additional \$1.4m of R&D costs being booked to the P&L in 2004.**

Financial Highlights FYE June 2004

REVENUE

- Record revenues of \$34m (\$39M at last year's FX rates).
- Record USA revenues of **USD\$12.8M.**
- In US dollar terms, USA grew by 35% and Europe by 20% from previous year ended June 2003.
- Underlying revenue growth was 23% for the year if the effects of the AUD/USD exchange rate movements are eliminated.
- Neuroscan acquisition continues to go from strength to strength with the release of Synamp2, now generating over \$8m in sales in 2004 (a 20% increase in Synamp sales over 2003) with boosted product margins from 42% of revenues in 2003 to 82% of revenues in 2004.

Financial Highlights FYE June 2004

CASH

- **Positive operating and net cash at \$2.6m and \$1.0m respectively for the year.**

GROWTH

- **Europe business strengthened and is now ready for execution of growth strategy similar to the USA with the building of our sales and service infrastructure there.**

Financial Highlights FYE June 2004

COST CONTROLS

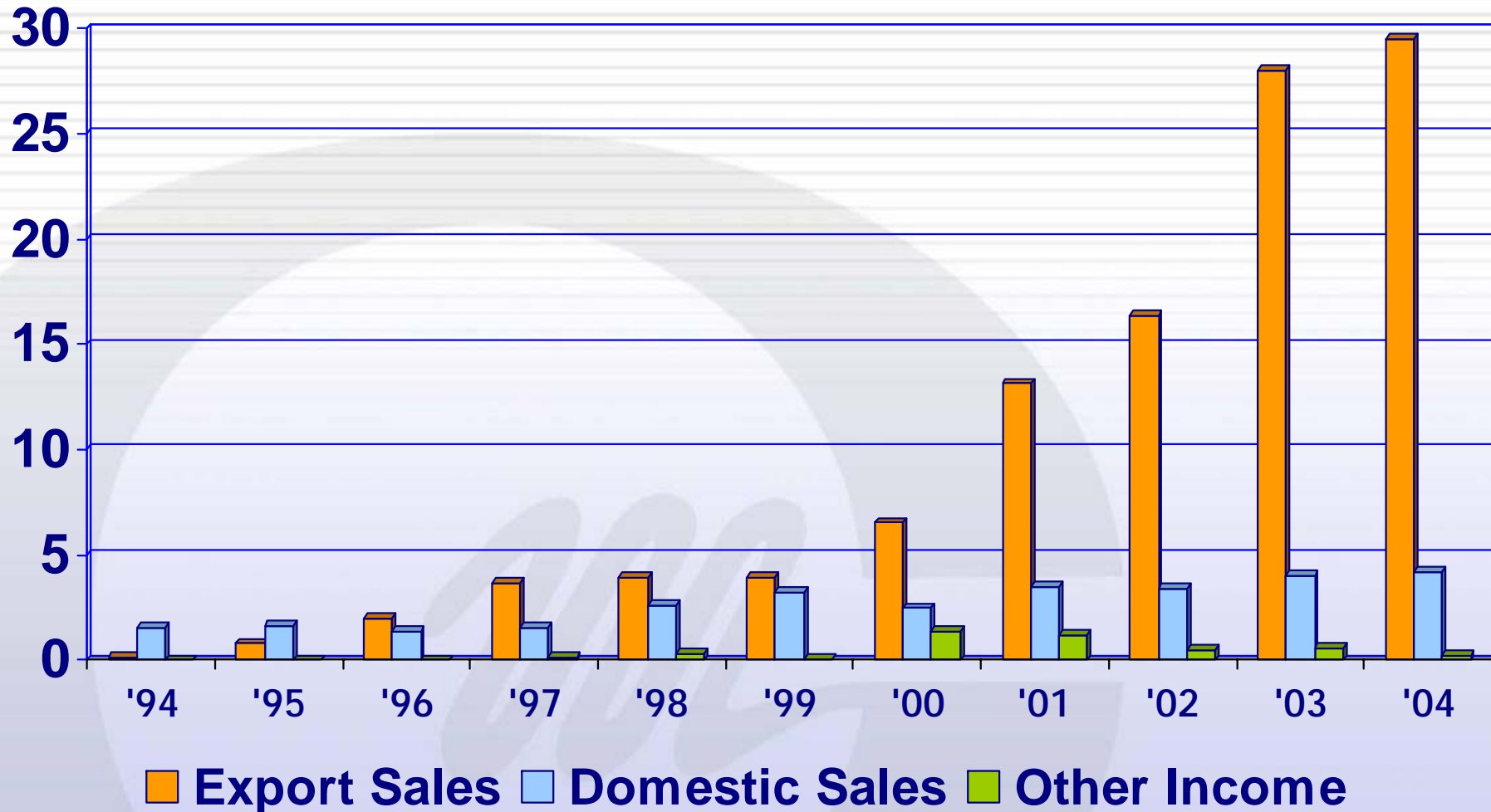
- **Inventory reduced from \$8.4m (26% of '03 revenue) to \$6.5m (19% of '03 revenue).**
- **Inventory Turns improved from 2.1 to 3.0 turns (being a 43% improvement).**
- **Margins improve from 56% to 59% despite strong Australian Dollar reflecting focus on costs and factory efficiency gains.**

OPERATING EFFICIENCIES

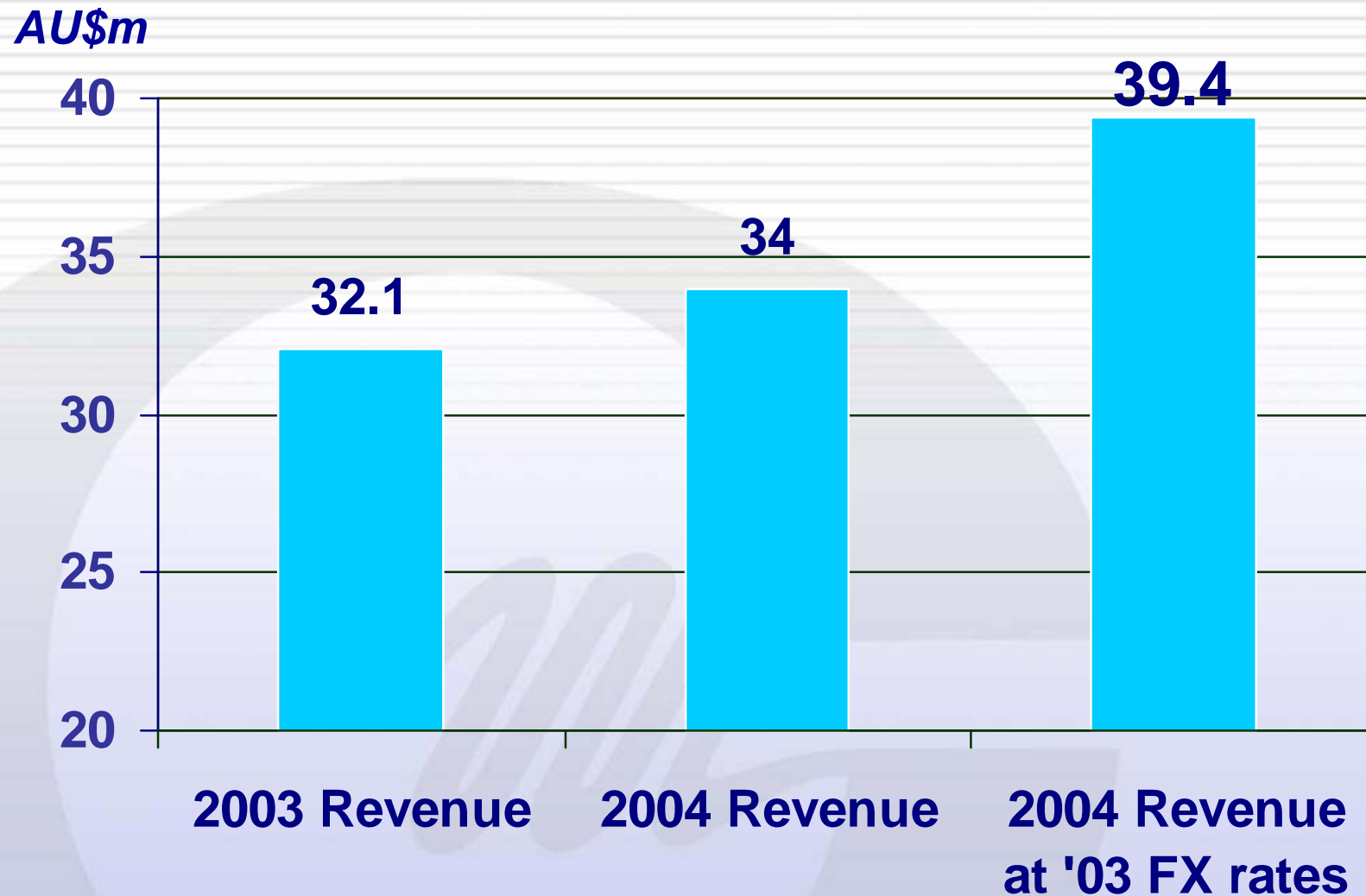
- **Expanded and strengthened USA sales force.**

Historical Sales Graph

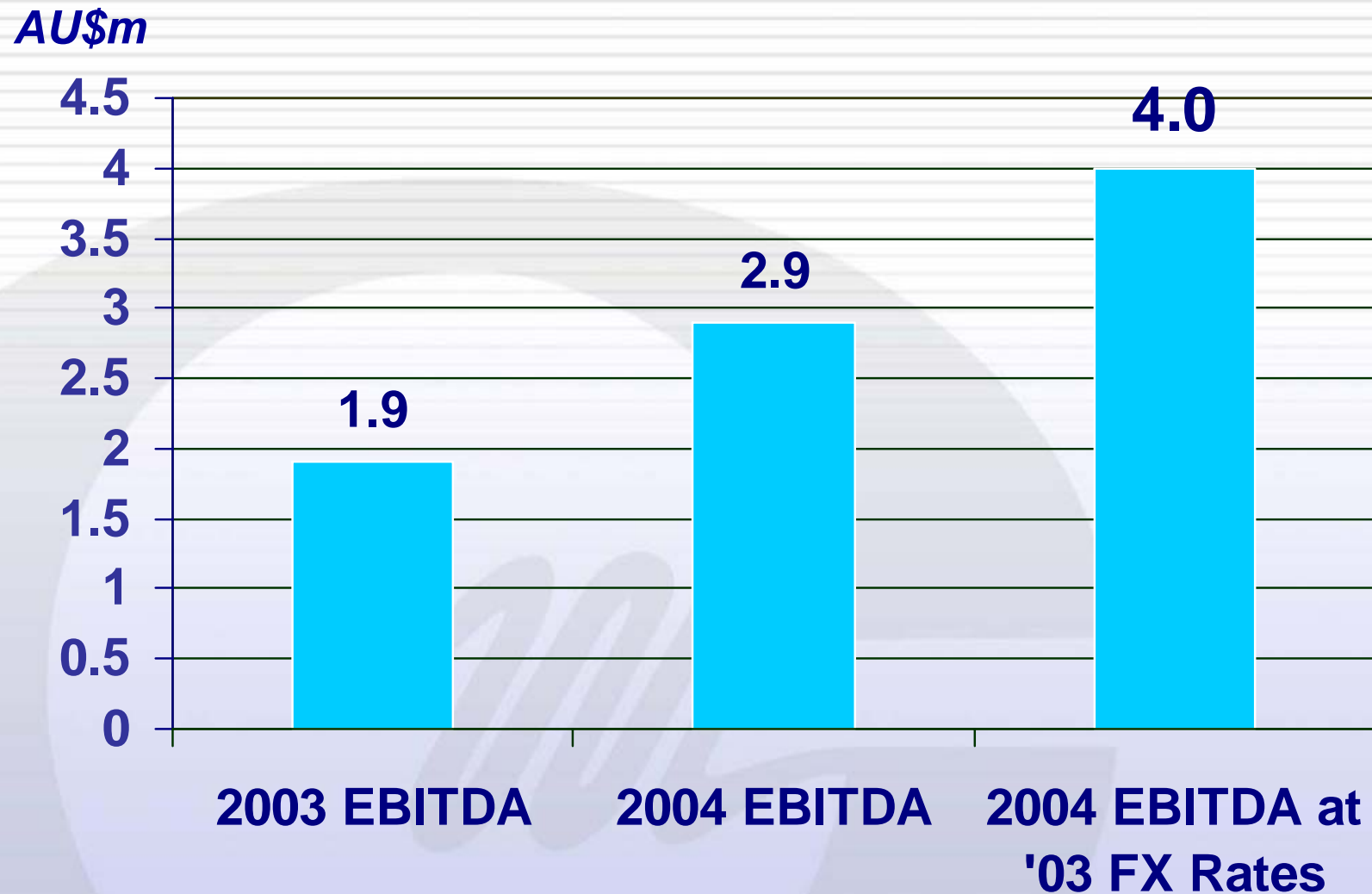
AU\$m



Performance Comparatives - Revenue

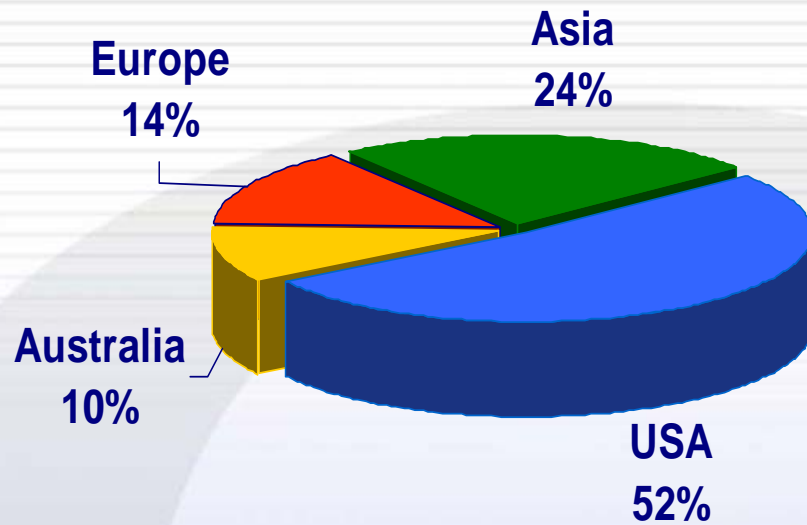


Performance Comparatives - EBITDA

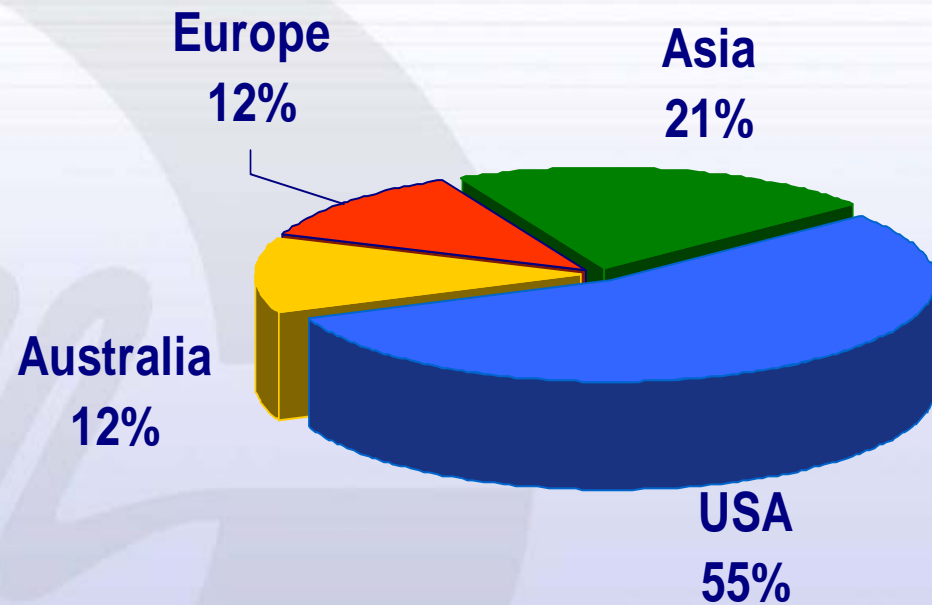


Strong growth continues in USA

2003



2004



Performance relative to PCP

\$Am	12 mths to June 30 2002	12 mths to June 30 2003	12 mths to June 30 2004	% change
Operating Revenue	19.8	32.1	34.0	6%
EBITDA	(0.9)	1.9	2.9	55%
EBIT	(2.4)	(18.8)	2.4	n/a
Profit after Tax	(1.9)	(18.6)	2.4	n/a
Gross Margin	64%	57%	59%	4%
EBITDA/Op. Revenue	(5)%	6%	9%	50%
Profit after tax/Op. Revenue	(10)%	n/a	7%	n/a

Balance Sheet relative to PCP

	June 2004 A\$'000	June 2003 A\$'000
CURRENT ASSETS		
Cash assets	6,352	5,366
Receivables	10,239	8,624
Inventories	6,481	8,416
Other	69	180
Total current assets	23,141	22,586
NON CURRENT ASSETS		
Property, plant and equipment	1,368	1,176
TOTAL ASSETS	24,509	23,762
CURRENT LIABILITIES		
Payables	4,123	4,578
Interest bearing liabilities	1,884	4,729
Provisions	892	845
Other	1,330	1,270
Total current liabilities	8,229	11,422
NON CURRENT LIABILITIES	2,335	665
TOTAL LIABILITIES	10,564	12,087
NET ASSETS	13,945	11,675

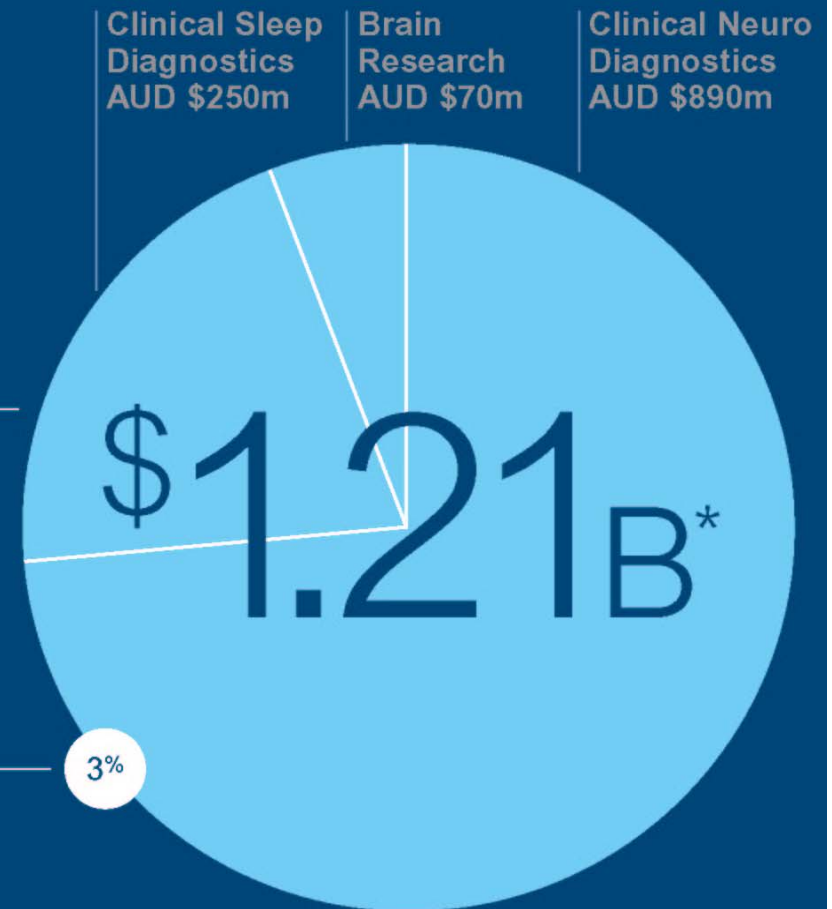
A Big Market to Grow In

Estimated global market value = AUD\$1.21 billion

Compumedics' core sleep diagnostic technology is now being leveraged into the associated fields of neuro diagnostics and brain research. Combined, these markets are more than \$1.2b globally.

Compumedics' current market share = 3% globally

Compumedics holds strong domestic market shares in sleep diagnostics and neuro diagnostics at more than 70% and 50% respectively. Globally, our market shares are expanding rapidly but are still relatively small.



Strategy Working

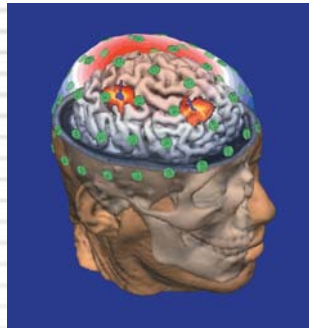
Building a global medical diagnostic company

- **With Compumedics' core strategic edge being Sleep Diagnostics and**
- **Leveraging this technology into related fields including Neurosciences and Cardiology.**

Moving Forward : Business

- *Revenues expected to be between \$38million and \$42million for year ended June 30, 2005.*
- *Earnings after tax expected to be between \$3 million and \$4 million for year ended June 30, 2005.*
- *Revenue in the second half expected to be stronger over the first half in 2005 again as growth accelerates through the year.*
- *Research and development expenditure expected to be between 16% and 18% of revenue, for year ended June 30, 2005.*
- *Europe positioned for rapid growth as infrastructure there is built in a similar way to that of the USA (organic growth and possible acquisition opportunities on the agenda).*
- *The cost efficiency programs and lean processes have just commenced but are already being amplified for the year ahead.*
- *Expanded and strengthened USA sales force with more new sales territories.*

Moving Forward : Technologies



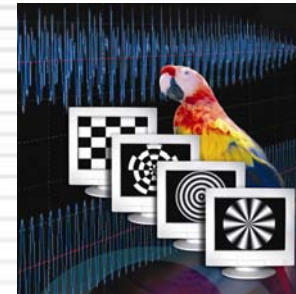
Curry 5.0



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Stim II

ProFUSION
nexus[™]

- ***Strong product pipelines in all CMP divisions.***
- ***Medical Innovation breakthroughs now approaching patent and clinical proof of concept phase.***

Recap

- 1. Returned to profitability at \$2.4M.**
- 2. Positive cash position.**
- 3. Sales growth strong.**
- 4. Big boost in operational efficiency and more to come.**
- 5. Strong product pipeline and Medical innovation breakthroughs on the horizon.**
- 6. USA continues to grow strongly (USA grew 35% in 2004 over 2003 in US dollars).**
- 7. Europe poised for growth spurt based on new sales and support infrastructure there similar to the USA.**

Strategy in place and working... *Growth Ahead*

