



Compumedics Technology Update March 2007

Compumedics' Somté product wins 2006 Frost & Sullivan "Technology Leadership Award"

Melbourne, Australia - March 19, 2007 – Leading Australian-based medical diagnostics company Compumedics Limited (ASX: CMP) was conferred the Frost & Sullivan 2006 Technology Leadership of the Year Award for the European sleep diagnostics and associated data-management systems market for tailoring a unique product line with its Holter style high-end sleep system, the "Somté".

The Frost & Sullivan Award for Technology Leadership is bestowed each year upon the company that has demonstrated excellence in technology leadership within their industry. The recipient company will have demonstrated technology leadership by excelling in all stages of the technology life cycle—incubation, adaptation, take-up and maturity—to ensure a continuous flow of improvements. By innovating leading-edge concepts, the company will have pioneered client applications.

Somté is a family of patient-monitoring devices that will help solve the dilemma of escalating healthcare costs around the globe that are associated with treatment of patients suffering from cardiovascular anomalies associated with sleep-disordered breathing.

Compumedics has a record of developing innovative product solutions. It was the first company to market sleep systems on the Microsoft Windows NT platform, enabling network capabilities. The Company developed the world's first wireless diagnostic system, the "Siesta", and is the leader in combining sleep and cardiac monitoring capabilities. The Company raised its investment in R&D from 18% of its total revenue to 21% in 2005. Compumedics has positioned itself to identify and deliver accessible medical technologies to the world.

"We are honoured to be recognised by Frost and Sullivan for the technology leadership award," said David Burton, Executive Chairman of Compumedics Limited. "We will continue our focus on leading sleep-device technologies, particularly as this field continues to develop."

Since developing Asia/Pacific's first fully computerised sleep laboratory in 1987, Compumedics has established a market-leading position in Australia, Japan, China and has thriving operations in the USA , Asia/Pacific and European marketplaces.

This award follows similar achievements such as winning the NIH(USA) supply contract for the Sleep Heart Health Study (SHHS).

The Somté product family consists of an entry level device focused on respiratory variables, a more sophisticated device that supports respiratory variables and ECG or EEG that can also address the cardiac market, and a high-end device that provides a full sleep laboratory in the hand. All members of the family are fully self-contained with full waveform disclosure in the hand and utilise gold-standard sensors. They are supported by a full suite of software that provides for fully automatic analysis and sleep staging both online during data acquisition and offline during review. Advanced signal processing is available for cardiac arrhythmia detection and other sleep-related indicators such as pulse-transit-time and pulse-wave-amplitude. They are also supported with a full set of wireless acquisition services and fully synchronised video.

The Somté family is uniquely positioned to attract significant interest from sleep-disordered, sleep-cardiac-disordered and sleep-dental disordered practitioners alike.

Dental Sleep Services Joint Venture – Update

Compumedics advises that it will not complete the Dental Sleep Services opportunity as defined and previously announced to market. The parties were not able to negotiate the necessary final agreement and, as a consequence, the proposed Dental Sleep Services Joint Venture has been cancelled. As such, Compumedics advises that it will not proceed with the negotiations to purchase the business and assets associated with the Eccovision system through a joint venture arrangement as previously advised. The cancellation of the Dental Sleep Services Joint Venture will not have a materially financial effect on the financial performance of Compumedics.

Compumedics' new Somté sleep-monitoring system has attracted significant interest within the sleep, sleep-heart and sleep-dental disorder fields. The Company will continue to serve these new and rapidly expanding markets and the Company will continue to pursue alternative opportunities in these areas with this device and other technologies the Company has in development.

About Compumedics

Compumedics Limited, founded in 1987, is a global leader in the design and manufacture of diagnostic technologies for sleep disorders, neurophysiology and cardiology. Compumedics holds 80% share of the Australian sleep diagnostic market, and has a major and rapidly growing presence in the US, European and Asian marketplaces for its diagnostic monitoring devices.

The company has corporate headquarters in Melbourne, Australia and offices in the United States, Asia and Europe.

Compumedics businesses now include sleep-diagnostics (Sleep Division), Neuro-diagnostics (Neuroscan and Neuroscience Divisions), and non-invasive blood-flow diagnostics (DWL Division). All of these fields were pioneered or discovered in the 1980s, validated in the 1990s and are only now undergoing commercialisation into the rapidly expanding \$1 billion plus global market. The company has increased its sales more than 4 fold from \$9 million (1999) to \$38 million (2006), reflecting its continued commitment to an effective sales and R&D organisation.

About Frost & Sullivan

Frost & Sullivan, a global growth consulting company, has been partnering with clients to support the development of innovative strategies for more than 40 years. The company's industry expertise integrates growth consulting, growth partnership services, and corporate management training to identify and develop opportunities. Frost & Sullivan serves an extensive clientele that includes Global 1000 companies, emerging companies, and the investment community by providing comprehensive industry coverage that reflects a unique global perspective and combines ongoing analysis of markets, technologies, econometrics, and demographics. For more information, visit www.awards.frost.com.