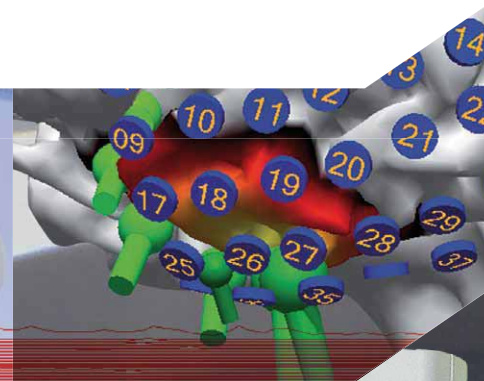


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## Annual Report

- > Sleep Diagnostics & Treatment
- > Neuro Diagnostics
- > Brain Research
- > Ultrasonic Blood Flow Monitoring

## FINANCIAL SUMMARY

ALL FIGURES IN A\$M UNLESS OTHERWISE STATED

	2013	2012
Revenue for continuing operations	27.2	27.9
Earnings before interest, income tax, depreciation and amortisation (EBITDA)	0.3	(0.1)
Earnings before interest and income tax (EBIT)	(0.9)	(1.3)
Net operating profit after tax (NPAT)	(1.5)	(2.8)
Research and development costs as a percentage of operating revenue	16.1	16.6
Total assets	19.1	19.9
Shareholders funds	8.4	9.2
Net tangible assets per share (cents)	0.3	0.4
Weighted average number of shares (million)	167	162
Earnings per share (basic) (cents)	(0.9)	(1.75)
Earnings per share based on earnings before interest, tax, depreciation and amortisation (cents)	(0.9)	(1.75)

### UNDERSTANDING THE NUMBERS

**Revenues:** Revenue was \$27.2m compared to \$27.9m over the previous corresponding period.

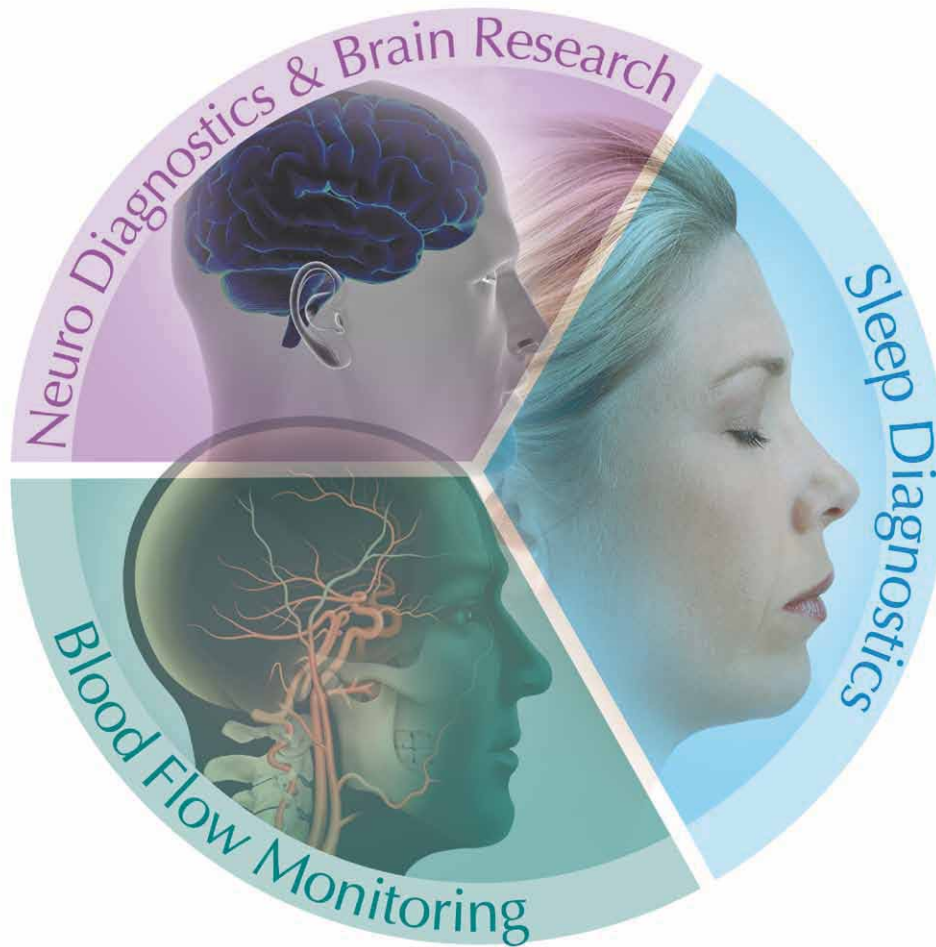
**EBITDA:** To \$0.3m in the current financial year from \$(0.1)m in the previous financial year.

**PAT:** The business lost \$1.5m this year compared to \$2.8m lost last year.

05	Executive Chairman and CEO's Review
09	The Business of Compumedics
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13	Sleep Monitoring
15	Brain Monitoring
17	Ultrasonic Blood Flow Monitoring
19	NeuroMedical Supplies
21	Board of Directors
22	Senior Management Team

**Compumedics Limited**  
ABN 95 006 854 897

**Annual General Meeting**  
Thursday 31st October 2013  
at 10.30am  
To be held at: Compumedics Limited  
30-40 Flockhart Street Abbotsford  
Victoria 3067



## Compumedics is a world leading supplier of medical technology for patient monitoring.

Since 1987, Compumedics' strategy has focused on developing its core competency – Sleep Diagnostics – which has enabled the company to become one of the leaders in this growing international healthcare market. Today Compumedics has evolved into one of the world's leading suppliers of medical technology for sleep and neuro diagnostics (including brain research) and ultrasonic blood flow monitoring.

Compumedics' technologies and products are distributed to clients around the globe, helping millions of people who suffer from debilitating sleep, neurological and other healthcare problems. Each of these markets is multi-billion dollar in scope, at an early phase of evolution, with high growth expectations and Compumedics technology is uniquely positioned for imminent growth in each of these markets.

# A focused strategy in action

For over 25 years, Compumedics' focus in Sleep and associated medical disorders has established a solid platform for growth.

**Compumedics established**  
Dr. David Burton founded Compumedics to design and manufacture medical electronics. Prior to Compumedics, analysis and diagnosis depended, in large part, upon manual recording methods, which were very time consuming and costly to implement. The sleep monitoring system developed by Compumedics comprises powerful computer-based hardware and sophisticated software programs which eliminate thousands of pages of paper readings and countless hours of work by technicians, freeing them for more productive work.

**Computer-Aided Sleep Scoring system released**  
Dr. M.W. Johns and Dr. David Burton released an abstract: An improved Method for EEG Analysis & Computer-Aided Sleep Scoring. This system is the basis for Compumedics' current sleep staging software that is now recognised throughout the world.

**S-Series – the first digital sleep system in Asia Pacific**



**P-Series and S-Series released**  
Compumedics announced the release of the P-Series Portable Sleep Monitoring System with features including intelligent CPAP control. Compumedics released its S-Series optical erasable disk storage sleep systems.

**NASA contracts won for International Space Station and Space Shuttle flight preparation**

NASA chose Compumedics' P-Series Portable Sleep Monitoring System for the 1998 Neuro-mission Space Shuttle flight preparations. Compumedics entered into co-operation with the US\$5 billion dollar Japanese conglomerate, Teijin for the development of the Japanese sleep market.

Compumedics developed its Paperless EEG system in conjunction with world-renowned EEG researchers and technicians including Dr Sam Berkovic and Mr Milosh Vosnansky of the Austin Hospital Neurology Department – leading epilepsy centre in the Southern Hemisphere.

Compumedics was awarded a patent for its on-line analysis. Compumedics was awarded AS3901/ISO9001 Total Quality Management certification by NATA.

Used by NASA and SHHS.



**Key awards and wins**  
Compumedics was awarded the European CE mark for Quality and Good Manufacturing Processes. Compumedics won the contract to supply medical hardware for the International Space Station's Human Research Facility (HRF) under contract to NASA.

**Compumedics recognised**  
Compumedics was named Australian Exporter of the Year.

Compumedics was awarded the 1998 Commonwealth Bank Small to Medium Innovative Manufacturer Award.

Compumedics was awarded the 1998 Governor of Victoria Award for Victorian Exporter of the Year.

Compumedics was awarded the 1998 Governor of Victoria Export Award for Small to Medium Innovative Manufacturer.

Compumedics was awarded the 1998 AusIndustry Innovation Award.

Compumedics was awarded the 1998 Telstra Innovation Award.

**Compumedics' ASX listing**  
Compumedics listed on the Australian Stock Exchange. E-series EEG/ PSG system receives FDA clearance to market in the USA.



E-Series EEG/PSG system

1987

**Epworth installs first Sleep Disorders Unit**  
Compumedics' first sleep system was installed at the Epworth Hospital Sleep Disorders Unit (Melbourne, Victoria). TIME magazine and the television series 'Beyond 2000' both featured the Epworth sleep center.



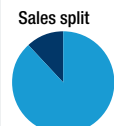
Globally read TIME magazine cover and article brings the "Trouble with Sleep" to the world.

1991

**Royal Prince Alfred Hospital installation**  
Compumedics sleep equipment was chosen by the internationally recognised Sleep Disorder Centre at the Royal Prince Alfred Hospital, Sydney. This centre, under the direction of Prof. CE Sullivan (University of Sydney) was responsible for the breakthrough discovery in the treatment of sleep apnoea with nasal CPAP in 1981.

**NZ's first Sleep Laboratory installed**  
Compumedics installed New Zealand's first fully computerised sleep laboratory at Green Lane Hospital.

Sales revenue  
**\$1.7M**



1995

**Chosen for world's largest sleep study**  
Compumedics won the competitive US Government-funded contract to supply the equipment for the world's largest sleep study (6000 patients). The five year Sleep Heart Health Study (SHHS) was won against a field of 22 competitors, including multinationals. Compumedics supplied 40 P-Series Sleep Monitoring Systems along with 9 replay and 6 analysis systems. The equipment selection committee was made up of sleep experts from 11 leading University Hospitals across the USA.

Compumedics was granted IEC 601-1 patient safety certification for its S-Series and P-Series products.

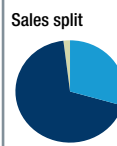
1997

**P-Series products wins award and FDA approval**  
Compumedics' P-Series wins a Highly Commended Award at the Australian Engineering Excellence Awards.

Compumedics was awarded the 1997 Premier's Award for Technological Innovation in the Telstra & Victorian Government Small Business Awards.

**FDA approval for P-Series**  
P-Series receives FDA clearance to market in the USA.

Sales revenue  
**\$5.4M**



2001

**Compumedics awarded**  
Compumedics was named Small Business of the Year at the Telstra and Australian Government Small Business Awards.

**Compumedics won the**  
AusIndustry Innovation Award at the Telstra and Australian Government Small Business Awards.

**Compumedics won the**  
Ansett Australia Business Owner Award at the Telstra and Victorian Government Small Business Awards.

Compumedics was awarded the 1999 Business Asia Best Australian Small Medium Business Activity in Asia Award.

**CMP receives more recognition**  
Compumedics won the 2001 Australian Export Award for Small to Medium Manufacturers.

Compumedics won the 2001 Governor of Victoria Export Award for Small to Medium Manufacturer.

Compumedics won the AVCAL (Australian Venture Capital Association Limited) award for Best Early Stage Investment for 2000/2001.

**FDA clearance for Siesta**  
Siesta Systems receives FDA clearance to market in the USA.



Siesta 802™ – World leading wireless system for sleep and EEG.

# Building a world-class medical technology company for patient monitoring.

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Somté – “holter-style” recording for both cardiac and respiratory data

Somté receives European clearance  
Somté receives CE mark for European Market

Compumedics' completes first acquisition – Neuroscan.

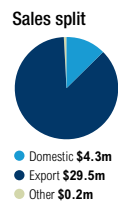
Sales revenue  
**\$20.2M**

Compumedics acquires German based DWL  
Electronische Systeme GmbH

FDA approval for Summit IP  
Summit IP receives FDA clearance to market in the USA

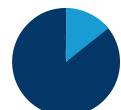
FDA approval for SynAmps2  
SynAmps2 receives FDA clearance to market in the USA

Sales revenue  
**\$34.0M**



Sleep Products received regulatory clearance in Taiwan

Sales revenue Regional Split



Key distributor agreement signed with Medigas Italia, a division of Praxair, Inc., for the distribution of the complete Compumedics product line.

Neuroscan MaglinkRT released with CE mark approval. Latest generation technology for recording EEG and ERP in the MRI.



Medigas Italia Srl invests in Compumedics commercialisation of new generation sleep-efficient Somnilink SPAP device.

Medigas Italia Srl (member of SIAD group of Companies, SIAD owned 34% by Praxair Inc.) takes strategic stake in Compumedics.

US Office relocated to Charlotte, NC.

\$200m of revenue achieved since listing.

Compumedics DWL awarded membership to Germany's top 100 innovative companies.

Neuvo LTM is released – the new standard in LTM and epilepsy monitoring.

Xegis EMG/EP/IO released – leading the way in Neurophysiology EMG/EP/IO.

CURRY 6 released – the world's most powerful Multi-modal Neuroimaging software.



CURRY 6 - Multi-modal Neuroimaging software



Somnilink SPAP®

Somnilink SPAP receives CE and TGA clearance.

Grael receives FDA clearance.

Compumedics wins major Mannheim University Medical Centre contract in Germany.



Mannheim University Medical Centre Sleep Laboratory.

Compumedics recognised as one of Australia's top 100 Health Innovators through its world leading devices for sleep diagnostics.

The updated Somté PSG is released.



Updated Somté PSG™ - Full PSG absolutely anywhere.



Compumedics celebrates its 25 Year Silver Jubilee Anniversary.

Neuvo LTM, world's first 512 channel wall system is released to market - the Ultimate Long-term Monitoring System.

Compumedics Achieves a World's First In Brain Monitoring -

The Yale New Haven Medical Center has produced brain EEG scans using the new Compumedics® NEUVO®.

This breakthrough represents a major enhancement in diagnostic capabilities for evaluating patients requiring surgical correction for epilepsy.

Grael-HD EEG - High-Definition EEG is released to market.



Grael-HD EEG

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

FDA clearance for Somté Somté cardio-respiratory System receives FDA clearance to market in the USA.

Compumedics awarded the Frost and Sullivan Award for Market Expansion Strategy

Sales revenue  
**\$32.1M**



Somté® – Explore Sleep ... Beat by Beat

DWL division established for blood-flow Doppler technology.

Sales revenue  
**\$38.2M**



Compumedics awarded the 2006 Frost & Sullivan Technology Leadership Award.

Compumedics and chairman inducted into the Victorian Manufacturing Hall of Fame.

Somté PSG is released - the simplest and most convenient way to meet requirements for recording full PSG, in both attended and unattended settings.

Profusion PSG3 is released - the next generation world class sleep diagnostics software.

Somté PSG & Profusion PSG3 receive CE mark



Somté PSG™ - Full PSG absolutely anywhere.

Grael is released - Compumedics released the world's first High Definition and premier PSG/EEG, Grael

Grael wins Powerhouse Museum Award & finalist at the Australian International Design Award.



Grael PSG/EEG - World's first High Definition Amplifier.

Profusion EEG4 is released - The next generation world class clinical and LTM software package.

Compumedics introduces direct selling in Germany.

University Medical Centre in Freiburg chooses Neuvo LTM EEG ahead of all major competitors.

Somnilink SPAP debuts in Australia.

Compumedics DWL wins Innovation Grant.

Record profits  
**\$2.7M**

2010 2011 2012 2013



Beijing Bestmed, Compumedics' China-based distributor invests \$0.5, becoming a top 10 shareholder - this injection of funds contributes to Compumedics further growth in the China region.

Secured significant US LTEM site representing a combined US \$1m of new business - further strengthening the future growth prospects in the Neurology market.

CURRY SCAN 7 Neuroimaging Suite is released - Compumedics Neuroscan releases its combined acquisition and signal processing software.

Compumedics introduces direct selling in France.

Compumedics inaugural attendance at the China Medical Equipment Fair, Shenzhen.

Milestone EEG contract win to equip the new & internationally acclaimed Royal Children's Hospital Melbourne with Compumedics Neuvo LTM.



Neuvo LTM EEG - The Ultimate Long-term EEG Monitoring System.



Neuvo LTM 512 Channel EEG.

# Chairman's address



## Dear Compumedics investors,

On behalf of the Board, management and Compumedics team I present to you the results contained within the 2013 Annual Report.

A number of key milestones and initiatives were successfully achieved during the year including the finalization of a refinancing program, ongoing strengthening of our global sales force, continued structural reforms as we transition our operations to counter the persistent impact of the high Australian dollar, and a number of Medical Innovation commercialization and partnering initiatives, as outlined in the following sections.

### FINANCE

I am pleased to announce that the Company finalised its major refinancing milestones in early June 2013 after several delays. Importantly, the Company also almost halved its trading loss for the year ended 30 June 2013 to \$1.5m from \$2.8m in the prior year. This was despite shipping only \$27.2m of the \$34.5m of sales orders it potentially could have shipped. The limited shipments for the year were the direct result of only getting the financing milestones completed in June 2013.

As a consequence, the Company was holding record sales-orders on-hand of approximately \$7.3m and expects to ship the majority of these sales orders in the first half of FY2014. With shipments of new sales orders expected to be taken in the first half of FY2014 profitability should be restored in FY2014.

### *The Company achievements during the course of the 2013 financial year were:*

- *EBITDA was a \$0.3m profit compared to a loss of \$(0.1)m in the prior year, as a result of on-going efficiency gains in manufacturing, despite the constrained working capital environment for most of the year;*
- *Shipped and invoiced sales were stable at \$27.2m compared to \$27.9m for the previous year;*
- *Cash on hand and debt levels were also stable during the period at \$1.2m and \$2.3m respectively compared to \$1.1m and \$2.0m in FY2012;*
- *The Company had record sales orders of \$7.3m on-hand at 30 June 2013;*
- *Sales orders taken in Asia were 19% higher than the prior year, with continuing strong growth out of China driving most of this overall sales-order growth.*

### OPERATIONS

Despite the impact of the persistently high Australian dollar and on-going challenging market conditions, Compumedics maintained its research and development (R&D) investment at 16%, or more than twice the industry standard. Consequently, the Company has retained its technological leadership, with a strong pipeline of new and exciting upcoming product releases and upgrades.

In order to enable the Company to operate profitably with a persistently high Australian dollar, the Company has invested in a number of structural reforms designed to restore and then ensure continued growth in profits. These structural reforms include retooling and relocation of select manufacturing functions to more competitive manufacturing regions, such as Taiwan and other parts of Asia. The Company has also commenced designing a range of more competitive neurology and sleep products, incorporating premium performance but enabling the Company to access a larger portion of the global market through reduced cost of manufacture.

While these structural transforms have demanded significant investment in the short term, in terms of personnel, engineering and components, they will result in substantial savings and elevated shareholder returns in the medium terms through improved margins.

### STRENGTHENED SALES AND MARKETING

As previously noted, Compumedics has entered the long term electroencephalography monitoring (LTEM) market, a new and incremental market, with the launch of its innovative LTEM product, Neuvo®. This takes Compumedics into a pre-existing, but new market for the Company, which has estimated current annual sales of about US \$200m in the US and approximately US \$400m globally. Compumedics is well-positioned to capture a 5% share of this global market over the next few years. Compumedics has achieved approximately US \$4m in annual incremental revenues from this market over the last two years and will look to expand this through to the initial target of a 5% global market share.

Epilepsy diagnosis and monitoring is a key target for the Neuvo® product. The US-based Epilepsy Foundation estimates that more than 3 million people in the US are affected by epilepsy with 200,000 new cases each year. Compumedics has made significant investments in product development, targeting the neuro-diagnostics market to leverage its expertise in high-end amplifier design and physiologic signal processing. The combination of the Neuvo® LTEM system and the CURRY® neuroimaging analysis software suite, some of which is covered by patents, makes it easier for epileptologists and neurosurgeons to identify which specific regions in the brain are most likely to be the cause of severe seizure activity in an afflicted patient. As such the LTEM market provides another solid opportunity for growth for the Company over the foreseeable future.

In the Company's core sleep diagnostic business, Compumedics has the most sophisticated and advanced range of portable sleep-monitoring systems of any of the companies competing in these markets. The Company continues to be recognised as a leading sleep diagnostic company world-wide and as such global sleep diagnostic markets continue to offer opportunities for growth, particularly in Asia Pacific and specifically China.

In addition, China represents a unique emerging market opportunity for Compumedics' complete range of diagnostic and monitoring systems, particularly given the close proximity and strong trade relations with Australia, coupled with Compumedics' time-earned reputation and establishment of premier reference centres throughout China. As China rapidly builds and expands its basic health infrastructure, mainly due to a continuously growing middle class, the focus will inevitably turn to new areas of health management, including sleep and neural disorders and brain blood-flow ultrasonography. This will provide a measurable upside for companies as well positioned and established as Compumedics in this space. Compumedics is participating already in this upside as revealed in recent business wins in China for its ultrasonography (DWL) products.

The Company will continue its development of the sleep-treatment market with its partner in Italy over the next twelve months and concurrently ramp up its commercialisation opportunities here in Australia and Asia.

## BREAKOUT MEDICAL INNOVATIONS

Compumedics Medical Innovation (CMI) division has continued to develop a number of breakout technology platforms. Each of these CMI platforms incorporates a folio of patents, complements Compumedics' core business, presents unique and significant product differentiation, and has been independently validated, as outlined in the subsequent sections.

**SPAP® and Biomask Sleep Treatment:** Sleep disorders, particularly obstructive sleep apnoea or cessation of breathing, are a major health issue world-wide. About 20% of the adult population have sleep-disordered breathing. Co-morbidities of SDB are linked to some of the most significant health problems including stroke, hypertension, congestive heart failure, diabetes and obesity. Moreover, it has been found that even amongst CPAP treated patients, up to 12% of this treated group still suffer residual excessive sleepiness (RES). Hence, the need for improved SDB systems has never been greater. The worldwide apnoea devices market in 2011 was valued at US \$7.96 billion, with expectations that it will reach US \$19.72 billion by the year 2017 (marketsandmarkets 2011). While over 100 million people may suffer from sleep apnoea 80% of these people remain undiagnosed (marketsandmarkets 2011). Non-invasive Ventilator (NIV) market continues to surge as demands for home care ventilators hit an all-time high, driven by a rising and aging population and growing rates of chronic obstructive pulmonary disease

(COPD). In terms of technological trends, intelligent PAP devices such as adaptive servo ventilation (ASV), Synchronized Intermittent Mandatory Ventilation (SIMV) and Proportional Assist Ventilation (PAV), Neural Control of Ventilatory Assist (NAVA), are becoming more popular, and patterns of care are tending to shift towards the home versus the traditional clinic setting (marketstrat 2010).

**The Opportunity:** The current range of SPAP® systems will soon be transitioning towards commercialisation phases as initial trials, evaluations and validation studies continue to demonstrate successful outcomes. In a recent double-blinded, randomised cross-over trial comparing and contrasting SPAP® with Resmed's most advanced systems, *"The SPAP was found to be non-inferior to the S8 on all measures. Both as treated and intention to treat showed that apnoea hypopnoea index (AHI) and wake after sleep onset (WASO) were significantly reduced and sleep-efficiency (SE) significantly increased on the SPAP as compared to the S8."*

The Compumedics SPAP® technology is the culmination of an extensive R&D program underpinned by 25 years of Compumedics experience in developing world renowned sleep, arousal, respiratory, artifact and neurological analysis software. The SPAP® system is supported by a folio of worldwide patents.

**Driver Vigilance Assist:** Compumedics expertise in sleep monitoring technology has been used to research and develop prototype systems for monitoring driver drowsiness. Research projects in collaboration with Australian universities has shown that combining measurements of eye movements, body movements and EEG parameters of a driver provide the best estimate of driver drowsiness.

**The Opportunity:** Car manufacturers are offering driver vigilance systems on their new high-end models for prices ranging from \$1000 to \$4600, representing an Australian market of at least \$30 million per annum (PA) based on a small range of new passenger vehicles. The global market applicable to a small range of vehicles is more than US \$15 billion PA. None of the existing systems include the features covered by Compumedics' patents. Current systems may be relatively cumbersome, requiring glasses or other assists to monitor driver drowsiness, compared to the simple Compumedics system which, subject to end user sophistication and price requirements, can be configured to use various combinations of sensors in the steering wheel and seat, and video cameras combined with vehicle data outputs. Compumedics systems are suitable for retro-fitting into passenger vehicles, truck fleets, busses, or any other type of vehicle, once the required parameters are determined. Compumedics owns patents in the USA, Australia, and Germany, which cover the features of its driver drowsiness system. The CMI Driver Vigilance Assist is being offered to vehicle manufacturers as well as after-market or vehicle parts manufacturers.

**Online Educational Services:** The online education market is growing globally at a rate of 23% per annum, and in Australia at a rate of 19% per annum. This translates to an expected US \$255 billion global market in 2017 and by 2013 in Australia alone an AU \$5 billion market employing 19,000 Australians. The World Health Organisation report highlighted the rapidly expanding neurology disorders market (US \$12 billion PA), and particularly noted the growing prevalence of neurology disorders in the Asia Pacific region and the need for enhanced training and skills to manage this major public healthcare problem.

In terms of neurology markets, Compumedics/Neuroscan provide world leading clinical and research products, along with an extensive array of educational programs. Compumedics has exported about AU \$500 million of products from its Abbotsford factory. Its CURRY® brain source reconstruction software is known to be the best for neuroscience research laboratories. Many of the research organisations in US and European centres of excellence that will undertake the European brain simulation and US BRAIN project use Neuroscan.

**The Opportunity:** A consortium, comprising of Compumedics Limited as the industry partner and a number of Victorian research institutions that have exceptional expertise and capabilities is being formed to exploit the burgeoning market opportunities in neuroscience and online education, with a focus on Asia/Pacific delivery. The consortium will comprise of Compumedics Limited with its intellectual property in the CURRY® program. Academic partners include the heads of the Centre for Biomedical Imaging at Monash University and Neurosciences Division at St Vincent's Hospital with their expertise in the development and delivery of online education and, in particular, neuroscience education.

In one example of these online educational initiatives, Compumedics is presenting in cooperation with the Monash University's Monash Biomedical Imaging, the 4th Australasian Cognitive Neuroscience Conference 2013 and the Australian Synchrotron (the largest stand-alone piece of infrastructure in the southern hemisphere) educational courses and Asia Pacific webinars on Methods in Neuroscience later this year, in November and December, 2013.

**Mobile Health Services Platforms:** The global telehome and telehospital market was valued at US \$11.6 billion in 2011, with an expected rise to US \$27.3 billion in 2016, representing a compound annual growth rate of (CAGR) over a 5 year period of 18.6 percent (BCC Research). The global focus to reduce healthcare costs by deploying telemedicine and yield significant savings is expected to continue (Monegain,B; 2012 healthcareitnews). The potential for mobile health services provider market is obviously much larger due to the broader population relevance. In 1995 Compumedics was awarded, against the field of the world's 22 leading sleep companies, the contract to design and supply the mobile home monitoring software and hardware platforms for the US NIH Government funded US Sleep Heart Health Study (SHHS). The SHHS is the world's first and largest of its kind sleep study, with over 8,000 participants scheduled by 2008. Today these SHHS outcomes have been deployed as part of a standardised polysomnography database.

**The Opportunity:** Compumedics' mobile home monitoring experience, technology and products combined with their enterprise software solutions (Nexus), ideally position the Company to work with commercialisation partners in order to service the emergent mobile and telehealth market sectors.

Commercialization partners, licensing and other arrangements are being actively sought in order to unlock the value and exploit the commercial value of these SPAP®, Driver Vigilance Assist, Online Educational Services and Mobile Health Services projects.

## ACKNOWLEDGEMENTS

On behalf of the Board, management, employees and myself personally, we extend our gratitude and best wishes to Prof Graham Mitchell, who retires from the Compumedics board at this year's AGM.

We proudly welcome Bestmed, our long-time Chinese clinical sleep and neurology distributor, as a major Compumedics shareholder, following their recent investment into the Company.

I wish to extend special thanks to all our employees, contractors, suppliers and other business partners for their dedicated support and loyalty.

## SUMMARY

Despite the challenges, the Company has stayed the course and continued to execute upon its strategy, to produce the best of class high quality, innovative, medical products and expand our business through a focus on sales and marketing and a strong R&D investment. Additionally, key initiatives, such as our structural reforms and medical innovations, are now gaining traction, as we continue to focus on strengthening our Company and building shareholder values.

This is a great Company and we remain confident the operational initiatives currently being undertaken will restore profitability in the short-term, allowing our very positive prospects for the medium and long-term to be realised. In particular, the demand for innovative healthcare solutions is underpinned by an ever-increasing aged population, coupled with the growing incidence and awareness of neurology and sleep disorders.

I thank you all for your continued support and look forward to sharing with you a number of special milestones and business updates as Compumedics forges ahead.

Yours sincerely,



**Dr. David Burton, Ph.D.**  
*Executive Chairman and Chief Executive Officer  
Compumedics Limited*



**The Company has delivered a significantly smaller loss than the prior year on similar levels of sales, can you please explain this?**

It is pleasing to note the Company reduced its after tax loss to \$1.5m for the year ended 30th June 2013 from \$2.8m in the prior year. This was largely a result of a once-off write down in the tax assets of the Company in FY2012, which was not repeated in the current financial year.

That being said the Company also improved margins by about 2% reflecting some early positive gains from some of the initiatives the Company has implemented over the current financial year, particularly as it relates to offshore sourcing of components. The Company expects these gains to continue in the current FY2014 financial year as more offshore purchasing is implemented and some selected manufacturing activities are relocated to Asia.

The Company will gain further from the current depreciation of the dollar if it holds at current levels. The Company anticipates being able to further improve efficiencies across its operations as it begins to reduce the backlog of sales-orders it has been carrying for the best part of 12 months now.

**You have mentioned the backlog of sales orders and have recently referred in notices to the Australian Stock Exchange of the completion of some refinancing milestones. Can you please explain the impact of the achievement of these milestones?**

Whilst it was quite frustrating the achievement of the refinancing milestones took as long as they did to achieve it is very pleasing to have completed these during June of this year.

Unfortunately given the lead times with purchasing and manufacture the injection of cash into the business had no real impact on the results for the year ended 30 June 2013.

That being said, the real impact will be in the first half of the current 2014 financial year as production allows for a significant uplift in shipped and invoiced sales orders, which should restore the business to profitability during the 2014 financial year. The Company was carrying \$7.3m of sales-orders at 30th June 2013, which should ship in the first half of FY2014 together with new sales orders received in the current six-month window.

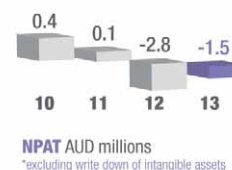
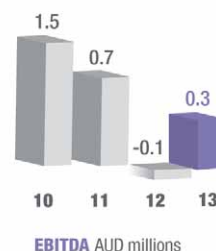
**Is the Company satisfied it has done enough to ensure it can maintain and enhance the growth, so as to propel the business towards sustained earnings and earnings growth?**

Running any business is never easy particularly when you are determined to maintain the Company as an Australia-based manufacturer of elaborately transformed manufactured goods. With that being said, on the basis the Company can clear the sale-orders on hand from a running rate of \$6m to \$7m, back to about \$1.5m then the business, on the basis sales-orders continue to grow, will not only return to profitability but should, in fact, grow profits over time.

The Company has a significant competitive advantage over its main rivals in the neuro-diagnostic market at the present time based on the development work done over many years that has lead to the current product offering. The Company fully intends to maximise the commercial opportunity this presents. Whether the Company can fully exploit this opportunity alone or is better positioned to do so with a strategic partner or indeed in the ownership of another party remains to be seen. At this point in time the Company continues to access all these options, whilst it concurrently simply gets on with making the opportunity a reality and having that flow through consistently in the numbers the Company presents to the market.



7  
8



NPAT AUD millions  
\*excluding write down of intangible assets

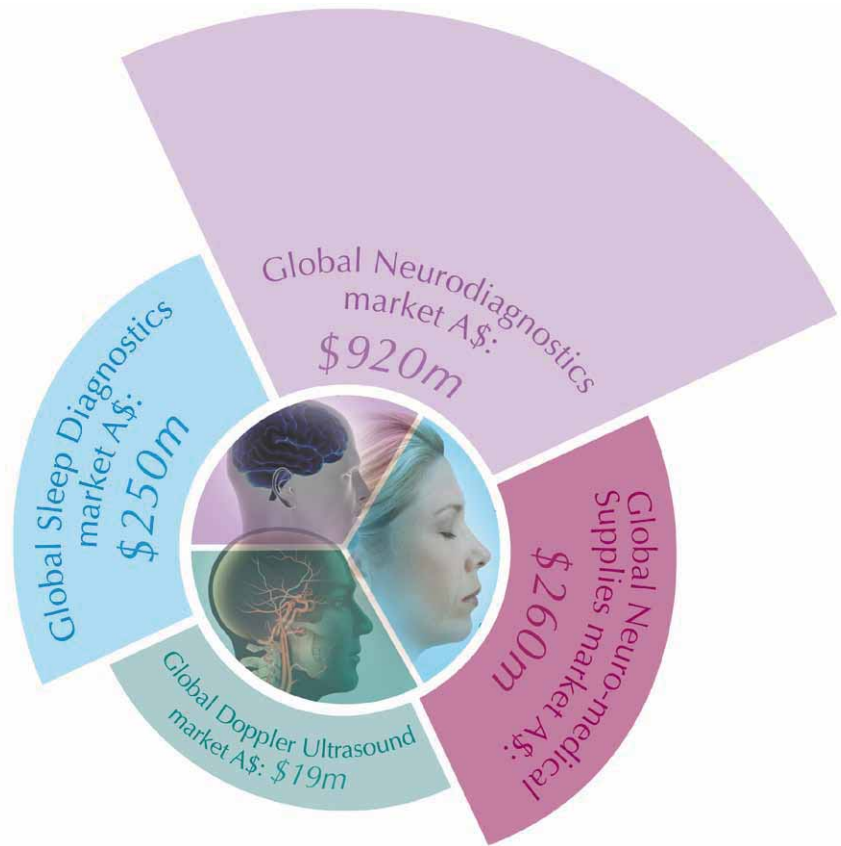
# The Business of Compumedics

Compumedics is a global technology leader in the development and commercialisation of computer based medical products.

Our technology has so far focused on the fast growing, high value sleep medicine market. We are now also focusing on the associated fields of neurodiagnostics and brain research.

By defining life's signals, our technology turns vast amounts of data into valuable information that leads to a more accurate diagnosis and consequently more effective therapy for some of the most serious health conditions.

We are an Australia based company with global operations and customers.



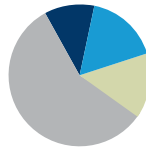
## Global Sleep Diagnostics market

### Description of the market:

The global Sleep Diagnostics industry is comprised of diagnostic and therapeutic technologies and medicines. Compumedics' core business lies in the design and manufacture of technologies for the diagnosis of sleep disorders – a market estimated to be worth AUD\$250 million worldwide and growing.

### Where we compete:

- Asia 14%
  - Europe 15%
  - USA 56%
  - Australia/NZ 15%
- (Total Sales)



### Competitive Advantages:

- 1 Innovative strength
- 2 Active involvement in sleep science globally
- 3 Market placement and momentum

### Current Market Share:

6%

### Key drivers:

To logically continue to expand our US and European sales and support infrastructure and to evolve the business to provide complete sleep medical solutions.

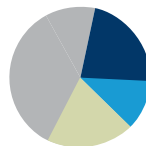
## Global Brain Research market

### Description of the market:

Global Brain Research is the study of the brain's functionality, using Quantitative EEG (QEEG) methods to supplement traditional EEG findings. With the advent of high speed digital information processing and statistical analysis, QEEGs extract and quantify brain electrical activity to address aspects of EEGs that cannot be appreciated visually.

### Where we compete:

- Asia 27%
  - Europe 23%
  - USA 40%
  - Australia/NZ 11%
- (Total Sales)



### Competitive Advantages:

- 1 Superior patented technology
- 2 Uncompromised system design
- 3 Unmatched innovation

### Current Market Share:

28%

### Key drivers:

The key driver for growth in brain research will be to maintain Neuroscan's preeminent technological lead and to back this by expanding the sales and support infrastructure to harness this expanding market opportunity.

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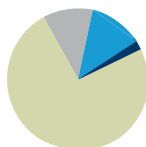
## Global Neurodiagnostics market

### Description of the market:

Global Neurodiagnostics is the study of electrical activity in the brain, spinal cord, nerves and muscles for the diagnosis and monitoring of neurological based diseases. Tests may be performed in hospital outpatient departments, neurophysiology labs, operating theatres, intensive care units and private practice.

### Where we compete:

- Asia 1%
- Europe 70%
- USA 13%
- Australia/NZ 16% (Total Sales)



### Competitive Advantages:

- 1 Complete range from clinical to research technologies
- 2 Uncompromised system design
- 3 Highest industry quality standards

Current Market Share:

*less than* 1%

### Key drivers:

The key drivers for achieving growth in this market are to have technologically superior products that differentiate Compumedics from the existing competition. With the current products being complemented by a completely new long-term monitoring device in 2010, this will be achieved.

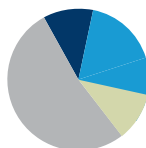
## Global Neuromedical Supplies market

### Description of the market:

The Neuromedical Supplies market comprises sleep consumables, brain research consumables and neurodiagnostic consumables. Typically, items sold in these markets comprise electrodes, sensors, head caps, gels, respiratory bands and the like. Items replacement cycles range from disposable to replacing once every six months.

### Where we compete:

- Asia 11%
- Europe 10%
- USA 51%
- Australia/NZ 28% (Total Sales)



### Competitive Advantages:

- 1 Existing installed base
- 2 Proprietary products
- 3 Growing distribution network

Current Market Share:

1%

### Key drivers:

The key drivers to growth in this market are marketing initiatives to increase our brand awareness followed by on time delivery and product quality and consistency.

## Global Doppler Ultrasound market

### Description of the market:

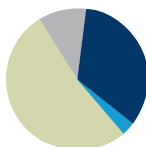
The Doppler Sonography technique utilises sound frequencies to measure the blood flow conditions in vessels and evaluate haemodynamics by using high-quality diagnostic and monitoring systems.

DWL Doppler systems are used in a wide range of specialist branches of medicine including neurology, neurosurgery, cardio- and vascular surgery, anaesthesia, intensive treatment, internal medicine, angiology and radiology.

The products are purchased by private practices and clinics, hospitals (both public and private), and by major universities, national research institutes and corporate research laboratories around the world.

### Where we compete:

- Asia 36%
- Europe 52%
- USA 10%
- Australia/NZ 2% (Total Sales)



### Competitive Advantages:

- 1 Full Digital Doppler Technology
- 2 Bilateral Doppler
- 3 Multi-Range Doppler Technology
- 4 Physiological Tests
- 5 Emboli Differentiation & Multi-Frequency probes
- 6 Highest Doppler sensitivity
- 7 Best signal to noise ratio
- 8 Reference gates
- 9 High and low temperature endurance systems
- 10 Space endurance systems

Current Market Share:

*less than* 35%

### Key drivers:

- Digital Doppler Technology
- New application areas for the use of TCD
- Expanding market opportunities by new Health Care Regulations for the use of TCD
- Expanding Sales and Support Infrastructure

# Clients of Compumedics

## Sleep Diagnostics



### Products provided

- Grael® – the world's first High Definition PSG/EEG
- Siesta®PSG – the ultimate in wireless Sleep recording systems
- Somté®PSG – unique holter style full PSG system
- Somté® – unique holter style cardio-respiratory system
- Profusion PSG™ – the next generation world class sleep diagnostics software
- Profusion Nexus™ – laboratory management system
- E-Series™ EEG/PSG – network ready laboratory and portable Sleep system
- Safiro® PSG – ideal for ambulatory applications in sleep

### Key Clients

- Austin Repatriation & General Hospital (Aust)
- Monash Medical Centre (Aust)
- Royal Prince Alfred Hospital (Aust)
- Sir Charles Gairdner Hospital (Aust)
- Royal Children's Hospital (Aust)
- Minnesota Regional Sleep Disorder Center (USA)
- University of Michigan Medical Center (USA)
- Yale Medical Center (USA)
- Carolina Healthcare System (USA)
- Carolina Sleep Services (USA)



Compumedics Grael®-HD

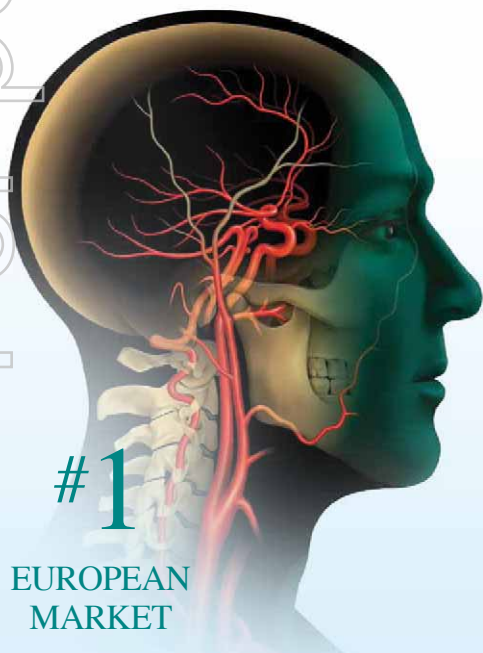


Compumedics Siesta®



Compumedics Somté® PSG

## Ultrasonic Blood Flow Monitoring



### Products Provided

- EZ-Dop®
  - Compact design. High performance.
- Multi-Dop® Pro
  - Flexible. Portable. And always at the ready.
- Doppler-Box™ X
  - A new Generation.
- Multi-Dop®T digital
  - Compact. And extremely versatile.
- Multi-Dop®X digital
  - A state-of-the-art all-in system.
- Multi-Dop®X digital with Color Doppler Imaging Module
  - Two Methods - One Solution.

### DWL® Atlas of Doppler Sonography

Doppler sonography with its ability to measure flow velocity in blood vessels provides a perfect understanding of the hemodynamic situation under normal and pathological conditions. The great number of applications resulting from this ability touch upon a wide spectrum of medical and technical knowledge.

With the DWL® Atlas of Doppler Sonography it has been created a reference work presenting a wealth of information about Doppler sonography in pictures, videos, and not least, research papers.



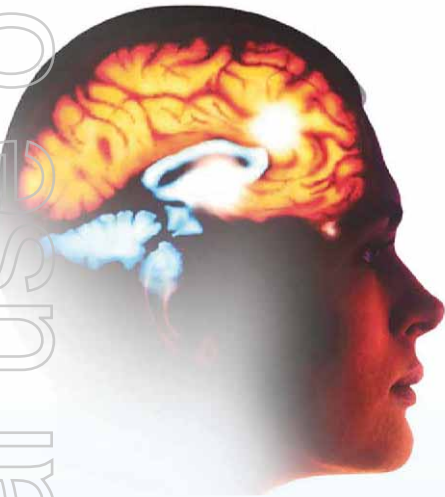
Doppler-Box™ X



EZ-Dop®

# Neuro Diagnostics (including Brain Research)

- Clinical
- Research



## GLOBAL MARKET POSITION BEING BUILT

Exciting opportunities exist  
in the massive Neuro-  
diagnostics market worth:

**\$920M<sub>p.a.</sub>**

### Products Provided

- Neuvo® LTM – the new standard in LTM & epilepsy monitoring
- GraeL® EEG – high-definition clinical EEG system
- E-Series™ EEG – network-ready laboratory and portable EEG solution
- Safiro® EEG – a perfect solution for ambulatory applications
- Siesta® EEG – the ultimate in wireless capabilities in EEG
- SynAmpsRT™ – world's most powerful and advanced amplifier
- CURRY® SCAN 7 Neuroimaging Suite - for signal acquiring, processing and source and image analysis
- MagLinkRT™ system for EEG recording in the fMRI environment
- Stim™ audio visual stimuli presentation software

### Key Clients

- Flinders Medical Centre (Aust)
- Austin Repatriation & General Hospital (Aust)
- St. Vincent's Hospital (Aust)
- Royal Children's Hospital (Aust)
- University of Melbourne (Aust)
- University of Sydney (Aust)
- Swinburne Centre for Applied Neuroscience (Aust)
- Yale New Haven Medical Center (USA)
- University of South Alabama (USA)
- Georgia Health Sciences University Medical Center (USA)
- University of Chicago (USA)
- Stanford University School of Medicine (USA)
- Oxford University (UK)
- Tokyo University (Japan)
- Peking University (China)



Compumedics  
GraeL®-HD EEG



Compumedics  
Neuvo®  
512 Channel



Compumedics CURRY® SCAN 7  
Neuroimaging Suite

# NeuroMedical Supplies®

## GLOBAL MARKET POSITION BEING BUILT



### Products provided

- Our comprehensive range of products  
produced for this market are:
- Airflow Sensor
  - Chest Sensor
  - Electrodes
  - EMG Needles
  - Leads
  - Snoring Monitor

### Key Clients

- Winmar Diagnostics (USA)
- Maine Medical Center (USA)
- Providence Medical Center (USA)
- Landauer Medical (USA)

# Sleep Diagnostics & Treatment



*Compumedics was founded with the establishment of computerised sleep diagnostics and today sleep deprivation is recognised as one of the most serious modern day health epidemics. Sleep disorders such as apnoea have been implicated as a leading causation of two of today's principal causes of death being cardiac arrest and stroke.*

*"Compumedics provides us with unrivaled flexibility and power in its PSG acquisition, scoring and reporting systems. The sales and service staff are second to none in customer satisfaction and are just as reliable as their equipment. I just hope that our competition doesn't catch on!"*

Luis A. Garcia, RPSGT  
Clinical Director LMI Sleep Diagnostics Division  
Landauer Metropolitan Homecare

## What is a Sleep Disorder?

A sleep disorder is a medical condition that affects a person's ability to have a 'normal' night's sleep. There are 85 classified sleep disorders ranging from snoring, obstructive sleep apnoea and insomnia to narcolepsy. Identified in 1966, obstructive sleep apnoea (OSA) is the most common form of sleep disorder and is a serious and potentially life threatening condition. Of the estimated 40 million Americans believed to suffer from treatable sleep disorders it is thought that 50% suffer from OSA.

## How are Sleep Disorders Diagnosed?

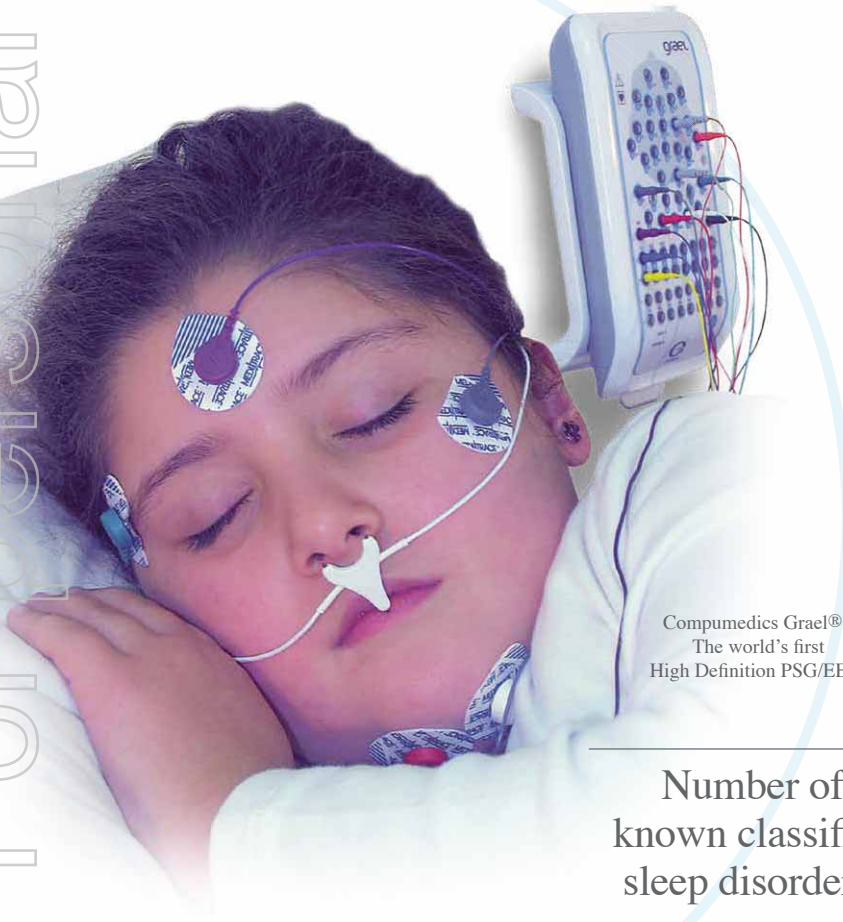
General practitioners will refer patients who suffer from a variety of sleep-related symptoms (severe snoring, daytime tiredness, general fatigue and poor sleep patterns) to sleep physicians or respiratory physicians. At the specialist's recommendation, the patient may need to undertake a sleep study either in a sleep clinic or at home. In sleep studies, sensors are attached to the patient's head, chest, hands and legs. In home studies the patient is connected to a portable sleep diagnosis device prior to sleep. For 8 to 10 hours, breathing patterns, leg movements, eye movements, patient position and responses to light, sound and temperature are monitored using ECG, EEG, EMG, SaO<sub>2</sub>, TeCO<sub>2</sub> and CPAP (a Continuous Positive Air Pressure device). High-resolution monitors display on-line and off-line physiological waveforms as well as trend analysis data.

Compumedics Gael® -  
The world's first  
High Definition PSG/EEG.

Number of  
known classified  
sleep disorders:

85

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Compumedics Somté® PSG Vest - for easy set-up and patient comfort.



Somnilink® SPAP®  
- Compumedics' innovative sleep apnoea therapy device.



Compumedics Profusion PSG™  
- the next generation of world class PSG acquisition, review and analysis software.

Certain segments of the population appear to be at more risk of developing sleep disorders. Typical sufferers are middle-aged males, with a history of severe snoring. There are also certain risk factors that increase the chance of developing sleep disorders including:

- Obesity
- Ageing
- Genetic predisposition
- Smoking
- Alcohol consumption

Many of these risk factors reflect the characteristics of modern society. It is anticipated that these risk factors, combined with the increasing awareness of sleep disorders within the medical community, will continue to generate substantial growth in the sleep device market.

#### Links to Other Diseases

Sleep disordered breathing is more common in people with high blood pressure, heart disease, diabetes, stroke and a number of other common medical conditions. It is thought that the lowering of blood oxygen during sleep and the frequent apnoeic episodes contribute to vascular, heart and brain dysfunction (such as stroke and memory impairment) for people with these medical conditions. Sleep disordered breathing is also more common in people with spinal cord injury and may contribute to daytime dysfunction and excessive sleepiness in this group. There is also a newly discovered link between sleep disordered breathing and pre-eclampsia in pregnancy and it may be that upper airway obstruction disrupting

sleep leads to the high blood pressure in this condition.

As the understanding of the links between sleep quality and normal function across the whole range of body systems increases, new and valuable insights into the cause of many common diseases, and the potential role for improving breathing and sleep quality in the treatment of those conditions will be gained.

Impaired and disturbed sleep quality has an enormous impact on psychological function, mood, memory and general cognitive performance. This has led to increased awareness of the importance of good sleep quality in prevention of industrial and motor vehicle accidents and absenteeism in the work place. Clearly, strategies to improve and promote sleep health in the community are of considerable socio-economic importance in creating a healthy society.

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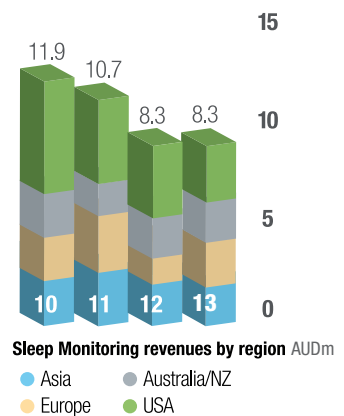


Compumedics Somté® PSG - the next generation of Somté recorders. Full PSG... absolutely anywhere.

#### How Common are Sleep Disorders?

Sleep disorders are estimated to affect approximately 40 million Americans. In 1993, the National Commission on Sleep Disorders Research estimated that approximately 20 million individuals in the USA suffer from OSA. Of this 20 million, more than 30% (6.5 million) over the age of 30 suffer moderate to severe OSA. However, only a small proportion of OSA sufferers were aware of the cause of their sleep problems.

This rate of occurrence ranks sleep disorders as more prevalent than asthma in the USA. Sleep disorders remain a relatively new area of medicine and due to the lack of awareness, a large percentage of sufferers are currently undiagnosed.



# Neuro Diagnostics (including Brain Research)



*Compumedics through the acquisition of the Neuroscan business in 2002 expanded its business to brain research and neurological diagnostics. Both markets are highly complementary to Compumedics sleep business. Compumedics has focused on leveraging Neuroscan's high end brain research technology to a more clinical application and the outcome of this is the recently released Neuvo® long term monitoring device.*

*"We evaluated solutions from other vendors but none could provide the integrated solution that Compumedics offered to help guide us in surgically treating this patient population."*

Dr. Dean Naritoku, Professor and Chair of Neurology, USAMC.

## What is clinical Neurodiagnostics?

It is the study of electrical activity in the brain and spinal cord for the diagnosis of neurological-based disorders. The methods used to study clinical neurophysiology include Electroencephalography (EEG), Electromyography (EMG), Nerve Conduction (NCS), and Evoked Potentials (EP). These tests may be performed in hospital outpatient departments, neurophysiology labs, operating theatres, intensive care units, epilepsy centers and private practice offices.

EEG is used in the evaluation, monitoring, diagnosis, and/or management of the following brain related issues: Epilepsy, Traumatic Brain Injury, Infarction, and Intracerebral Hemorrhage as well as a host of research purposes.

EEG is an important growth area and part of the "journey" for Compumedics: EEG is the largest segment of the world market for Neurodiagnostics.

The primary markets for these devices are Europe and America with approximately 40% of the world market. However, Asia Pacific and Latin American markets are also expected to grow at a strong rate over the next 10 years.

EEG is inexpensive and non-invasive. It is virtually pain and risk free and is one of the most benign tests for monitoring brain function in the evaluation of epilepsy.

Growth in neurodiagnostics is being driven by the prevalence of reliable technology and performance requirements of the EEG as a clinical instrument in surgical therapy,

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Compumedics Grael® HD  
EEG System -  
High Definition  
Clinical EEG System

Compumedics Neuvo® - the ultimate  
long-term EEG monitoring system



known as Intraoperative Monitoring (IOM), and for extended epilepsy monitoring or Long Term Monitoring (LTM).

Epilepsy is a chronic neurological disorder that affects 1% of the world population. Most of the health care costs associated with epilepsy are attributable to those patients with medically intractable seizures. Many of those disabled by epilepsy may be candidates for surgical therapy. Note: in 2003 there were an estimated 100,000 – 200,000 potential surgical candidates in the USA alone. Early and successful surgical intervention might prevent or reverse disabling consequences of uncontrolled seizures during critical periods of adolescence and adulthood.

**What is brain research?**

Brain research is the study of the brain's functionality, using quantitative measures of EEG to supplement traditional EEG findings. With the advent of high speed digital information processing and statistical analysis, extracting quantitative measures of EEG to assess the status of brain function allows access to aspects of EEGs that cannot be appreciated visually. Theoretically, such techniques incorporated the heuristics of visual analysis of EEG but move it to a state of processing beyond "the eye of the beholder". There are a variety of quantitative analysis techniques ranging from simple surface mapping of recorded EEG activity, to complex models that accurately define the source of these electrical activations in a three dimensional model of the head. Advanced brain source reconstruction techniques highlight regions of interest to the neuroscientist in understanding brain function and may assist in clinical diagnosis and treatment planning of some medical conditions.

**Why is this important to Compumedics?**

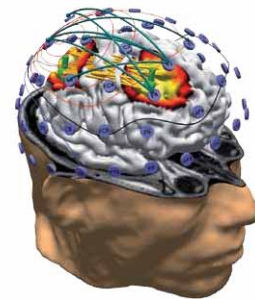
Leadership in objective and quantitative methods of EEG analysis and other brain research activities is important not only in terms of maintaining Neuroscan's pre-eminent position in this market and therefore its dominant market share, but to also lead the sleep and neurodiagnostic business technologies into the future. The Neuroscan Brain Research business is focused on working with key academics and researchers around the world in the pursuit of new neurophysiology research tools that have the potential to open up new clinical diagnostic solutions for known neurological disorders. The Neuroscan Brain Research business works with key researchers and industry leaders who write the research articles that form the basis of knowledge for neurodiagnostic clinical practices for the next 10-15 years.

The majority of these key decision makers use Compumedics Neuroscan products.

Or to put it practically, more than 1,400 physiological research laboratories across the world use Compumedics Neuroscan brain research products. These laboratories include prestigious laboratories such as: Albert Einstein College of Medicine (USA)– Stanford University School of Medicine (USA)– Oxford University (UK)– The Mayo Clinic (USA)– Yale School of Medicine (USA)– University of Melbourne (Aust)– Tokyo University (Japan)– University of Sydney (Aust). It is these research institutes that will drive clinical practices in the future, all using Compumedics Neuroscan equipment in their investigations. This gives our neurodiagnostic business a significant competitive advantage and will ensure the neurodiagnostic functionality in our sleep diagnostics also remains leading edge.



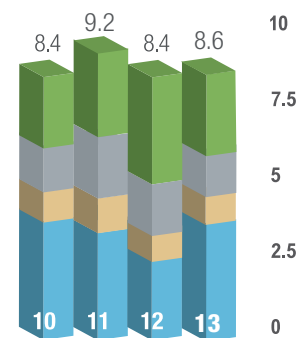
Xegis Fort™ System - Compumedics' EMG / EP Workstation. Xegis G:neo™ System - Compumedics' ultra-portable EMG / EP System.



CURRY SCAN 7 Neuroimaging Suite - for signal acquiring, processing and source and image analysis.



SynAmps RT™ - sets a new standard in EEG and ERP amplifier technology.



Brain Monitoring revenues by region AUDm  
 ● Asia ● Australia/NZ  
 ● Europe ● USA

# Ultrasonic Blood Flow Monitoring

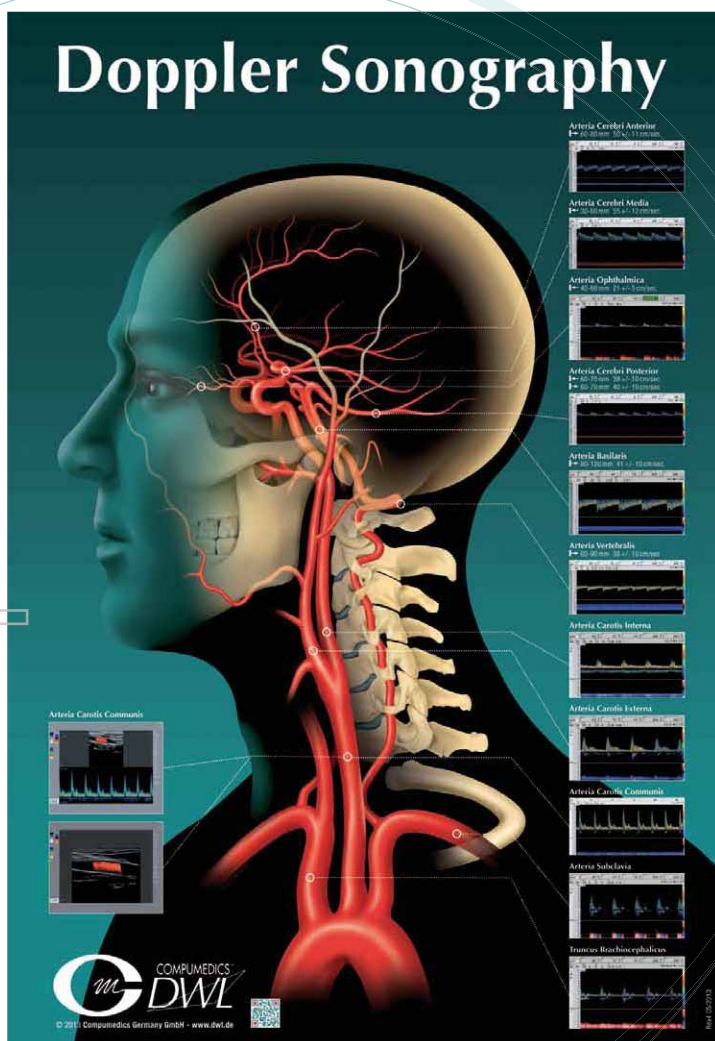


*To grow the business by innovations and developments in technology and products and by capitalising on opportunities in application fields for practicable routine Doppler Sonography, Neuro-monitoring and Neuro-protection and into stroke treatment opportunities.*



TCD Monitoring

## Doppler Sonography



### What is Doppler Sonography?

The Doppler Sonography technique utilises sound frequencies to measure the blood flow conditions in vessels and evaluate haemodynamics by using high-quality diagnostic and monitoring systems.

**Transcranial** (1 and 2 MHz), **extracranial** (4 and 8 MHz), **peripheral** (4 and 8 MHz) and **microvascular** (16 MHz) arteries and veins, can be carried out using DWL Doppler systems in either **continuous wave (CW)** or **pulsed wave (PW)** modes.

In CW mode, one frequency is continuously transmitted and received, in PW mode the probe emits pulses of ultrasound and receives the reflected signals in between, thus a depth selection is possible. Transcranial Doppler sonography is not possible without depth selection.



**Multi-Dop®X digital with Color Doppler Imaging Module -**  
A state-of-the-art complete solution which combines the latest Doppler technology with a Color Doppler Imaging module for intracranial Doppler investigations and extracranial Duplex investigations.



**Doppler-Box™ X**  
A new generation - Doppler technology with the highest level of innovation. Connects to any external Windows®-based computer.

### Different kinds of Doppler Sonography

#### Transcranial Doppler Sonography

... is carried out using 1 or 2 MHz probes in pw mode only. The arteries of the Circle of Willis and the A. basilaris are examined.

#### Extracranial Doppler Sonography

Using the 8 MHz probe, the artery to the eye (A. supratrochlearis) is examined. All other brain supplying arteries are typically examined using the 4 MHz probe.

#### Peripheral Doppler Sonography

The arteries and veins of the pelvis and upper thighs are examined using the 4 MHz probe.

In other peripheral areas the 8 MHz probe is normally used according to the constitution of the patient.

#### Microvascular Doppler Sonography

... is carried out using a 16 MHz probe. The neuro or vascular surgeon places the probe directly onto the exposed blood vessel and measures its blood flow. The ability to sterilise the probes is very important in these cases.

### Many different applications

Neurology, neuro, heart and vascular surgery, anaesthesia, emergency and intensive care, ENT and oral and maxillofacial surgery – the application spectrum of DWL Doppler systems is broader than ever before:

- \* vasospasms
- \* aneurisms
- \* stenosis
- \* embolisms
- \* arterial plaque
- \* transient ischaemic attack (TIA)
- \* stroke
- \* ischaemia
- \* brain death
- \* sickle-cell disease
- \* cerebral vasomotor reserve
- \* cerebral autoregulation
- \* vascular regulation
- \* endarterectomy
- \* bypass/shunt/stent
- \* patent foramen ovale (PFO)
- \* thrombosis
- \* anastomosis
- \* vascular pedicled flaps



**EZ-Dop®**  
Compact, portable and modular Doppler device for routine diagnostics.



After several successful years of marketing our products and services through local distributors, we have now moved still closer to our North American customers:

In founding DWL US, Inc., located in San Juan Capistrano, California, with US wide local sales representation, we have laid the foundation to provide even better service and support.

# NeuroMedical Supplies



*Expand this business segment into a leading provider of a comprehensive range of consumable items to serve not only our installed customer base but the entire sleep and neurodiagnostics industry.*

*Before using QuickCel we had problems with our youngest subjects, under the age of 3 or 4, sitting through the tasks. With the QuickCel the children are able to sit through the cap application with no problem. This allows for much longer testing sessions and overall clearer data. A happy child means a happy parent. As a result, not only are the testing sessions cleaner and easier, but we've found that parents tell their friends and suddenly our recruiting is up! We've been incredibly happy using the QuickCels.*

Mandy J. Maguire, Ph.D.  
Assistant Professor  
The University of Texas at Dallas / Callier Center for  
Communication Disorders  
School of Behavioral and Brain Sciences

## What is NeuroMedical Supplies?

NeuroMedical supplies is a leading manufacturer and full-range distributor of supplies and accessories for Sleep and Neurodiagnostic laboratories, research facilities and transcranial Doppler professionals.

As innovators in our field, we understand how vital accessories, sensors and disposable items are in the diagnosis and study of sleep, the nervous system and the brain. Through our intimate

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Installed  
Compumedics/  
Neuroscan/DWL  
sites globally

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over  
14,000

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Summit IP™ – Respiratory effort sensor system using true inductive plethysmography



QuikCell™ – Unique liquid electrolyte application system



Quik-Cap® PSG – Electrode application system for Sleep Diagnostics

understanding of this area, we manufacture and procure supplies and accessories that complement our system standards and are of the highest quality. Our goal is to be a single source provider for every conceivable customer need.

NeuroMedical supplies endeavours to provide our clients with competitively priced supplies and accessories for all of their sleep and neurodiagnostic needs. We are constantly expanding our product offerings and looking for creative and effective ways to enhance customers' purchasing experience with our company. Just in time delivery, annual contract purchase discounts and per-patient

customised pricing bundles are a few of the initiatives we pursue to enhance our clients productivity while minimising their costs.

In addition to seeking out and selecting the best available supplier-partners, Compumedics designs and manufactures its own line of products from our 6000 sqm facility in Melbourne, Australia. Our operations and products are regularly audited for FDA, CE, ISO and ETL standards, to ensure that our customers receive consistent world-class products and services.



US Market for Neuromedical supplies:

over \$250M

Number of beds installed with Compumedics sleep equipment globally:

over 4,000

Quik-Cap® PSG is the first universal application system for sleep diagnostics. Compatible with virtually all manufacturers systems, the Quik-Cap® PSG offers rapid placement, consistency for improved quality control, comfort for the patient and quick easy clean-up to enhance overall lab productivity.

# Board of Directors:

*Compumedics is committed to developing a world class working environment that rewards individuals for the contributions they, and their teams, make to the business each year. Compumedics is proud of the diversity of its people, and continues to develop its people infrastructure under the guidance of the Senior Management Team and the Board.*



**Dr. David Burton, Ph.D.**

Executive Chairman, CEO

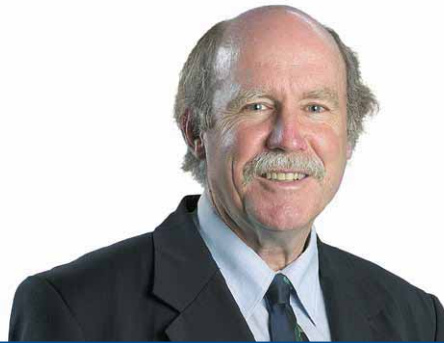
Dr. David Burton, Ph.D. 54, is the founder, Chairman and CEO of Compumedics. After establishment of Compumedics the company was listed on the ASX in 2000, and has been awarded 24 awards for design, innovation, business and exports including the Australian Exporter of the Year in 1998 and Small Business of the Year in 1999.

Dr. Burton started his career at the Bureau of Meteorology, where he studied radar techniques and electronic equipment. He founded Linear Transfer Pty Ltd, which designed, manufactured and marketed high fidelity recording and sound equipment. He was awarded an Associate Diploma in Engineering (Electronics) by the Royal Melbourne Institute of Technology and a Ph.D. (Eng. Sc.) by Monash University, Melbourne (Australia). Dr. Burton's engineering background includes the design and project management of the Compumedics' first sleep laboratory and portable sleep systems. Dr. Burton has authored fifteen patents or patent applications that form part of Compumedics' key intellectual property.

Dr. Burton has served as an advisor for the Victorian Government as a member of the Council for Knowledge, Innovation, Science and Engineering (KISE), being the Victorian Government's key advisory body on issues and policies focusing on science and innovation.

Dr. Burton was presented the Clunies Ross National Science and Technology Award in 2002 for his development of innovative sleep monitoring technology. He was awarded the 2003 Centenary Medal by the Prime Minister and Governor General of Australia for outstanding contribution to science and technology, particularly public science policy. In 2003 Dr. Burton was awarded the Ernst & Young Victorian Entrepreneur of the year award for technology, communications, E-commerce and life sciences. In 2007 Dr. Burton was inducted into the Victorian Manufacturing Hall of Fame in recognition of manufacturing achievements and world-wide medical device exports.

Dr. Burton continues to serve as a Victorian Government adviser as a Board member of the Design Victoria (2008- ).



**Professor Graham Mitchell AO**

Non-Executive Director

Professor Mitchell, 72, is recognised as one of Australia's leading biological scientists. His expertise extends over a wide range of science and technology fields. He has a detailed knowledge of the academia - industry interface, has authored more than 350 publications, and received numerous awards for scientific achievement. In 1993, Professor Mitchell was appointed an Officer of the Order of Australia for services to science. Professor Mitchell is a principal of Foursight Associates Pty Ltd., and Non-Executive Director of Antisense Therapeutics Limited, Avipap Pty Ltd., Adelaide Research and Innovation Pty Ltd., and AVS Pty Ltd. He acts as a principal adviser on innovation to the Victorian, Tasmanian, Northern Territory and Commonwealth Governments. He is joint Chief Scientist for the Victorian Government Department of Primary Industries and Department of Sustainability and Environment.



**Mr Alan Anderson**

Non-Executive Director

Mr Anderson, 57, is a leading American attorney in the areas of commercial litigation, intellectual property and computer law. He has represented Compumedics for all legal matters in the USA since late 1998.

Mr Anderson completed his Bachelor of Arts with Honours (Political Science) at Coe College. He also holds a Master of Business Administration with Distinction, a Doctor in Law with Honours from Cornell University, and a Certificate in International Business and Commercial Law from the McGeorge School of Law (University of the Pacific).

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# Senior Management:



**Dr. David Burton, Ph.D.**  
Executive Chairman, CEO



**David Lawson**  
Chief Financial Officer  
& Company Secretary



**Warwick Freeman**  
Chief Technology Officer

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**Kerry Hubick**  
Trademark, Patent  
& General Legal Attorney



**Christoph Witte**  
General Managing Director  
DWL Compumedics Germany GmbH

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