

Record half year profit

Leading Australian based medical diagnostics devices company, Compumedics Limited (ASX: CMP), is pleased to announce that it achieved record first half-year profitability for the six months ended 31 December 2007

Highlights and achievements for the period

- RECORD first half-year profit-after-tax of \$1.6 million UP 250%
- RECORD first half-year revenue of \$20.1 million (UP 2%)
- Operating cash more than DOUBLED to \$1.0 million (UP 147%)
- Results achieved following restructuring in 2005-2006 that removed approximately \$5 million in annual expenses from the business
- RECORD profit despite continued high R&D investment [19% (5 year average) and 13% (in 2007) of operating revenue, mainly expensed]
- Profitability restored in 2006-2007, continues to grow
- New global banking and financing relationship established with HSBC Australia
- Compumedics well-positioned for new opportunities and accelerated growth over the next few years
- Compumedics entered into an agreement to expand its product range into the multi-million dollar global electromyography (EMG), nerve-conduction studies (NCS), evoked potential (EP) and intra-operative monitoring (IOM) markets in the second half of calendar year 2007
- Other major new product releases and upgrades are planned for 2008.

David Burton, CEO, said about Compumedics' results,

"The record profit for the half-year in the core business is a testament to the resolve and hard work of all Compumedics employees around the world to restore Compumedics to be a financially strong, world leading medical device company."

"The key challenge for the Company and all our employees is to build on these results and further strengthen the financial capability of the Company so we can aggressively, where necessary, pursue market opportunities for our existing and future products and technologies."

"I am pleased that, in the face of the constraints on working capital and adverse currency movements, the Compumedics team was able to maintain the level of revenue of recent half-years, with significantly reduced costs, and working capital. The Company continues to strengthen its position so that it can return to its traditional growth outlook, whilst restoring our cash reserves"

This article is an extract from two Australian Stock Exchange announcements which can both be read in full at:
<http://www.compumedics.com/article.asp?p=33&a=220>
<http://www.compumedics.com/article.asp?p=33&a=222>

CURRY on the cover of EPILEPSIA

Plummer C, Harvey AS, Cook M. (2008)

EEG source localization in focal epilepsy: Where are we now?

Epilepsia. 49:201-18

Clear demonstrations of the validity and utility has kept electroencephalographic source localization (ESL) of epilepsy away from standard clinical use. However, this review of state-of-the-art ESL techniques by Plummer, Harvey and Cook from St. Vincent's Hospital in Fitzroy, Victoria, Australia, illustrates how far such methods have come over the past decade. With a particular emphasis on CURRY, Plummer and colleagues strongly argue that ESL will soon become an accepted, standard tool in the repertoire of the clinical neurologist. CURRY's ability to easily and quickly generate realistically-shaped volume conductor models based on the individual's structural MRI combined with co-registered EEG from that individual brings a level of accuracy to ESL not previously available. Clearly, ESL will not replace current advanced imaging techniques such as (f)MRI. However, the capabilities provided by ESL as a method for localizing epilepsy provides an additional non-invasive source of convergent data to further assist the neurologist in pre-surgical planning. With FDA market clearance, CURRY is one ESL application fully prepared for this function.



Examples of Recent EEG/fMRI Publications using NEUROSCAN Systems:

Bernstein LE, Auer ET, Wagner M, Ponton CW. (2008) Spatiotemporal dynamics of audiovisual speech processing. *NeuroImage*, in press. *NeuroImage*. 39:423-35.

Basilea LFH, Anghinah R, Ribeiro P, Ramosa RT, Piedaded R, Ballester G, Brunetti EP (2007) Interindividual variability in EEG correlates of attention and limits of functional mapping. *International Journal of Psychophysiology*. 65:238-251.

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COMPUMEDICS
"Defining Life's Signals"

Compumedics USA new Training Facility gets a *work-out*



With the move to its new facilities in Charlotte, North Carolina last summer, Compumedics USA initiated a new training facility for its extensive classroom-based customer and staff training activities for our Sleep, Neuroscan, Neuroscience and DWL divisions. In the past few weeks we have hosted a ProFusion Proficiency course and NeXus course by Marjie Cummings, a SCAN School with Ronnie Abi-Baad and Rob Simon and most recently, our mid-year sales meeting – quite an ambitious agenda for the new location!

One goal of the office move to Charlotte was to have a world-class facility that was easily accessible by the bulk of our customer base. As every class has been full to capacity, it looks like that goal was handily achieved. One pleasant surprise is the draw of International Customers from as far away as Hong Kong!

The new facility features a wide classroom aspect with comfortable seating for all, and laptop work stations for each student. The entire room is networked so that students can either follow-along at their own pace, or join with the instructor in a NeXus type environment. The room is equipped with multiple projectors; surround sound, cameras and a link to each of the Compumedics, Neuroscan and DWL systems in use for the training course being conducted. We are able to simulate a complete Sleep Lab for as realistic a training experience as possible.

Because the training facility is inside of the Compumedics USA headquarters office, customers are also treated to a tour of the facility and get a chance to meet the “behind the scenes” individuals responsible for providing them with a great Compumedics experience. In addition the USA staff has worked out favorable corporate rates with local hotels and they have graciously provided shuttle service to and from the hotel to the office for the convenience of our students.

And Charlotte has proven to be a draw for other reasons as well. Our customers have commented on the ability to find inexpensive flights into and out of Charlotte with convenient schedules and good connections where direct flights are unavailable. Couple all of these benefits with the extraordinarily nice weather, and the beginning signs of spring and the whole visit really turns into a truly memorable one for all of our students. Check out our website for upcoming courses and register early as spaces fill quickly!

www.compumedics.com.au
[Home > News > Upcoming Events]

Compumedics quoted in recent press

In a recent article produced by Australian company BioTechnologyNews.net (BTN), commenting on the state of Home Sleep testing in the USA, Compumedics USA Vice President of Marketing, Tom Lorick, was quoted regarding the recent Medicare decision to allow HST in the USA.

Lorick told BTN that the decision should allow an expansion of the company’s US sales.

“Compumedics is pleased with the recent Medicare decision to allow home sleep testing (HST) as an accepted method for determining the need for CPAP therapy,” he said.

“The primary reason this type of testing was not utilised in the USA earlier is that these types of tests were not reimbursed by the healthcare system, making it financially unfeasible for sleep professionals to pursue offering the services.”

Lorick said the recent ruling, allowing reimbursement, made it worthwhile for diagnostic facilities to expand their services and test patients in their most comfortable environment.

“We think that utilisation of systems like our Somté [system] can help ease the backlog of patients awaiting full polysomnography studies, and help to ensure that those candidates that proceed on to full studies are well selected,” Mr. Lorick was quoted as saying.

<http://www.biotechnologynews.net/StoryView.asp?StoryID=193920>

Compumedics celebrates Cambodia's first E-series EEG system

Due to a new partnership with Europ Continents and our local distributor JnJ, Compumedics installed the E-Series EEG systems in the Kantha Bopha V Hospital in Phnom Penh in February 2008.

The Kantha Bopha V hospital is one of five hospitals in Cambodia headed by Swiss doctor, Beat Richner.

The Kantha Bopha group of hospitals, treat over 1 million children per year in Cambodia free of charge. With funding coming from the Cambodian government, the Swiss government and donations, the hospitals are completely self sufficient with over 2000 Cambodian staff who are all paid salaries and do not accept payments from patients in exchange for medical treatment.

In the last 15 years, the Kantha Bopha hospitals have treated over 650,000 inpatients and 7.5 million outpatients. Doctor Richner believes that over 500,000 Cambodian children, would not have survived without his hospitals.

The EEG lab in the Kantha Bopha V Hospital required urgent replacement of their old system and the alliance between JnJ, Europ Continents and Compumedics, made delivery possible within 2 weeks. Training was provided to all staff and the EEG lab resumed normal operation with minimal disruption to the hospital.



Latest study using Compumedics Somté in Japan

SLEEP, Vol. 31, No.3, 2008

Sleep-Disordered Breathing in the Usual Lifestyle Setting as Detected with Home Monitoring in a Population of Working Men in Japan

Study Objectives: To examine (1) the prevalence of home-monitored sleep-disordered breathing (SDB) and obstructive sleep apnea syndrome in a Japanese working population and (2) whether home monitoring with a type 3 portable monitor and actigraphy can produce reliable data to analyze SDB in usual lifestyles.

Methods: A cross-sectional survey using a self-administered questionnaire was conducted on a group of employees at a wholesale company in Osaka, Japan. Examinations by physicians and by sleep monitoring were also performed. Unattended home cardiorespiratory (type 3) sleep studies with actigraphy were conducted for 2 nights to diagnose SDB in 322 subjects. From the baseline questionnaires and sleep diaries, participants were assessed to follow their usual lifestyles during the study (e.g., time in bed, alcohol intake).

Results: Of 466 Japanese male employees, 396 responded to the questionnaire survey (85.0%). Results from 322 male employees aged 23 to 59 (43.8 ± 8.4 years) were analyzed. Respiratory disturbance index (RDI),

calculated from the type 3 portable monitors and actigraphy, was highly reliable with an intraclass correlation of 0.98 for interscorer reliability and with an intraclass correlation of 0.95 for night-to-night reliability. Prevalence of mild ($5 < RDI < 15$), moderate ($15 \leq RDI < 30$) and severe ($RDI \geq 30$) SDB in this population were 37.4%, 15.7%, and 6.6%, respectively. The prevalence of obstructive sleep apnea syndrome ($RDI \geq 5$ and Epworth Sleepiness Scale score > 10) was 17.6%.

Conclusions: The prevalence of moderate to severe SDB ($RDI \geq 15$) was 22.3% in this Japanese male working population aged 23 to 59, measured in participant's usual life settings. Unattended home monitoring with type 3 portable monitors and actigraphy was highly reliable and may be suitable for analyzing SDB in the usual lifestyle setting.

Yukiyo Nakayama-Ashida, MT, MEng¹; Misa Takegami, RN, MPH²; Kazuo Chin, MD, PhD³; Kensuke Sumi, MD, PhD^{3,4}; Takaya Nakamura, MD, PhD^{3,5}; Ken-ichi Takahashi, MD³; Tomoko Wakamura, RN, PhD⁶; Sachiko Horita, RN, MSN^{7,8}; Yasunori Oka, MD^{9,10}; Itsunari Minami, PhD¹; Shunichi Fukuhara, MD, MSc²; Hiroshi Kadotani, MD, PhD^{1,11}



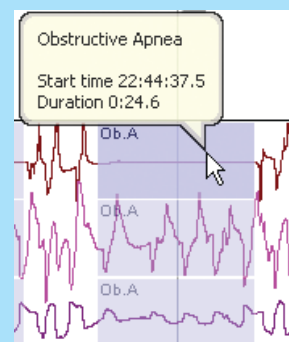
CHOICE SLEEP PAPERS

- CAMPOS-RODRIGUEZ F, PEREZ-RONCHEL J, GRILO-REINA A, LIMA-ALVAREZ J, BENITEZ MA, ALMEIDA-GONZALEZ C.
Long-term effect of continuous positive airway pressure on BP in patients with hypertension and sleep apnea.
Chest 2007;132(6):1847-52.
- DRISCOLL HC, SERODY L, PATRICK S, MAURER J, BENSASI S, HOUCK PR, MAZUMDAR S, NOFZINGER EA, BELL B, NEBES RD, MILLER MD, REYNOLDS CF 3RD..
Sleeping well, aging well: a descriptive and cross-sectional study of sleep in "successful agers" 75 and older.
Am J Geriatr Psychiatry 2008;16(1):74-82.
- DAUVILLIERS Y, PENNASTRI MH, PETIT D, DANG-VU T, LAVIGNE G, MONTPLAISIR J.
Periodic leg movements during sleep and wakefulness in narcolepsy.
J Sleep Res 2007;16(3):333-9.
- JOHAL A, PATEL SI, BATTAGEL JM.
The relationship between craniofacial anatomy and obstructive sleep apnoea:
J Sleep Res 2007;16(3):319-26.
- TASALI E, LEPROULT R, EHRMANN DA, VAN CAUTER E.
Slow-wave sleep and the risk of type 2 diabetes in humans.
Proc Natl Acad Sci U S A 2008;105(3):1044-9.
- KIM HY, BOK KH, DHONG HJ, CHUNG SK.
The correlation between pharyngeal narrowing and the severity of sleep-disordered breathing.
Otolaryngol Head Neck Surg 2008;138(3):289-93.
- CIFTCI B, CIFTCI TU, GUVEN SF.
Split-night versus full-night polysomnography: comparison of the first and second parts of the night.
Arch Bronconeumol 2008;44(1):3-7.
- GURUBHAGAVATULA I, NKWUO JE, MAISLIN G, PACK AI.
Estimated cost of crashes in commercial drivers supports screening and treatment of obstructive sleep apnea.
Accid Anal Prev 2008;40(1):104-115.

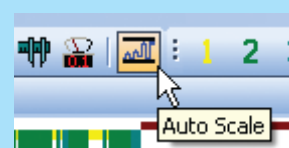
QUICK Tips & Shortcuts for Profusion PSG 3 users

1. Drag and drop from the Physical Inputs pane of the Recording Configuration window (PSG Online) or the Study Configurations window (Profusion PSG 3) to quickly add traces. Click and hold the shift key while dragging to reference inputs.

2. Turning on the Tooltip (from the menu select Tools > Options > Preferences > User Settings) will display an information popup when hovering the cursor over study log entries and marked events.



3. The Auto Scale feature can be used to automatically change to the optimal zoom on respiratory inputs when a patient changes position.



Xegis - The New Compumedics EMG/EP/IOM Workstation

The new **Compumedics Xegis EMG/EP** system is a reliable, flexible and most importantly easy-to-use Neurodiagnostic system, designed for both clinical and research applications. The modular design philosophy ensures the flexibility and upgrade opportunities to extend the lifespan of your system, with a complete set of hardware and software options. The same amplifier/stimulator control units can be used for both lab-based and portable solutions.

Using a common operating and hardware platform simplifies operation, increases productivity and ensures quality control. Our unique **Quality Sorted Averaging (QSA)** technique provides quicker testing compared with conventional techniques, ensuring you see the maximum number of patients in the shortest period of your valuable time.

Comprehensive and innovative EMG/EP solution

A single-operating-system philosophy allows the creation of a centralised patient database.

Automatic archiving over a standard network allows you to work directly with review software from a central server.

All acquisition protocols are user configurable and easy to access from any menu screen.

Xegis - a powerful addition to your laboratory offering dedicated customer solutions for both daily clinical diagnostics and advanced research applications.

Hardware & Software

- 2 to 24 channel EMG/EP/EEG capable amplifiers
- 4 stimulator options: Electrical, auditory, visual and external triggered
- Unique simplified Touch Panel Controls
- Display up to 99 live traces in cascade or split screen format
- Wide variety of fully customisable Report Templates
- User-Programmable Auditory Stimulator including Click, Tone, Pip, Burst and Voice Stimulation
- User-Programmable Visual Stimulator for use with a Visual Monitor, LED goggles, or any other visual
- Record (and Playback) up to 10 minutes of Live data interface

Contact your local representative for product availability

CE Mark product listed

Product not available in the USA , FDA pending



Xegis Maxi 2-24 channel trolley configuration pictured above

Xegis™

EMG/EP/IOM

EVENTS UPDATE

S Sleep, N Neuroscan, D DWL, NS Neuroscience, G General

MAY - 08	DATE	AREA	PLACE
13th European Congress of Clinical Neurophysiology	4-8 May	EEG	Istanbul, Turkey
Profusion PSG Seminar	5-6 May	S	Singapore
Profusion Proficiency Workshop - Board Review Course	5-6 May	S	North Carolina, USA
Profusion Proficiency Workshop	7-9 May	S	North Carolina, USA
Profusion PSG Seminar	8-9 May	S	Philippines
Australian & NZ Association of Neurologists	20-23 May	EEG	Brisbane, Australia

JUNE - 08	DATE	AREA	PLACE
APSS - Sleep 2008	7-12 June	S	Baltimore, USA
European Neurological Society	7-11 June	S	Nice, France
Human Brain Mapping	15-19 June	N	Melbourne, Australia
HBM Curry & Scan School	20-24 June	N	Melbourne, Australia
Basic Scan School	24-25 June	N	New York, USA

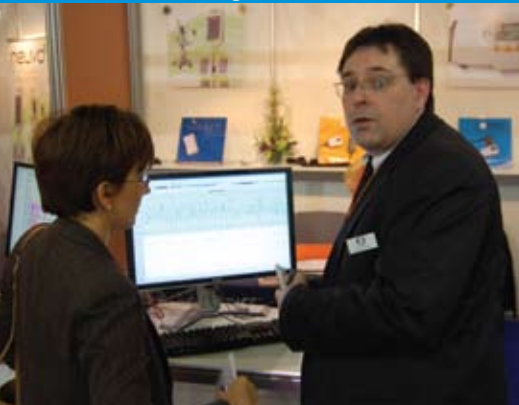
More information on these events is available at:

www.compumedics.com
Home > News > Upcoming Events

Please also check out our latest Compumedics Education Programme on the same page

Success for Compumedics at Arab Health 2008

Showcasing our latest solutions for clinical diagnostics (Sleep and EEG) and Brain Research



THE COMPUMEDICS DIVISIONS Defining Life's Signals

Compumedics' operations consist of five divisions - each with its own product focus



Compumedics Sleep
Clinical Diagnostic Systems for Sleep Disorders



Compumedics Neuroscan
for Neurophysiology Clinical Diagnostic Systems



Compumedics Neuroscan
World-leading Research EEG/ERP systems



Compumedics NeuroMedical Supplies
Electrodes, sensors and Sleep laboratories and supplies for Neurology



Compumedics DWL
Ultrasound Doppler Systems

CONTACT www.compumedics.com

If you would like to receive the Compumedics Vista Update via Email, please send your details and email address to Marketing@compumedics.com.au

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Compumedics Limited, Australia: Headquarters
30-40 Flockhart Street
Abbotsford VIC 3067, Australia
Ph: +61 3 8420 7300
Fax: +61 3 8420 7399
Free Call: 1800 651 751

Compumedics USA, Limited:
6605 West WT Harris Blvd, Suite F
Charlotte, NC 28269
Toll Free: +1 877 717 3975
Ph: +1 704 749 3200
Fax: +1 704 749 3299

Compumedics Germany GmbH:
Global HQ for Compumedics DWL
Josef-Schüttler-Strasse 2
D-78224 Singen, Germany
Tel: + 49 7731 79 76 9-0
Fax: + 49 7731 79 76 9-99

