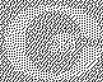


Compumedics Limited

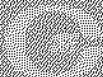
Full year results

12 months ended
30 June, 2003



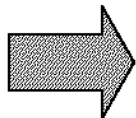
Outline

1. Results at 30 June 2003
2. Strategy focussed and effective
3. Future development



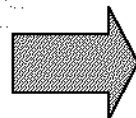
Full year results - Key points

Revenue growth
62% year on year



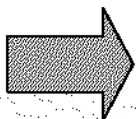
- Sleep USA grows 50% year on year.
- Sleep Europe grows 45% year on year.
- Excluding Neuroscan acquisition revenue growth 30%.

\$3.0m turnaround
at the EBITDA line
to \$2.1m profit



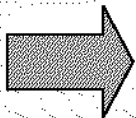
- Growth of business leads to strong earnings turnaround at the EBITDA line.

Adjustments for
certain assets
taken now

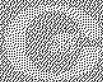


- Revenue recognition in line with international standards \$0.9m revenue impact and \$0.9m PAT impact.
- Charges for intellectual property of PAT \$17.8m booked in the current period.

Operating cash
positive H2

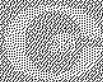


- Operating cash for H2 was \$3.8m positive compared to \$(0.9)m negative in H1.
- Debtors days reduced from 212 days 30 June 2001 to 96 days 30 June 2003.

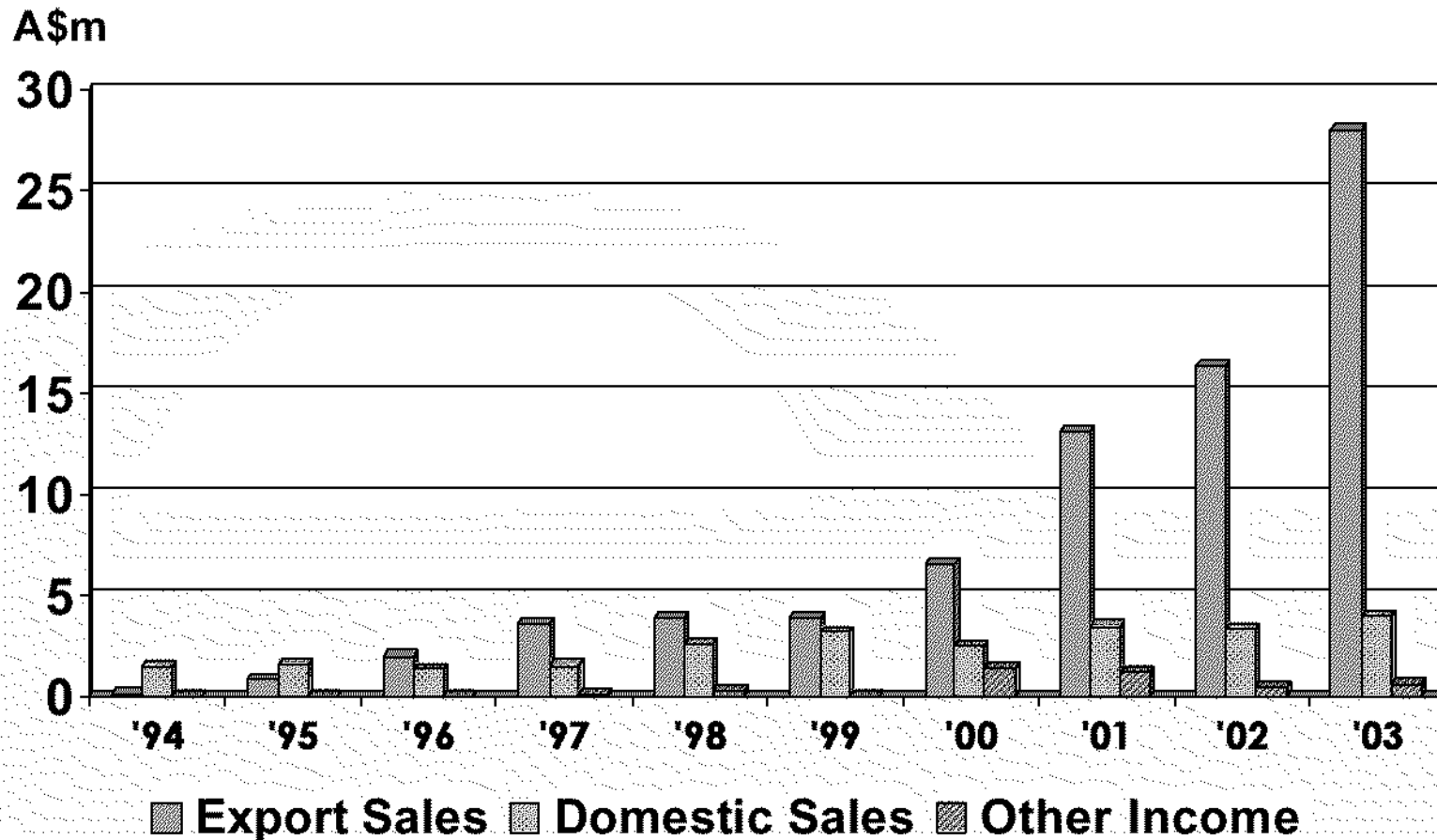


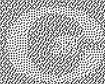
Key initiatives completed during the year

- 3 year \$10m European distribution agreement with Dräger Medical in place
- FDA clearance for Somté into the USA
- Melbourne factory relocated to new world class facility
- USA business relocated
- Patents for novel diagnostic sleep treatment awarded
- Completely new core product for Neuroscan developed and released Synamp2.



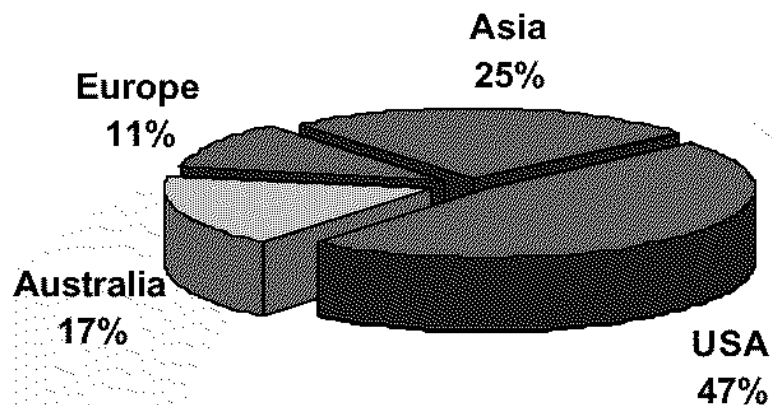
Historical Sales Graph



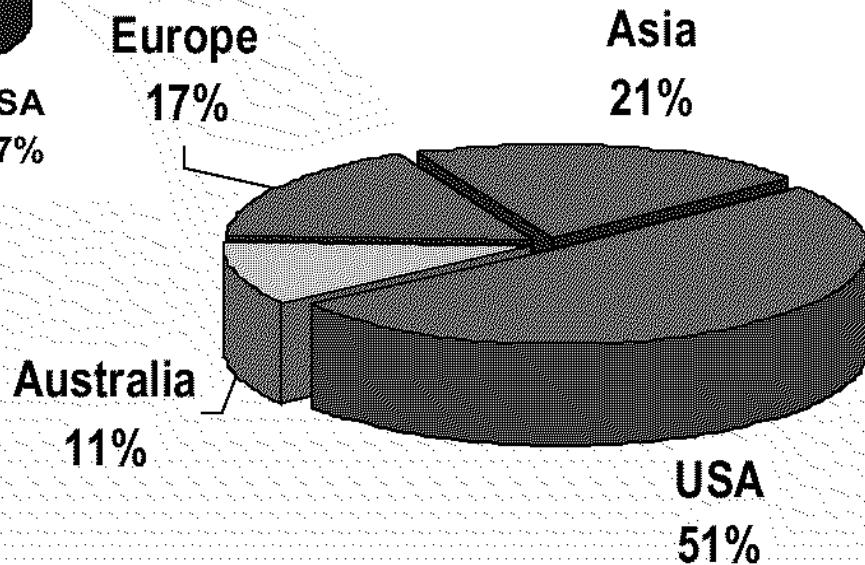


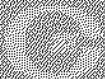
Strong growth in USA and Europe

2002

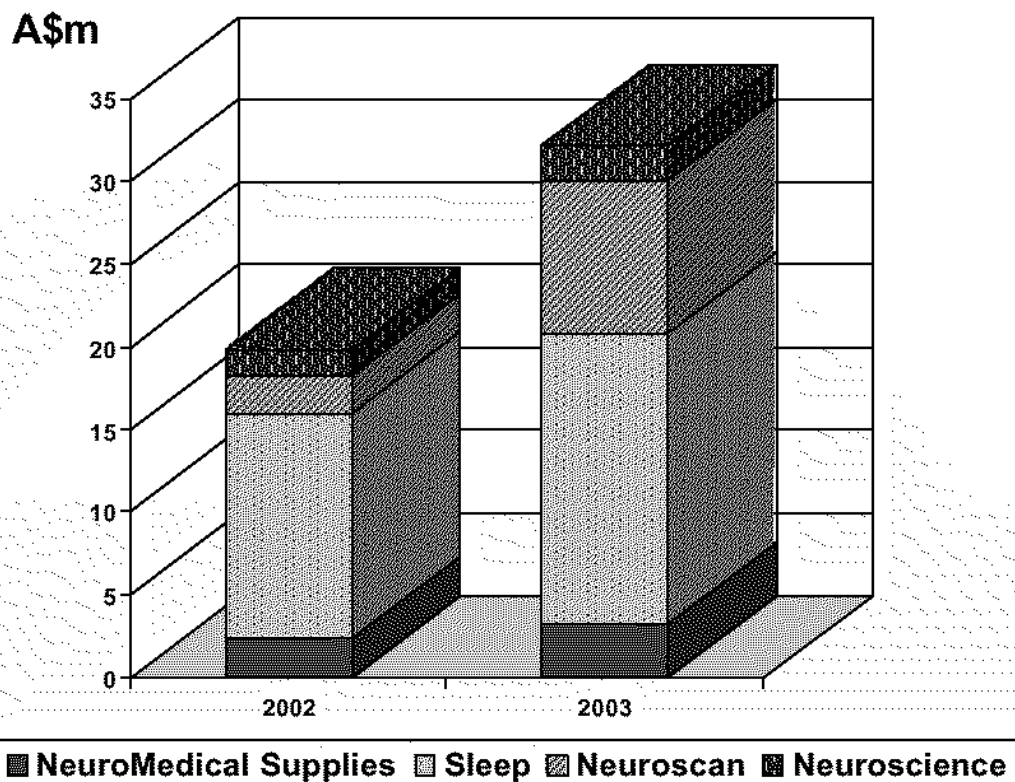


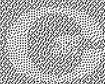
2003



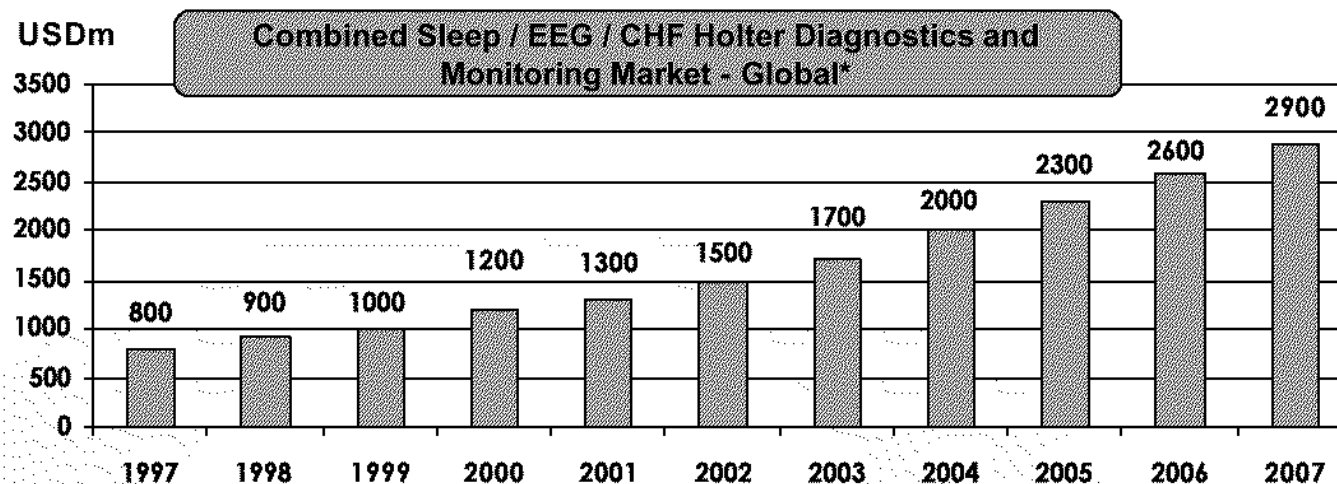


Expanding product offering, expanding revenue





The global market continues to grow



Global market breakdown for 2003:

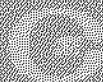
- Sleep diagnostics USD140m
- Neurological diagnostics USD140m
- Brain Research USD15m
- Sleep Treatment USD780m
- Cardiology diagnostics USD290m

Total Market USD1,365m



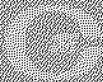
Performance relative to PCP

\$Am	12 mths to June 30 2002	12 mths to June 30 2003	Accounting adjustments	12 mths to June 30 2003 pre-accounting adjustments
Operating Revenue	19.8	32.1	0.9	33.0
EBITDA	(0.9)	2.1	0.9	3.0
EBIT	(2.4)	(18.8)	18.8	0.0
Profit after Tax	(1.9)	(18.6)	18.7	0.1
Gross Margin	64%	57%		59%
EBITDA/Op. Revenue	(5)%	6%		9%



Balance Sheet relative to PCP

	June 2003 A\$'000	June 2002 A\$'000
Current Assets		
Cash	5,366	8,533
Receivables	8,624	7,834
Inventory	8,416	8,520
Other	<u>180</u>	<u>336</u>
Total	22,586	25,223
Non current assets		
Receivables	-	106
Property, Plant and Equipment	1,176	958
Intangibles	-	17,337
Other	-	670
Total assets	<u>23,762</u>	<u>44,294</u>
Current liabilities		
Accounts payable	4,578	3,648
Borrowings	4,729	5,198
Provisions	845	577
Other	<u>1,270</u>	<u>380</u>
Total current liabilities	11,422	9,803
Non current liabilities	665	4,265
Total liabilities	<u>12,087</u>	<u>14,068</u>
Net assets	11,675	30,226



Financial Performance

- **Underlying operating earnings**

- Growth and efficiencies have significantly contributed to earnings. This has resulted in a positive shift in EBITDA to \$2.1m

- **Costs under focus**

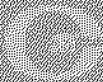
- Critical mass in place, earnings continue to grow
- Efficiencies in all parts of the business to be maximised

- **Margins**

- June 02 – 63%, June 03 – 56%
- Margins impacted by change in
 - revenue recognition, policy (2%),
 - foreign exchange (2%)
 - once off factory relocation costs in Melbourne and El Paso due to consolidation (2%)

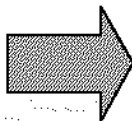
- **Working capital improving**

- Debtors days reduced from 131 to 96 days
- Inventory still needs work but improving



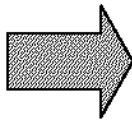
Moving Forward

**Moving ahead with
core and related
businesses**



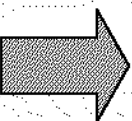
- Continue to grow the USA sleep business
- New relationship with Dräger Medical in Europe, developing
- Asia will bounce back post SARS
- Continue to develop USA Neuroscan business

**Develop
businesses in
associated areas**

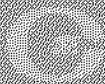


- Grow the Neuroscience business in the USA
- Grow the Neuroscan business in Europe
- Sleep cardiac services model in the USA

**Continuing review
of non-organic
growth
opportunities**



- Identification and assessment of opportunities in key markets



Innovation

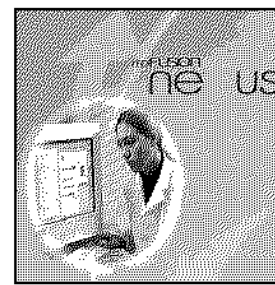
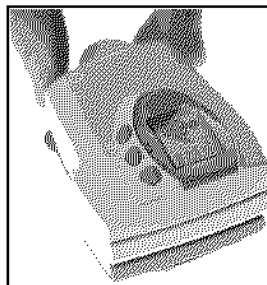
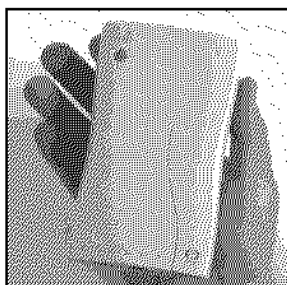
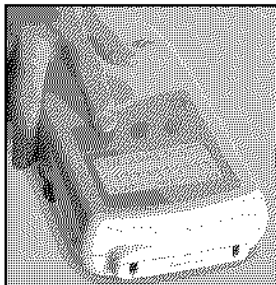
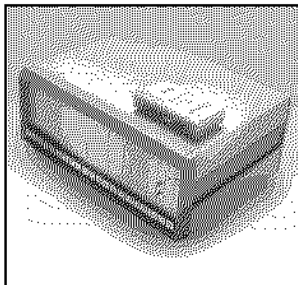
S Series
1987

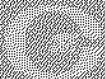
P Series
1994

Siesta
2000

Somt 
2001

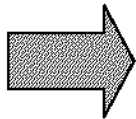
Nexus
2003





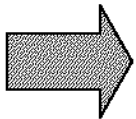
Moving Forward - technology

**Roll out of new
generation
Neuroscan
technology**



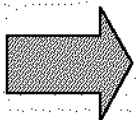
- Synamp2, new core amplifier fully developed by Compumedics
- StimII
- Scan LT

**Release of key new
sleep technologies**

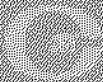


- Nexus
- Siesta II
- Expansion of propriety consumable range

**Growth platform
step out
opportunities**



- In-depth anesthesia monitoring
- Diagnostic sleep treatment
- Driver drowsiness counter measures



Conclusions

1. Strong revenue growth up 62% year on year.
2. Profits restored at the EBITDA line.
3. Intangible asset reviews are behind us.
4. Expanding product offering in growing markets will fuel growth.
5. Profitable growth is the focus.