



COMPUMEDICS

'Defining Life's Signals'



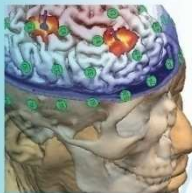
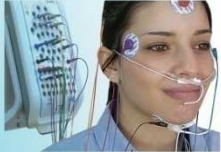
Corporate Overview and Capitalisation Strategy

April 2010

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Contents

Who is Compumedics

Values; Who we are; Vision; Aim; Purpose
Snap shot since listing
Business and Territory Splits
Past Present and Future

Key Growth Opportunities

Strategic drivers – core business
>European Market Expansion
>Neurological market expansion
>Home Sleep Testing (HST) USA
Breakout and spin-out opportunities
>Sleep Treatment etc.

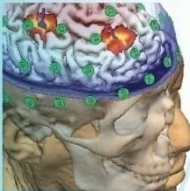
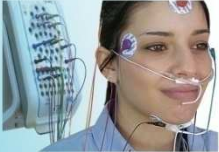
Driving Growth

Capital raising pathways
Merger and acquisition strategies
Market opportunity statistics

Summary



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Values, who we are, vision, aim and purpose

Values: People; Ethics; Contribution

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

Compumedics primary healthcare markets cover sleep, neurology and ultrasonic blood flow monitoring.

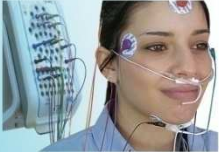
Our Vision is to set the innovative and technological standards for patient monitoring in our chosen markets.

We aim to deliver superior returns to our shareholders by identifying and delivering high value-added, innovative and accessible medical technologies globally in our chosen markets.

We provide our customers with products and software solutions of superior technology, ease of use and reliability.



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A Business Snap-Shot Since Listing

- **1999** - Private company with turnover of \$9m pa with 45 staff (1 US based)
- Listed on ASX (**December 2000**) – raised \$11m (post costs/debt)
- **2002** purchased US based Neuroscan – world's leading brain source localisation software – Compumedics turnover \$34m, with 120 staff (50 US based and 4 German based)
- **2004** purchased Germany based DWL – ultrasonic blood flow business – one of the global founders of this technology – Compumedics turnover now \$38m, generating profits, with 160 staff (55 US based, 30 Germany based)
- **2005 to 2009** World class intellectual property portfolio built around sleep, brain and ultrasonic blood flow diagnostics and monitoring, lose about \$5m – grown too quickly, stretched the financial, management and human resource capability of the Company too far. Focus on restoring profitability paying down debt and focused investment in product development continues. Record profits of \$2.7m achieved despite economic conditions
- **2010 forward** - Poised, with the existing management team, to resume historical growth levels from key growth opportunities including new products - Grael® PSG/EEG, Neuvo® LTM EEG, new markets - HST in the USA and European expansion and sleep-treatment with SomniLink® SPAP®



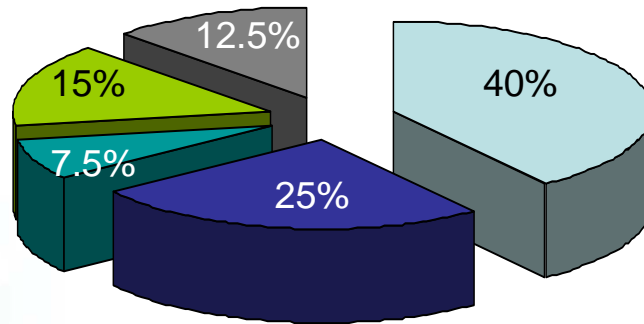
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Business and territory revenue splits

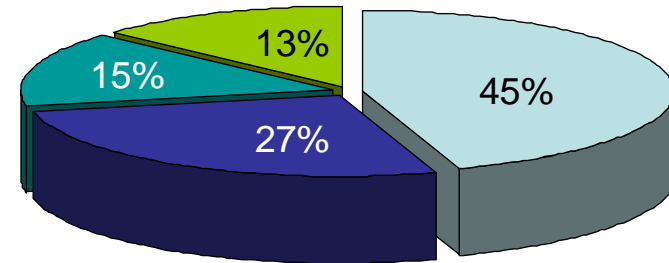
≈\$40m annual revenues % split by:

Business Sector

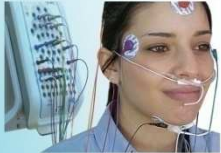


- Sleep diagnostics
- Brain research
- Neuro diagnostics
- Ultrasonic blood flow
- Supplies and technical support

Geographic territory



- USA
- Europe
- Asia
- Australia



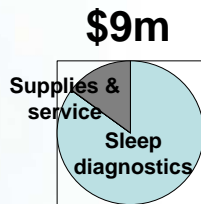
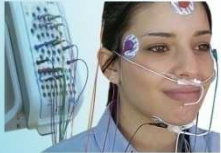
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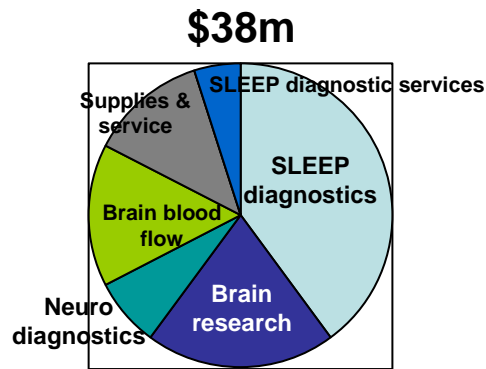
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The Business: Past, Present and Future

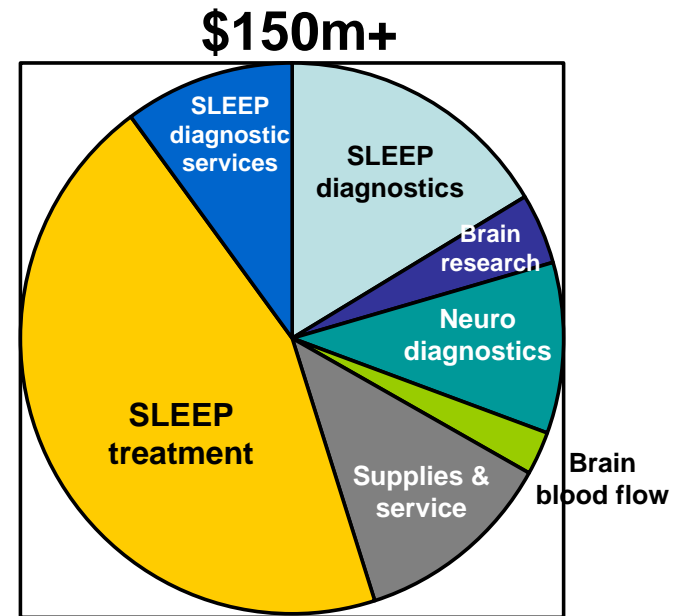
The past, present and future revenue percentage profiles of the business by market/product offering



1999



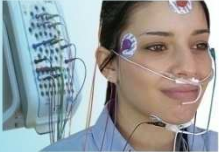
Today



By 2014



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Strategic Drivers - overview

The primary strategic drivers of growth in the core diagnostic business are:

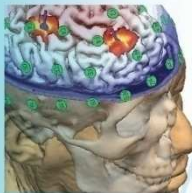
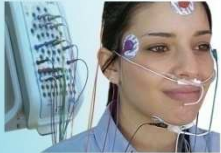
- European expansion
- Long Term EEG Monitoring (LTM)
- Home sleep testing (HST)

The primary breakout or spin out opportunities for the business are:

- Sleep-treatment
- Depth of anaesthesia monitoring
- Cardio sleep monitoring
- Driver drowsiness and vigilance monitoring



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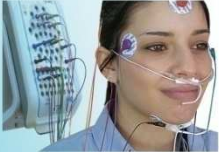
Strategic drivers – core business

European Market Expansion

- Compumedics to replicate its success with its US direct presence in Germany, based at its office in Singen. This forms a base from which to expand the European presence for the entire Compumedics product offering
- European markets as big as the US – in the US we have 10-15% market share in sleep diagnostics but in Germany less than 3%. Plan to grow revenues from USD3m pa to current US sales of about USD13m pa
- Sleep diagnostic products sold directly in Germany since October 2008 – 4 key reference sites (\$1m) won based on AASM compliant Somté® PSG. (Mannheim [26 beds], Berlin [12 beds], Cologne [13 beds])
- University Medical Center Freiburg chose Compumedics new Neuvo® LTM device (\$0.6m, or 6 beds) over all our major international competitors



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Strategic drivers – core business

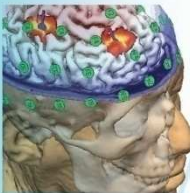
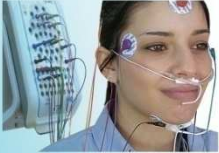
Neurological Diagnostics and LTM

- Existing world market - NEW product, NEW market opportunity for Compumedics
- Specific LTM global market similar in size to sleep diagnostics at USD220m pa
- Expect to replicate market penetration in LTM similar to sleep diagnostics – that is a \$10m pa incremental revenue stream
- Neuvo® LTM product is the integration of Compumedics and Neuroscan's neurological technologies
- University Medical Center Freiburg is the first international sale of the Neuvo® product to a key, internationally renowned site





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Strategic drivers – core business

Home Sleep Testing (HST) USA



- Approved by Medicare and allowed for with all major insurers
- Large undiagnosed market potential – up to 20% of US population said to suffer from sleep disordered breathing
- Compumedics has over 1,500 installed beds of sleep diagnostic equipment in the US to lever off
- Currently only about 4% of all sleep testing in the US is undertaken via HST
- Large untapped market for patients – follow up full PSG patients (post diagnosis and treatment), those patients who will not come to a sleep lab, those patients who cannot come to a sleep lab and low or no insurance patients
- DME (traditional suppliers of CPAPs) blocked from supplying HST devices by Medicare
- Market is still in early stages of development – other low cost medical testing/screener services in different sectors have proven low-cost testing or screening is viable (e.g. cardiac screener market).

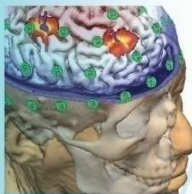
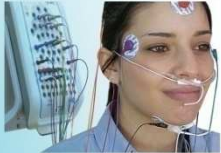


Strategic drivers - breakout / spin out opportunity

Sleep treatment



- Compumedics introduces its first device for the sleep-treatment market, SomniLink® SPAP®
- Sleep-treatment market is up to 10 times the size of the global sleep diagnostic market at approximately USD3bn pa.
- Compumedics has over 4,000 beds of sleep diagnostic equipment world wide – excellent referral base for the SomniLink® SPAP® with 800,000 CPAP units per annum referred [USD400m] from these beds
- SomniLink® SPAP® device is protected by families of patents
- SomniLink® SPAP® incorporates technological functions and features derived from Compumedics' 20 plus years experience with sleep-diagnostic technology



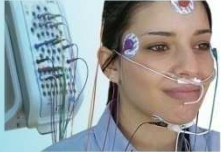


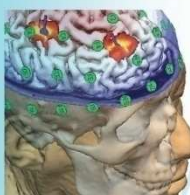
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Driving Growth and Key Opportunities

Continue organic growth or consider capital raising and accelerated growth via merger and/or acquisitions and spin-outs based off of the primary strategic drivers for the core business, and the breakout opportunities, being:

- European market expansion
- New LTM (Neuvo®) market opportunity
- New HST market opportunity
- Breakout opportunities which include:
 - New sleep-treatment (SomniLink® SPAP®) market opportunity (strategies for sleep-treatment include licensing and/or other spin-out options with focused capital raising)
 - Depth of anesthesia
 - Cardio sleep monitoring
 - Driver drowsiness and vigilance monitoring





Capital Raising Pathways

USA capital raising options

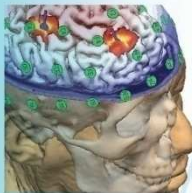
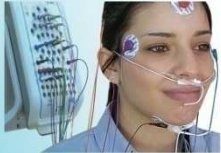
- Compumedics is uniquely positioned for a USA listing based on its leading USA position in sleep diagnostics, EEG monitoring and Doppler blood-flow and its low-cost Asia-Pacific R&D and operational base

Asia based, Europe or UK capital options

- Compumedics maintains a leading and long-held market position in Australia and the Asia-Pacific region, which is a logical base from which to consider capital options. Alternatively Compumedics has a growing presence in Europe, and Germany in particular, from which to pursue capital options in that region.
- **Private Equity**
Private equity could bolster the Company's M&A strategy and accelerate the global listing opportunities in either the USA or China for instance.



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Capitalisation Strategy

Restore Compumedics value

- Market value for existing core business to be at USD300 to USD500m within the next 3 to 5 years, breakout opportunities to be valued incrementally to the existing core business

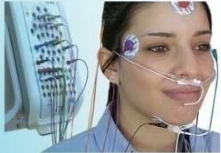
Assumptions:

- i) 15% NPAT; \$100M revenue: \$15M (revenue growth at least at 15% plus pa)
- ii) Profit/Earnings USA stock market multiplier based on above growth factors and share value yield based on present share issue and dilution factors: X 30
- iii) Based on listing per above recapitalisation value(30X15) : \$450 M (excludes breakout opportunities)
- iv) Breakout (Medical Innovation [MI]) structured as incremental value including;
 - Sleep treatment
 - Depth of anaesthesia
 - Cardio Sleep monitoring
 - Driver drowsiness and vigilance monitoring



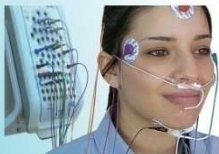
Merger & Acquisition strategy

- Remain independent (Key management own majority of CMP)
- Strong direct sales (Australia, USA and Germany)
- Vast distributor network of more than 50 distributors globally (Europe, Asia and Middle East)
- CMP will investigate potential to grow business with a M&A accretive strategy targeted to deliver >\$ 10M in sales and retain earnings growth and increasing positive cash generation





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Market opportunity-statistics

Market USD'000 per annum	2011	2012	2013
Sleep diagnostics*	250	260	290
EEG (neurology) monitoring**	470	520	570
Sleep treatment*	3,800	4,400	5,000
TOTAL	4,520	5,180	5,860

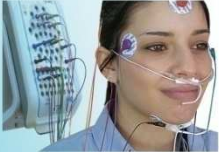
* Frost & Sullivan, 2010

** Internal estimate (TBV)

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Summary

- Quality company generating revenues (≈\$40m pa), earnings, cash and virtually no debt
- Uniquely placed in three key new medical device global markets with strong growth opportunities being:
 - Sleep disorders
 - Neurology
 - Ultrasonic blood flow
- Established routes to market in key international markets
 - Direct sales in Australia, USA and Germany
 - 50 plus distributors in Asia, Europe and Middle East
- Key growth opportunities for the core business: European expansion, new LTM device; Neuvo® and the HST market in the USA
- Breakout opportunities include new sleep-treatment device; SomniLink® SPAP®, depth of anaesthesia, cardio-sleep monitoring and driver drowsiness and vigilance monitoring

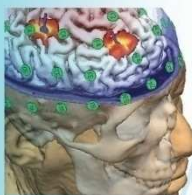
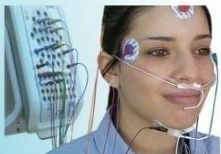
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Thank you