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Compumedics Limited Business Update

Ultrasonic blood flow business wins significant Chinese deal

Leading Australia-based patient monitoring technology company, Compumedics Limited (ASX: CMP), is pleased to announce that its Germany-based ultrasonic blood flow (DWL) business has won a significant \$215k (€125k) deal in China.

China has been a latent market for much of Compumedics' existing product portfolio covering sleep, brain and ultrasonic blood flow monitoring. However, China will become a much more integral market opportunity for the Company over coming years.

The recent success in China through our ultrasonic blood flow (DWL) business builds on the strong foundation Compumedics has built, over many years, in China through its sleep and brain monitoring businesses, particularly its brain research (Neuroscan) business.

Compumedics today sells between \$3m and \$4m p.a. across its product portfolio into China. However, as the installed base of sleep and brain (neurological) monitoring/diagnostic beds in China remains very low, on a per capita basis, the emerging opportunity in these markets is vast, particularly with China's recent emphasis on up-grading its healthcare sector.

The DWL business was one of the divisions of the Company that showed good growth through the global economic turmoil that was a significant characteristic of FY2009 and the early months of FY2010 are demonstrating that this sales momentum is being maintained into FY2010.

Further, the first two months of trade in FY2010 across the Group generally have been good, with the Australian and Asian markets proving to be the least affected by the global financial The Company will have a better view of its revenue generation in the US and European markets over the next month or so as these markets return to normal activity levels following the northern hemisphere summer break.

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About Compumedics

Compumedics Limited, founded in 1987, is a global leader in the design and manufacture of diagnostic technologies for sleep disorders, neurophysiology and cardiology. In 1987 Compumedics established Asia Pacific's first fully computerised sleep laboratory. Compumedics holds 80% share of the Australian sleep-diagnostic market, and has a major and rapidly growing presence in the US, European and Asian marketplaces for its sleep, neurological, and Doppler blood-flow diagnostic monitoring devices. In 1995 the company was selected to supply equipment to the US Sleep Heart Health Study, the world's largest sleep study of its kind, currently exceeding 14,000 studies with 20,000 patients scheduled by 2008. With headquarters in Melbourne, Australia and offices in the United States, and Europe the products are distributed in over 50 countries. In 1998 Compumedics was awarded the overall Australian Exporter of the Year. In 2000 Compumedics was listed on the Australian Stock Exchange. In 2002, Compumedics acquired US-based Neuroscan - the world's leading supplier of instruments for brain-research. In the US - the world's largest medical device market - Neuroscan holds around 90% of the market for brain-research products. Compumedics was awarded the Frost & Sullivan Award for Market Expansion Strategy. In 2004, Compumedics acquired German-based DWL Elektronishe GmbH, enabling Compumedics to expand its global operations into the neurovascular and cardio-vascular diagnostic fields. In 2006, Compumedics was awarded the Frost and Sullivan Technology Leadership award for the innovative Somté recorder product. In 2007, Compumedics and Chairman were inducted into the Victorian Manufacturing Hall of Fame. In 2008 the DWL division received the top 100 German Innovation award. With 20,000 systems installed globally across the finest hospital, universities and clinics the Compumedics sales have grown more than 4 fold from \$9 million (1999) to \$39 million (2008). In 2009 Compumedics was awarded a design award for it Grael™ PSG/EEG premium laboratory-based product.

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