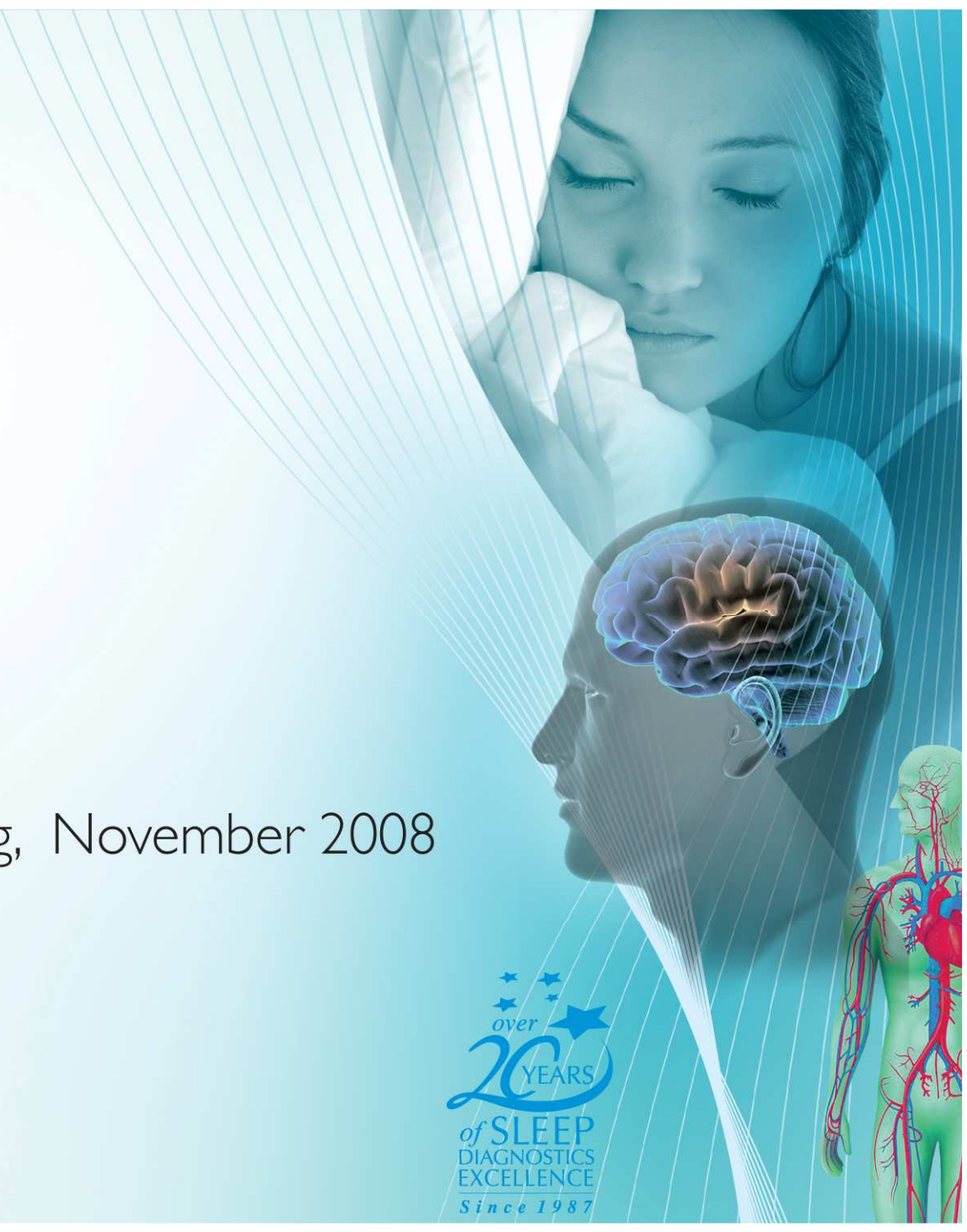




COMPUMEDICS
'Defining *Life's* Signals'

'Defining *Life's* Signals'

> Annual General Meeting, November 2008



over
20 YEARS
of SLEEP
DIAGNOSTICS
EXCELLENCE
Since 1987

Agenda

- Meeting opens
- Chairman's address
- Ordinary business
- Meeting closes

Chairman's address

Over view

- Financial update – highlights
- Financial update - details
- Business unit revenues
- Geographic revenues
- Key activities completed
- Early FY2009 performance
- Outlook – financial
- Outlook – technology
- Recap

Financial update - highlights

- Record revenues at \$38.5m despite the then strong Australian dollar
- FY2008 profits and operating cash significantly grow year-on-year, 515% and 125% respectively
- Operating costs stable despite investing activities
- Debt reduced year-on-year by a further 18%
- R&D pipeline maintained
- SomniLink® SPAP® close to first shipment

“Compumedics’ financials continue to improve!”

Financial update - details

- Gross margins stable at approximately 58% despite strengthening Australian dollar
- Operating expenses less investing activities stable with last years spending - \$19.1m compared to \$19.5m in the prior year
- EBITDA up to \$1.9m profit compared to prior year profit of \$1.3m, a 46% increase over the prior year
- Profit after tax up to \$0.8m compared to the prior year profit of \$0.1m, a 515% increase over the prior year

Financial update - details

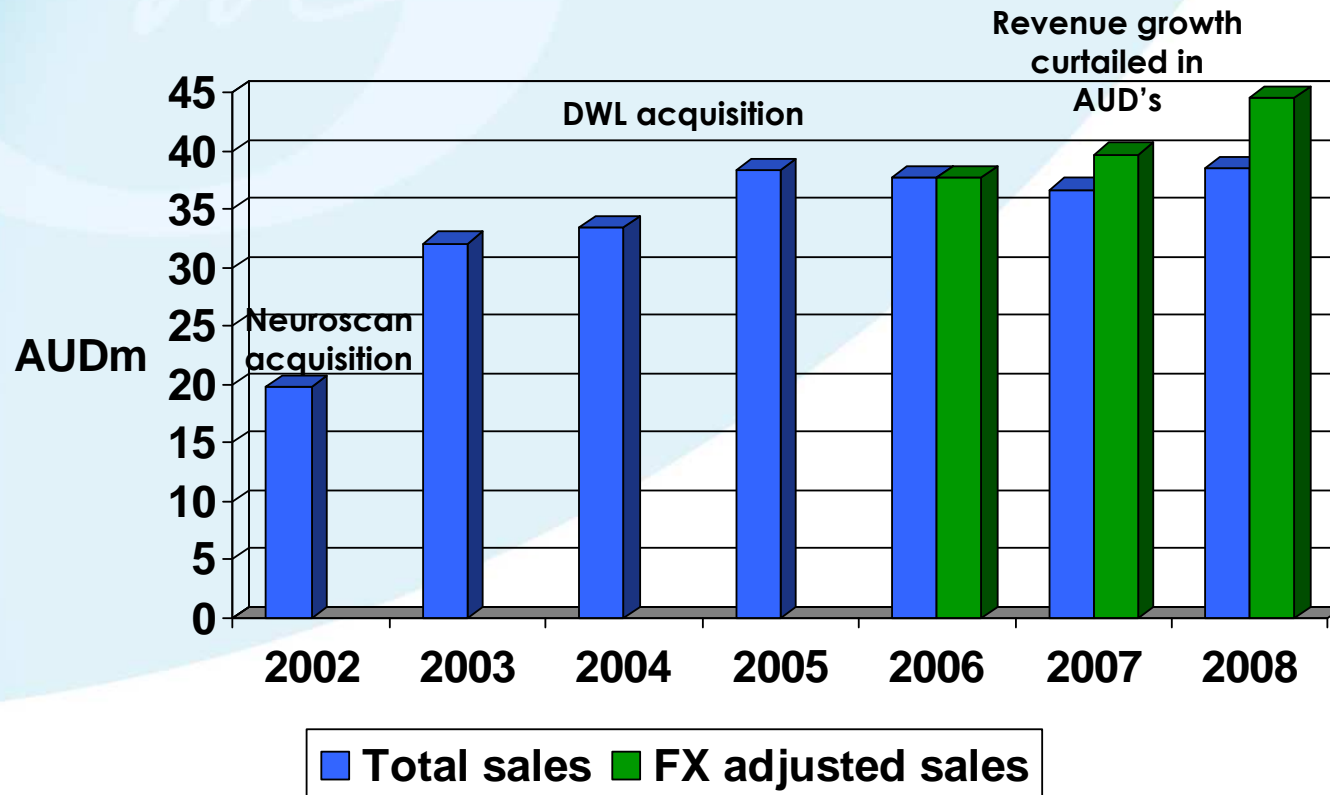
- Borrowings were reduced by a further 18% from \$3.4 in the prior year to \$2.8m at end of FY2008
- Borrowing costs at \$0.7m were 18% lower than the prior year's \$0.9m
- Sales in USA (+10%), Australia (+12%) and DWL (+4%) were up but sales in Europe declined (-14%), the latter primarily being attributable to business specific issues
- Net Foreign exchange was a \$0.7m loss for FY2008 being \$0.3m better than the \$1.0m loss in FY2007

Financial update - details

	2005 actual	2006 actual	2007 actual	2008 actual
Revenues (\$m)	38.2	37.7	36.7	38.5
Margins %	53%	52%	58%	58%
Other income	0.3	1.3	0.1	0.4
Operating Expenses	24.3	22.1	19.5	20.3
EBITDA	(2.6)	(0.5)	1.3	1.9
NPAT	(4.7)	(1.6)	0.1	0.8
AUD/USD exchange rate	0.76	0.73	0.84	0.96

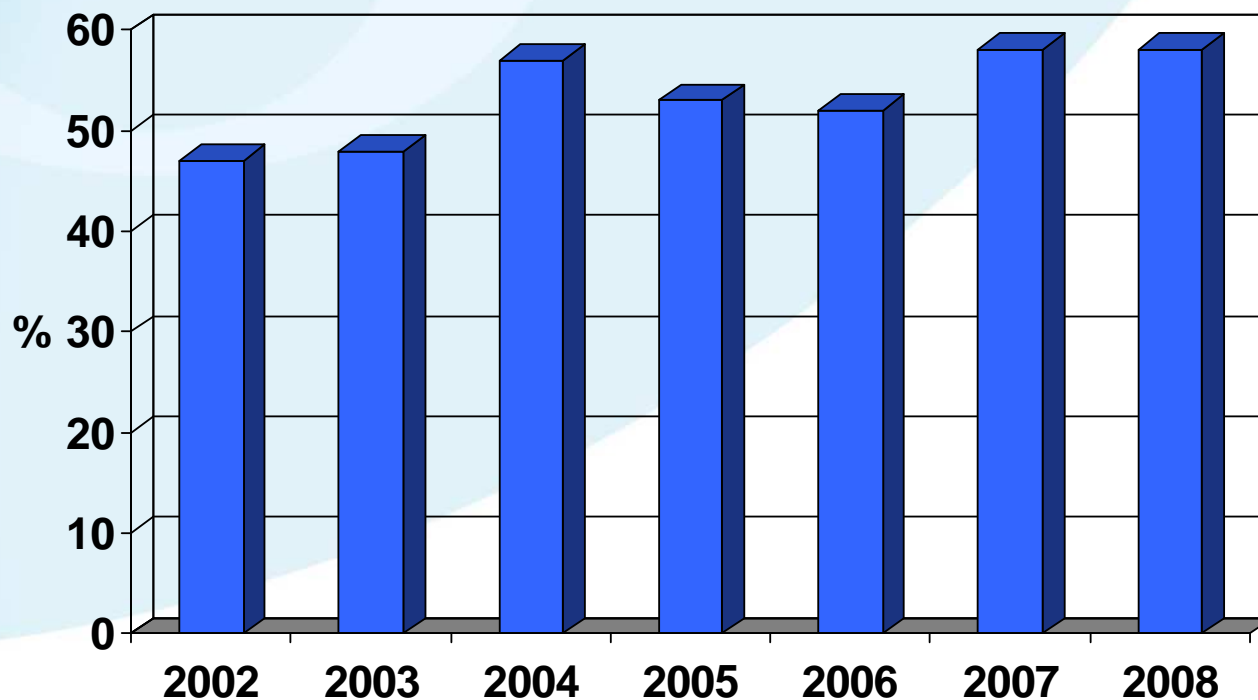
Financial update - details

Total group sales stabilised despite rising Australian dollar



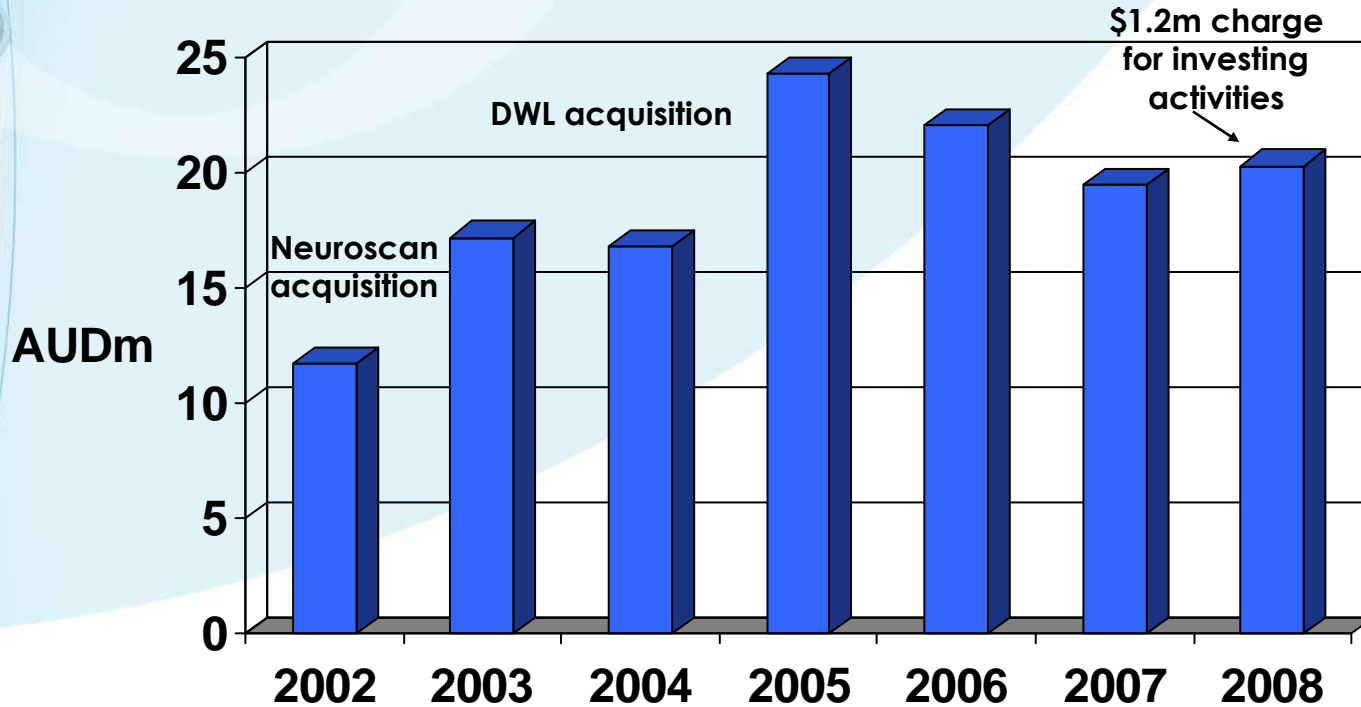
Financial update - details

Gross Margins % improving as a result of on-going restructuring and cost improvements programs and despite the surging Australian dollar



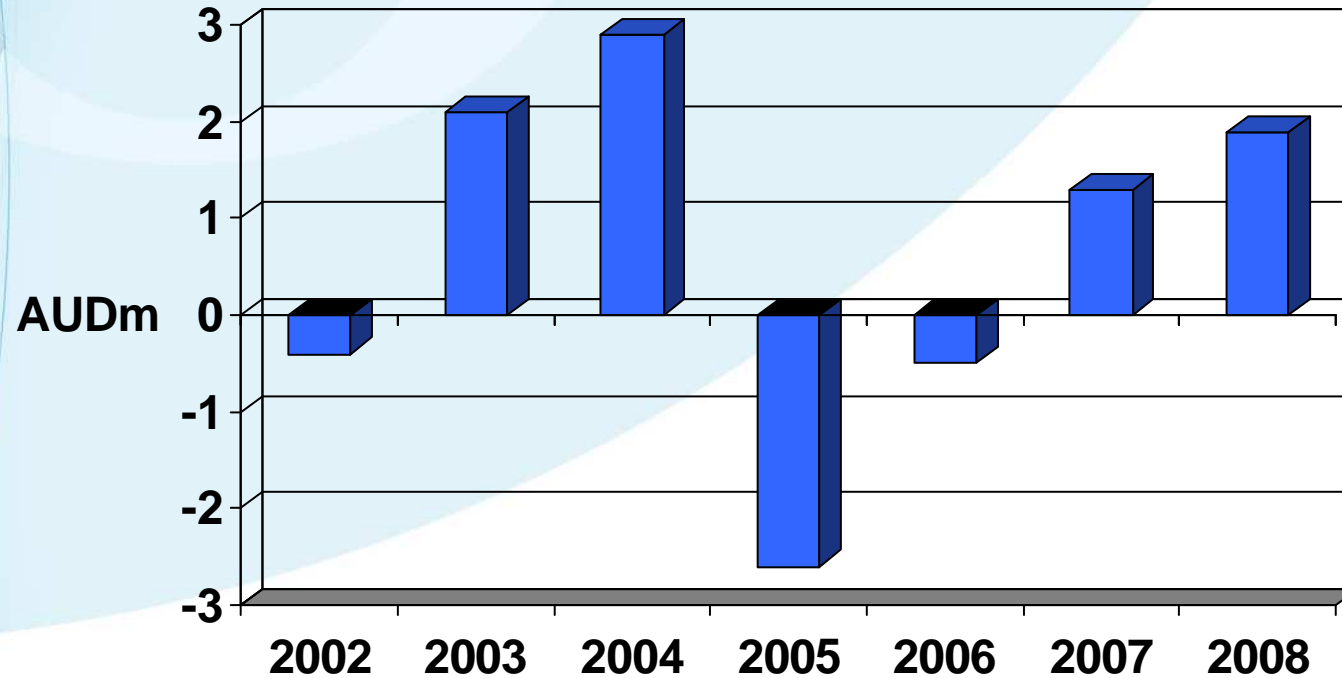
Financial update - details

Operating Expenses stable despite cost pressures and investing activities for future revenue growth



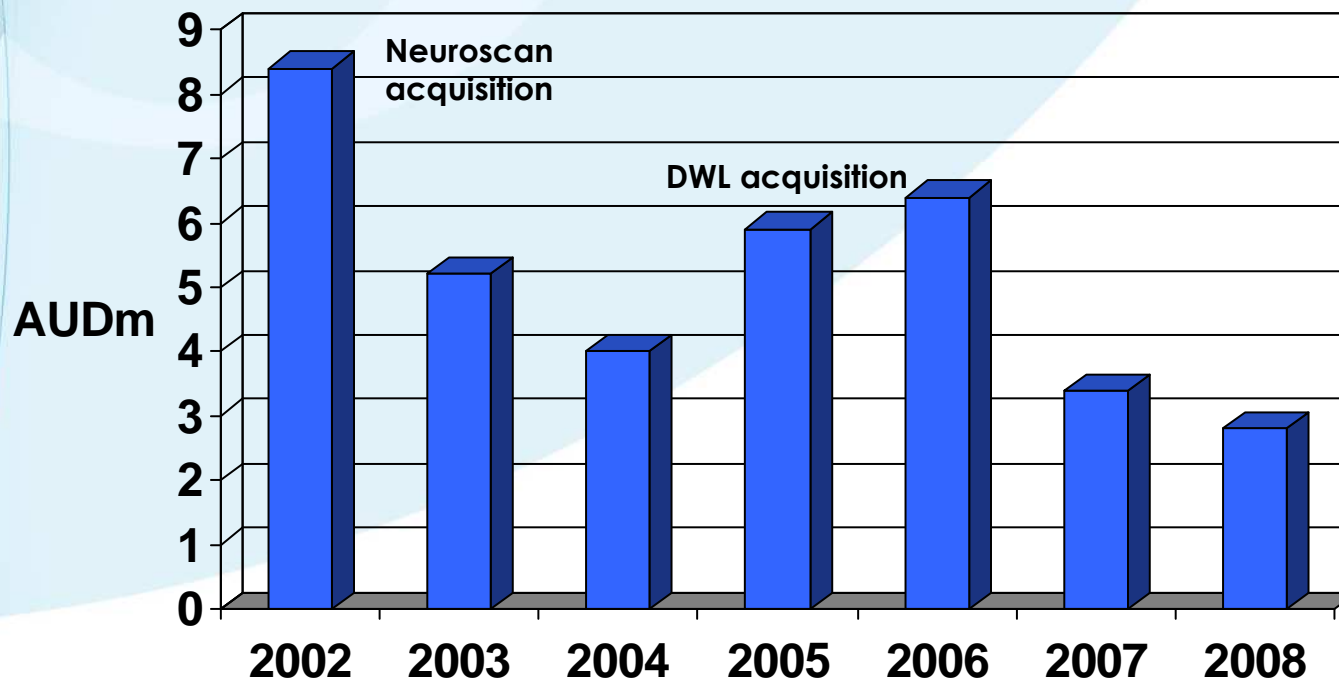
Financial update - details

EBITDA continues to grow



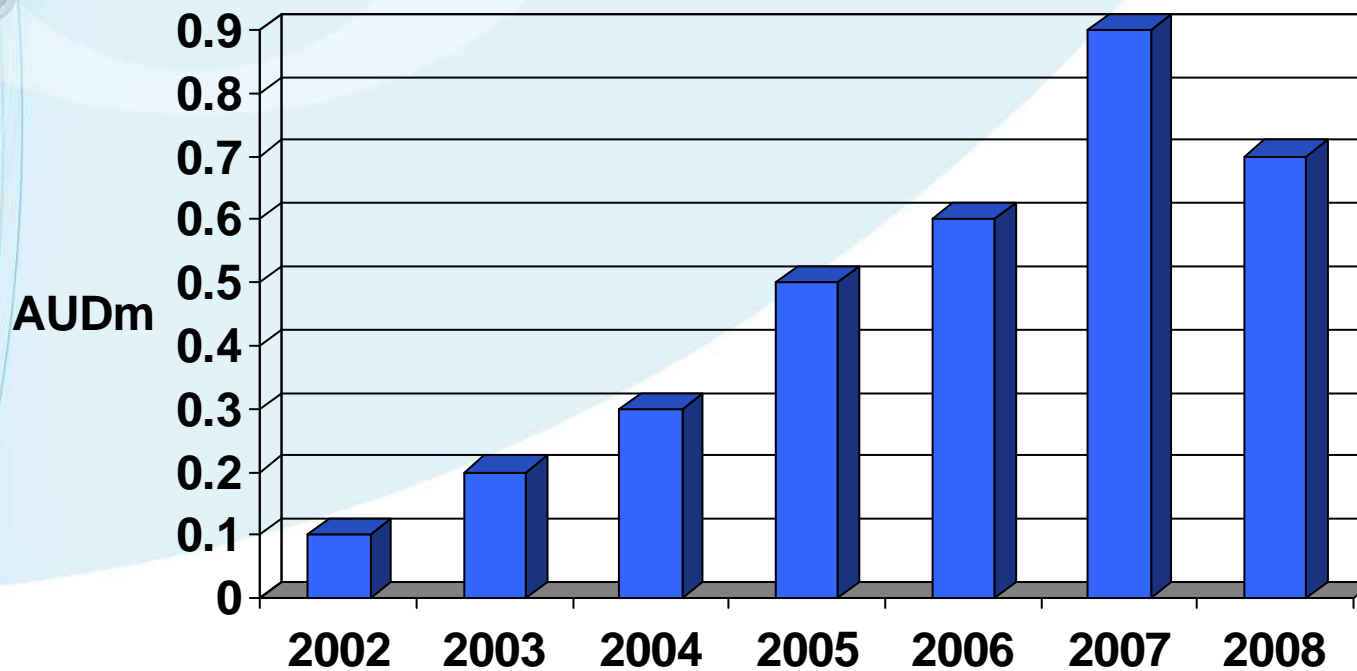
Financial update - details

Debt continues to decline – a further 18% reduction year-on-year



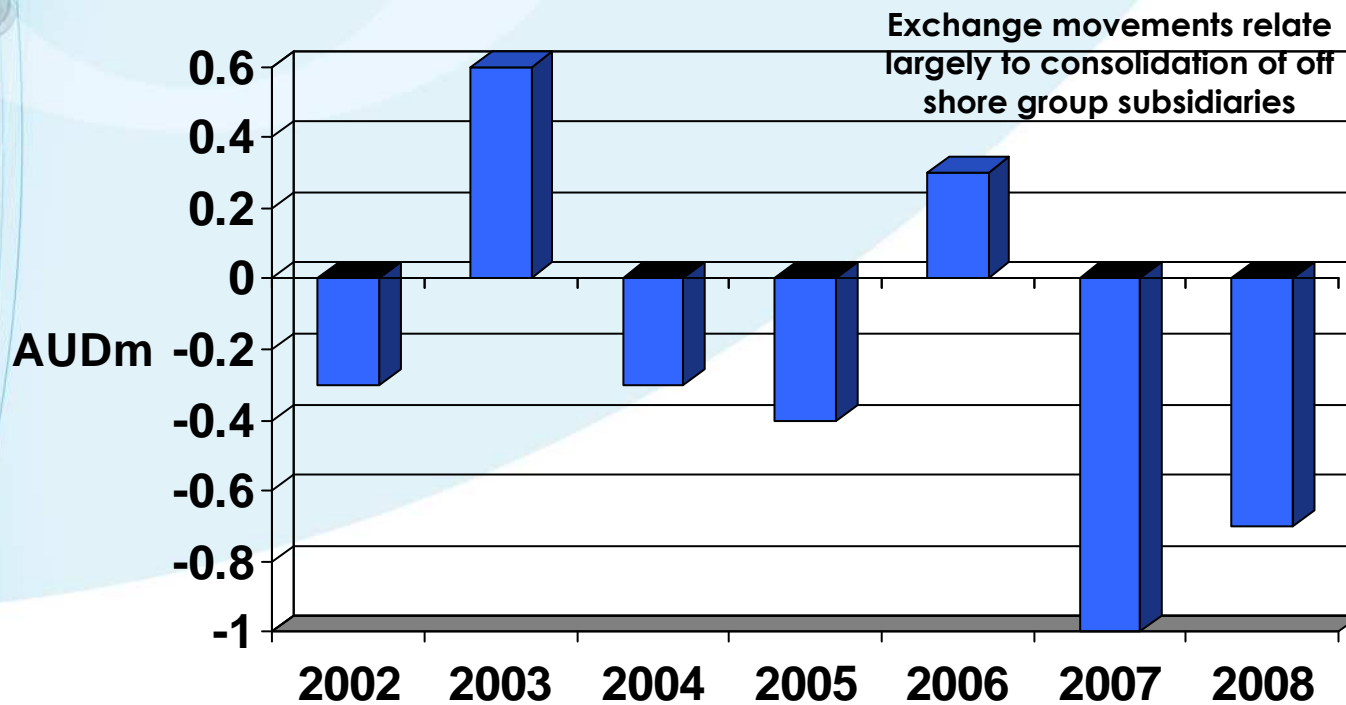
Financial update - details

Financing costs begin to decline – 18% year-on-year



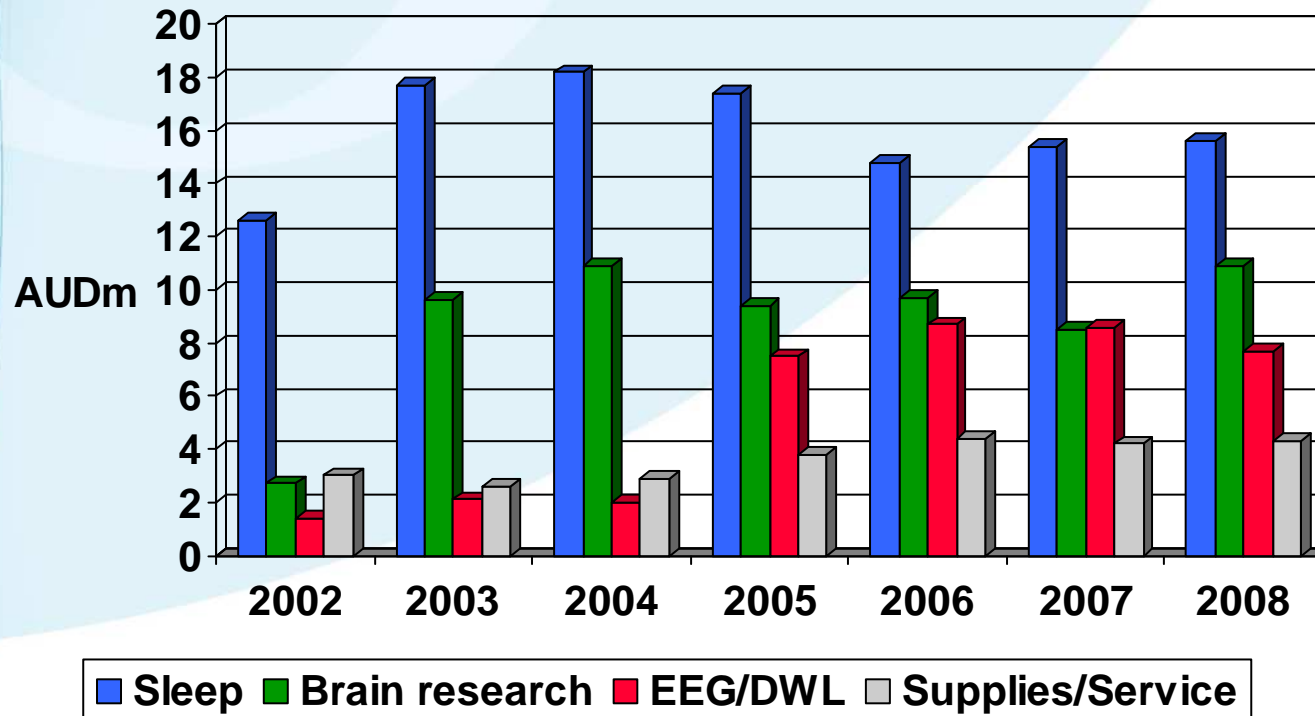
Financial update - details

Foreign exchange impacts adversely in current financial year

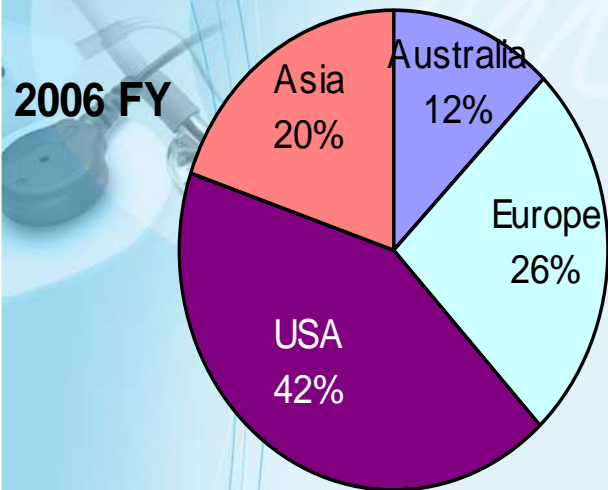


Business unit revenues

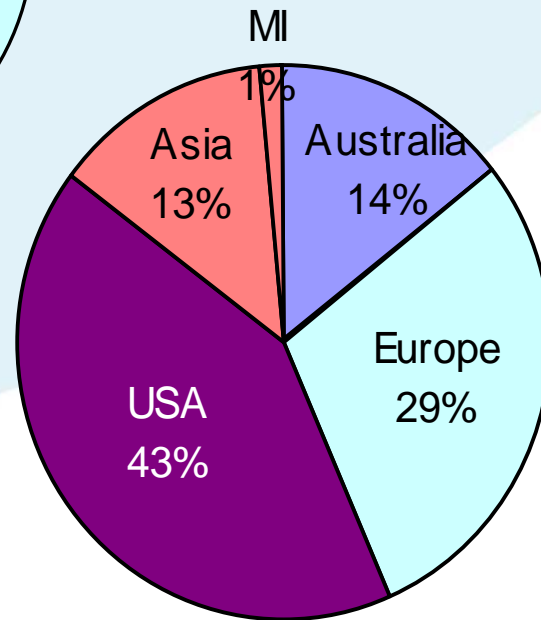
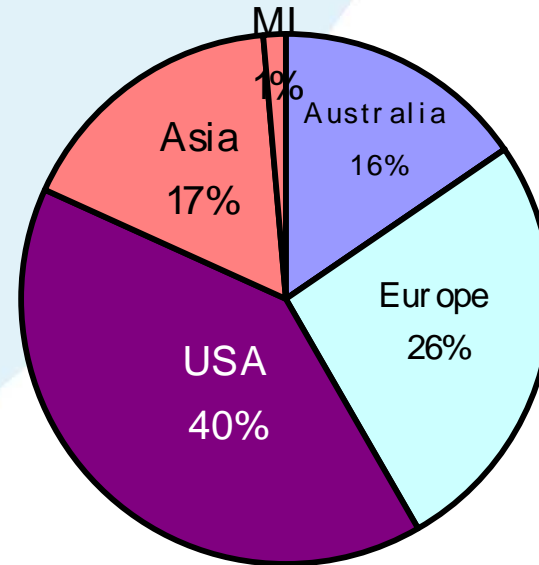
Business unit revenues stable across all business units with annuity-style supplies revenues increasing



Geographic revenues



2008 FY



Key achievements completed in FY2008

- Revenues increase 5% despite a 14% increase in the Australian dollar to the US dollar at that time
- First full year of sub-lease of the Melbourne office reflected in the results
- SomniLink® SPAP® product close to commercial shipping
- Neuvo® long term monitoring EEG device first sales booked
- New Xegis® EMG device added to the product basket via an OEM agreement completed January 2008

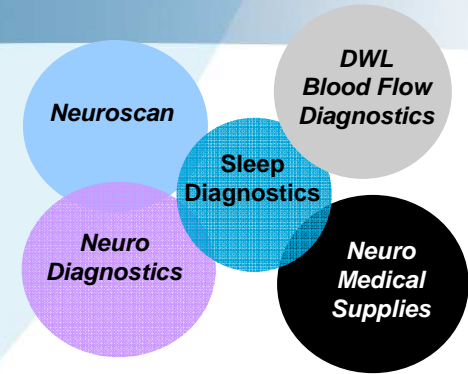
Early FY2009 performance update

- Compumedics, like all entities in the current environment, is having to deal with rapidly changing and unpredictable circumstances.
- The Company remains firmly focused on achieving profitable growth despite the adverse and unique external circumstances we find ourselves in.
- The substantial fall (some 30%) in the Australian dollar to the US dollar will assist the Company in its goal to continue to grow profitably.
- The Company has yet to finalise its bank review and is working closely with its bankers to implement the most appropriate funding arrangements for the Company into the future.

Outlook – financial

- The Company is currently implementing the most significant new product release program in the Company's history. The following three new product releases are into the existing core medical diagnostic business:
 - **Grael PSG** – the next generation laboratory based sleep diagnostic system is being released into existing markets
 - **Neuvo®** Long Term Monitoring EEG device – recently commenced selling into Europe. This device takes Compumedics into a new and substantial EEG market for the Company
 - **Xegis®** EMG device – recently commenced selling into Europe and Asia. This device also takes Compumedics into a new and complementary market to the EEG market
- In addition, the Company is soon to commence commercial shipping of its first medical treatment device into the substantial sleep-treatment market – the **SomniLink® SPAP®**
- A substantial reorganisation of the Company's sales and marketing resources for the sleep diagnostic and EEG/Brain Research markets in Europe, the Middle East and Africa has been implemented.

Outlook - technology



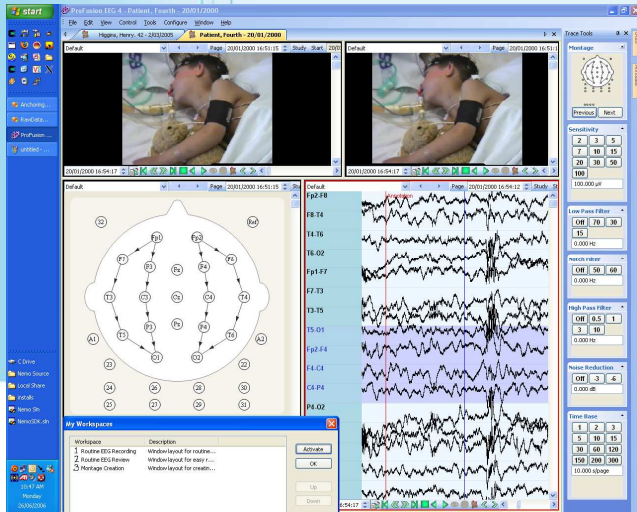
Building a global medical diagnostic company

- With Compumedics' core strategic edge being Sleep Diagnostics
- Leveraging this technology into related fields including Neurosciences, Cardiology, Brain Research, Neuromedical supplies. Combined, these markets have annual sales of more than AUD1.2 billion.
- In 2002, Compumedics acquired US-based Neuroscan, the world's leading developer of brain research instruments.
- In 2004, Compumedics acquired German based DWL, which has enabled Compumedics to expand its global operations into neuro- and cardio-diagnostics and equipment for brain research.
- From 1999-2007, the Company increased its sales from \$9 million to almost \$40 million, reflecting its product development initiatives, combined with its own strong distribution network in the United States, which accounts for 43% of sales. 86% of sales are exported world-wide.

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Outlook - technology

New Products



Xegis®



Neuvo®



'Defining Life's Signals'

Outlook - technology

No other company has the world's leading technology
and/or market position covering
3 of the key rapid-growth new-generation medical
technology market
first discovered in the 1980s

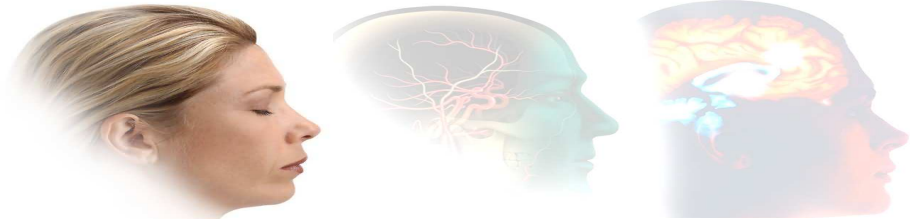
- **Clinical Sleep**
- **Transcranial Doppler (TCD)**
- **Computerised Cognitive Neuroscience/EEG brain function**



Outlook - technology

Sleep Market

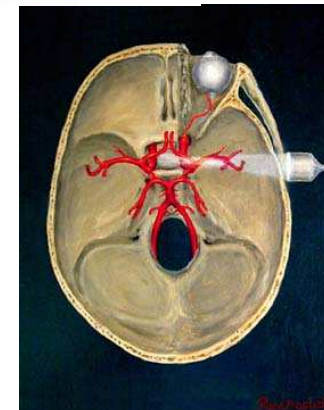
- Pioneering of computerised PSG (CMP;1987) and CPAP treatment discovery [Sullivan, CE (1981), Sydney Australia]
- 40% of the Australian Clinical EEG Market and 70% of the Australian Sleep Diagnostics Market.
- 10% USA market share and growing in sleep diagnostics.
- Developed and installed Australia's first computerised sleep centre at Melbourne's Epworth Hospital in 1988.



Outlook - technology

Transcranial Doppler (TCD) Market

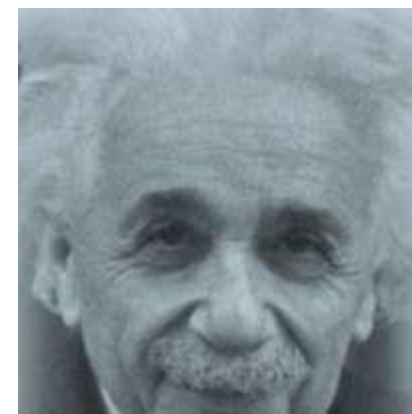
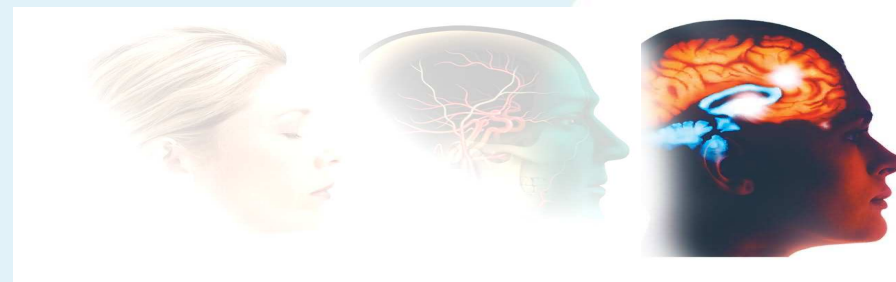
- *Developed by Dr. Rune Aaslid in 1982, today DWL's client*
- *DWL has a strong market share in Germany and well established distribution networks in Europe*
- *World's firsts include :*
 - *Bilateral Doppler ,*
 - *Emboli differentiation*
 - *Full digital Doppler*



Outlook - technology

Computerised Cognitive Neuroscience/EEG brain function

- Pioneered by Neuroscan in 1989
- Commands 90% of the US Market for research EEG applications and a significant market share world-wide.
- Sells its products in over 50 countries world-wide to over 1500 universities, corporate laboratories and national research centres.
- First to commercialise high-density EEG/EP recordings electromagnetic source localisation, merging of multi-modal neuroimaging data.
- World opportunity - \$1.2b size of the industry, of which the Company has less than 3% market share.



STANFORD UNIVERSITY

‘Defining *Life’s* Signals’



Business Recap

- Record revenues despite the strong Australian dollar in F2008.
- EBITDA, profits after tax and operating cash flows all improving year-on-year.
- Debt further reduced by 18% year-on-year to \$2.8m and below in recent months.
- Cost vigilance to remain.
- R&D product pipeline strong.
- Focus remains on restoring group growth and increasing profitability.

Ordinary business

- **Item 1 Financial Statements and Reports (non-binding resolution)**
- **Item 2 Election of a Director**
- **Item 3 Adoption of Remuneration Report (non-binding resolution)**
- **Item 4 Removal of auditor**
- **Item 5 Appointment of auditor**

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> Thankyou

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