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25 YEARS OF DIAGNOSTICS EXCELLENCE

FINANCIAL SUMMARY

ALL FIGURES IN A\$M UNLESS OTHERWISE STATED

	2012	2011
Revenue for continuing operations	27.9	30.8
Earnings before interest, income tax, depreciation and amortisation (EBITDA)	(0.1)	0.7
Earnings before interest and income tax (EBIT)	(1.3)	(0.7)
Net operating profit after tax (NPAT)	(2.8)	0.1
Research and development costs as a percentage of operating revenue	16.6	15.2
Total assets	19.9	23.1
Shareholders funds	9.2	12.8
Net tangible assets per share (cents)	0.4	5.0
Weighted average number of shares (million)	162	162
Earnings per share (basic) (cents)	(1.75)	0.001
Earnings per share based on earnings before interest, tax, depreciation and amortisation (cents)	(1.75)	0.001

UNDERSTANDING THE NUMBERS

Revenues: Revenue was \$27.9m compared to \$30.8m over the previous corresponding period.

EBITDA: To \$-0.1m in the current financial year from \$0.7m in the previous financial year.

PAT: The business lost \$2.8m this year compared to \$0.1m profit last year.

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21 Board of Directors

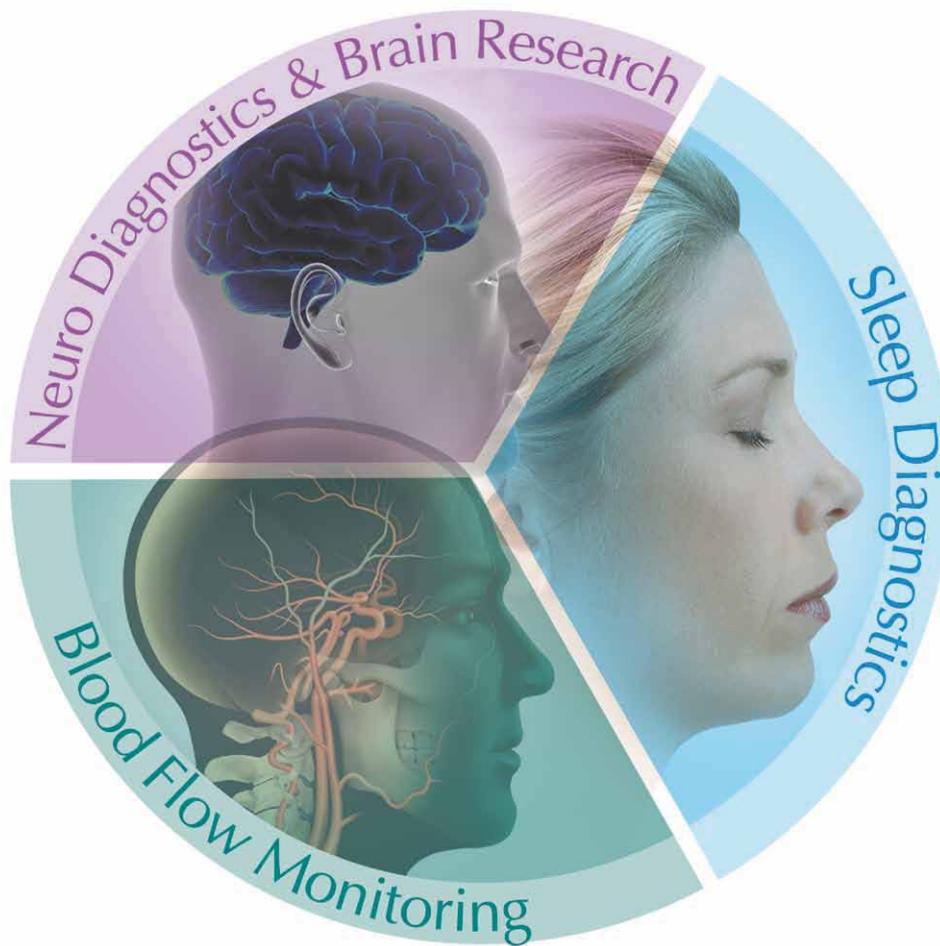
22 Senior Management Team

Compumedics Limited
ABN 95 006 854 897

Annual General Meeting

Thursday 1st November 2012
at 10.30am

To be held at: Compumedics Limited
30-40 Flockhart Street Abbotsford
Victoria 3067



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

Since 1987, Compumedics' strategy has focused on developing its core competency – Sleep Diagnostics – which has enabled the company to become one of the leaders in this growing international healthcare market. Today Compumedics has evolved into one of the world's leading suppliers of medical technology for sleep and neuro diagnostics (including brain research) and ultrasonic blood flow monitoring.

Compumedics' technologies and products are distributed to clients around the globe, helping millions of people who suffer from debilitating sleep, neurological and other healthcare problems. Each of these markets is multi-billion dollar in scope, at an early phase of evolution, with high growth expectations and Compumedics technology is uniquely positioned for imminent growth in each of these markets.

A focused strategy in action

For over 25 years, Compumedics' focus in Sleep and associated medical disorders has established a solid platform for growth.

Compumedics established

David Burton founded Compumedics to design and manufacture medical electronics. Prior to Compumedics, analysis and diagnosis depended, in large part, upon manual recording methods, which were very time consuming and costly to implement. The sleep monitoring system developed by Compumedics comprises powerful computer-based hardware and sophisticated software programs which eliminate thousands of pages of paper readings and countless hours of work by technicians, freeing them for more productive work.

Computer-Aided Sleep Scoring system released

Dr M.W. Johns and David Burton released an abstract: An improved Method for EEG Analysis and Computer-Aided Sleep Scoring. This system is the basis for Compumedics' current sleep staging software that is now recognised throughout the world.

S-Series – the first digital sleep system in Asia Pacific



P-Series and S-Series released

Compumedics announced the release of the P-Series Portable Sleep Monitoring System with features including intelligent CPAP control. Compumedics released its S-Series optical erasable disk storage sleep systems.

NASA contracts won for International Space Station and Space Shuttle flight preparation

NASA chose Compumedics' P-Series Portable Sleep Monitoring System for the 1998 Neuro-mission Space Shuttle flight preparations. Compumedics entered into co-operation with the US\$5 billion dollar Japanese conglomerate, Teijin for the development of the Japanese sleep market.

Compumedics developed its Paperless EEG system in conjunction with world-renowned EEG researchers and technicians including Dr Sam Berkovic and Mr Milosh Vosnansky of the Austin Hospital Neurology Department – leading epilepsy centre in the Southern Hemisphere.

Compumedics was awarded a patent for its on-line analysis.

Compumedics was awarded AS3901/ISO9001 Total Quality Management certification by NATA.

Used by NASA and SHHS.



Key awards and wins

Compumedics was awarded the European CE mark for Quality and Good Manufacturing Processes.

Compumedics won the contract to supply medical hardware for the International Space Station's Human Research Facility (HRF) under contract to NASA.

Compumedics recognised

Compumedics was named Australian Exporter of the Year.

Compumedics was awarded the Commonwealth Bank Small to Medium Innovative Manufacturer Award.

Compumedics was awarded the 1998 Governor of Victoria Award for Victorian Exporter of the Year.

Compumedics was awarded the 1998 Governor of Victoria Export Award for Small to Medium Innovative Manufacturer.

Compumedics was awarded the 1998 AusIndustry Innovation Award.

Compumedics was awarded the 1998 Telstra Innovation Award.

Compumedics' ASX listing

Compumedics listed on the Australian Stock Exchange.

E-series EEG/PSG system receives FDA clearance to market in the USA.



E-Series EEG/PSG system

1988

1989

1990

1992

1993

1994

1996

1998

1999

2000

1987

Epworth installs first Sleep Disorders Unit

Compumedics' first sleep system was installed at the Epworth Hospital Sleep Disorders Unit (Melbourne, Victoria). TIME magazine and the television series 'Beyond 2000' both featured the Epworth sleep center.



Globally read TIME magazine cover and article brings the "Trouble with Sleep" to the world.

1991

Royal Prince Alfred Hospital installation

Compumedics sleep equipment was chosen by the internationally recognised Sleep Disorder Centre at the Royal Prince Alfred Hospital, Sydney. This centre, under the direction of Prof. CE Sullivan (University of Sydney) was responsible for the breakthrough discovery in the treatment of sleep apnoea with nasal CPAP in 1981.

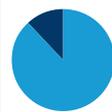
NZ's first Sleep Laboratory installed

Compumedics installed New Zealand's first fully computerised sleep laboratory at Green Lane Hospital.

Sales revenue

\$1.7M

Sales split



● Domestic \$1.5m
● Export \$0.2m

1995

Chosen for world's largest sleep study

Compumedics won the competitive US Government-funded contract to supply the equipment for the world's largest sleep study (6000 patients). The five year Sleep Heart Health Study (SHHS) was won against a field of 22 competitors, including multinationals. Compumedics supplied 40 P-Series Sleep Monitoring Systems along with 9 replay and 6 analysis systems. The equipment selection committee was made up of sleep experts from 11 leading University Hospitals across the USA.

Compumedics was granted IEC 601-1 patient safety certification for its S-Series and P-Series products.

1997

P-Series products wins award and FDA approval

Compumedics' P-Series wins a Highly Commended Award at the Australian Engineering Excellence Awards. Compumedics was awarded the 1997 Premier's Award for Technological Innovation in the Telstra & Victorian Government Small Business Awards.

FDA approval for P-Series

P-Series receives FDA clearance to market in the USA.

Sales revenue

\$5.4M

Sales split



● Domestic \$1.6m
● Export \$3.7m
● Other \$0.1m

Compumedics awarded

Compumedics was named Small Business of the Year at the Telstra and Australian Government Small Business Awards.

Compumedics won the AusIndustry Innovation Award at the Telstra and Australian Government Small Business Awards.

Compumedics won the Ansett Australia Business Owner Award at the Telstra and Victorian Government Small Business Awards.

Compumedics was awarded the 1999 Business Asia Best Australian Small Medium Business Activity in Asia Award.

Building a world-class medical technology company for patient monitoring.

2001
2002
2003
2004
2005
2006
2007
2008
2010
2011
2012



Somté – “holter-style” recording for both cardiac and respiratory data

Somté receives European clearance
Somté receives CE mark for European Market

Compumedics' completes first acquisition – Neuroscan.

Sales revenue
\$20.2M

Compumedics acquires German based DWL
Electronische Systeme GmbH

FDA approval for Summit IP
Summit IP receives FDA clearance to market in the USA

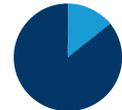
FDA approval for SynAmps2
SynAmps2 receives FDA clearance to market in the USA

Sales revenue
\$34.0M



Sleep Products received regulatory clearance in Taiwan

Sales revenue Regional Split



Key distributor agreement signed with Medigas Italia, a division of Praxair, Inc., for the distribution of the complete Compumedics product line.

Neuroscan MaglinkRT released with CE mark approval. Latest generation technology for recording EEG and ERP in the MRI.



Medigas Italia Srl invests in Compumedics commercialisation of new generation sleep-efficient Somnilink SPAP device.

Medigas Italia Srl (member of SIAD group of Companies, SIAD owned 34% by Praxair Inc.) takes strategic stake in Compumedics.

US Office relocated to Charlotte, NC.

\$200m of revenue achieved since listing.

Compumedics DWL awarded membership to Germany's top 100 innovative companies.

Neuvo LTM is released - the new standard in LTM and epilepsy monitoring.

Xegis EMG/EP/IOM released - leading the way in Neurophysiology EMG/EP/IOM.

CURRY 6 released - the world's most powerful Multi-modal Neuroimaging software.



CURRY 6 - Multi-modal Neuroimaging software



Somnilink SPAP®

Somnilink SPAP receives CE and TGA clearance.

Grael receives FDA clearance.

Compumedics wins major Mannheim University Medical Centre contract in Germany.



Mannheim University Medical Centre Sleep Laboratory.

Compumedics recognised as one of Australia's top 100 Health Innovators through its world leading devices for sleep diagnostics.

The updated Somté PSG is released.



Updated Somté PSG™ - Full PSG absolutely anywhere.



Compumedics celebrates its 25 Year Silver Jubilee Anniversary.

Neuvo LTM, world's first 512 channel wall system is released to market - the Ultimate Long-term Monitoring System.

Compumedics Achieves a World's First In Brain Monitoring -

The Yale New Haven Medical Center has produced brain EEG scans using the new Compumedics® NEUVO®.

This breakthrough represents a major enhancement in diagnostic capabilities for evaluating patients requiring surgical correction for epilepsies.

Grael-HD EEG - High-Definition EEG is released to market.



Neuvo LTM 512 Channel EEG.

Grael-HD EEG

3
4

CMP receives more recognition
Compumedics won the 2001 Australian Export Award for Small to Medium Manufacturers.

Compumedics won the 2001 Governor of Victoria Export Award for Small to Medium Manufacturer.

Compumedics won the AVCAL (Australian Venture Capital Association Limited) award for Best Early Stage Investment for 2000/2001.

FDA clearance for Siesta
Siesta Systems receives FDA clearance to market in the USA.



Siesta 802™ - World leading wireless system for sleep and EEG.

FDA clearance for Somté
Somté cardio-respiratory System receives FDA clearance to market in the USA.

Compumedics awarded the Frost and Sullivan Award for Market Expansion Strategy

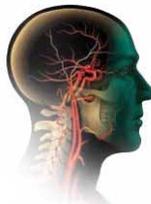
Sales revenue
\$32.1M



Somté® - Explore Sleep ... Beat by Beat

DWL division established for blood-flow Doppler technology.

Sales revenue
\$38.2M



Compumedics awarded the 2006 Frost & Sullivan Technology Leadership Award.

Compumedics and chairman inducted into the Victorian Manufacturing Hall of Fame.

Somté PSG is released - the simplest and most convenient way to meet requirements for recording full PSG, in both attended and unattended settings.

Profusion PSG3 is released - the next generation world class sleep diagnostics software - redesigned and with more powerful productivity tools. World's first to be AASM compliant.

Somté PSG & Profusion PSG3 receive CE mark



Somté PSG™ - Full PSG absolutely anywhere.

Grael is released - Compumedics released the world's first High Definition and premier PSG/EEG, Grael

Grael wins Powerhouse Museum Award & finalist at the Australian International Design Award.



Grael PSG/EEG - World's first High Definition Amplifier.

Profusion EEG4 is released - The next generation world class clinical and LTM software package.

Compumedics introduces direct selling in Germany.

University Medical Centre in Freiburg chooses Neuvo LTM EEG ahead of all major competitors.

Somnilink SPAP debuts in Australia.

Compumedics DWL wins Innovation Grant.

Record profits

\$2.7M



CURRY SCAN 7 Neuroimaging Suite is released - Compumedics Neuroscan releases its combined acquisition and signal processing software.

Compumedics introduces direct selling in France.

Compumedics inaugural attendance at the China Medical Equipment Fair, Shenzhen.

Milestone EEG contract win to equip the new & internationally acclaimed Royal Children's Hospital Melbourne with Compumedics Neuvo LTM.

Neuvo LTM EEG - The Ultimate Long-term EEG Monitoring System.



Chairman's address



Dear Compumedics investors,

On behalf of the Board, management and Compumedics team I present to you the results contained within the 2012 Annual Report.

I am pleased to announce continued significant sales-order growth, with new sales orders taken for FY2012, 7% higher than the prior year, \$31.9m compared to \$29.9m, on a constant currency basis. I am disappointed this did not translate to shipped sales and reflected in reported revenues for the year, being \$27.9m compared to \$29.7m for the prior year, on a constant currency basis. This was an outcome of the Company not being able to obtain adequate working capital in a timely manner. However, this issue is in the final stages of being resolved.

As a consequence, the Company was holding record sales-orders on-hand of approximately \$6.4m and generated a loss before tax of \$2.8m compared to a profit of \$0.1m for the prior year. Earnings before interest, tax, depreciation and amortisation (EBITDA) were a loss of \$0.1m for the year ended 30th June 2012, down on last year's \$0.7m positive EBITDA result. Earnings were directly impacted by the Company's inability to ship a significant proportion (at least \$4.5m) of the sales orders on-hand by 30th June 2012. Had more normal working capital conditions prevailed and the Company shipped an additional \$4.5m of its on-hand sales-orders, the Company would have generated profits after tax of between \$0.5m and \$1.0m and an EBITDA result between \$2.2m and \$2.7m. With the working capital constraints that led to this situation close to being resolved, the Company expects to be able to ship these sales-orders on-hand through the first half of FY2013, in addition to the forecast sales-orders for this period.

The Company's achievements during the course of the 2012 financial year were:

- Sales orders taken for the year were \$31.9m, a 7% increase on the \$29.9m in sales orders booked for the prior year, in constant currency.
- EBITDA was approximately break-even for the year, despite the inability to ship all the sales orders received.
- Operating cash was significantly higher at \$1.4m, compared to negative operating cash of \$(0.3)m for the prior year.
- Most of this operating cash was utilised to repay bank debt resulting in bank debt declining by 40% to just under \$2.0m at 30th June 2012, compared to \$2.8m for the prior year.
- The US business performed strongly with total sales orders taken 21% higher – USD10.5m compared to USD8.7m for the prior year.
- The US neuro-diagnostic business took sales orders 118% higher than the prior year – USD2.4m compared to USD1.1m.
- Sales orders taken in Asia were 19% higher than the prior year, with continuing strong growth out of China driving most of this overall sales-order growth.
- As a consequence the Company had record sales orders on-hand at 30th June 2012 of \$6.4m.

While we remain cautiously optimistic about the future, it is also clear that Compumedics is one of the few quality Australia-based medical device companies with a proven track record in technological innovation and the ability to commercialise new technology in global markets and with new breakout growth prospects.

As a result, the Company believes current key growth opportunities derive from the following primary initiatives:

1. Continuing the on-going two-to-three-fold expansion of the Company's core sleep and neuro medical diagnostic device sales force in the Company's key US and European markets.
2. Continuing Compumedics' expansion into the global Long-Term EEG Monitoring (LTEM) market with its new innovative LTEM device, Neuvo®. Having secured significant sales of the device in the critical US market the Company will continue to expand its market penetration in this and other major geographic markets.
3. The evolution of the home-sleep-testing (HST) market in the US as a result of changes to US private and government funding of HST and the expected growth in sales of small, limited channel sleep-diagnostic screener devices.

During the 2012 financial year the Company continued a major renewal and expansion of Compumedics' US-based direct sales team. This has involved

expanding the existing sales team in the US to ensure Compumedics has a footprint over all major territories within the US. The Company also implemented changes to its Australia-based sales team during the financial year ended 30 June 2012. These changes, together with a renewed focus in the German market, will enable Compumedics to further underpin the revenue growth achieved in the financial year ended 30th June 2012, as evidenced by the sales orders taken.

As noted, Compumedics has entered the LTEM market, a new and incremental market for Compumedics, with the launch of its innovative LTEM product, Neuvo® about one year ago. This is taking Compumedics into a pre-existing, but new market for the Company, which has estimated current annual sales of about USD200m in the US and globally approximately USD400m. Compumedics is well positioned to capture a 5% share of this global market over the next few years. Compumedics has achieved approximately \$4m in annual incremental revenues from this market over the last two years and will look to expand this through to the initial target of a 5% global market share.

The US-based Epilepsy Foundation estimates that more than 3 million people in the US are affected by epilepsy with 200,000 new cases each year. Of these, 10% may require surgical brain resections to control debilitating seizure activity. There are more than 60 dedicated Epilepsy Centres in the US that provide advanced diagnostic and treatment services for epilepsy and many more hospitals that offer more limited epilepsy management services.

The HST market in the US is still developing and growth has been hampered by low health-insurance reimbursement rates and general uncertainty over reimbursements across the sleep-diagnostic market. It is expected these issues will be resolved early in 2013. Compumedics has therefore continued to focus to-date on its traditional customer base but is currently implementing strategies it has formulated over recent times to aggressively pursue this emerging market with a low-cost, but leading technology, device derived from the Company's existing and award-winning Somté® device.

In addition, China represents a unique emerging market opportunity for Compumedics' complete range of diagnostic and monitoring systems, particularly given the close proximity and strong trade relations with Australia, coupled with Compumedics' time-earned reputation and establishment of premier reference centres throughout China. As China rapidly builds and expands its basic health infrastructure, mainly due to a continuously growing middle class and ageing population, the focus will inevitably turn to new areas of health management, including sleep and neural disorders and brain blood-flow ultrasonography. This will provide a measurable upside for companies as well positioned and established as Compumedics in this space. Compumedics is participating already in this upside as revealed in recent business wins in China for its ultrasonography (DWL) products.

Compumedics has made significant investments in product development targeting the neuro-diagnostics market to leverage its expertise in high-end amplifier design and physiologic signal processing. The combination of the Neuvo® LTEM system and the CURRY® neuroimaging analysis software suite, some of which is covered by patents, makes it easier for epileptologists and neurosurgeons to identify which specific regions in the brain are most likely to be the cause of severe seizure activity in an afflicted patient. As such the LTEM market provides another solid opportunity for growth for the Company over the foreseeable future.

Finally, the Company will continue its development of the sleep-treatment market with its partner in Italy over the next twelve months and concurrently ramp up its commercialisation opportunities here in Australia and Asia.

At the same time, we clearly understand the need to continue our focus on productivity improvements and strengthened business fundamentals, to deal with a much higher Australian dollar whilst we crystallise the highlighted growth opportunities.

I thank you for your continued support and look forward to sharing with you a number of special milestones and business updates as Compumedics forges ahead.

Yours sincerely,

David Burton
Chairman and Chief Executive Officer

Compumedics has recorded significant sales-order growth this financial year compared to last. What is the driver behind this?

It is pleasing to note the Company has posted growth in sales-orders over each of the last two financial years when expressed in constant currencies. Sales-orders taken in FY2012 of \$31.9m were a 7% increase over FY2011's \$29.9m, which also represented growth over FY2010 at \$29.3m.

The primary driver for the sales-order growth in FY2012 was a combination of increased business in the US, with sales-order growth there over the prior year of 21% and Asia, and more specifically, China, with sales-order growth in the region of 18% over the prior year.

A large part of the increase in sales-orders in the US was directly attributable to the successful launch of the Company's new range of neuro-diagnostic products, including the Long-Term EEG monitoring system, Neuvo®. This new product drove sales order growth for this part of the business by 121% in the financial year. Further growth was achieved generally across the US business and the Company continued to implement its sales force expansion in the territory as previously advised.

The trans-cranial Doppler business, DWL, based in Germany, also had a very successful year with sales orders there increasing by 15% over the prior year.

Offsetting these gains were declines in sales-orders, primarily in Japan and Germany, and to a lesser extent, the Middle East. The declines in Germany were attributable to not having a sales representative in the area for most of the financial year. However, this issue has been resolved recently with the appointment of a new sales representative for the German market.

The increase in sales-order activity is a great starting point, but how does the Company resolve the large sales back-order position and return to profitability?

It was very disappointing from the Company's point of view that the sales-order growth achieved in FY2012 could not be converted into shipped and invoiced revenues. This was largely a result of much larger orders being received by the business early in the year and not being able to put in place additional working capital arrangements quick enough to support this increased sales-order flow. The Company has been diligently working on this for most of the last six months and is significantly advanced with re-financing activities at the date of writing this report.

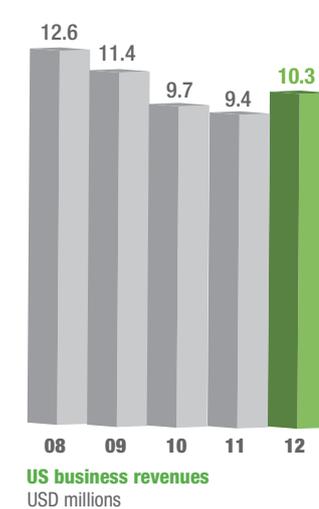
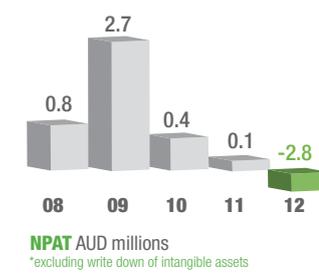
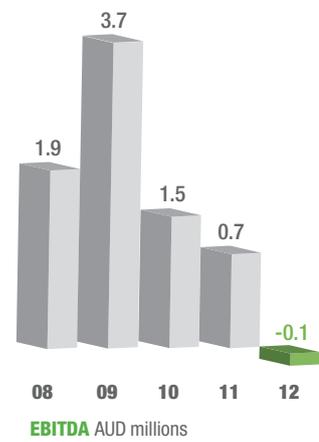
The Company fully expects to implement these changes in the very near future and, as a consequence, put itself in a position to not only clear the sales-orders on hand but also ship new sales orders expected over the same time frame.

With the sales orders cleared the business will return to profitability and continue to generate cash as it has done over the last financial year.

Is the Company satisfied it has done enough to ensure it can maintain and enhance the growth momentum evidenced by the increase in sales-orders taken this financial year, so as to propel the business towards sustained earnings and earnings growth?

Running any business is never easy, particularly when you are determined to maintain the Company as an Australia-based manufacturer of highly transformed elaborate goods. With that being said, on the basis the Company implements the refinancing it is currently putting in place and can clear the sale-orders on hand from a running rate of \$6m to \$7m, back to about \$1.5m then the business, on the basis sales-orders continue to grow, will not only return to profitability but should, in fact, grow profits over time.

The Company currently has a significant competitive advantage over its main rivals in the neuro-diagnostic market based on the development work done over many years that has lead to the current product offering. The Company fully intends to maximise the commercial opportunity this presents. Whether the Company can fully exploit this opportunity alone or is better positioned to do so with a strategic partner or indeed in the ownership of another party remains to be seen. At this point in time the Company continues to access all these options, whilst it concurrently simply gets on with making the opportunity a reality and having that flow through consistently in the numbers the Company presents to the market.



Is there a risk the new products the Company has introduced over the last twelve to eighteen months will cannibalise sales from existing products?

As has been noted before in these reports, over the last several years the Company has maintained its investment in R&D at considerably higher rates than similar companies to enable it to renew and expand its product offering, with the aim of restoring Compumedics' historical levels of revenue growth in the order of 20% pa. Whilst revenue growth has not re-attained these levels yet the Company is in a very good position to return to these rates of growth over the next few years, pending resolution of the shipping issues noted already.

Compumedics introduced its next generation GraeI® PSG and EEG amplifiers to its key global markets over a year ago and this product is driving renewed interest in the Company's sleep-diagnostic range, albeit the market for sleep-diagnostics is somewhat subdued at the moment. Whilst this product provides an alternative to the Company's existing E-Series laboratory based sleep-diagnostic system, we fully expect with our expanded sales force in the US and the new GraeI® PSG system to continue to drive sales growth in the key US marketplace, particularly into parts of the US where the Company has had little or a small footprint to-date.

Further, the Company released its new Neuvo® LTEM system about a year ago and this has been the catalyst for global neuroscience sales-orders taken, doubling from \$1.8m two years ago to \$3.9m in the financial year just finished. This product is being sold into a new market for Compumedics and one that is at least as big as the current USD250m global sleep-diagnostic market. As such this product is not cannibalising sales of the Company's existing product offering but is adding real incremental revenue growth potential to the Company.

The Company has had continued success in China. Do you expect this to continue and how important is China as a growth market for the Company?

China continues to represent a unique emerging market-opportunity for Compumedics' complete range of diagnostic and monitoring systems, particularly given the close proximity and strong trade relations with Australia, coupled with Compumedics' time-earned reputation and establishment of premier reference centres throughout China. As China rapidly builds and expands its basic health infrastructure, mainly due to a continuously growing middle class, the focus will inevitably turn to new areas of health management, including sleep and neural disorders and brain blood-flow ultrasonography. This will provide a measurable upside for companies as well positioned and established as Compumedics in this space.

Market research (Global Data 2010) confirms that Sleep Apnoea Diagnostic Systems have been reported as the fastest growing category within the Chinese anaesthesia and respiratory devices market, with growth rates of 15.7% between 2002 and 2009 and a forecast of 14.1% between 2009 and 2016. Importantly, in partnership with an extraordinary long-term network of existing distributors, Compumedics has established itself over the past decade as the leading supplier of premier sleep and neurology

systems amongst the finest Chinese hospitals, universities and clinics, alike. Coupled with Compumedics' Australian headquarters ideal geographical positioning and global brand recognition built up over 25 years, we believe it is imperative that we investigate the potential to further strengthen our Chinese investment and trade prospects. The prospect of Compumedics further combining the formidable Chinese investment, manufacturing and engineering resources with Compumedics global market sleep and neurology technological and innovative leadership can provide a formidable expanded business opportunity and will be vigorously pursued.

How will the Company capture this commercial opportunity?

Compumedics has been building its presence in China for more than ten years through its two major distributors there: Beike, a Chinese neurology company with over twenty years experience, and Compumedics Germany have collaborated for over ten years to develop the Chinese brain blood-flow ultrasonography market. Simultaneously, Compumedics has been building the sleep diagnostic market in North China for ten years with its distributor for these products in the region, Bestmed. As a result of these successful and highly developed partnerships Compumedics has achieved the following outcomes over the past six years:

- Since FY2007 sales to China have almost tripled from USD1.8m to USD4.7m in FY2012;
- Since FY2007 sales of Compumedics' sleep diagnostic systems have grown 400% from USD0.25m to USD1.5m in FY2012, providing an enormous opportunity for future growth given China's potential market size and its early phase of development;
- Across the Asia region, including India, Compumedics has continued to grow its sales to the region by about 11% pa from USD4.5m in FY2007 to USD7.9m in FY2012; and
- Compumedics' new neuro-diagnostic range of products, including the Neuvo® long-term monitoring system, remains an untapped commercial opportunity in the region with initial sales forecast for FY2012.

The Company has again reported the core medical diagnostic device business results separate to the medical innovation business. Can you up-date us on this part of the business?

As noted last year, the reason the Company has decided to report the numbers separately for the core medical-diagnostic device business and the medical innovations division is to better highlight the two very distinct set of activities the Company undertakes within the divisions.

The medical-diagnostic device business is the core business of the Company and incorporates the sleep and neuro diagnostic products as well the technically advanced brain research products and the brain ultrasonic blood-flow products. It also incorporates the supplies and consumables that continue to be sold with these products as well as after-sales technical service and support. This is the established business that currently generates the majority of the revenues of the Company and consistently generates EBITDA of about

10% to revenues and positive operating cash flows, albeit these numbers were not achieved this year as a result of the factors mentioned earlier in this section of the report.

The medical innovation business, on the other hand, has to-date largely been an investment in future revenue and earning potential based principally around the Company's sleep-treatment technology incorporated in the SomniLink® SPAP® device. It also incorporates some other longer-term opportunities in depth of anaesthesia monitoring and driver fatigue monitoring.

By separating the two businesses it not only provides a clearer picture of the performance of the Company but also ensures greater clarity of purpose and accountability within each of the businesses.

From the numbers presented by the Company the medical innovation business is a significant drain on the cash resources of the Company. Can the Company continue to afford such investment without seeing any real commercial returns in the very near term?

The Company has invested significantly in developing a unique sleep-treatment device in the SomniLink® SPAP®. This product has recently been manufactured in Taiwan in preparation for dealing with much larger sales volumes. The device has Australian TGA certification, CE Mark for Europe and is expected to be given clearance for sale in the US by the FDA later in 2012 or early 2013, following some additional information requests by the FDA. The Company is also in the process of establishing other markets for the device and will up-date the market further as these matters reach a point where it is appropriate to inform the market.

Clearly if these activities are not commercially successful in the current year the Company will need to evaluate its endeavours in this area, as it does in all areas of the business.

The Company has made statements about its capitalisation strategy and how best it can capture on the opportunity it has in the neuro-diagnostic market. What does that mean?

The Company, by which I mean the board of directors and the senior management team, acknowledge that there is significant unrecognised upside value in the Company's core businesses as well as in its rich intellectual property and technology portfolio.

None of this is currently reflected in the Company's valuation as reflected in the current market capitalisation of the Company. This could be due to a number of factors including poor communication of what it is the Company does both in terms of its core business as well as its longer-term growth opportunities. It could be due to the very low liquidity of the company shares, with some 80% of the Company's available shares being held by the top 20 shareholders in the Company. It could also be due to the lack of revenue growth, when looked at purely in Australian dollar terms and the

inconsistency in earnings and earnings growth over the same period, particularly as the exchange rate of the Australian dollar to the US dollar and the Euro has fluctuated widely but generally appreciated against those two key currencies for the Company.

Therefore, armed with this information the Company is actively seeking ways to unlock this unrealised value for its shareholders. In doing so it has three primary options: the Company can do it itself and grow the business organically, or it can look to strategic partners to work with the Company to achieve the goals of the business or ultimately the business parts can be sold if an appropriate price and set of conditions were obtained.

The Company's default position is to pursue its growth targets independently until an opportunity presents itself that would result in a better outcome for the Company and its shareholders, customers, vendors and employees. The Company will continue to pursue each of these options as it is obliged to do and when appropriate present alternate options to the shareholders where the Company believes more value is created.

On that note what is your current forecast for the Company for FY2013?

Over recent years given the wild fluctuations in the value of the Australian dollar against the US dollar and the Euro, together with the significantly disruptive external conditions affecting our key markets, firstly in the US, and now the sovereign debt issues in Europe, the Company has not issued a forecast to market.

Suffice to say that the Company's stated ambitions to grow its sales presence in its key markets two to three times with a view to growing sales by a similar factor remain. Further, the continuing rollout of the Company's new products, including the Neuvo® LTEM system and the SomniLink® SPAP® sleep-treatment device, into key global markets remains on track.

As such, we expect this to be reflected in growing revenues and stronger earnings over the forecast period. How quickly this can be achieved in any given forecast period remains difficult to predict given the external factors already mentioned.



David Burton
Executive Chairman and Chief Executive Officer
Compumedics Limited

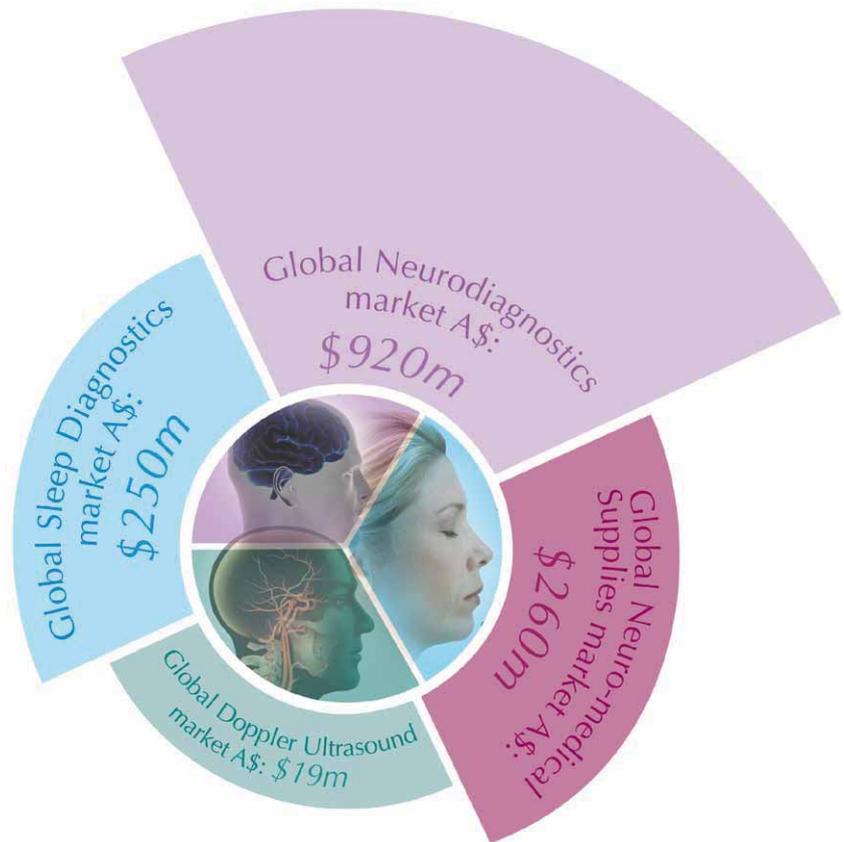
The Business of Compumedics

Compumedics is a global technology leader in the development and commercialisation of computer based medical products.

Our technology has so far focused on the fast growing, high value sleep medicine market. We are now also focusing on the associated fields of neurodiagnostics and brain research.

By defining life's signals, our technology turns vast amounts of data into valuable information that leads to a more accurate diagnosis and consequently more effective therapy for some of the most serious health conditions.

We are an Australia based company with global operations and customers.



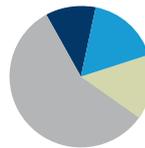
Global Sleep Diagnostics market

Description of the market:

The global Sleep Diagnostics industry is comprised of diagnostic and therapeutic technologies and medicines. Compumedics' core business lies in the design and manufacture of technologies for the diagnosis of sleep disorders – a market estimated to be worth AUD\$250 million worldwide and growing.

Where we compete:

- Asia 14%
 - Europe 15%
 - USA 56%
 - Australia/NZ 15%
- (Total Sales)



Competitive Advantages:

- 1 Innovative strength
- 2 Active involvement in sleep science globally
- 3 Market placement and momentum

Current Market Share:

6%

Key drivers:

To logically continue to expand our US and European sales and support infrastructure and to evolve the business to provide complete sleep medical solutions.

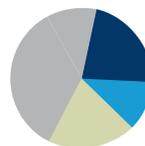
Global Brain Research market

Description of the market:

Global Brain Research is the study of the brain's functionality, using Quantitative EEG (QEEG) methods to supplement traditional EEG findings. With the advent of high speed digital information processing and statistical analysis, QEEGs extract and quantify brain electrical activity to address aspects of EEGs that cannot be appreciated visually.

Where we compete:

- Asia 27%
 - Europe 23%
 - USA 40%
 - Australia/NZ 11%
- (Total Sales)



Competitive Advantages:

- 1 Superior patented technology
- 2 Uncompromised system design
- 3 Unmatched innovation

Current Market Share:

28%

Key drivers:

The key driver for growth in brain research will be to maintain Neuroscan's preeminent technological lead and to back this by expanding the sales and support infrastructure to harness this expanding market opportunity.

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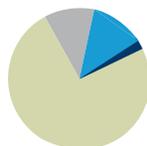
Global Neurodiagnostics market

Description of the market:

Global Neurodiagnostics is the study of electrical activity in the brain, spinal cord, nerves and muscles for the diagnosis and monitoring of neurological based diseases. Tests may be performed in hospital outpatient departments, neurophysiology labs, operating theatres, intensive care units and private practice.

Where we compete:

- Asia 1%
- Europe 70%
- USA 13%
- Australia/NZ 16% (Total Sales)



Competitive Advantages:

- 1 Complete range from clinical to research technologies
- 2 Uncompromised system design
- 3 Highest industry quality standards

Current Market Share:

less than 1%

Key drivers:

The key drivers for achieving growth in this market are to have technologically superior products that differentiate Compumedics from the existing competition. With the current products being complemented by a completely new long-term monitoring device in 2010, this will be achieved.

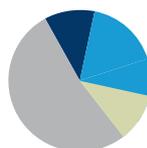
Global Neuromedical Supplies market

Description of the market:

The Neuromedical Supplies market comprises sleep consumables, brain research consumables and neurodiagnostic consumables. Typically, items sold in these markets comprise electrodes, sensors, head caps, gels, respiratory bands and the like. Items replacement cycles range from disposable to replacing once every six months.

Where we compete:

- Asia 11%
- Europe 10%
- USA 51%
- Australia/NZ 28% (Total Sales)



Competitive Advantages:

- 1 Existing installed base
- 2 Proprietary products
- 3 Growing distribution network

Current Market Share:

1%

Key drivers:

The key drivers to growth in this market are marketing initiatives to increase our brand awareness followed by on time delivery and product quality and consistency.

Global Doppler Ultrasound market

Description of the market:

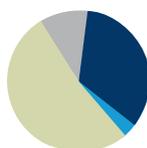
The Doppler Sonography technique utilises sound frequencies to measure the blood flow conditions in vessels and evaluate haemodynamics by using high-quality diagnostic and monitoring systems.

DWL Doppler systems are used in a wide range of specialist branches of medicine including neurology, neurosurgery, cardio- and vascular surgery, anaesthesia, intensive treatment, internal medicine, angiology and radiology.

The products are purchased by private practices and clinics, hospitals (both public and private), and by major universities, national research institutes and corporate research laboratories around the world.

Where we compete:

- Asia 36%
- Europe 52%
- USA 10%
- Australia/NZ 2% (Total Sales)



Competitive Advantages:

- 1 Full Digital Doppler Technology
- 2 Bilateral Doppler
- 3 Multi-Range Doppler Technology
- 4 Physiological Tests
- 5 Emboli Differentiation & Multi-Frequency probes
- 6 Highest Doppler sensitivity
- 7 Best signal to noise ratio
- 8 Reference gates
- 9 High and low temperature endurance systems
- 10 Space endurance systems

Current Market Share:

less than 35%

Key drivers:

- Digital Doppler Technology
- New application areas for the use of TCD
- Expanding market opportunities by new Health Care Regulations for the use of TCD
- Expanding Sales and Support Infrastructure

Clients of Compumedics

Sleep Diagnostics

Products provided

- Grael® – the world's first High Definition PSG/EEG
- Siesta®PSG – the ultimate in wireless Sleep recording systems
- Somté®PSG – unique holter style full PSG system
- Somté® – unique holter style cardio-respiratory system
- Profusion PSG™ – the next generation world class sleep diagnostics software
- Profusion Nexus™ – laboratory management system
- E-Series™ EEG/PSG – network ready laboratory and portable Sleep system
- Safiro® PSG – ideal for ambulatory applications in sleep

Key Clients

- Austin Repatriation & General Hospital (Aust)
- Monash Medical Centre (Aust)
- Royal Prince Alfred Hospital (Aust)
- Sir Charles Gairdner Hospital (Aust)
- Royal Children's Hospital (Aust)
- Minnesota Regional Sleep Disorder Center (USA)
- University of Michigan Medical Center (USA)
- Yale Medical Center (USA)
- Carolina Healthcare System (USA)
- Carolina Sleep Services (USA)



Compumedics Grael®-HD



Compumedics Siesta®



Compumedics Somté® PSG

Ultrasonic Blood Flow Monitoring

Products Provided

- EZ-Dop®
 - Compact design. High performance.
- Multi-Dop® Pro
 - Flexible. Portable. And always at the ready.
- Doppler-Box™ X
 - A new Generation.
- Multi-Dop® Tdigital
 - Compact. And extremely versatile.
- Multi Dop® Xdigital
 - A state-of-the-art all-in system.
- Hemo-Dop®
 - HAL - An innovative Way.

Key Clients

- Dr. Rune Aaslid, PhD, Berne, Switzerland
- Prof. Andrei V. Alexandrov, MD, University of Texas, Houston, USA
- Prof. David Russell, MD, PhD, The National Hospital Oslo, Norway
- Dr. David W. Newell, MD, University of Washington, Seattle, USA
- Prof. Geoffrey Donnan, MD, Austin & Repatriation Medical Center, Melbourne, Australia
- Prof. Laszlo Cziba, MD, Medical School of Debrecen, Hungary
- Prof. Erich B. Ringelstein, MD, University of Münster, Germany
- Prof. Michael G. Hennerici, MD, University of Mannheim, Germany



Doppler-Box™ X



EZ-Dop®

#1
EUROPEAN
MARKET

Neuro Diagnostics (including Brain Research)

- Clinical
- Research

Products Provided

- Neuvo® LTM – the new standard in LTM & epilepsy monitoring
- GraeL® EEG – high-definition clinical EEG system
- E-Series™ EEG – network-ready laboratory and portable EEG solution
- Safiro® EEG – a perfect solution for ambulatory applications
- Siesta® EEG – the ultimate in wireless capabilities in EEG
- SynAmpsRT™ – world's most powerful and advanced amplifier
- CURRY® SCAN 7 Neuroimaging Suite - for signal acquiring, processing and source and image analysis
- MagLinkRT™ system for EEG recording in the fMRI environment
- Stim™ audio visual stimuli presentation software

Key Clients

- Flinders Medical Centre (Aust)
- Austin Repatriation & General Hospital (Aust)
- St. Vincent's Hospital (Aust)
- Royal Children's Hospital (Aust)
- University of Melbourne (Aust)
- University of Sydney (Aust)
- Swinburne Centre for Applied Neuroscience (Aust)
- Yale New Haven Medical Center (USA)
- University of South Alabama (USA)
- Georgia Health Sciences University Medical Center (USA)
- University of Chicago (USA)
- Stanford University School of Medicine (USA)
- Oxford University (UK)
- Tokyo University (Japan)
- Peking University (China)



Compumedics GraeL®-HD EEG



Compumedics Neuvo® 512 Channel



Compumedics CURRY® SCAN 7 Neuroimaging Suite

GLOBAL MARKET POSITION BEING BUILT

Exciting opportunities exist in the massive Neuro-diagnostics market worth:

\$920M_{p.a.}

NeuroMedical Supplies®

GLOBAL MARKET POSITION BEING BUILT

Products provided

Our comprehensive range of products produced for this market are:

- Airflow Sensor
- Chest Sensor
- Electrodes
- EMG Needles
- Leads
- Snoring Monitor

Key Clients

- Winmar Diagnostics (USA)
- Maine Medical Center (USA)
- Providence Medical Center (USA)
- Landauer Medical (USA)



Sleep Diagnostics & Treatment



Compumedics was founded with the establishment of computerised sleep diagnostics and today sleep deprivation is recognised as one of the most serious modern day health epidemics. Sleep disorders such as apnoea have been implicated as a leading causation of two of today's principal causes of death being cardiac arrest and stroke.

"Compumedics provides us with unrivaled flexibility and power in its PSG acquisition, scoring and reporting systems. The sales and service staff are second to none in customer satisfaction and are just as reliable as their equipment. I just hope that our competition doesn't catch on!"

Luis A. Garcia, RPSGT
Clinical Director LMI Sleep Diagnostics Division
Landauer Metropolitan Homecare

What is a Sleep Disorder?

A sleep disorder is a medical condition that affects a person's ability to have a 'normal' night's sleep. There are 85 classified sleep disorders ranging from snoring, obstructive sleep apnoea and insomnia to narcolepsy. Identified in 1966, obstructive sleep apnoea (OSA) is the most common form of sleep disorder and is a serious and potentially life threatening condition. Of the estimated 40 million Americans believed to suffer from treatable sleep disorders it is thought that 50% suffer from OSA.

How are Sleep Disorders Diagnosed?

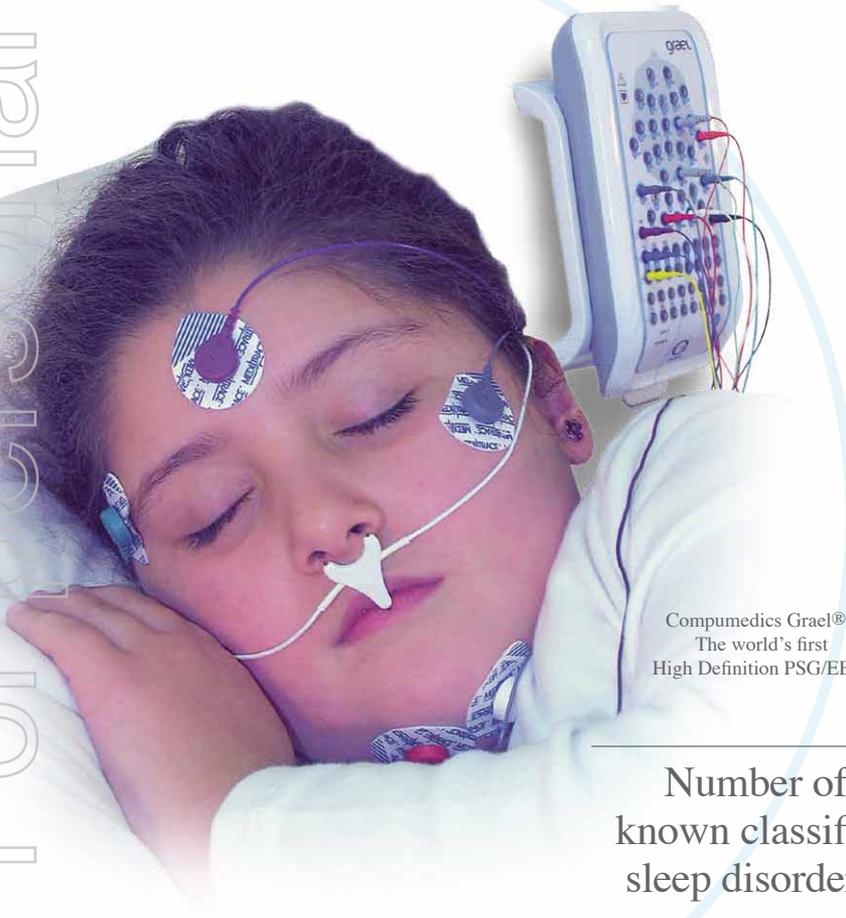
General practitioners will refer patients who suffer from a variety of sleep-related symptoms (severe snoring, daytime tiredness, general fatigue and poor sleep patterns) to sleep physicians or respiratory physicians. At the specialist's recommendation, the patient may need to undertake a sleep study either in a sleep clinic or at home. In sleep studies, sensors are attached to the patient's head, chest, hands and legs. In home studies the patient is connected to a portable sleep diagnosis device prior to sleep. For 8 to 10 hours, breathing patterns, leg movements, eye movements, patient position and responses to light, sound and temperature are monitored using ECG, EEG, EMG, SaO₂, TeCO₂ and CPAP (a Continuous Positive Air Pressure device). High-resolution monitors display on-line and off-line physiological waveforms as well as trend analysis data.

Compumedics GraeI® -
The world's first
High Definition PSG/EEG.

Number of
known classified
sleep disorders:

85

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Compumedics Somté® PSG Vest - for easy set-up and patient comfort.



Somnilink® SPAP®
- Compumedics' innovative sleep apnoea therapy device.



Compumedics Profusion PSG™
- the next generation of world class PSG acquisition, review and analysis software.

Certain segments of the population appear to be at more risk of developing sleep disorders. Typical sufferers are middle-aged males, with a history of severe snoring. There are also certain risk factors that increase the chance of developing sleep disorders including:

- Obesity
- Ageing
- Genetic predisposition
- Smoking
- Alcohol consumption

Many of these risk factors reflect the characteristics of modern society. It is anticipated that these risk factors, combined with the increasing awareness of sleep disorders within the medical community, will continue to generate substantial growth in the sleep device market.

Links to Other Diseases

Sleep disordered breathing is more common in people with high blood pressure, heart disease, diabetes, stroke and a number of other common medical conditions. It is thought that the lowering of blood oxygen during sleep and the frequent apnoeic episodes contribute to vascular, heart and brain dysfunction (such as stroke and memory impairment) for people with these medical conditions. Sleep disordered breathing is also more common in people with spinal cord injury and may contribute to daytime dysfunction and excessive sleepiness in this group. There is also a newly discovered link between sleep disordered breathing and pre-eclampsia in pregnancy and it may be that upper airway obstruction disrupting

sleep leads to the high blood pressure in this condition.

As the understanding of the links between sleep quality and normal function across the whole range of body systems increases, new and valuable insights into the cause of many common diseases, and the potential role for improving breathing and sleep quality in the treatment of those conditions will be gained.

Impaired and disturbed sleep quality has an enormous impact on psychological function, mood, memory and general cognitive performance. This has led to increased awareness of the importance of good sleep quality in prevention of industrial and motor vehicle accidents and absenteeism in the work place. Clearly, strategies to improve and promote sleep health in the community are of considerable socio-economic importance in creating a healthy society.

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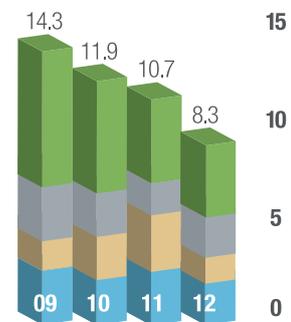


Compumedics Somté® PSG - the next generation of Somté recorders. Full PSG... absolutely anywhere.

How Common are Sleep Disorders?

Sleep disorders are estimated to affect approximately 40 million Americans. In 1993, the National Commission on Sleep Disorders Research estimated that approximately 20 million individuals in the USA suffer from OSA. Of this 20 million, more than 30% (6.5 million) over the age of 30 suffer moderate to severe OSA. However, only a small proportion of OSA sufferers were aware of the cause of their sleep problems.

This rate of occurrence ranks sleep disorders as more prevalent than asthma in the USA. Sleep disorders remain a relatively new area of medicine and due to the lack of awareness, a large percentage of sufferers are currently undiagnosed.



Sleep Monitoring revenues by region AUDm
 ● Asia ● Australia/NZ ● Europe ● USA

Neuro Diagnostics (including Brain Research)



Compumedics through the acquisition of the Neuroscan business in 2002 expanded its business to brain research and neurological diagnostics. Both markets are highly complementary to Compumedics sleep business. Compumedics has focused on leveraging Neuroscan's high end brain research technology to a more clinical application and the outcome of this is the recently released Neuvo® long term monitoring device.

"We evaluated solutions from other vendors but none could provide the integrated solution that Compumedics offered to help guide us in surgically treating this patient population."

Dr. Dean Naritoku, Professor and Chair of Neurology, USAMC.

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Compumedics Grael® HD EEG System - High Definition Clinical EEG System

Compumedics Neuvo® - the ultimate long-term EEG monitoring system

What is clinical Neurodiagnostics?

It is the study of electrical activity in the brain and spinal cord for the diagnosis of neurological-based disorders. The methods used to study clinical neurophysiology include Electroencephalography (EEG), Electromyography (EMG), Nerve Conduction (NCS), and Evoked Potentials (EP). These tests may be performed in hospital outpatient departments, neurophysiology labs, operating theatres, intensive care units, epilepsy centers and private practice offices.

EEG is used in the evaluation, monitoring, diagnosis, and/or management of the following brain related issues: Epilepsy, Traumatic Brain Injury, Infarction, and Intracerebral Hemorrhage as well as a host of research purposes.

EEG is an important growth area and part of the "journey" for Compumedics: EEG is the largest segment of the world market for Neurodiagnostics.

The primary markets for these devices are Europe and America with approximately 40% of the world market. However, Asia Pacific and Latin American markets are also expected to grow at a strong rate over the next 10 years.

EEG is inexpensive and non-invasive. It is virtually pain and risk free and is one of the most benign tests for monitoring brain function in the evaluation of epilepsy.

Growth in neurodiagnostics is being driven by the prevalence of reliable technology and performance requirements of the EEG as a clinical instrument in surgical therapy,

known as Intraoperative Monitoring (IOM), and for extended epilepsy monitoring or Long Term Monitoring (LTM).

Epilepsy is a chronic neurological disorder that affects 1% of the world population. Most of the health care costs associated with epilepsy are attributable to those patients with medically intractable seizures. Many of those disabled by epilepsy may be candidates for surgical therapy. Note: in 2003 there were an estimated 100,000 – 200,000 potential surgical candidates in the USA alone. Early and successful surgical intervention might prevent or reverse disabling consequences of uncontrolled seizures during critical periods of adolescence and adulthood.

What is brain research?

Brain research is the study of the brain's functionality, using quantitative measures of EEG to supplement traditional EEG findings. With the advent of high speed digital information processing and statistical analysis, extracting quantitative measures of EEG to assess the status of brain function allows access to aspects of EEGs that cannot be appreciated visually. Theoretically, such techniques incorporated the heuristics of visual analysis of EEG but move it to a state of processing beyond "the eye of the beholder". There are a variety of quantitative analysis techniques ranging from simple surface mapping of recorded EEG activity, to complex models that accurately define the source of these electrical activations in a three dimensional model of the head. Advanced brain source reconstruction techniques highlight regions of interest to the neuroscientist in understanding brain function and may assist in clinical diagnosis and treatment planning of some medical conditions.

Why is this important to Compumedics?

Leadership in objective and quantitative methods of EEG analysis and other brain research activities is important not only in terms of maintaining Neuroscan's pre-eminent position in this market and therefore its dominant market share, but to also lead the sleep and neurodiagnostic business technologies into the future. The Neuroscan Brain Research business is focused on working with key academics and researchers around the world in the pursuit of new neurophysiology research tools that have the potential to open up new clinical diagnostic solutions for known neurological disorders. The Neuroscan Brain Research business works with key researchers and industry leaders who write the research articles that form the basis of knowledge for neurodiagnostic clinical practices for the next 10-15 years.

The majority of these key decision makers use Compumedics Neuroscan products.

Or to put it practically, more than 1,400 physiological research laboratories across the world use Compumedics Neuroscan brain research products. These laboratories include prestigious laboratories such as: Albert Einstein College of Medicine (USA)– Stanford University School of Medicine (USA)– Oxford University (UK)– The Mayo Clinic (USA)– Yale School of Medicine (USA)– University of Melbourne (Aust)– Tokyo University (Japan)– University of Sydney (Aust). It is these research institutes that will drive clinical practices in the future, all using Compumedics Neuroscan equipment in their investigations. This gives our neurodiagnostic business a significant competitive advantage and will ensure the neurodiagnostic functionality in our sleep diagnostics also remains leading edge.



Xegis Fort™ System - Compumedics' EMG / EP Workstation.

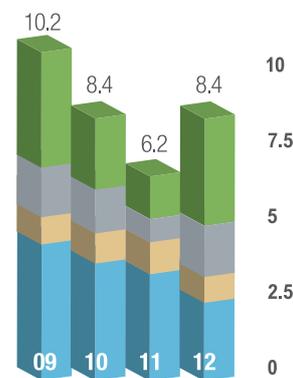
Xegis G:neo™ System - Compumedics' ultra-portable EMG / EP System.



CURRY SCAN 7 Neuroimaging Suite - for signal acquiring, processing and source and image analysis.



SynAmps RT™ - sets a new standard in EEG and ERP amplifier technology.



Brain Monitoring revenues by region AUDm

● Asia ● Australia/NZ
● Europe ● USA

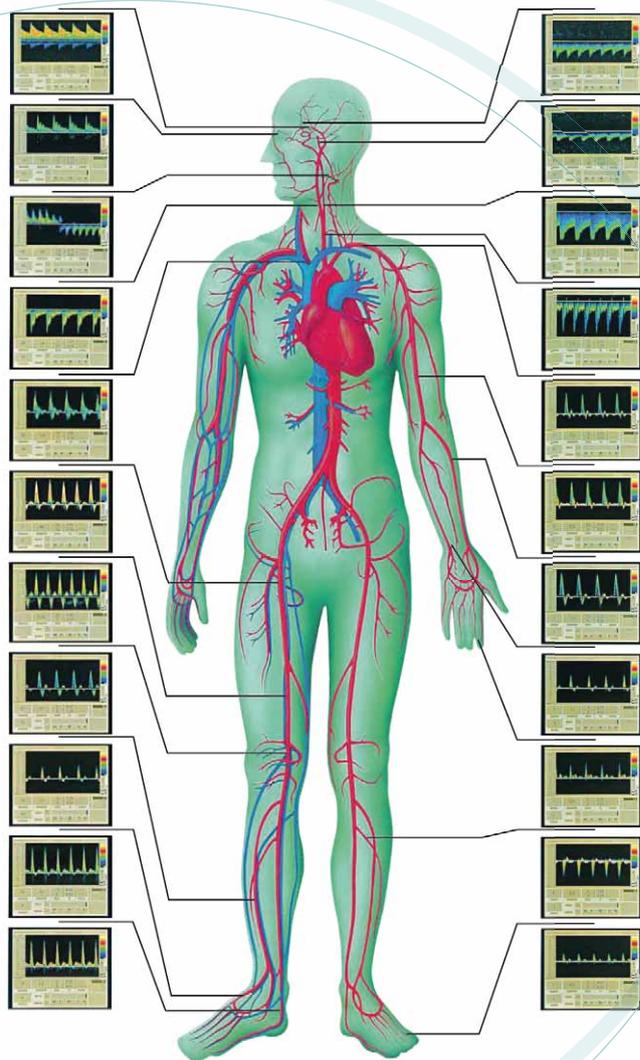
Ultrasonic Blood Flow Monitoring



To grow the business by innovations and developments in technology and products and by capitalising on opportunities in application fields for practicable routine Doppler Sonography, Neuro-monitoring and Neuro-protection and into stroke treatment opportunities.



Transcranial Doppler Sonography using the Multi-Dop® Pro.



What is Doppler Sonography?

The Doppler Sonography technique utilises sound frequencies to measure the blood flow conditions in vessels and evaluate haemodynamics by using high-quality diagnostic and monitoring systems.

Transcranial (1 and 2 MHz), **extracranial** (4 and 8 MHz), **peripheral** (4 and 8 MHz) and **microvascular** (16 MHz) arteries and veins, can be carried out using DWL Doppler systems in either **continuous wave (CW)** or **pulsed wave (PW)** modes.

In CW mode, one frequency is continuously transmitted and received, in PW mode the probe emits pulses of ultrasound and receives the reflected signals in between, thus a depth selection is possible. Transcranial Doppler sonography is not possible without depth selection.

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Multi-Dop® X
Digital high-end system
for clinical routine and
monitoring examinations,
special function tests and
emboli detection.



Doppler-Box™ X
A new generation -
Doppler technology
with the highest level of
innovation. Connects to
any external Windows®-
based computer.

Different kinds of Doppler Sonography

Transcranial Doppler Sonography

... is carried out using 1 or 2 MHz probes in pw mode only. The arteries of the Circle of Willis and the A. basilaris are examined.

Extracranial Doppler Sonography

Using the 8 MHz probe, the artery to the eye (A. supratrochlearis) is examined. All other brain supplying arteries are typically examined using the 4 MHz probe.

Peripheral Doppler Sonography

The arteries and veins of the pelvis and upper thighs are examined using the 4 MHz probe.

In other peripheral areas the 8 MHz probe is normally used according to the constitution of the patient.

Microvascular Doppler Sonography

... is carried out using a 16 MHz probe. The neuro or vascular surgeon places the probe directly onto the exposed blood vessel and measures its blood flow. The ability to sterilise the probes is very important in these cases.

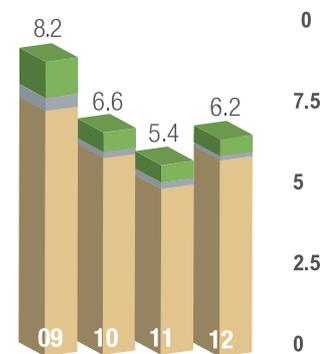
Many different applications

Neurology, neuro, heart and vascular surgery, anaesthesia, emergency and intensive care, ENT and oral and maxillofacial surgery – the application spectrum of DWL Doppler systems is broader than ever before:

- * vasospasms
- * aneurisms
- * stenosis
- * embolisms
- * arterial plaque
- * transient ischaemic attack (TIA)
- * stroke
- * ischaemia
- * brain death
- * sickle-cell disease
- * cerebral vasomotor reserve
- * cerebral autoregulation
- * vascular regulation
- * endarterectomy
- * bypass/shunt/stent
- * patent foramen ovale (PFO)
- * thrombosis
- * anastomosis
- * vascular pedicled flaps



EZ-Dop®
Compact, portable and
modular Doppler device
for routine diagnostics.



Ultrasonic Blood Flow Monitoring revenues by region AUDm
 ● Europe ● Australia/NZ ● USA

NeuroMedical Supplies



Expand this business segment into a leading provider of a comprehensive range of consumable items to serve not only our installed customer base but the entire sleep and neurodiagnostics industry.

Before using QuickCel we had problems with our youngest subjects, under the age of 3 or 4, sitting through the tasks. With the QuickCel the children are able to sit through the cap application with no problem. This allows for much longer testing sessions and overall clearer data. A happy child means a happy parent. As a result, not only are the testing sessions cleaner and easier, but we've found that parents tell their friends and suddenly our recruiting is up! We've been incredibly happy using the QuickCels.

Mandy J. Maguire, Ph.D.
Assistant Professor
The University of Texas at Dallas / Callier Center for
Communication Disorders
School of Behavioral and Brain Sciences

What is NeuroMedical Supplies?

NeuroMedical supplies is a leading manufacturer and full-range distributor of supplies and accessories for Sleep and Neurodiagnostic laboratories, research facilities and transcranial Doppler professionals.

As innovators in our field, we understand how vital accessories, sensors and disposable items are in the diagnosis and study of sleep, the nervous system and the brain. Through our intimate

Installed
Compumedics/
Neuroscan/DWL
sites globally

over
14,000

For personal use only





Summit IP™ – Respiratory effort sensor system using true inductive plethysmography



QuikCell™ – Unique liquid electrolyte application system



understanding of this area, we manufacture and procure supplies and accessories that complement our system standards and are of the highest quality. Our goal is to be a single source provider for every conceivable customer need.

NeuroMedical supplies endeavours to provide our clients with competitively priced supplies and accessories for all of their sleep and neurodiagnostic needs. We are constantly expanding our product offerings and looking for creative and effective ways to enhance customers' purchasing experience with our company. Just in time delivery, annual contract purchase discounts and per-patient

customised pricing bundles are a few of the initiatives we pursue to enhance our clients productivity while minimising their costs.

In addition to seeking out and selecting the best available supplier-partners, Compumedics designs and manufactures its own line of products from our 6000 sqm facility in Melbourne, Australia. Our operations and products are regularly audited for FDA, CE, ISO and ETL standards, to ensure that our customers receive consistent world-class products and services.



Quik-Cap® PSG – Electrode application system for Sleep Diagnostics

US Market for Neuromedical supplies:

over \$250M

Number of beds installed with Compumedics sleep equipment globally:

over 4,000

Quik-Cap® PSG is the first universal application system for sleep diagnostics. Compatible with virtually all manufacturers systems, the Quik-Cap® PSG offers rapid placement, consistency for improved quality control, comfort for the patient and quick easy clean-up to enhance overall lab productivity.

Board of Directors:

Compumedics is committed to developing a world class working environment that rewards individuals for the contributions they, and their teams, make to the business each year. Compumedics is proud of the diversity of its people, and continues to develop its people infrastructure under the guidance of the Senior Management Team and the Board.



Mr David Burton
Executive Chairman, CEO

David Burton, Ph.D. 53, is the founder, Chairman and CEO of Compumedics. After establishment of Compumedics the company was listed on the ASX in 2000, and has been awarded 24 awards for design, innovation, business and exports including the Australian Exporter of the Year in 1998 and Small Business of the Year in 1999.

Dr. Burton started his career at the Bureau of Meteorology, where he studied radar techniques and electronic equipment. He founded Linear Transfer Pty Ltd, which designed, manufactured and marketed high fidelity recording and sound equipment. He was awarded an Associate Diploma in Engineering (Electronics) by the Royal Melbourne Institute of Technology and a Ph.D. (Eng. Sc.) by Monash University, Melbourne (Australia). Dr. Burton's engineering background includes the design and project management of the Compumedics' first sleep laboratory and portable sleep systems. Dr. Burton has authored fifteen patents or patent applications that form part of Compumedics' key intellectual property.

Dr. Burton has served as an advisor for the Victorian Government as a member of the Council for Knowledge, Innovation, Science and Engineering (KISE), being the Victorian Government's key advisory body on issues and policies focusing on science and innovation.

Dr. Burton was presented the Clunies Ross National Science and Technology Award in 2002 for his development of innovative sleep monitoring technology. He was awarded the 2003 Centenary Medal by the Prime Minister and Governor General of Australia for outstanding contribution to science and technology, particularly public science policy. In 2003 Dr. Burton was awarded the Ernst & Young Victorian Entrepreneur of the year award for technology, communications, E-commerce and life sciences. In 2007 Mr Burton was inducted into the Victorian Manufacturing Hall of Fame in recognition of manufacturing achievements and world-wide medical device exports.

Dr. Burton continues to serve as a Victorian Government adviser as a Board member of the Design Victoria (2008-).



Professor Graham Mitchell AO
Non-Executive Director

Professor Mitchell, 71, is recognised as one of Australia's leading biological scientists. His expertise extends over a wide range of science and technology fields. He has a detailed knowledge of the academia - industry interface, has authored more than 350 publications, and received numerous awards for scientific achievement. In 1993, Professor Mitchell was appointed an Officer of the Order of Australia for services to science. Professor Mitchell is a principal of Foursight Associates Pty Ltd., and Non-Executive Director of Antisense Therapeutics Limited, Avipap Pty Ltd., Adelaide Research and Innovation Pty Ltd., and AVS Pty Ltd. He acts as a principal adviser on innovation to the Victorian, Tasmanian, Northern Territory and Commonwealth Governments. He is joint Chief Scientist for the Victorian Government Department of Primary Industries and Department of Sustainability and Environment.



Mr Alan Anderson
Non-Executive Director

Mr Anderson, 56, is a leading American attorney in the areas of commercial litigation, intellectual property and computer law. He has represented Compumedics for all legal matters in the USA since late 1998.

Mr Anderson completed his Bachelor of Arts with Honours (Political Science) at Coe College. He also holds a Master of Business Administration with Distinction, a Doctor in Law with Honours from Cornell University, and a Certificate in International Business and Commercial Law from the McGeorge School of Law (University of the Pacific).

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Senior Management:



David Burton
Executive Chairman, CEO



David Lawson
Chief Financial Officer
& Company Secretary



Warwick Freeman
Chief Technology Officer

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Kerry Hubick
Trademark, Patent
& General Legal Attorney



Christoph Witte
General Managing Director
DWL Compumedics Germany GmbH

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