



COMPUMEDICS
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Compumedics Business Update

Melbourne Australia, Wednesday, 11 February, 2009

Leading Australian-based medical diagnostic devices company, Compumedics Limited (ASX: CMP), updates the market on its recent activities in the following letter from its Chairman, Mr David Burton.

“Dear Compumedics stakeholders,

The primary purpose of this communiqué is to provide an update of Compumedics’ operational and strategic progress, together with the outlook moving forward. While Compumedics is not impervious to the current global financial crisis, our diagnostic business remains strong. Based on the financial data and the Company’s substantial new-product pipeline the business continues to demonstrate sound financial performance and an encouraging outlook. Moreover, the Company was profitable again for the 2008 December half-year-period. This marks our 5th consecutive profitable reporting period to market. Details of the December-end 2008 half-year results will be released in the last week of February.

Over the past two years the Company’s earnings have improved by AUD 5M, debt reduced from AUD 6.5M to AUD 1.9M, manufacturing gross margins have improved by 7%, and costs have reduced by AUD 5.0M. The Company has also consistently generated positive cash over this period (see attached data).

However, the Company is not complacent and based on the current economic and financial conditions the Company’s efforts will be increased as we continue to focus on our principal strategic and operational goals. Firstly, our core business will be strengthened with the roll-out of two comprehensive and advanced new technological platforms designed to rejuvenate our core sleep diagnostic and EEG businesses. Secondly, the Company’s distribution, sales, and marketing teams, bolstered by our new product offerings, continue to drive harder and achieve higher levels of revenue, market share, and competitiveness across all core business units. Thirdly, we are continuing to focus on strategic investor opportunities and programs and the strengthening of Compumedics’ Board.

Finally, the Company’s growing annuity-type revenues, coupled with these financial and product pipe-line factors, demonstrate that Compumedics’ financial position, trends and business model are sound. Whilst this year will undoubtedly test our mettle, we look forward to sharing with you the attached financial snapshot overview, and the series of positive forthcoming announcements as we continue to strengthen your company and move forward in 2009.

Yours sincerely,

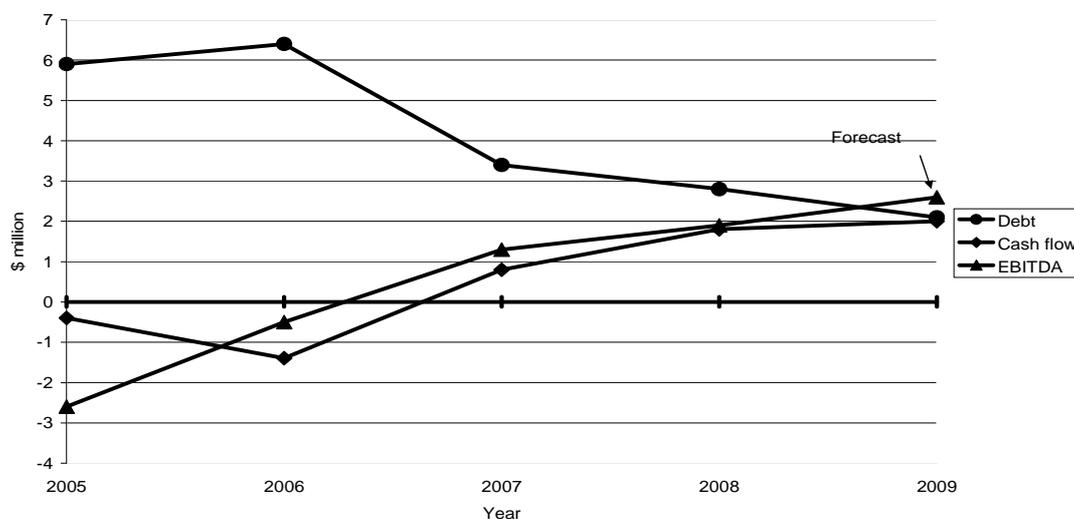
David Burton
Executive Chairman and CEO”

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Table 1. Compumedics Performance Summary Past 4 Financial Years.

	FY2005	FY2006	FY2007	FY2008
Revenue (\$ m)	38.2	37.7	36.7	38.5
Margins (%)	53	52	58	58
Other income (\$m)	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
Exchange Rate AUD/USD	0.76	0.73	0.84	0.96

Figure 1 Compumedics Financial Overview F2005-F2009. F2005-F2008 actual; F2009 forecast.



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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. **In 2003** Compumedics was awarded the Frost & Sullivan Award for Market Expansion Strategy. **In 2004**, Compumedics acquired German-based DWL Elektronische 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).
www.compumedics.com

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