



## Compumedics Continues to Strengthen its Business

Melbourne Australia, Wednesday, 9 April, 2008

Leading Australia-based medical diagnostics-devices company, Compumedics Limited (ASX: CMP), is pleased to announce that it is on track with its re-structure and growth trajectory. Shareholders, investors, and interested parties are invited to listen to highlights from the Boardroom Radio broadcast of the roadshow presentations that senior management recently delivered in Melbourne, then in Sydney on 19 March 2008. A clickable link is found at the end of this document for a snapshot of the Sydney presentation. The presentations focused on Compumedics' turnaround and recent results.

Since the Company released its latest half-year results to market in late February the it has conducted a number of meetings with brokers and potential corporate advisors to determine how best to exploit fully the current and significant opportunities in front of its businesses. These significant opportunities include:

- 1 **Neuvo® product release** – over the next 3 to 6 months, the Company will release its Neuvo® product range world-wide into all of its key markets, including the US, Europe and Asia, as well as Australia. This is a significant milestone for the Company, as for the first time Compumedics will begin selling into the approximate USD1 billion market for EEG-monitoring equipment, including long-term EEG-monitoring. This will provide Compumedics with significant new incremental revenue streams for the core diagnostic business into the foreseeable future.
- 2 **Unattended, portable diagnostic (home-based) testing in the US has been approved by CMS.** For the first time, the US medical reimbursement regime, the Centers for Medicare & Medicaid Services, will allow reimbursement for costs associated with home monitoring for sleep disorders using Type II, III and IV devices. Compumedics is perfectly poised for this change, with its Somté® device (Type III) and the recently released Somté®-PSG device (Type II), to exploit this new and expanding diagnostic market opportunity in the US, the world's biggest market for medical diagnostic devices.

Compumedics has been, and still is, an innovator in the home sleep-testing market with significant sales of its devices in Europe and Asia. In 1995, Compumedics was the selected vendor for the Sleep Heart Health Study in the US which, over a few years, recorded more than 14,000 unattended sleep studies in subjects' homes. This study was only possible because of the unique features of the Compumedics P-Series product, which developed into a line of successful products for both



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research and clinical use in the attended and unattended sleep-testing market.

With the recognition that home sleep-testing for obstructive sleep apnoea is a valid diagnostic approach the capabilities, low cost of operation, and ease of use of the Somté and Somté-PSG systems make them attractive to US clinicians who are ready to expand beyond the standard sleep laboratory setting.

- 3 **Sleep treatment** - Compumedics has entered the USD1 billion-plus sleep-treatment business by securing the initial sale of its sleep treatment device – SomniLink® SPAP® – to Praxair, Inc. a major (USD28 billion market capitalisation) company via its Medigas subsidiary in Italy. This initial deal was for a \$2 million order for the Italian market. The Company is actively seeking commercial opportunities for the rest of the global markets for this device.

The SomniLink® SPAP® has been validated against the best-of-class APAP devices, is backed by a comprehensive patent portfolio, and, importantly, offers a patient a superior sleep-treatment experience, to supplement conventional respiratory sleep-disordered breathing solutions.

Compumedics will continue to up-date the market as these discussions and opportunities develop into material transactions for the Company.

Further, Compumedics reiterates its financial results to December 31, 2007 and confirms that the business continues to trade at similar levels in early calendar 2008.

### Highlights and achievements for the 6-month period to 31 December 2007

- **Bank debt almost halved to \$3.1m at December 31, 2007 compared to the prior half year**
- **RECORD first half-year profit-after-tax of \$1.6 million (UP 250%)**
- **RECORD first half-year revenues of \$20.1 million (UP 2%)**
- **Operating cash DOUBLED to \$0.8m**
- **Results achieved following restructuring in 2005-2006 that removed approximately \$5 million in annual expenses from the business**
- **Profitability restored in 2006-2007, continues to grow**
- **New global banking and financing relationship established with HSBC Australia**
- **Compumedics well-positioned for new opportunities and accelerated growth over the next few years**



- **Compumedics entered into an agreement to expand its product range into the multi-million dollar global electromyography (EMG), nerve conduction studies (NCS), evoked potential (EP) and intra-operative monitoring (IOM) markets in the second half of calendar year 2007**
- **Other major new product releases and upgrades planned for 2008**

### **Compumedics Achievements over 20 Years**

Compumedics Sleep Pty Ltd was established by David Burton in Melbourne. The company established Asia Pacific's first fully computerised sleep laboratory.

In 1995 Compumedics 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 the end of 2008. The Company now has corporate headquarters in Melbourne, Australia and offices in the US, Asia, and Europe.

In 1998 Compumedics was awarded the overall Australian Exporter of the Year.

In 2000 the Company's name was changed to Compumedics Limited, and an initial public offering raised \$12 million before listing on the Australian Stock Exchange in December 2000.

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. This acquisition enabled Compumedics to take advantage of the synergies between research and clinical-based neuro-diagnostic technologies, re-affirming the Company's commitment to be a world-class developer of both sleep and neuro-diagnostic systems.

In 2003 Compumedics was awarded the Frost & Sullivan Award for Market Expansion Strategy.

In 2004, Compumedics acquired Germany-based DWL Elektronische GmbH, enabling Compumedics to expand its global operations into the neuro-vascular and cardiovascular diagnostic fields.

In 2006 Compumedics was awarded the Frost & Sullivan Technology Leadership award for the innovative Somté recorder product.

In 2007 Compumedics and its Chairman, David Burton, were inducted into the Victorian Manufacturing Hall of Fame for their pursuit of excellence in manufacturing.

Compumedics has grown to become a global diagnostic medical-device company with world leadership in three of the most exciting high-growth sectors and 12,000 systems installed. Compumedics' businesses now include their core and pioneering sleep-diagnostics (Sleep Division), neuro-diagnostics (Neuroscan and Neuroscience Divisions), and non-invasive blood-flow diagnostics (DWL Division). Compumedics holds an 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. All of these technologies were pioneered or discovered in the 1980s, validated in the 1990s and are only now undergoing rapid commercialisation into the rapidly expanding \$1 billion plus global market.

The Company has increased its sales more than fourfold from \$9 million (1999) to \$36.7 million (30 June 2007), reflecting its continued commitment to be an effective sales and marketing organisation driven by new product development through R&D.

### **COMPUMEDICS LIMITED AUDIO STREAM**

**COMPUMEDICS LIMITED (CMP)** provides the opportunity to listen to an audio broadcast with **Mr. David Burton, Chairman, and Mr. David Lawson, Chief Financial Officer, and Boardroomradio** in a presentation titled **"Compumedics Financial Up-date December 2007"**.

*To access the presentation, simply click on the link below:*

<http://www.brr.com.au/event/preview/ohxar248hv/44364>

To listen, simply click on the Windows Media Player, QuickTime or MP3 icon.

Additionally, the presentation can be accessed at [www.boardroomradio.com](http://www.boardroomradio.com) where it will also be archived for future on-demand listening.

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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 an 80% share of the Australian sleep-diagnostic market, and has a major and rapidly growing presence in the US, European and Asian markets for its sleep, neurological, and Doppler blood-flow diagnostic monitoring devices.

Compumedics has grown to become a global medical diagnostic company with world leadership in three of the most exciting high-growth sectors and some 12,000 systems installed. Compumedics'



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businesses now include core and pioneering sleep-diagnostics (Sleep Division), neuro-diagnostics (Neuroscan and Neuroscience Divisions), and non-invasive blood-flow diagnostics (DWL Division). All of these fields were pioneered or discovered in the 1980s, validated in the 1990s and are only now undergoing rapid commercialisation into the rapidly expanding \$1 billion plus global market.

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