


**COMPUMEDICS®**
Annual General Meeting - October 2010



Agenda

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



Chairman's address

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Resilience and growth

- Compumedics commercial and financial resilience, despite extremely tough post GFC international markets for medical capital equipment, particularly in the US, sees it well placed for the forecast period
- Compumedics' product innovation remains on track delivering significant new products this year, including:
 - Neuvo® EEG long-term monitoring (LTM) device - a new product in a new market for Compumedics
 - Grae® PSG / EEG – a new generation in sleep diagnostics systems - a new product in an existing market for Compumedics
- All medical innovation (step-out growth) opportunities have advanced closer to commercialisation during the year

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

Compumedics' primary healthcare markets cover sleep, brain and ultrasonic blood flow monitoring.

- **Our Vision** is to set the innovative and technological standards for patient monitoring technologies in our chosen markets.
- **We aim** to deliver superior returns to our shareholders by identifying and delivering innovative and accessible medical technologies globally in our chosen markets.
- **We provide** our customers with products and software solutions of superior technology, ease of use and reliability.

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Global reach

- Corporate headquarters in **MELBOURNE, Australia**
- Sales, marketing and support offices in
 - Melbourne, Australia
 - Charlotte, North Carolina, USA
 - Singen, Germany
 - Hamburg, Germany
- Network of Distributors Globally



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Strategic growth drivers

- The expansion of our core sleep and neurological diagnostic monitoring businesses in Europe, specifically, Germany and France, with Germany well underway and France in the formative stages.
- The entry of Compumedics into the global LTM EEG market with the world-wide release of its new innovative LTM device, Neuvo®. The Company has secured initial sales of the device in Europe and Australia and has several opportunities in the US it is currently pursuing.
- 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.

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Financials - summary

	2007 actual	2008 actual	2009 actual	2010 actual
Revenues (\$m)	36.7	38.5	38.4	32.4
Margins %	58%	58%	57%	59%
Other income	0.1	0.4	0.6	0.2
Operating Expenses	19.5	20.3	19.6	18.9
EBITDA	1.3	1.9	3.7	1.2
NPAT	0.1	0.8	2.7	0.4
AUD/USD exchange rate	0.78	.90	0.75	0.88

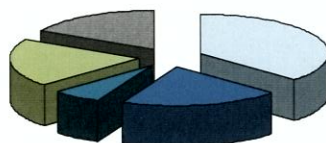
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Financials – revenue profile

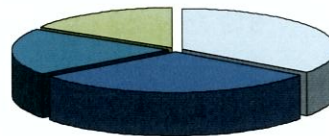
≈\$35m annual revenues % split by:

Business area



- Sleep diagnostics
- Brain research
- Neuro diagnostics
- Ultrasonic blood flow
- Supplies and technical support

Geographic territory



- USA
- Europe
- Asia
- Australia

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Financials – key points

- Total revenues were \$32.4m compared to \$38.2m in the prior year. On a constant currency basis prior year revenues were \$33.4m
- FY2010 NPAT of \$0.4m compared to the prior year result of \$2.7m
- Bank debt reduced year-on-year by a further 14% from \$2.2m to \$1.9m, cash at \$1.8m compared to \$2.6m last year
- Many new products released including, Grael®, Neuvo®, Xegis®
- SomniLink® SPAP® shipping to Italy

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Financials – key points

- Gross margins stronger at approximately 59%
- Operating expenses less investing activities stable with last year's spending - \$18.9m compared to \$19.7m in the prior year
- EBITDA at \$1.2m compared to prior year profit of \$3.4m
- Operating cash was \$0.5m for the year ended 30 June 2009, compared to the prior year result of \$3.7m

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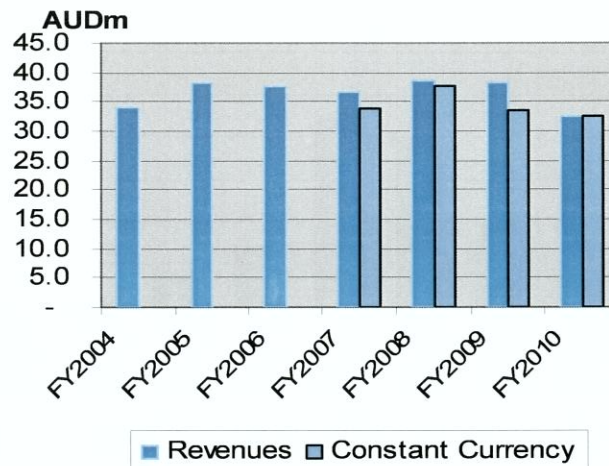
Financials – key points

- Borrowing costs at \$0.6m were in line with the prior year
- Sales in Europe were down 4% as reported, however in constant currency growth of 13% was achieved. Sales in the US were down 26% as reported, or 12% in constant currency. In Asia Pacific (including Australia) sales were down 14% as reported, or 8% in constant currency. This reflects the ongoing effects of the GFC in key markets for our products.
- Net foreign exchange was a \$1.2m charge for FY2010 being an adverse \$2.0m turnaround than the \$0.8m gain FY2009

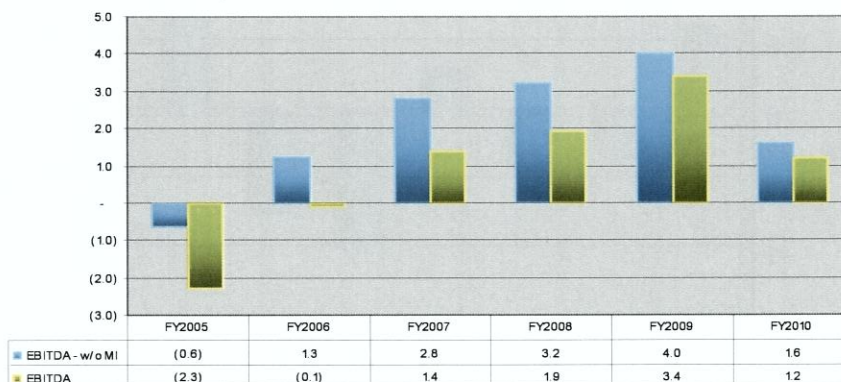
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Financials – revenue history



Financials – EBITDA history





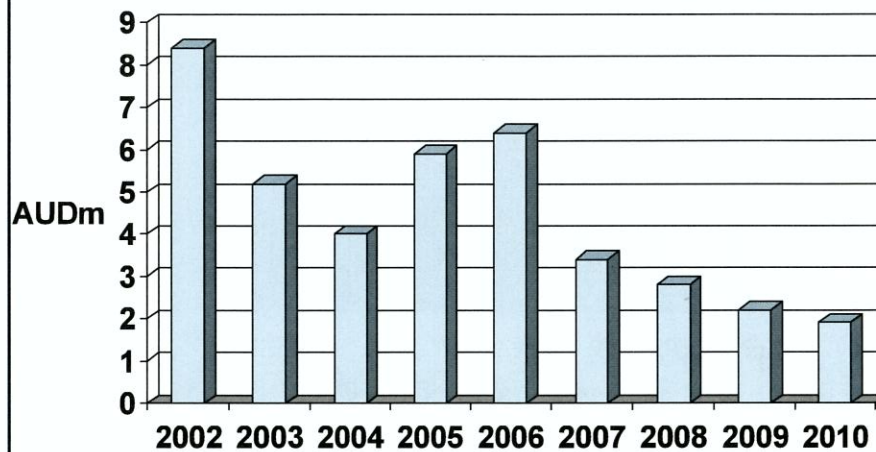
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Financials – bank debt

Debt continues to decline – a further 14% reduction year-on-year



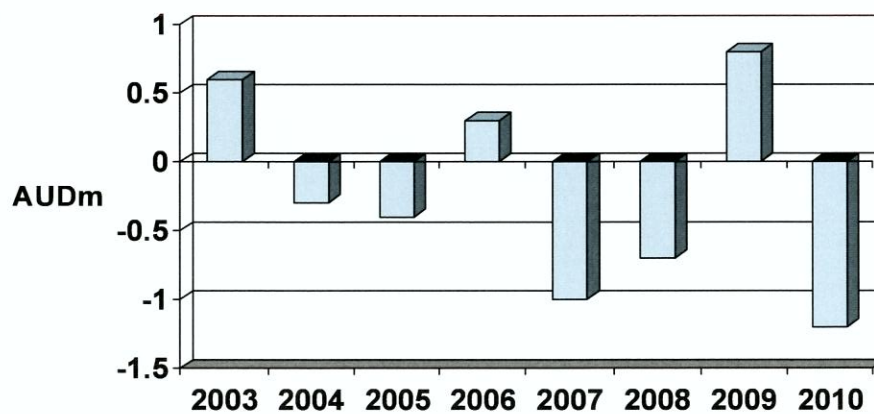
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Financials - FX

Foreign exchange impacts adversely in current financial year





..so, how has it turned out so far?

- Private company (1999) turnover \$9m pa with 45 staff (1 US based)
- Listed on ASX (December 2000) – raised \$11m (post fees/debt)
- April 2002 purchased US based Neuroscan – world's leading source localisation software – Compumedics turnover \$34m, with 120 staff (50 US based and 4 Germany-based)
- September 2004 purchased German based DWL – ultrasonic blood flow business – one of the global founders of this technology – Compumedics turnover now \$38m, generating profits, with 160 staff (55 US based, 30 Germany-based)
- June 2005 having amassed a world-class intellectual property portfolio around sleep, brain and ultrasonic blood-flow monitoring
Compumedics losses close to \$5m – grown too quickly, stretched the financial, management and human resource capability of the Company too far

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..so how has it turned out so far

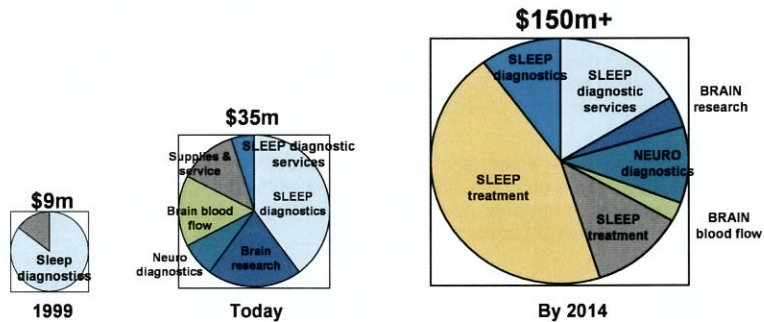
- June 2006 Compumedics reduced loss for the year to \$1.6m and maintains sales and product development of IP portfolio
- June 2008 Compumedics - 2 years into its performance transition program - returned to profits (\$0.8m), has grown revenues to \$38m despite a rising exchange rate and has 160 staff (60 US based and 40 European based)
- June 2009 Compumedics sets record profit of \$2.7m on revenues of about \$38m despite GFC.
- Offices established in key markets in USA (Charlotte, NC), Germany (Hamburg and Singen) and the home office in Australia (Melbourne)
- Compumedics is poised, with the existing management team, to resume historical growth from key growth opportunities including new product releases Grael® PSG/EEG, Neuvo® LTM EEG and Somnilink® SPAP® and HST market in the USA

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Past, present, future

The past, present and future revenue percentage profiles of the business by market/product offering



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Core products: Sleep

- **NEW !!! Grael®**
- World's first high definition PSG amplifier built on over 20 years of experience – delivering unparalleled signal quality, innovative features and efficiency-enhancing technologies.



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Core products: Sleep



Somté® PSG

The simplest and most convenient way to meet requirements for full PSG ... absolutely anywhere.

Full PSG ambulatory recorder for attended sleep studies using Bluetooth wireless technology, or in an unattended ambulatory setting or both.

Somté®

Combined Sleep and CHF monitor for both hospital and private physician application.



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Core products: Sleep



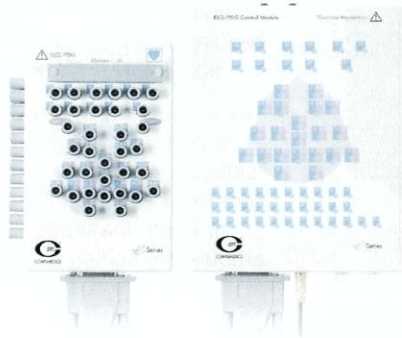
Siesta® 802

World leading portable diagnostic device with wireless capability for both sleep and general patient monitoring.

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Core products: Sleep



E-Series

Laboratory based diagnostic product for both full polysomnography (PSG) "sleep" studies and or separate EEG studies. First to be "Network-Ready"

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Core products: Sleep



ProFusion PSG 3

A high-powered comprehensive software companion to our family of leading-edge sleep recorders/ amplifiers.

Designed to give sleep medicine professionals everything they need :

clarity, power, quality assurance and great reports.

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Core products: Neuro diagnostics



Neuvo® LTM

The state of the art technology platform from Compumedics for Long term EEG monitoring.

- Bedside display
- Up to 256 channels
- Single connection
- Touch-screen monitor
- Wall or Mobile configuration

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Core products: Neuro diagnostics



Safiro

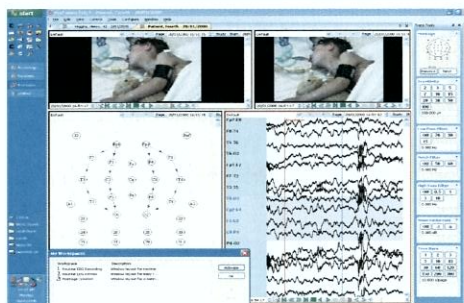
Neurodiagnostic excellence in Ambulatory EEG offering convenience, advanced capabilities and confidence in recordings

- Lightweight and ergonomic
- 32 Channels
- Infrared capabilities

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Core products: Neuro diagnostics



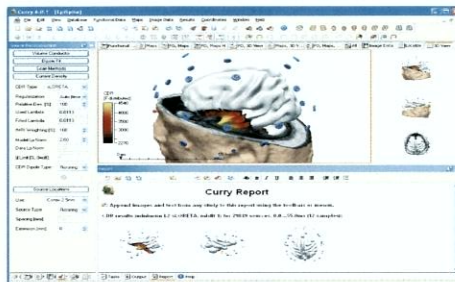
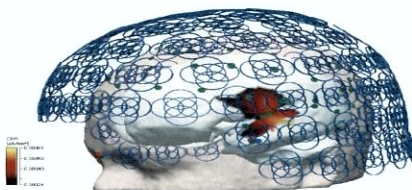
ProFusion EEG4

Next generation clinical LTM software package that offers unprecedented ease of use in the EEG lab, and in post-recording analysis and review

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Core products: Brain research



Curry® 6

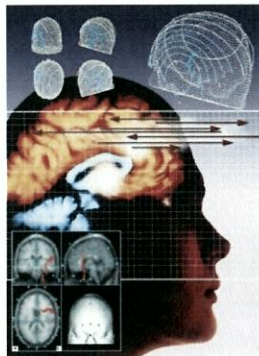
Offers extensive possibilities for scientific research investigations in the field of multimodal neuro-imaging. Dipole solutions are obtained using various models and reconstruction methods.

Curry® NS7 soon to be released

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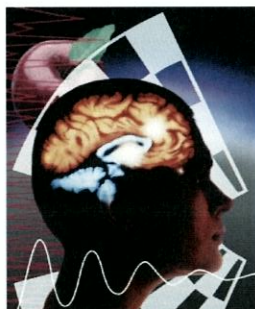


Core products: Brain research



Source

Offers impressive source localisation capabilities, including several dipole models and three spheres, BEM and FEM reconstructions.



Stim

Presents audio and video stimuli and sends stimuli and response to Scan where they are incorporated into the data file.

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Core products: Brain research



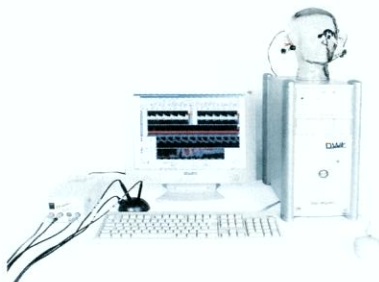
SynAmps RT

Revolutionary 24-bit acquisition system that offers up to 512 EEG channels with 10G Ohm input impedance and sampling rates capable of up to 20,000 Hertz per channel. The system provides the coordination up of to four headbox units.

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Core products: Brain blood-flow



Embo-Dop

Quantum leap in Emboli detection

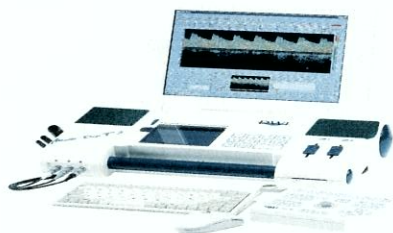
Card based unique clinically proven Doppler device to discriminate between gaseous and solid emboli, using special patented multi-frequency probes

Doppler Box

- Unique fully digital Doppler M-Mode
 - "Depth of Flow" Display
 - Size and weight of a "pencil box"
 - Modular
 - Attachable to any PC
- "Soft" upgrade to any/all Special Function Tests



Core products: Brain blood flow



Multi-Dop

Portable Doppler device for complete routine applications, upgradeable for 1- and 2-channel monitoring diagnostics

EZ-Dop

Compact, portable and modular Doppler for routine diagnostics.





Summary

- World-class patient monitoring Company
- Uniquely placed in key global markets with strong growth opportunities
- Strong financial position despite continued tough post-GFC market conditions, particularly in the US
- Established routes to market in key international markets combined with increased sales resources and new products should allow our proven formula for long term growth and value creation to continue
- Substantial core and new breakout (sleep treatment) growth opportunities to drive the business forward

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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)**

‘Defining Life’s Signals’

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