



Medigas Italia SrL Takes Strategic Stake in Compumedics

Melbourne Australia, Wednesday, 30 July 2008

Australia-based medical devices company, Compumedics Limited (ASX: CMP), today announced that Medigas Italia SrL one of its European distributors for diagnostics equipment and the first distributor for its SomniLink® SPAP® sleep-treatment system, has joined Compumedics' share register with a strategic stake in Compumedics.

Medigas Italia has been a distributor of Compumedics' sleep-diagnostic equipment in Europe for several years. With the development of Compumedics' SomniLink® SPAP® sleep-treatment system, Medigas will have a full sleep diagnosis and treatment suite of products.

Medigas Italia is a member of the SIAD group of companies and SIAD is owned 34% by Praxair, Inc, a conglomerate listed on the New York Stock Exchange with USD9.4 billion of sales in 2007, of which 11% were generated from its healthcare division, which includes sleep apnoea treatment products. Medigas Italia is a significant distributor of sleep diagnostics and sleep treatment products in Italy and the former eastern block countries, now including 13 countries where the SIAD group has its operations and facilities outside Italy.

Medigas Italia and Compumedics completed a letter of intent for the distribution of SomniLink® SPAP® systems in June 2007, which was announced to the ASX at that time. Medigas Italia now has a 2.74% holding in Compumedics Limited shares, giving it the third largest shareholding in the company.

Mr Giancarlo Fontana, Sales and Marketing Director of Medigas Italia, said:

"Medigas Italia recognised the potential of Compumedics' SomniLink® SPAP® system at first glance. The system lifts treatment possibilities for sleep apnoea sufferers to a new level with its inherent capability for improving sleep efficiency. There are no rival products in this field and Medigas is pleased to have access to this new product. Even in normal CPAP operation, the SomniLink® SPAP® will easily be a strong competitor against other current CPAP treatment devices. We are pleased to have commenced a relationship with Compumedics and to have made this investment in Compumedics to ensure that we will have access to the latest product developments as they occur. We are actively encouraging other members, as well as Medigas Italia, among the companies in the Praxair, Inc Group to take up these products."

Mr David Burton, Compumedics' CEO, travelled to Italy in May 2008 to personally deliver the **first commercial SomniLink® SPAP® system** to Medigas Italia at the annual SIAD-Praxair, Inc Group conference (see attached photograph).

Mr Burton said:

"I am pleased that Medigas Italia has taken this strategic step to directly share in the benefits of the transition of Compumedics from medical devices manufacturer and distributor in the limited sleep diagnostics market to a much larger company offering the next generation of sleep-treatment systems to the significant proportion of the population that suffers from obstructive sleep apnoea.

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The relationship with Medigas Italia will provide benefits to both companies beyond the normal distribution arrangements. We are looking forward to working with Medigas Italia and the broader Praxair, Inc Group to realise the potential of our new products in the sleep-treatment market. Compumedics is currently working hard to fulfil the first order of SomniLink® SPAP® systems for delivery to Medigas in the coming few weeks.”

For Further information:

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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. The company has corporate headquarters in Melbourne, Australia and offices in the United States, Asia and Europe.

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 hold around 90% of the market for brain-research products. This acquisition has enabled Compumedics to take advantage of the synergies between research and clinical-based Neuro Diagnostic technologies, re-affirming our commitment as 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 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 its Chairman were inducted into the Victorian Manufacturing Hall of Fame for their pursuit of excellence in manufacturing.

In 2008, Compumedics Germany was awarded a "top 100" innovative SME in Germany.

Compumedics has grown to become a global diagnostic medical device company with world leadership in three of the most exciting high-growth sectors and some 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). 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.

The company has increased its sales more than 4 fold from \$9 million (1999) to \$38 million (2006), reflecting its continued commitment to an effective sales and R&D organisation.

www.compumedics.com

The photograph below was taken during Mr Burton's visit to Italy in May 2008 to attend the Praxair, Inc group conference and deliver the first SomniLink® SPAP® device to Medigas Italia. The photograph depicts, from left to right: Dr Ken Whitton of Compumedics; Mr Sergio Fontana (Medigas Italia founder and Managing Director); Mr Giancarlo Fontana (Medigas Italia Sales & Marketing Director); and Mr David Burton (Compumedics CEO).



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