



COMPUMEDICS  
LIMITED

**ASX / MEDIA RELEASE**  
**Melbourne Australia,**  
**19 August 2011**

**Business up-date for the year ended 30 June 2011 (unaudited)**

- **Revenues up  $\approx 6\%$  on a constant currency basis, down  $\approx 5\%$  in Australian Dollar's**
- **US sleep and neuro-diagnostic businesses grow 20%, in US dollars, over the prior year**
- **Earnings positive, despite high Australian dollar,**
- **Strong start to FY2012 with orders in hand**
- **Sales force expansion strategy on track**
- **Resilience to economic uncertainty**

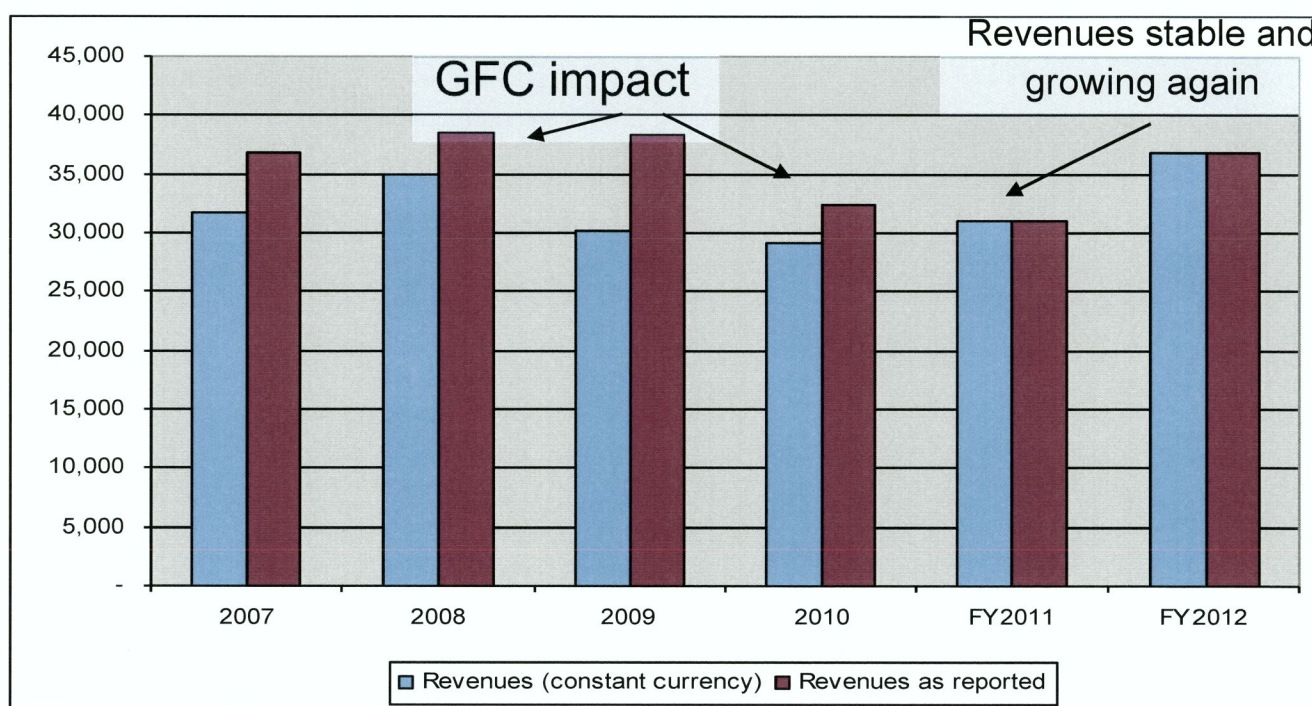
Leading Australia-based medical device company, Compumedics Limited (ASX: CMP), is pleased to announce it achieved revenues of approximately \$31.0m for the year ended 30<sup>th</sup> June 2011. This compares to \$32.4m in the prior year, or a 5% decline over the prior year. On a constant currency basis (that is, restating last year's revenues at this year's exchange rates) revenues grew approximately 6% over the prior year. Importantly for our sleep and neuro-diagnostic businesses in the US revenues grew 20% over the prior year, when reported in US dollars.

The Company expects to post positive earnings and will provide more details on earnings in the last week of August when the Appendix 4E will be released.

**Initial highlights of the financial performance of the Company for the 12-months to 30 June 2011 includes:**

- Total revenues were approximately \$31.0 million, down 5% on the prior year's \$32.4m. In constant currency (that is, restating FY10 revenue at FY11 FX rates) FY11 sales were up 6%
- Compumedics USA-based sleep and neuro (EEG) diagnostic businesses grew by 20% over the prior year in US dollars.
- Compumedics' new Neuvo® long-term EEG monitoring (LTEM) system achieved initial sales in the USA of \$1.1m in FY11, from an almost zero base in FY2010.
- The Company will post a small profit, subject to final audit
- Cash position held steady at approximately \$1.4m at 30 June 2011 compared to \$1.4m at 31 December 2011.

**Revenue history – Actual reported revenues for the full year to 30 June compared to constant currency revenues (calculated using FY2011 exchange rates)**



**Growth drivers for the business**

**Long-Term EEG Monitoring (LTEM) Advancements:**

Compumedics has continued to win major deals for its new Neuvo® LTEM device, with sales in the US for the 12 months to 30 June 2011 being \$1.1m from a zero base in the prior year.



The Compumedics' LTEM system represents the culmination of fusing the best of Compumedics' clinical and Neuroscan® research technologies into a clinical solution offering unsurpassed signal quality and analysis capabilities, including the industry gold-standard CURRY® source-reconstruction (brain-mapping) software, which includes patented new functionality.

Compumedics expects that this new product range will continue to drive renewed growth in revenue in FY2012.

### ***Global Sales Force Expansion:***

The Company's USA sales-force has undergone substantial expansion during the past financial half-year, particularly in the second half of FY2011 and we expect this to contribute significantly to the FY2012 financial performance of the Company.

The European sales-force has undergone expansion during the past financial half-year, including the commencement of direct sales representation in France. The Company is currently in the process of expanding its presence in France.

Compumedics has also rejuvenated its Australian sales-force over the last months of FY2011 with the addition of two seasoned and highly experienced medical device sales professionals. Again we expect this to provide the business with renewed growth in FY2012.

### ***China Market Focus:***

Australia's close proximity and excellent trading relationships with China, coupled with Compumedics' well established reputation and activity within this important growth market, augur well as the Company actively seeks to expand its Chinese strategic alliances and business partnerships. Compumedics' reputation in this market as a premier supplier of sleep and neurology monitoring systems, coupled with ongoing activity, including the recently announced Chinese Doppler blood-flow contract (announced to ASX on 23 Dec 10) provide a strong basis to further our Chinese relationships and ongoing business development.

### ***Business Model Foundation:***

Patient treatment starts with diagnosis. The growing demand for Compumedics' patient monitoring systems continues to be driven by the increasing awareness of sleep and neurology health disorders, along with the associated co-morbidities, as outlined here:

- Sleep apnoea (including obstructive sleep apnoea) diagnosis and treatment represents a young market. Additionally, the high prevalence of related co-morbidities has rapidly driven awareness of this and other sleep disorders since the turn of the millennium
- There are 84 classified sleep disorders
- 1 in 5 adults suffer sleep disordered breathing (SDB)
- Up to 80% of the population with SDB is unaware of the condition, and is undiagnosed and untreated
- Most people today suffer from sleep deprivation, which remains one of the major health epidemics of the modern age
- Transport drivers with sleep apnoea have a 6-fold increased accident risk
- 28.1% of truck drivers suffer from sleep apnoea
- SDB affects about 11% of all children
- Obstructive sleep apnoea affects 0.7% - 3% of all children
- 10% of the USA population are likely to suffer a seizure in their life-time
- More than five million older Americans are living with Alzheimer's disease or other dementias; a 10% increase in prevalence from just five years ago
- Most of the population suffers from one of these sleep-related or neurological disorders and, even more concerning, most of these disorders are undiagnosed and sufferers are unlikely to be unaware of their health risks.

***From a strategic perspective our go-forward mission is to:***

- expand Compumedics' sales force 2- to 3-fold as Compumedics complements its technological leadership with sales and marketing leadership; and
- achieve substantial and commercialisation of Compumedics' new breakthrough sleep-treatment SomniLink® SPAP® technology

***The primary strategic drivers of growth in the core diagnostic business are:***

- the new market opportunity for LTEM through the release of the Neuvo® system (a USD220m pa global market);
- the relatively new USA home sleep testing (HST) market opportunity; and
- the increasing prevalence, awareness and need to diagnose sufferers of sleep and neurological disorders

Compumedics will release its Appendix 4E plus a more detailed commentary on the financial performance of the Company in the last week of August.



**About Compumedics** Compumedics Limited, was founded in **1987** by current Chairman/CEO Dr. David Burton and today 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 computerized 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, with over 8,000 participants scheduled by 2008. With headquarters in Melbourne, Australia and offices in the United States, and Europe its 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 Germany-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 its innovative Somté® recorder product. In **2007**, Compumedics and its Chairman were inducted into the Victorian Manufacturing Hall of Fame. In **2008** the DWL division received a top 100 German Innovation award. With 20,000 systems installed globally across the finest hospital, universities and clinics Compumedics sales have grown more than 4-fold from \$9 million (1999) to \$39 million (2008). In **2009** Compumedics was awarded a design award for its GRAEL® PSG/EEG premium laboratory-based product. In **2010** Compumedics was recognized by the Australian Innovation Government and Industry body as one of Australia's Top 100 Health Innovators through its' world leading devices for sleep diagnostics. **For further background please visit:** [www.compumedics.com](http://www.compumedics.com) <http://www.compumedics.com>

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