



In its 21st year of operations, Compumedics is an established global technology leader in computer-based patient monitoring and diagnostic systems.

ASX Code:	CMP
Shares on Issue:	152 million
Options:	0.3 million
Current Price: (28/08/08)	\$0.155
52 week Share Price Range:	\$0.183 - \$0.11
Market Capitalisation:	\$23.5 million

Compumedics is a global leader in developing, manufacturing and marketing medical diagnostics capital equipment for applications in sleep, neurology and blood flow. The company pioneered sleep-diagnostics equipment in 1987 and has since broadened its base to encompass associated specialised fields of Neuro-diagnostics, brain research and Doppler ultrasonography.

Compumedics supplies sleep diagnostic equipment to 80% of the Australian market, the company is one of the top three suppliers in the US, and has a significant sales presence in Europe and Asia.

Restructuring in 2005 and 2006 removed \$5 million in annual cash costs and better positioned the company for new opportunities and accelerated growth, for the coming years. Having restored profitability in 2007, net profit climbed to \$0.8 million in 2008 on a 5% increase in sales to a record \$38 million. This was despite the adverse impact of the strong AUD.

Underpinning the company's growth has been its commitment to research and development. This commitment has ensured that the company's products remain at the forefront of diagnostics technology, whilst ensuring an active program of new product development, such as, with the SomniLink® SPAP®. The SomniLink® SPAP® is the culmination of 10 years of Research and Development, covered by intellectual property rights.

The launch of the SomniLink® SPAP® autotitration gas-delivery device is a major advance on existing treatments for sleep apnoea and heralds the company's move into much larger downstream markets. This is a natural

progression from the company's traditional diagnostics business and leverages its knowledge and experience in the field to develop advanced, next-generation solutions for the management and treatment of an increasingly prevalent problem.

Medigas Italia, the company's first distributor of SomniLink® SPAP® has recently taken a 2.7% stake in the company, which reaffirms its confidence in Compumedics and its technologies.

www.compumedics.com

VALUE DRIVERS TO LOOK FOR

Having confirmed the sustained turnaround in performance and having restructured its banking relationships, Compumedics has restored its capability to build long term growth from its world leading technologies. The key value drivers are sales of its diagnostic products and major contracts. The development of the SomniLink® SPAP® treatment for sleep apnoea opens up a new, much larger opportunity for the company.

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