



**Compumedics Limited
strengthens its business in Germany**

Melbourne Australia, Wednesday, 1 April, 2009

Leading medical device company, Compumedics Limited (ASX:CMP) today announced the achievement of a major milestone for its newly established German based sleep business after winning a \$400k prestigious 12-bed sleep-diagnostics contract.

The sleep center is located at Schillerhöhe Hospital in Gerlingen and is a well established and respected sleep facility. The Schillerhöhe Hospital sleep center will become a key European reference site for Compumedics. The hospital has 870 beds and administers over 30,000 patients annually of which over 2000 undertake a sleep diagnostic study. Germany is the world's third largest medical device market and Europe's largest. As such Germany is key driver for Compumedics' future growth in Europe, having over 300 accredited sleep clinics and a market potential of about USD36 million per annum. The winning of this contract confirms Compumedics strategic advancement and progress in developing Europe as a principal market for the Company, and the Company's continued focus on key global markets.

The establishment of the German business follows the development of the Company's US direct-sales business, now responsible for approximately 40% of the Company's annual sales of about \$40m per annum. Revenues in the USA have grown from about USD1 million in 2000 to USD13 million in 2008, representing year-on-year growth of approximately 40%.

Mr. Markus Rosenstingl, Compumedics' Germany Sleep Business Manager, said,

"This is a particularly important milestone as it marks the first reference centre since establishing our direct presence in Germany earlier this year. This installation sets a new standard for sleep centres in Germany."

The hospital's sleep-laboratory management was impressed with Compumedics' Somté PSG. In particular, its compact size and its versatility comply with the latest sleep testing-standards. Somté PSG is an ambulatory system and allows night staff to easily check on a patient via Somté PSG's in-built display enabling staff to make immediate adjustments where necessary. The hospital's sleep-laboratory management commented that Somté PSG is ideal to streamline its sleep laboratory operations and save time. The gold-standard ProFusion PSG3 software also received praise for its comprehensive set of features, incorporating advanced automation tools, without compromising ease of use.

A key requirement of Schillerhöhe Hospital was compliance of the sleep laboratory with the hospital's latest IT infrastructure. Compumedics' state-of-the-art, network-enabled sleep solution seamlessly integrated into Schillerhöhe Hospital's virtual servers allowing the sleep laboratory to operate in a "Cloud Computing" environment, the latest in IT

infrastructure. The head of the hospital's information system said, "Compumedics was the right partner for Schillerhöhe Hospital."

Mr David Burton, Compumedics' Chairman said of this milestone,

"This is a significant step for Compumedics' in the establishment and affirmation of its direct sleep-sales strategy for Germany. It marks the commencement of a strong German business, similar to the direct sales presence the Company has developed in the USA market. The new business growth opportunities in Germany, one of the world's major medical device markets, coupled with Compumedics' recent financial results, reinforce the underlying strength and value of Compumedics."

Compumedics recently announced for the six-month period to 31 December 2008, a \$2.5 m NPAT, the highest level of operating cash for any six month period in more than 4 years and the fifth consecutive positive 6 monthly operating cash report to market. Over the past three years the Company's earnings have increased by AUD5.0 m, the bank debt reduced from AUD6.5 m to AUD1.9 m, manufacturing gross margins have improved by 7%, and costs have reduced by AUD5.0 m. The Company has also consistently generated positive cash over this period and is now well positioned for accelerated global expansion.

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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. With headquarters in Melbourne, Australia and offices in the United States, and Europe the 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 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 Chairman were inducted into the Victorian Manufacturing Hall of Fame. **In 2008** the DWL division received the top 100 German Innovation award. With 20,000 systems installed globally across the finest hospital, universities and clinics the Compumedics sales have grown more than 4 fold from \$9 million (1999) to \$39 million (2008).
www.compumedics.com