



ASX / MEDIA RELEASE
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Compumedics Limited Business Update: Appendix 4E Release

Current Performance Highlights

- NPAT doubles to \$2.0m compared to \$0.9m for the year ended 30 June 2014. EBITDA increased to \$4.1m compared to \$3.0m for the year ending 30 June 2014
- Revenues shipped and invoiced increased 9% to \$33.5m, compared to \$30.8m for the previous year
- Sales order growth was driven out of the US at 16%, Asia (including China) at 110%, Australia at 6%, and Europe at 19%, with DWL also growing sales orders taken by 10%
- \$5.5m sales orders on-hand, due to late rush of new sales orders received by 30 June 2015. Sales orders taken in FY2015 were \$33.8m or 19% higher than sales orders taken in FY2014
- Cash on hand improved substantially to \$2.2m at 30 June 2015 compared to \$1.1m at 30 June 2014 whilst debt levels were stable during the period, at about \$2.0m

Investor Overview

- Core business: now highly profitable and continues to grow with the full benefits of the earnings initiatives undertaken in recent years continuing to flow through
- New product platform roll out to significantly expand addressable market
- Growth in international sales with expansion plans in the US, Germany and China
- eHealth: Pushing ahead with the commercialisation of cloud based sleep diagnostics platform
- DWL expansion opportunity with newly granted breakthrough auto-scan TCD patent

- **Neuroscan foray into much larger brain analysis imaging market**
- **Spin offs/strategic decisions to unlock significant value for shareholders continue to be pursued**
- **FY16 guidance: Sales \$36m-\$38m, EBITDA \$4.5m-\$5.5m, NPAT \$2.8m-\$3.2m**

Leading Australia-based medical device company, **Compumedics Limited (ASX: CMP)** ("**Compumedics**" and "**Company**"), is pleased to announce revenue and earnings growth for the year ending 30 June 2015. Comparable shipped and invoiced sales were \$33.5m compared to \$30.8m in the previous year. Importantly, the Company grew profitability to \$2.0m compared to \$0.9m in FY2014 and increased profitability at EBITDA, generating a \$4.1m profit compared to \$3.0m in the previous year. The Company took new orders in the year of \$33.8m, a 19% increase over the previous year, resulting in \$5.5m of sales orders on hand at 30 June 2015.

The Company should continue to reduce its carry forward sales orders given the improved financial performance of the business.

The following table highlights the key financial performance measures on this basis.

	FY2015	FY2014	Variance
Revenues – as reported	\$33.5m	\$30.8m	9%
EBITDA – as reported	\$4.1m	\$3.0m	35%
NPAT – as reported	\$2.0m	\$0.9m	112%

Highlights and Achievements for Compumedics for the year ended 30 June, 2015

- EBITDA was \$4.1m compared to \$3.0m in the prior year, as a result of on-going efficiency gains in manufacturing, growth in revenues and improved shipping in the year ended 30 June 2015
- Shipped and invoiced sales were 9% higher at \$33.5m compared to \$30.8m for the previous year
- Cash on hand improved substantially to \$2.2m at 30 June 2015 compared to \$1.1m at 30 June 2014 whilst debt levels were stable during the period, at about \$2.0m
- \$5.5m sales orders on-hand, due to late rush of new sales orders received by 30 June 2015. Sales orders taken in FY2015 were \$33.8m or 19% higher than sales orders taken in FY2014

Core diagnostic medical-device business separated from medical innovation business

Compumedics is pleased to report to the market, both aggregated and disaggregated financial performance, which is attributable to its core diagnostic medical-device business and its investment in technologies and products being developed in its medical innovation business. The Company believes the disaggregated information provides the investment community with a clearer and more transparent picture of these two distinct activities currently being undertaken within the Company.

The Company's core diagnostic medical-device business encompasses the technology and products currently sold globally for the diagnosis and/or monitoring of sleep disorders and neurological disorders, and for the monitoring of blood flow through the brain. It also includes products and technology used in advanced brain function research.

The Company's medical innovation business primarily includes technologies and products for the treatment of sleep disorders and less developed technologies for driver fatigue monitoring and depth of anaesthesia monitoring.

	Earnings adjusted for unrealised FX losses					
AUDm	Medical diagnostic devices		Medical Innovation		As Reported	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Revenues	33.5	30.7	0.0	0.1	33.5	30.8
R&D expense	3.6	4.2	1.2	1.0	4.8	5.2
EBITDA	4.4	3.2	(0.3)	(0.2)	4.1	3.0
EBITDA to revenue	13.1%	12.4%	-	-	12.2%	10.0%
Depreciation and amortisation	(0.5)	(0.5)	(0.9)	(0.9)	(1.4)	(1.4)
EBIT	3.8	2.7	(1.2)	(1.1)	2.6	1.6
Finance charges	(0.6)	(0.6)	(0.1)	-	(0.7)	(0.6)
Tax (exp)/credit	(0.0)	(0.1)	-	-	(0.0)	(0.1)
Net profit after tax (NPAT)	3.3	2.0	(1.3)	(1.1)	2.0	0.9
NPAT to revenue	9.9%	6.5%	n/a	n/a	6.0%	3.0%
Operating cash	3.1	1.5	(0.9)	(0.8)	2.2	0.7

Highlights and Achievements for the “diagnostic” medical-device businesses for the year ended 30 June 2015:

- EBITDA was \$4.1m compared to \$3.0m in the prior year, as a result of on-going efficiency gains in manufacturing, growth in revenues and improved shipping in the year ended 30 June 2015
- Shipped and invoiced sales were 9% higher at \$33.5m compared to \$30.8m for the previous year
- Cash on hand improved substantially to \$2.2m at 30 June 2015 compared to \$1.1m at 30 June 2014 whilst debt levels were stable during the period, at about \$2.0m

- \$5.5m sales orders on-hand, due to late rush of new sales orders received by 30 June 2015. Sales orders taken in FY2015 were \$33.8m or 19% higher than sales orders taken in FY2014

Highlights and Achievements for the medical innovation business for the year ended 30 June 2015:

- The Company has continued to progress the development and production of its sleep-treatment product and anticipated moving to delivering against several agreements
- The Company continues to progress a number of other technology opportunities currently residing within the Medical Innovation Division, including the eHealth technology and will make further announcements when appropriate

Key Growth Opportunities

The Company is focused on a number of initiatives to underpin both current and future growth, these include:

New product platform roll out to significantly expand addressable market. The Company is soon to release a new range of amplifiers for both its sleep and neurological diagnostic and monitoring businesses. This new range will incorporate price competitive models enabling the Company to compete profitably thereby significantly expanding the Company's addressable market.

Growth in international sales with expansion plans in the US, Germany and China markets. The Company will continue to expand its US sales team in order to grow market share in both sleep and neurological diagnostic and monitoring markets. In Germany the Company will pursue sales resources for both sleep and neurological diagnostic and monitoring markets there. Finally the Company will continue to build on its long-term relationships in China to grow the Company's businesses in the region. .

eHealth: Pushing ahead with the commercialisation of cloud based sleep diagnostics platform. Compumedics continues to pursue several initiatives with its eHealth technologies and will up-date the market as key milestones are met.

DWL. Expansion opportunities with the newly granted break-through auto-scan TCD patent to be pursued. The Company will continue to develop its technologies around the 3D Transcranial Colour Doppler (3D TCCD)/Duplex imaging, whilst refining the best way to fully exploit this commercial opportunity.

Neuroscan foray into much larger brain analysis imaging market. Compumedics is discussing with selected parties certain commercial opportunities utilizing Neuroscan technology in imaging markets.

Spin offs/strategic decisions to unlock significant value for shareholders continue to be pursued. The Company will continue to consider all relevant formats for unlocking the opportunities noted above.

Financial Outlook

Compumedics expects the identified key growth opportunities to deliver an increase in revenues and earnings in the current financial year.

As a result, the Company expects revenues to increase into a range of \$36.0m to \$38.0m. On the basis these revenues are achieved EBITDA should increase to a range of \$4.5m to \$5.5m and NPAT to a range of \$2.8m to \$3.2m.

This guidance is based on the general economic environment in Australia and the Company's other key offshore markets being the US, China, France and Germany remaining broadly as they are at the timing of the release of these results.

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About Compumedics Limited

Compumedics Limited (ASX: CMP) is a medical device company involved in the development, manufacture and commercialisation of diagnostics technology for the sleep, brain and ultrasonic blood-flow monitoring applications. The Company owns US based Neuroscan and Germany based DWL Elektronische GmbH. In conjunction with these two subsidiaries, Compumedics has a broad international reach, including Americas; Australia and Asia Pacific; and Europe and the Middle East.

Executive Chairman, Dr David Burton, founded Compumedics in 1987. In the same year the Company successfully designed and installed the first Australian, fully computerised Sleep Clinic at Epworth Hospital in Melbourne. Following this early success, Compumedics focused on the development of products that sold into the growing international sleep clinic and home monitoring markets. Compumedics listed on the Australian Securities Exchange in 2000. Over the years, Compumedics has received numerous awards and accolades including Australia's exporter of the year and has been recognised as a Top 100 Innovator by both German and Australian Governments.

For further background please visit: www.compumedics.com

