



SomnoMed achieves 28% volume growth in Q3

10th April 2014, SomnoMed Limited (ASX:SOM) announced today that it increased the sales volume by 28.3% in Q3, compared to the same quarter in the previous year. Total units sold for the three months to the end of March 2014 were 11,010. After growth of 13.1% in Q1 and 23.6% in Q2, the growth of 28.3% achieved in Q3 confirms the trend of SomnoMed's accelerating sales volumes achieved in its global operation. Total units sold for the nine months were 31,465 units, with growth of 21.8% over the same period in the previous year.

Total revenues generated during the third quarter amounted to \$6.5m and 50% more than in the previous year (30% on constant exchange rates), bringing the year to date revenues to a total of \$19m and is 43% up on last year.

"This is the highest volume growth achieved in a March quarter for the last 3 years," said Executive Chairman Dr. Peter Neustadt. "We were able to see significant improvements in our US sales. Whilst the year on year growth in Q1 was only 2.8%, Q2 growth improved to 10.1%, whereas Q3 has now produced a growth of 22.8%. Volume achieved in the March quarter in the US has set a new sales record. This is due to a number of programs in the dental and medical markets in the US, which were initiated during 2013 and are now show encouraging results. The launch of our SomnoDent® Herbst, a high quality and differentiated Medicare product, has been successful and is likely to continue to show growing acceptance," Dr. Neustadt commented.

"Europe continues to generate strong growth in all the four European regions in which we are directly distributing our SomnoDent® products. Pleasing results were achieved in APAC, where growth in Q3 came in at 17.3%, the highest growth achieved for several years. This is due to marketing initiatives in Australia and New Zealand, good growth in Japan and the results of our Korean operation, which is now under our own control," said Dr. Neustadt.

SomnoMed's MAS gross margin remained at 67%, allowing the company to generate strong growth in operating income after cost of goods sold. Net cash used in Q3 was mainly due to unusually longer payment terms linked to the European insurers and the expenses relating to the activities linked to the reported medical initiative in the US.

SomnoMed's balance sheet remains strong with cash of \$3 million at 31 March 2014, with no debt.

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About SomnoMed

SomnoMed is a public company providing diagnostic and treatment solutions for Sleep-related Breathing Disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialized on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent® becoming the state-of-the-art and clinically proven medical oral appliance therapy for obstructive sleep apnea. SomnoDent® is the most comfortable and effective design and treatment solution for over 150,000 patients in 22 countries.

For additional information, visit SomnoMed at <http://www.somnomed.com.au>