



Continuing Global Growth for SomnoMed

22nd October 2012, Sydney:

SomnoMed Limited announced today that it has again continued to achieve strong global sales growth for the first quarter FY2013. Total SomnoDent® unit sales for the first three months were 8,232 units, up by 22% compared to the same period in the previous year. This came as the result of European unit sales increasing by 26% and North American sales by 22%. APAC and Japan have also posted quarterly unit growth figures of 11% and 87% respectively over last year. Both of Europe and Japan posted record sales during the quarter.

Revenues grew by 29% over the same period last year, to reach total sales revenues of \$4.153m for the first three month period. The MAS Gross Margin for the quarter was 69.5%. Improved manufacturing and logistics efficiencies assisted in increasing the MAS gross margin from the 66% achieved in the same period in the previous year.

“Results achieved in the first quarter are confirming our recent statements that SomnoMed has a solid base business, generating excellent growth globally,” commented Dr. Peter Neustadt, SomnoMed’s Executive Chairman. “We are particularly pleased with the good growth achieved in the Northern summer holiday quarter. European results are indicative of SomnoMed’s future potential. The recently announced acquisition of Orthosom, the #2 company in the oral appliance market in France, the second largest country in Europe, should augur well for our business prospects in 2013. We are also very pleased with the margin improvements achieved as volumes keep rising,” he said.

Operating profit before corporate overheads, research and development costs was just over \$1m for the first quarter and up 82% over the same quarter of last year. “To have been able to manage strong growth and at the same time increase the profitability of the company during the quarter is a reflection of the focus of our management team in developing our global business in a competent and responsible way.”

SomnoMed’s previously announced new US medical initiative, which is expected to result in a significant strengthening and presence of SomnoMed in the US medical market, has commenced and will be implemented over the remainder of the financial year. Strategy reviews and planning have been carried out in all our regions over the last four months and senior appointments have been made. “The pathway for SomnoMed to take advantage of the growing acceptance of oral appliance therapy in the treatment of sleep disordered breathing patients is now clear. Plans and action programs are in process of being implemented in all regions we are trading in. The broad roll out of our new SomnoDent®G2 is scheduled to take place in all markets from the start of 2013,” said Dr. Neustadt.

“Innovation remains a key driver for our growth going forward so that MAS treatment becomes a well-accepted and mainstream treatment modality for OSA and SomnoDent® the product of choice for medical practitioners. SomnoMed operates a profitable and growing organization that has built the right platforms on which the next strategic blocks can be built. This new medical direction being undertaken in the US will define the company for the future and together with product innovations such as SomnoMed MATRx, will again allow the market to witness a new standard in oral appliance treatment and technology,” commented Dr Neustadt.

SomnoMed generated over \$247,000 during the quarter, resulting in a cash balance of \$3.78 million at the end of September.

Contact:

Dr Peter Neustadt

Executive Chairman, SomnoMed Limited +61 2 9467 0400