



SOMNOMED ACQUIRES 2nd LARGEST ORAL APPLIANCE COMPANY IN FRANCE - ORTHOSOM S.A.

9th October 2012: SomnoMed Limited announced today the acquisition of Orthosom from Aliseo S.A. in Nantes, France through its French subsidiary company SomnoMed France ("SomonMed France"). The transaction involves the purchase of all IP and assets of the second largest manufacturer and distributor of oral appliances in France, behind the current market leader of oral appliances in France, Narval, which was acquired by Resmed three years ago. SomnoMed France will take over all of Orthosom's staff effective 12th November 2012 and has entered into support and service agreements with Aliseo S.A., one of the largest providers of CPAP and oxygen therapy for breathing disordered patients in France.

The consideration for the purchase of Orthosom's business is Euro 300,000 in cash plus the issue of shares in SomnoMed France, which will give Aliseo S.A. a 35% share of SomnoMed's French subsidiary. Aliseo S.A. will at the same time purchase Euro 300,000 worth of shares (approximately 460,000 shares) in SomnoMed Limited.

"We are very pleased to be able to acquire Orthosom, which is operating in the French market for oral appliance treatment for nearly four years and is a direct competitor of market leader Narval. The addition of Orthosom, its manufacturing and service lab as well as its distribution, marketing and sales force will give our French subsidiary a flying start. We are very proud to have gained Aliseo, one of the most respected companies in France in the treatment of disordered breathing patients, not only as a shareholder in SomnoMed France but also as a shareholder in SomnoMed Limited," said Dr. Peter Neustadt, Executive Chairman of SomnoMed.

"SomnoMed France received French regulatory and reimbursement approval for its SomnoDent® product line in July this year. The acquisition of Orthosom will allow us to introduce our products alongside the Orthosom oral appliances in the French market from November this year onwards. This will not only save us time and cost in starting up from scratch in France but it also gives us a respected and well known French entity, service and sales force," said Dr. Neustadt. "We are confident that SomnoMed – Orthosom will be able to gain market share quickly and build a strong position in France, Europe's second biggest country."

Aliseo's CEO Nathalie de la Villemarque commented, "After building Orthosom's business over the last few years the merger of our business into SomnoMed France is an exciting move. The combination of Orthosom's and SomnoMed's products should give us a better and broader product base than any other company in the oral appliance business in France. We are very much looking forward being a shareholder in SomnoMed France and supporting the expansion of SomnoMed's business in France. We are also pleased to become a shareholder in SomnoMed Limited and in this way participate in the development and success of SomnoMed's global business."

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 100,000 patients in 22 countries. For additional information, visit SomnoMed at <http://www.somnomed.com>.

About Aliseo SA

Aliseo is one of the leading health care providers in France specialized in respiratory assistance, intravenous nutrition and insulin therapy. Aliseo is caring for close to 15,000 patients predominantly in the Pays de Loire region of France. Aliseo is a private concern.