

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

SomnoMed Limited

ABN

35 003 255 221

Quarter ended ("current quarter")

30th June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	8,309	30,168
1.2 Payments for		
(a) staff costs	(3,299)	(11,787)
(b) advertising and marketing	(532)	(1,924)
(c) research and development	(-)	(74)
(d) leased assets	(-)	-
(e) other working capital	(4,198)	(16,639)
(f) business development	(7)	(61)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	32	148
1.5 Interest and other costs of finance paid	(3)	(12)
1.6 Income taxes paid	1	(62)
1.7 Other income- net grants/R&D concessions	-	-
Net operating cash flows	303	(243)

+ See chapter 19 for defined terms.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	303	(243)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(91)	(187)
(b) equity investment associate	-	-
(c) intellectual property	(67)	(142)
(d) physical non-current assets	(298)	(1,177)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) net cash from a previous associate company now a controlled entity	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loan to associated entity	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(456)	(1,506)
Net investing cash flows		
1.14 Total operating and investing cash flows	(153)	(1,749)
Cash flows related to financing activities		
1.15 Net Proceeds/Costs from issues of shares, options, etc.	(14)	7,062
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	(14)	7,062
Net financing cash flows		
Net increase (decrease) in cash held	(167)	5,313
1.21 Cash at beginning of quarter/year to date	8,478	2,944
1.22 Exchange rate adjustments to item 1.21	(5)	49
1.23 Cash at end of quarter	8,306	8,306

+ See chapter 19 for defined terms.

Strong finish to the financial year for SomnoMed

SomnoMed Limited announced today that in Q4 of the financial year 2014/15 it had broken sales records in all three geographic regions – North America, Europe and APAC/Japan, recording a year on year growth for the quarter of 21.2%. During the three months period sales reached 14,517 units, the highest quarterly unit sales in the history of SomnoMed. Quarterly sales in North America exceeded of 8,000 units; Europe sold over 5,000 units and the combined APAC/Japan region sold over 1,400 units.

“The growth in Q4 was led by the North American region recording a year on year unit sales growth of 26.4%. After the severe weather affected sales in Q3, especially to our licensees, Q4 showed a rebound with sales to our licensees growing by over 50%. At the same time the US direct unit sales grew by 18.7% in Q4, recording excellent growth of 23.7% for the financial year 2014/15,” said SomnoMed Executive Chairman Dr. Peter Neustadt.

Revenues for the year are in the process of being audited and it is expected the guidance of \$32.5 million will be exceeded.

“Total unit sales for 2014/15 were 51,355 reflecting a growth of 18.2% for the year. We are very happy with the results achieved in Q4 and the new records set in all regions. The weather in January and February caused an unusually low result in Q3, which cost the company sales of around 2,000 to 3,000 units or 5-7% growth in 2014/15. The good results achieved in the financial year came as a result of the success of new products introduced in the US market during the year and the geographic expansion in Europe. Excellent growth was also recorded in Japan and in South Korea,” commented Dr. Neustadt.

“Throughout the year and consistent with our strategy, our marketing and sales forces continued to expand and we continued our strong focus on activities in the medical referral channel. Heading into the new financial year the trends are good in all regions. We are confident that the recent FDA approval of the SomnoDent® devices fitted with DentiTrac® Micro-Recorders, which enables advanced compliance recording, should allow us to further strengthen COAT™ prescribing behaviour of the Sleep Physicians in North America, Europe and the APAC region. Offering COAT™ as a more comfortable and effective alternative treatment to CPAP, together with compliance control, should allow us to continue with our history of strong growth in the 2015/16 financial year and beyond,” said Dr. Neustadt.

SomnoMed had a cash position of \$8.3 million at the end of June 2015, after expenditure during the quarter of approximately \$300,000 on digitalization equipment.

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	165
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments made during the quarter include directors' fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	5,181	4,252
4.2 Deposits at call	3,125	4,226
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank Bills	-	-
Total: cash at end of quarter (item 1.22)	8,306	8,478

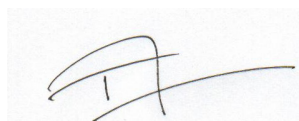
Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

SMH Biomaterial AG, which was previously an associate entity of SomnoMed Limited, will be treated as a controlled entity from July 2013, as a result of the acquisition of Orthosleep19 GmbH. This company had cash reserves of \$353,000 at the date it became a controlled entity.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 (Company Secretary)

Date: 15th July 2015

Print name: T A Flitcroft

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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