



## Strong finish to the financial year for SomnoMed

**21<sup>st</sup> July 2016**, SomnoMed Limited (ASX:SOM) announced today that continuing strong Q4 growth in direct sales volume allowed it to generate unaudited quarterly group revenues of \$11.6 million (+ 28.6%) and total group revenues for the 2015/16 financial year of \$44 million, representing an annual growth of +27.7%.

Q4 direct sales reached a record 14,965 units (+21.8%) globally. Direct quarterly sales in North America grew by 25.6%, whilst Europe posted a growth of 22.9% and APAC/Japan grew by 2.5% in the quarter. Within the APAC region, in the last quarter of the financial year Japan delivered a unit sales growth of 18.4% and South Korea of 27.6%.

As expected, sales through licensees in North America continued to drop in Q4 by 54.2%, bringing total sales for the quarter to 15,989 devices (+10.1%).

European growth accelerated in Q4, with above average growth achieved in Benelux and exceptional growth in both France (+30%) and the Nordic countries (+40%).

Total device sales for the year 2015/16 were 58,983 units. Sales through licensees accounted for 3,008 units, 47% less than in the previous year, and represented only 5% of total global sales, compared to 11% in the previous year. The shift from licensees to direct sales contributed to the high revenue growth achieved in 2015/16.

Direct sales of almost 56,000 units represented a growth of 22.6% year on year. Direct sales in North America grew by an impressive 27.7% during the year and represented 50% of global direct sales. European sales grew by 20.6% in 2015/16, representing 39.4% of global direct sales. The APAC/Japan region, representing 10.6% of global direct sales, grew by 8.4%.

"Q4 sales brought an excellent year to an end. Direct sales in the US in June grew again by over 29% year on year, delivering growth for the quarter of 25.6% and for the year of 27.7%. Sales in the fourth quarter and especially June indicate that the impact of insurance reimbursement issues generally experienced at the beginning of the new calendar year have been overcome and patient demand is back to normal. This augurs well for the second half of this year," said Dr Peter Neustadt, Executive Chairman of SomnoMed.

"We are particularly pleased with the growth achieved in France and a number of new and emerging markets in Europe, allowing European sales to generate an annual growth of over 20%. Also in Europe we saw an acceleration of the growth rate in Q4, which should indicate good continued growth ahead," commented Dr Neustadt.

All of SomnoMed's new products performed very well in all markets in 2015/16 and represented 37% of total direct global sales. Trends indicate growing acceptance of the SomnoMed's new Fusion, Herbst Advance and Air line of products is likely to continue in 2016/17.

"Sales through licensees in North America will probably reduce further in the future but given they represented just 5% of our global sales in the financial year 2015/16 it won't materially affect the overall growth rate in the new financial year," said Dr Neustadt.

Net operating cash flow for the quarter was \$1.23 million, taking the cash position at the end of June 2016 to \$17.6 million.

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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 250,000 patients in 27 countries.

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