



SOMNOMED TO ACQUIRE 100% OF SMH BIOMATERIAL AG

25th May 2015, SomnoMed Limited (SOM: ASX) SomnoMed announced today that it has reached agreement with its co-shareholder in SMH Biomaterial AG, Mr. Konrad Hofmann, to acquire his 50% holding in the company.

SMH Biomaterial AG is the producer of SomnoMed's Flex lining material and the device cleaning material SomTabs which was launched last year. The company was formed in 2007, when it acquired the IP relating to the Flex lining material. The Flex material is exclusively produced for SomnoDent[®] devices and has superior properties when it comes to durability, discolouration and the development of unpleasant odours usually associated with dental devices with other common lining materials used on a regular basis. SMH Biomaterial AG is at an advanced stage of developing next generation materials, which are currently being tested and are expected to be introduced to the market by early 2016.

"The Flex lining material has and will give SomnoDent[®] devices a competitive advantage over other devices. Proprietary materials are one of the key areas which differentiate oral appliances, especially when it comes to patient comfort, which is directly linked to compliance, and durability, which is an important factor when it comes to insurance reimbursement and comparative health economics," said Dr. Peter Neustadt, Executive Chairman of SomnoMed.

"The acquisition and integration of 100% of SMH Biomaterial AG will allow us to produce and to continue developing unique materials which are contributing to our position as the supplier of the highest quality oral appliances for the treatment of obstructive sleep apnea on a worldwide basis," commented Dr. Neustadt.

The purchase price for the 50% holding in SMH Biomaterial AG amounts to €540,000. It will be paid €340,000 in cash and €200,000 in SomnoMed Limited shares, to be issued at the weighted average market price of the shares during the three months prior to completion. Completion is expected to take place on 1 July 2015.

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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 200,000 patients in 26 countries.

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