

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")

31st March 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	7,363	21,859
1.2 Payments for		
(a) staff costs	(2,727)	(7,988)
(b) advertising and marketing	(481)	(1,392)
(c) research and development	(13)	(74)
(d) leased assets	-	-
(e) other working capital	(4,286)	(12,941)
(f) business development	-	(54)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	39	116
1.5 Interest and other costs of finance paid	(3)	(9)
1.6 Income taxes paid	(4)	(63)
1.7 Other income- net grants/R&D concessions	-	-
Net operating cash flows	(112)	(546)

+ See chapter 19 for defined terms.

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)	(112)	(546)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(96)
(b) equity investment associate	-	-
(c) intellectual property	(18)	(75)
(d) physical non-current assets	(304)	(879)
(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)	-	-
	(322)	(1,050)
Net investing cash flows		
1.14 Total operating and investing cash flows	(434)	(1,596)
Cash flows related to financing activities		
1.15 Net Proceeds/Costs from issues of shares, options, etc.	29	7,076
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)	-	-
	29	7,076
Net financing cash flows		
Net increase (decrease) in cash held	(405)	5,480
1.21 Cash at beginning of quarter/year to date	8,895	2,944
1.22 Exchange rate adjustments to item 1.21	(12)	54
1.23 Cash at end of quarter	8,478	8,478

+ See chapter 19 for defined terms.

CONTINUOUS GROWTH OF SOMNOMED IN THIRD QUARTER

SomnoMed's total revenues grew by 17.3% to \$7.62 million during third quarter, bringing the revenues for the nine months of the financial year 14/15 to \$22.4 million, 17.8% higher than in the same period in the previous year. The third quarter of the financial year produced total sales of 12,063 SomnoDent® units, the second highest quarter in the Company's history and 9.6% above the same quarter in the previous year.

The month of March generated sales of 5,128 SomnoDent® units (an increase 24.5% over the prior year) and total revenues of \$3.03 million (an increase 27.7% over the prior year), recording the second highest revenue and unit sales month in the history of SomnoMed.

During the quarter sales accelerated in all regions. In March Europe achieved sales of over 1,800 units for the first time, which was 21% higher than in March the previous year. Direct sales in the US, which represent more than 80% of the Company's total North American sales, grew by over 31% compared to the same month in 2014. Sales to US licensees also grew by 27% in March, after a flat first two months of the quarter, following paralyzing winter weather in the Northern US and Canada.

Above the average regional growth was recorded in Scandinavian countries, in new and emerging markets in Europe, and in Korea, Singapore and Japan during the quarter.

"Total sales for the year now stand at 36,838 MAS units. Given the strong March result we are confident of setting a new record in fourth quarter sales this year. Our new products are performing well and have strengthened our US direct sales," said Dr. Peter Neustadt, SomnoMed Executive Chairman.

SomnoMed had \$8.48 million in cash at the end of March 2015, after absorbing \$300,000 in capital expenditure, largely linked to payment for equipment for the expansion of its production facility.

+ See chapter 19 for defined terms.

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	4,252	3,885
4.2 Deposits at call	4,226	5,010
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank Bills	-	-
Total: cash at end of quarter (item 1.22)	8,478	8,895

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		

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: 10th April 2015

Print name: T A Flitcroft

Notes

+ See chapter 19 for defined terms.

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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