

Investor Presentation

Q1 AND Q2 2011



This presentation contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not guarantees of SomnoMed's future performance and involve a number of risks and uncertainties that may cause actual results to differ materially from the results discussed in these statements. Factors that might cause the Company's results to differ materially from those expressed or implied by such forward-looking statements include but are not limited to, development and commercialisation of the Company's product portfolio; development or acquisition of additional products; and other risks and uncertainties. SomnoMed undertakes no duty to update any of these forward-looking statements to confirm them to actual.

Key topics

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Financial Highlights

2nd Half FY 2011
vs. FY 2010

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Overview by Region

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US Medicare DME MAC's ruling

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Product Development

Financial Highlights

1st Half FY 2011 vs. 1st Half FY 2010



Sales
revenue

**+ 20% to
A\$ 6.0m**

SomnoDent
Apnea unit
sales

**+ 25% to
11,450
devices**

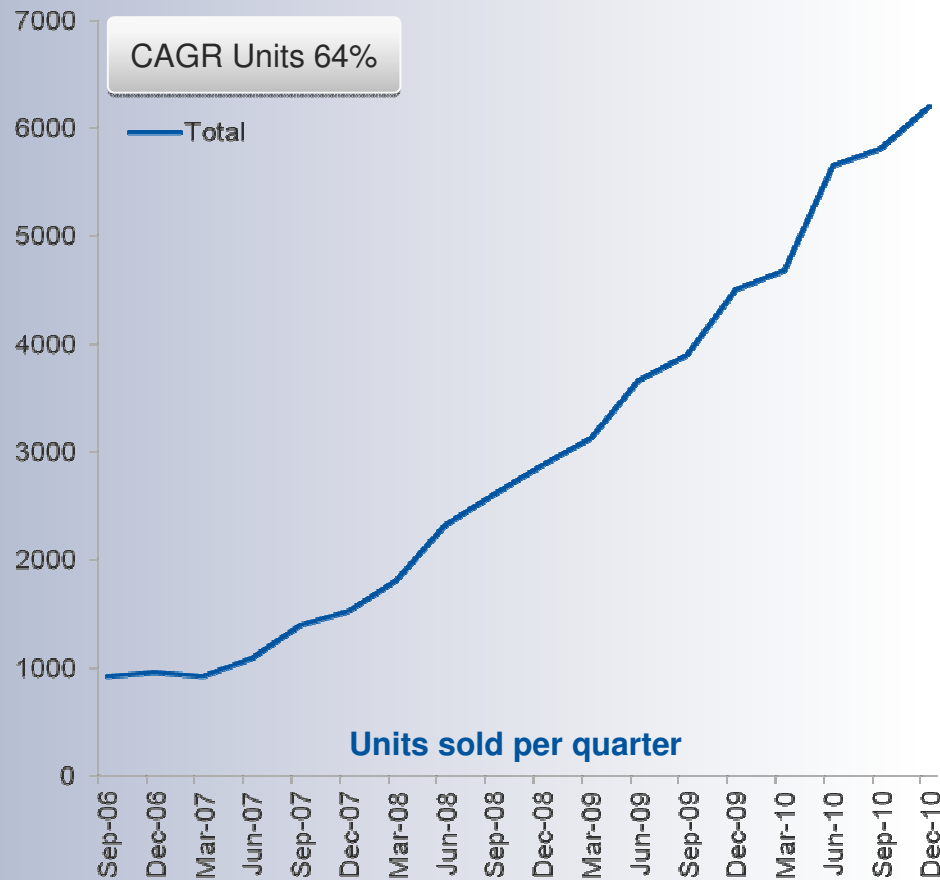
Successful
soft launch
and
feedback of
Bruxism
products in
Australia,
USA, Europe

Gross
Margin
improved to
64%
compared to
**57% in
2010**

Group
operating
profit before
Corporate/
R&D
**+ 36% to
A\$ 1.5 m**

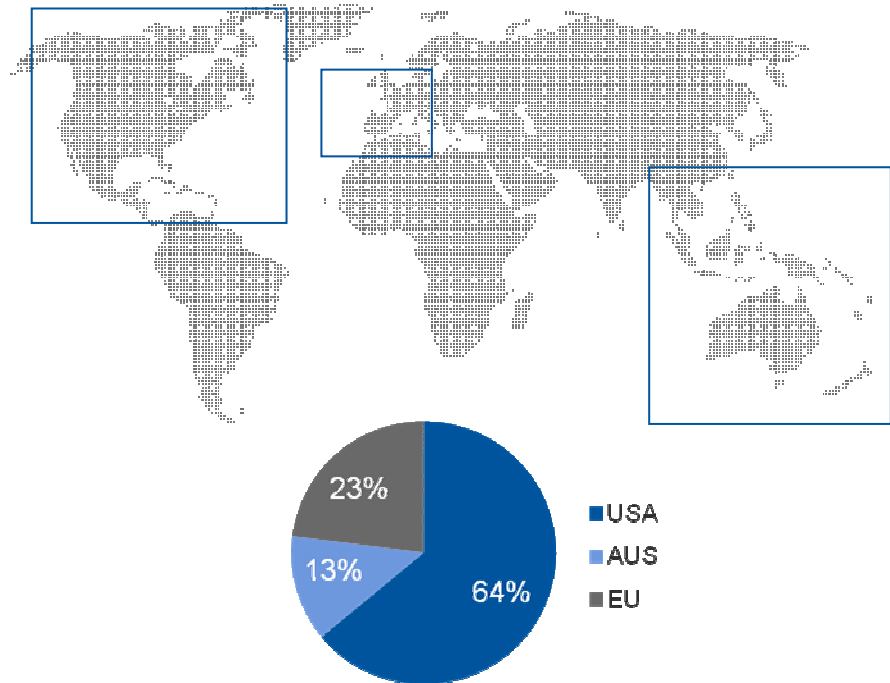
EBITDA
**+ 48% to
0.39m**

Volume Growth

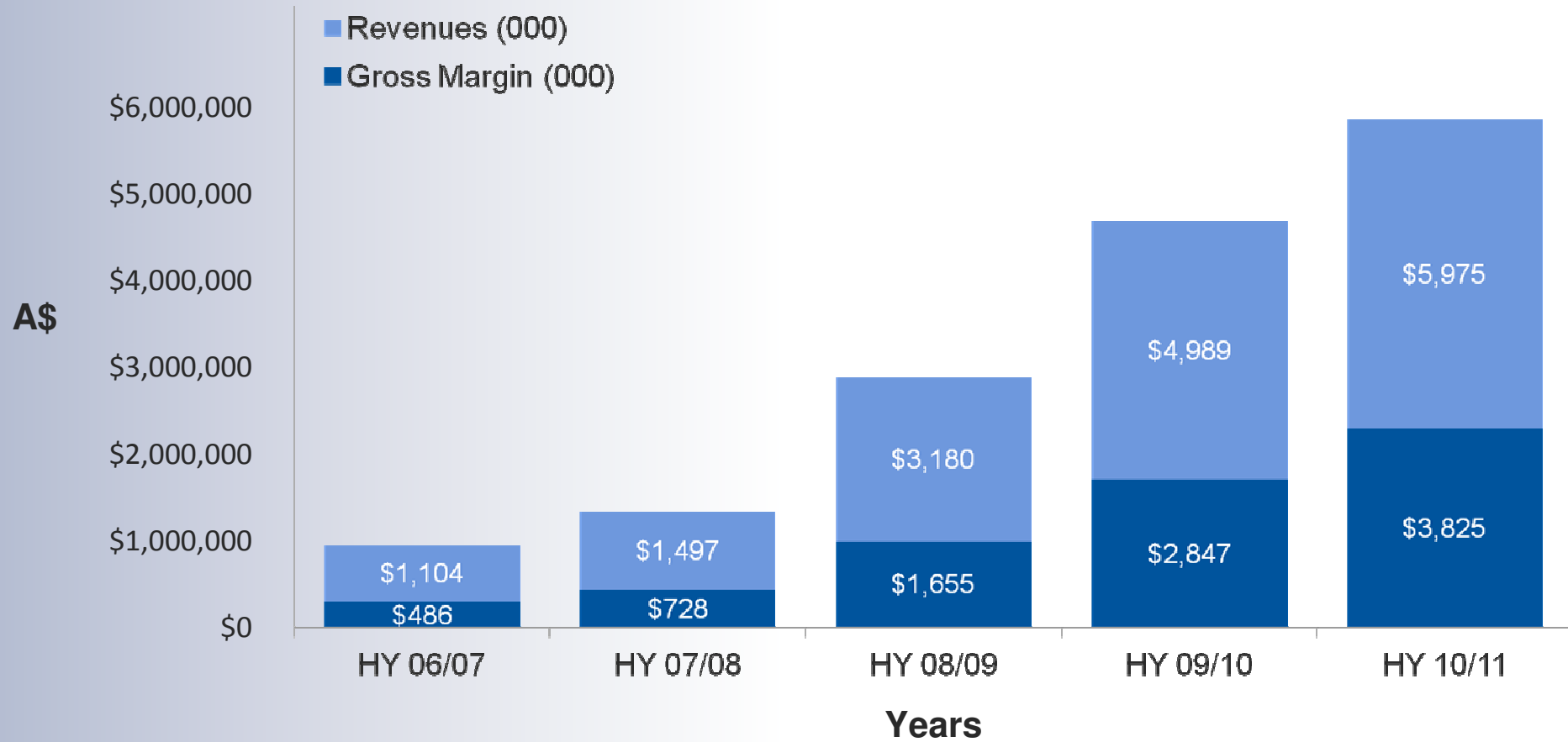


Unit contribution per Region

1st Half 10/11



SomnoMed Progress Half Year to December

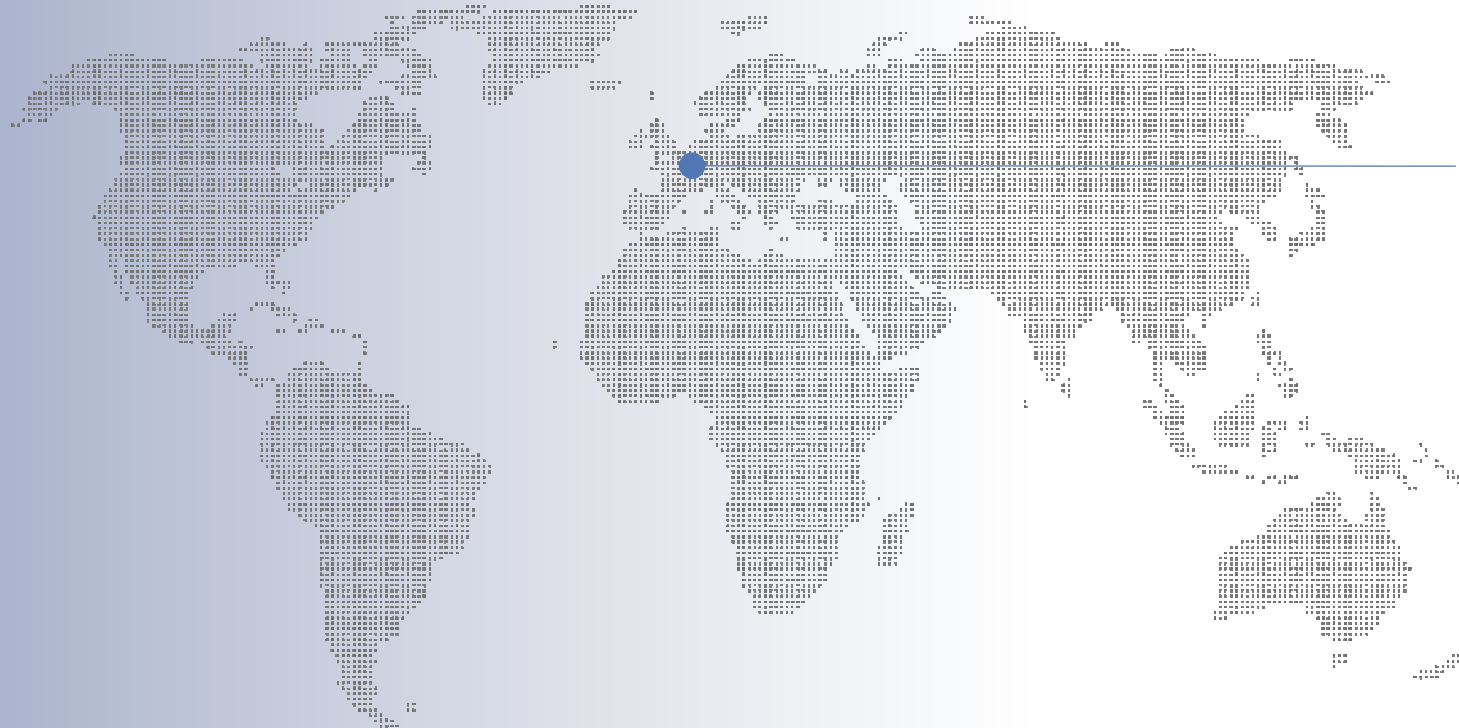


Half Year



| Financial Summary (\$000's) | 10/11 1st H | 09/10 1st H | 08/09 1st H | 07/08 1st H | 06/07 1st H |
|---|----------------|----------------|----------------|----------------|----------------|
| Units | 11,450 | 9,140 | 5,475 | 2,916 | 1,870 |
| Revenue | 5,975 | 4,989 | 3,180 | 1,497 | 1,104 |
| Gross Margin <i>Gross Margin%</i> | 3,825 64.0% | 2,847 57.1% | 1,655 52.0% | 728 48.6% | 486 44.0% |
| Operating profit / (loss) before corporate, business development and non cash items | 1,495 | 1,098 | (140) | (490) | (991) |
| Corporate expenses | (1,101) | (832) | (931) | (788) | (540) |
| Depreciation amortization non cash item | (133) | (126) | (311) | (308) | (227) |
| Interest received and other cash items | 50 | 46 | 155 | 88 | 33 |
| Net profit / (loss) before tax | 311 | 186 | (1,227) | (1,498) | (1,725) |

Highlights by Region



Europe

Significant growth volume of more than 122%

Nordic and Central European region are key drivers

Favourable OAT reimbursement in Sweden, France, Belgium and Holland

High barrier of entry for non-medical oral appliances

Highlights by Region



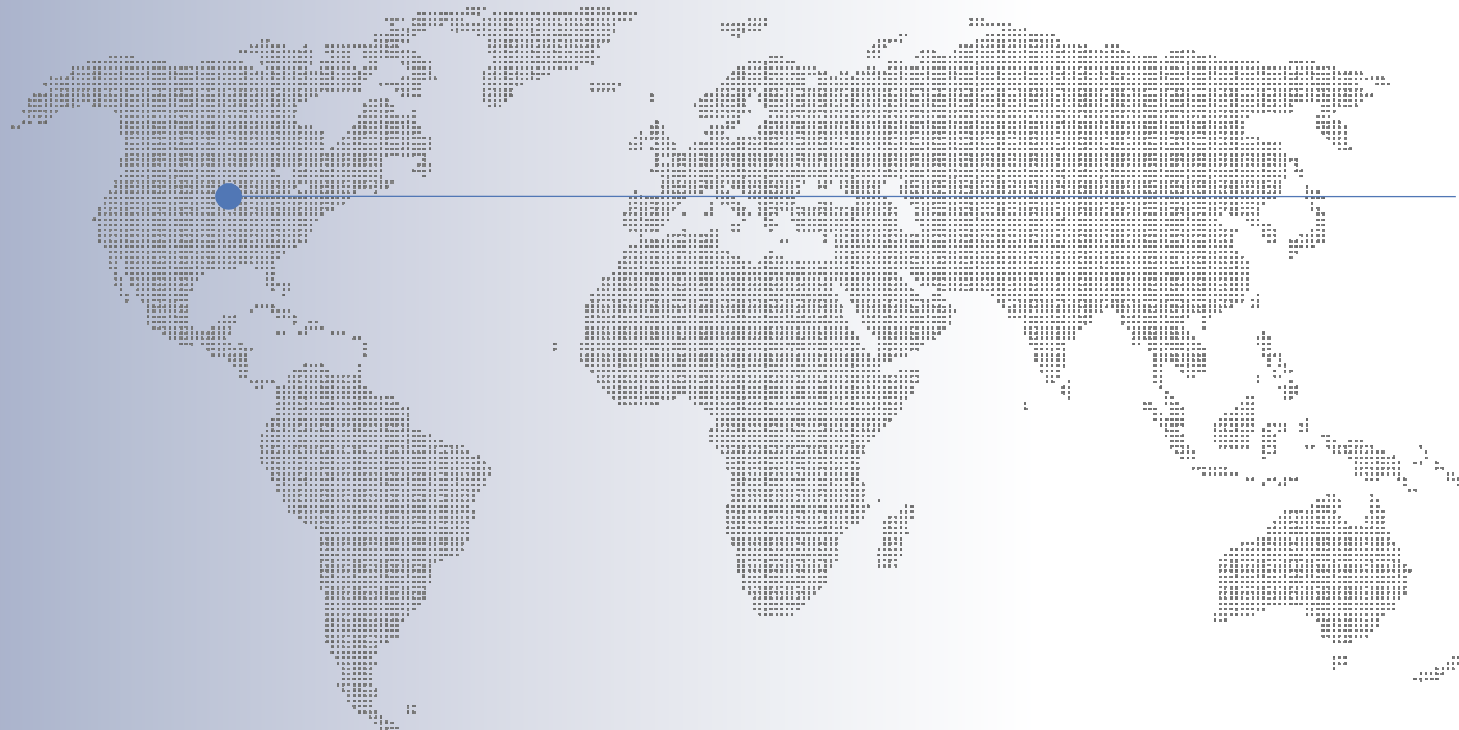
Australia/ New Zealand/ Asia

Continuing market leadership with SomnoDent
Modest growth due to non-reimbursement of OSA treatment
Positive response to the market launch of SomnoBrux

Japan

Growing number of educated and qualified SomnoMed dentists
Moderate growth volume due to low-GHI reimbursement

Highlights by Region



North America

Record unit sales in Q2
Positive Medicare CMS ruling for Oral Appliance Treatment (OAT)

New VP Marketing & Academy with strong focus on Medical

New VP Sales and restructure of Medical/Dental sales territories

Custom fabricated oral appliance (E0486) used to treat Obstructive Sleep Apnea (OSA) is covered if certain criteria are met:

Key details:

Treatment of OSA up to an AHI/RDI of 30 events/hour (mild to moderate) are covered, without the precondition that the Patient is deemed unsuitable for CPAP treatment

Only custom fabricated oral appliances, like the SomnoDent, are covered. Non custom “over-the-counter” boil and bite appliances and Tongue Retaining Devices (TRD) are not covered and deemed unnecessary.

- | Market launch in Q4 of the next generation of the world's # 1 oral sleep apnea appliance. The SomnoDent G2 will again raise the standard in comfort, compliance and treatment for the patient and the doctor.
- | Final clinical trial for FDA for market launch in Q4 of SomnoMed MATRIx (formerly RCMP) a revolutionary breakthrough in the prediction of efficacy of an oral appliance in a full sleep study setting (PSG).

SomnoMed®...

The future is now...

Thank-you

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