

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 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,899	11,759
1.2 Payments for		
(a) staff costs	(1,071)	(4,125)
(b) advertising and marketing	(781)	(2,042)
(c) research and development	(72)	(201)
(d) leased assets	-	-
(e) other working capital	(544)	(5,411)
(f) business development	(129)	(448)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	94
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other income- net grants/R&D concessions	28	160
Net operating cash flows	349	(214)

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	349	(214)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investment associate	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(86)	(315)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(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)	-	-
	(86)	(315)
Net investing cash flows		
1.14 Total operating and investing cash flows	263	(529)
Cash flows related to financing activities		
1.15 Net Proceeds/Costs from issues of shares, options, etc.	105	334
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)	-	-
	105	334
Net financing cash flows		
Net increase (decrease) in cash held	368	(195)
1.21 Cash at beginning of quarter/year to date	3,638	4,295
1.22 Exchange rate adjustments to item 1.20	(57)	(151)
1.23 Cash at end of quarter	3,949	3,949

+ See chapter 19 for defined terms.

SomnoMed breaks records in 4th Quarter

SomnoMed Limited has once again announced record unit sales for the fourth quarter to June 2011. Continued growth in SomnoDent[®] sales volumes in the June quarter by 32% over the same period last year was reflected in the 7,323 units sold.

This result has been driven by record sales in all global regions. The USA and European regions both grew 27% and 69% respectively over the same quarter last year. The APAC region has shown 17% growth over QTR 3, with record sales in the June month bringing total revenues for SomnoMed in the fourth quarter to \$3.3 million. The new US office now based in Dallas-Frisco, Texas, achieved record sales in the June month, with the European region doing the same.

SomnoMed's CEO Mr Ralf Barschow commented, "The results achieved in this quarter re-affirm our ability to grow unit sales and revenues of the business, particularly within the US and Europe, which are above average within the Sleep Disordered Breathing industry. The record sales achieved in June for all regions were very encouraging, especially on the back of a very successful SLEEP 2011 congress in Minneapolis attended by SomnoMed."

From a global perspective SomnoMed controls direct operations in three global regions. Following the strong growth in Europe, SomnoMed is expanding its business activities, with new offices to be opened in France and Germany, as well as adding new personnel to our European headquarters in Zurich, Switzerland. SomnoMed Nordic is moving into new facilities in Stockholm, with a wider scope of clinical training and technical services. In Israel an exclusive distribution agreement with SleepDent Limited has been signed, covering all major sleep centers and hospitals in that country.

"I am very proud for SomnoMed to have formed the exclusive partnership with SleepDent Limited in Israel. After an extensive clinical trial for over a year involving patients not tolerating a CPAP treatment, the results once again have shown the clinical effectiveness of a SomnoDent[®] therapy in mild, moderate and severe cases," said Mr. Barschow.

Mr Barschow added, "We continue to establish our global presence in all regions relevant for a SomnoDent[®] therapy. With over 70,000 clinically documented treatments, SomnoDent[®] is clearly recognized and unrivalled as the world's no.1 oral appliance for obstructive sleep apnea."

SomnoMed Limited had \$3.95 million in cash available at 30 June 2011.

+ 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	55
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
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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	-	-

+ See chapter 19 for defined terms.

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	2,653	2,175
4.2 Deposits at call	1,296	1,463
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank Bills	-	-
Total: cash at end of quarter (item 1.22)	3,949	3,638

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: 27th July 2011

Print name: T A Flitcroft

+ See chapter 19 for defined terms.

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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