



SomnoMed continues growth trend

26th October 2011, Sydney: SomnoMed Limited announced today that it has continued to achieve strong sales growth for the first quarter FY2012. Total SomnoDent[®] unit sales for the first three months were 6,732 units, representing a growth of 28% over the first quarter of 2010. This was as a result of European unit sales increasing by 45% and North American unit sales increasing by 24% compared to the same quarter last year. APAC and Japan have also posted quarterly unit growth figures of 10% and 50% respectively over the last year.

In the September quarter, revenues have grown 13% over the same period last year, to reach total sales revenues of \$3.2m for the first three month period. Revenue growth with constant exchange rates would have been 23%.

The MAS Gross Margin for the quarter was 66%, achieved through much improved manufacturing and logistics efficiencies and better than the 64% MAS gross margin achieved in the same quarter last year.

During the September Quarter a Medicare PDAC code E0486 was granted to the entire SomnoDent[®] product group in the US, yet another milestone in terms of acceptance for this increasingly growing treatment modality.

"We have had eleven months of consecutive sales growth in Europe, which is very pleasing," commented Mr. Ralf Barschow, SomnoMed's CEO. "This ongoing unit growth has again resulted in another profitable quarter for the company," he said.

Last week SomnoMed attended Worldsleap 2011, the 6th Quadrennial Congress of the World Sleep Federation held in Kyoto, Japan. For SomnoMed it presented the perfect opportunity to display the SomnoDent[®] therapy to a broad international group of the Sleep medical community. Particular focus was given to SomnoMed MATRx, the new SomnoDent[®] titration technology for sleep laboratories.

SomnoMed MATRx recently received a technology award at the annual congress of the American Dental Association in Las Vegas. This prestigious award is only given to new technologies with the potential to provide significant changes to a particular industry.

"Innovation is a key driver for our growth going forward to become a mainstream treatment modality for OSA. It was very rewarding to see presentations in Kyoto showing the efficacy of SomnoDent[®] for mild, moderate and also severe sleep apnea patients. Product innovations such as SomnoMed MATRx and SomnoDent[®] G2 again will define a new standard in oral appliance treatment and technology," commented Mr Barschow.

After expenditure on European and USA regulatory requirements, further investment in the Company's production facilities and ongoing investment in the development of the new SomnoDent[®] G2 device scheduled for release in early 2012 the cash balance at the end of the quarter was \$3.75 million.

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