



SOMNOMED ACQUIRES DUTCH ORAL APPLIANCE DISTRIBUTION COMPANY

17th January 2012, Sydney: SomnoMed announced today that it has entered into an agreement to acquire the Dutch oral appliance distribution company Goedegebuure Slaaptechniek B.V. (“GS”). GS has seen a rapid development of its sales since the reimbursement of oral appliance treatment using the SomnoDent device was approved in Holland in January 2010. GS enjoys the exclusive support of most large insurance providers in Holland and as a result is the leading distributor of oral appliances in the Netherlands. The services of the existing Dutch senior management of GS have been retained pursuant to a five year management agreement, as part of the acquisition.

GS will market and distribute the SomnoMed product range for the treatment of sleep disordered breathing in the Netherlands and will change its name to SomnoMed Goedegebuure Slaaptechniek B.V.

SomnoMed’s CEO Ralf Barschow said, “We are very excited and proud to have entered into an agreement to acquire Goedegebuure Slaaptechniek B.V., the leading distributor of oral appliances in Holland. Our partners have a long history in the quality dental laboratory industry and enjoy an excellent reputation, especially with the Dutch insurance companies.”

“We are confident that our partnership will contribute to strong growth of our European business. We see the approach taken by the Dutch health insurers, reimbursing patients diagnosed with obstructive sleep apnea for the first line treatment with an oral appliance instead of CPAP, as exemplary for other countries in Europe.”

Goedegebuure Slaaptechniek Managing Director Wolter Jagt commented, “We are very much looking forward to our partnership with SomnoMed. Not only will we be able to broaden our product line but we will also gain direct access to SomnoMed’s global business network and their research & development. We are also very excited about becoming shareholders in SomnoMed Limited and are confident that we will be able to contribute with our experience gained in Holland to the future success and ongoing growth of SomnoMed in Europe.”

The consideration for the first 50% of the capital of GS is one million Euro, of which 250,000 Euro has been paid in cash and the balance by way of 805,664 shares in SomnoMed Limited issued at A\$1.28 per share. These Shares will be voluntarily escrowed for a period of 12 months.

The remaining 50% of GS will be acquired by SomnoMed over a period of 5 years in four equal annual portions commencing in April 2014. The price for these 12.5% tranches will be linked to the net profits generated by GS’s business in the Netherlands and will be payable half in cash and half in shares in SomnoMed Limited.

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