



SomnoMed continues to break records in 4th Quarter

26th July 2012, Sydney SomnoMed Limited (ASX: SOM) has once again announced record unit sales for the fourth quarter to June 2012. Continued growth in volumes in the June quarter by 16% over the same period last year was reflected in the 8,518 units sold. This compares to the 7,323 units sold in Qtr4 of 2011 and represents the highest number of SomnoDent[®] devices sold so far by SomnoMed in any quarter.

This result has been driven by record sales in all regions. The APAC and European regions both grew 28% over the same period last year, with Japan posting a 73% increase albeit from a small base. All three of those regions - APAC, Europe and North America posted record months in Qtr4 as well as record quarter sales. Total revenues for SomnoMed in the fourth quarter were just over \$4.5 million compared to \$3.3 million in the same period in the previous year – up 37%.

SomnoMed's Executive Chairman Dr Peter Neustadt commented, "The results achieved in this quarter reaffirms our ability to continue to grow the unit sales and revenues of the business in all regions. We are very pleased with the developments in Europe and results achieved in APAC in 2011/12. US sales were behind our expectations despite setting a new monthly record during Qtr4. Organisational changes and measures taken are designed to accelerate growth in the North American region in 2012/13. The introduction of our new flagship SomnoDent[®] G2 product was approved by the FDA in June this year. This innovative new product is long overdue and will be a significant contributor towards our targets set for the current year and beyond. First shipments of the MATRx oral appliance diagnostic device have commenced and will also contribute to strengthen the acceptance of oral appliance therapy."

The continued investment in our manufacturing operations allows SomnoMed to leverage the gross margins within the business. SomnoMed's overall group gross margin has improved from 68% in the June quarter of 2011 to 70% in the same period for 2012 - a further record gross margin growth for the company.

The unaudited operating profit before corporate, research and business development expenses was up 26% for the fourth quarter compared to the same period in the previous year and grew for the full twelve months to June 2012 despite expensing the investment in business development within both Europe and the US, the establishment of the Quality and Regulatory Divisions in all three major regions and the costs related to the acquisition of the Dutch company Goedegebuure Slaaptechniek in January 2012.

Despite the above-mentioned investments SomnoMed had a cash balance of \$3.538 million as at 30th June 2012, compared to \$3.949 million as at 30th June 2011. Net cash generated in the last quarter of the 2011/12 year was \$447,000.

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About SomnoMed

SomnoMed is a public company providing diagnostic and treatment solutions for Sleep-related Breathing Disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialized on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent[®] becoming the state-of-the-art and clinically proven medical oral appliance therapy for obstructive sleep apnea. SomnoDent[®] is the most comfortable and effective design and treatment solution for over 100,000 patients in 22 countries.