

SOMNOMED COMPLETES ACQUISTION OF ORTHOSOM IN FRANCE

3rd **December 2012**: SomnoMed Limited announced today that it completed the acquisition of the business of Orthosom in France on Friday 30 November, 2012. As part of the consideration Orthosom, a 100% subsidiary of French health care service provider Aliseo SAS, was issued with a total of 464,395 fully paid ordinary shares in SomnoMed Limited and a shareholding of 35% in SomnoMed France.

As from 1 December 2012 the Orthosom operation is now integrated in SomnoMed France and will operate under the trading name of SomnoMed-Orthosom. The former General Manager of Orthosom, Mr. Thomas Martinelli, has been appointed head of SomnoMed France.

SomnoMed launched its SomnoDent[®] product line in November at the Congrès de la SFRMS, French National Sleep Research Society Convention in Bordeaux. At this important annual event SomnoMed and Orthosom presented itself jointly to the French medical and dental sleep market for the first time. The merger of Orthosom with SomnoMed was greeted positively and SomnoDent[®] products were received with great interest. Over 150 practitioners registered their interest on the spot to try out the new, high quality range of SomnoDent[®] Classic, Flex and G2.

"The transition of Orthosom's business and staff to SomnoMed France has gone very smoothly. It is seen as a positive and exciting move forward. The fact that Aliseo, one of France's foremost health care service providers and prominent in the field of CPAP and oxygen treatment of a large number of patients, is now a 35% shareholder in SomnoMed France is seen as a sign that SomnoMed will operate as a French company and respects the uniqueness of the French market and its medical and dental practitioners," said SomnoMed Executive Chairman Dr. Peter Neustadt.

"SomnoMed is hitting the ground running in France. The strong interest we already received at the SFRMS convention in Bordeaux last month is an indication that sales development in France is likely to be at a pace in line or even above our original expectations. In any event, the acquisition will not only fasten SomnoDent[®]'s market penetration in France but it will also achieve this at a lower cost than those connected with a start from ground zero," said Dr. Neustadt.

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. For additional information, visit SomnoMed at http://www.somnomed.com.

About Aliseo SAS

Aliseo is one of the leading health care providers in France specialized in respiratory assistance, intravenous nutrition and insulin therapy. Aliseo is caring for close to 15,000 patients predominantly in the Pays de Loire region of France. Aliseo is a private concern.