



## **SomnoMed delivers a record Second Quarter**

**30<sup>th</sup> January 2013, Sydney** SomnoMed Limited (ASX: SOM) announced today its results for the second quarter to December 2012. SomnoDent<sup>®</sup> revenues for the quarter grew by 34% over the same quarter last year, despite the exchange rate effects of both the US Dollar and Euro during this period. Total revenues for SomnoMed's second quarter were \$4.85 million (unaudited) compared to \$3.6 million in the same period last year.

Volume and revenue growth continued to be driven by strong results posted by SomnoMed's European subsidiaries. In comparison to the same period last year volume growth in Europe was over 26% for the December quarter and MAS revenues grew by over 24%. Europe posted its highest ever sales in the month of December 2012. The US finished the second quarter with the highest SomnoDent<sup>®</sup> sales ever achieved in any quarter. Sales to licensees reached a record number, whereas direct sales growth was impacted by organisational changes taking effect during the quarter. The APAC region did similarly well, with 15% growth in unit sales for the second quarter over the same period last year. Total MAS volume for the quarter increased by 16% over the same period last year, reaching a record 8,950 units and bringing the half year sales to 17,180 units, up 19% above last year.

SomnoMed's Executive Chairman Dr. Peter Neustadt commented, "We are very pleased with the results achieved in the second quarter of FY 2012/13, especially with the strong growth generated in Europe. The recent acquisitions in France and Sweden, together with a range of activities underway in all our European operations, give us confidence for continuing growth in the future. The takeover of Orthosom in France became effective in December and first SomnoDent<sup>®</sup> cases were made for French practitioners in January this year. The broad introduction of our SomnoDent<sup>®</sup> products into the French market is now underway and will gain momentum during 2013."

"During the quarter significant organisational changes commenced to be implemented in our US operation, which will result in an integration of the dental sales force into a combined medical-dental sales and marketing organisation. Staff changes, training activities, development and introduction of marketing programs have slowed our direct sales in the US but are expected to impact positively during the second half and beyond. December sales reached an all-time record in our North American business," said Dr. Neustadt.

During the quarter the new G2 product was successfully launched to leading practitioners in all regions. G2 acceptance is pleasing and marketing to the broad market has commenced at the beginning of this year.

All regions have grown and strengthened their profitability, with continued efficiencies seen from our manufacturing operation.

The SomnoMed group is expecting to show a much improved EBITDA for the half year, despite the continuing investment and expenses associated with the company's recent acquisitions in Europe, its manufacturing operation, regulatory departments and their activities relating to the approval of G2 and other product improvements, as well as the costs relating to the reorganization and expansion of our US operation.

SomnoMed Limited finished the second quarter with a cash balance of \$3.535 million available at 31 December 2012, basically unchanged from the position on the 1 July 2012, demonstrating its consistent ability to generate cash for the expansion of the business.

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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.

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