



SomnoMed acquires Orthosleep19 in Germany

2 July 2013, SomnoMed Limited (ASX:SOM) today announced the acquisition of the business of Orthosleep19 GmbH in Germany. Orthosleep is a leading technical dental laboratory producing and distributing oral appliances for the dental sleep medicine market. SomnoMed Germany and Orthosleep have been in a business relationship for a number of years, where Orthosleep was making SomnoDent® devices under license.

The total consideration amounts to 450,000 Euros (approximately A\$560,000) and will be paid in three tranches, with the second and third tranche being linked to the results of sales achieved with key Orthosleep customers in the financial year 2013/14 and 2014/15. About Euros 200,000 of the total consideration will be paid through the issue of shares in SomnoMed in three equal parcels on settlement, and on the first and second anniversary of the acquisition. Shares will be issued at the weighted average market price during the three months preceding the issue.

Executive Chairman of SomnoMed Dr. Peter Neustadt commented, "Orthosleep19 and its owner Mr. Konrad Hofmann are very well known as leaders in the dental sleep industry in Germany. We are very pleased to be able to integrate this business into our German operation. Herr Hofmann has signed a long term employment contract with us. He is an outstanding technical expert when it comes to oral appliances and will, besides being responsible for production in Germany and maintaining the personal relationship to his practitioners, take responsibilities for the development of new products for SomnoMed in conjunction with our Sydney Product Development department."

The acquisition of Orthosleep19 in Germany follows similar acquisitions SomnoMed made in Holland, France and Sweden in the last 18 months. In all cases an ongoing involvement of the vendors was secured for a substantial period of time. "Our aim was to have fully integrated operations in all our main regions in Europe, which allows us to maximize quality control, manufacturing economies of scale and gross margins and it is of fundamental importance in allowing us to optimize the marketing and distribution of our products," said Dr. Neustadt.

SomnoMed confirmed that it was funding the acquisition with its own existing funds and that there was no need to raise additional capital.

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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 130,000 patients in 22 countries.

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