

Appendix 4C
Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

SomnoMed Limited

ABN

35 003 255 221

Quarter ended ("current quarter")

30th June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	6,089	18,558
1.2 Payments for		
(a) staff costs	(2,313)	(7,755)
(b) advertising and marketing	(570)	(2,054)
(c) research and development	(51)	(121)
(d) leased assets	-	-
(e) other working capital	(1,749)	(7,516)
(f) business development	(51)	(487)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	86
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(64)	(64)
1.7 Other income- net grants/R&D concessions	-	-
Net operating cash flows	1,304	647

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	1,304	647
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(521)
(b) equity investment associate	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(64)	(226)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loan to associated entity	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(64)	(747)
Net investing cash flows		
1.14 Total operating and investing cash flows	1,240	(100)
Cash flows related to financing activities		
1.15 Net Proceeds/Costs from issues of shares, options, etc.	-	541
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	-	541
Net financing cash flows		
Net increase (decrease) in cash held	1,240	441
1.21 Cash at beginning of quarter/year to date	2,684	3,538
1.22 Exchange rate adjustments to item 1.21	297	242
1.23 Cash at end of quarter	4,221	4,221

+ See chapter 19 for defined terms.

SomnoMed posts strong cash position

SomnoMed Limited has posted a much improved cash position for the fourth quarter to June 2013 showing a positive \$1.53m movement from Q3. Cash held at the end of June 2013 stood at \$4.2m and up \$684,000 on the close of June 2012 last year. This improvement was as a result of increased sales revenues and better working capital management, where attention was focused on the accounts receivable position in all regions, while closely managing other asset and liability accounts. The recent depreciation of the AUD also contributed to the increased cash on hand as at 30 June 2013.

SomnoMed's Executive Chairman Dr. Peter Neustadt commented, "The cash results achieved in this quarter have been outstanding considering the investments made during that time, as well as the growth achieved in our global sales this quarter. As previously reported, our sales performance in Q4 produced record unit sales in all regions, with total units surpassing 10,000 for a quarter for the first time. This growth only adds to the working capital requirements for the business and as such, we are very pleased about the cash position delivered at 30 June 2013. This result is also despite the re-organization in the US, as well as our investment in their medical initiative platform, on which the next level of growth will now be built," said Dr. Neustadt.

The revenues for Q4 were \$5.5m (unaudited), up 24% on the same period of the prior year and up 31% on Q3 of 2013.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	90
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments made during the quarter include directors' fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

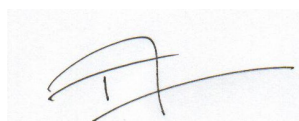
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,727	2,074
4.2 Deposits at call	494	610
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank Bills	-	-
Total: cash at end of quarter (item 1.22)	4,221	2,684

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 (Company Secretary)

Date: 19th July 2013

Print name: T A Flitcroft

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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