



## **First Quarter Results confirm SomnoMed's Growth Path**

**25th October 2013**, SomnoMed Limited (ASX:SOM) announced record sales in September of over 3,600 units, representing a year on year growth of 25%, compensated for the weaker Northern hemisphere months of July and August, bringing quarter unit sales to 9,309 units (+13.1%). All regions showed strong sales in September – whilst APAC grew by 18%, North America registered 19% growth and Europe recorded a volume increase of 40%.

Revenues generated in the quarter came to \$5.66 million, 36% higher than in the same period in the previous year. September revenues were up by 50% year on year.

The MAS Gross Margin for the quarter was with 67% in line with expectations reflecting the higher fixed cost basis of the acquired labs in France, Germany and Sweden during the low volume vacation period in July and August. September gross margin was 69.3%.

Dr. Peter Neustadt, SomnoMed's Executive Chairman, commented, "We are very pleased with the results achieved in the Northern summer holiday quarter. This was helped by an outstanding performance in Europe in September, the first post summer month. Good initial acceptance for our new SomnoDent Herbst device from the Medicare market in the US assisted the North American region to record good growth in September. We believe the trend recorded should be confirmed through the launch of our proprietary SomnoDent Herbst *Advance* device and the launch of the DentiTrac compliance recording system in the USA during the second quarter."

All European regions recorded excellent growth; revenues, margins and profit contribution were up significantly and compensated for losses generated in our French subsidiary where growth is strong but the cost base inherited is a drawback given the relatively small revenues generated."

Cash use in Q1 was higher than usual due to seasonal first quarter payments and higher receivables connected to the strong growth in revenues. By the end of the quarter SomnoMed had a cash balance of \$3.3 million.

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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>