



Investor Presentation

Financial Year 2013/14



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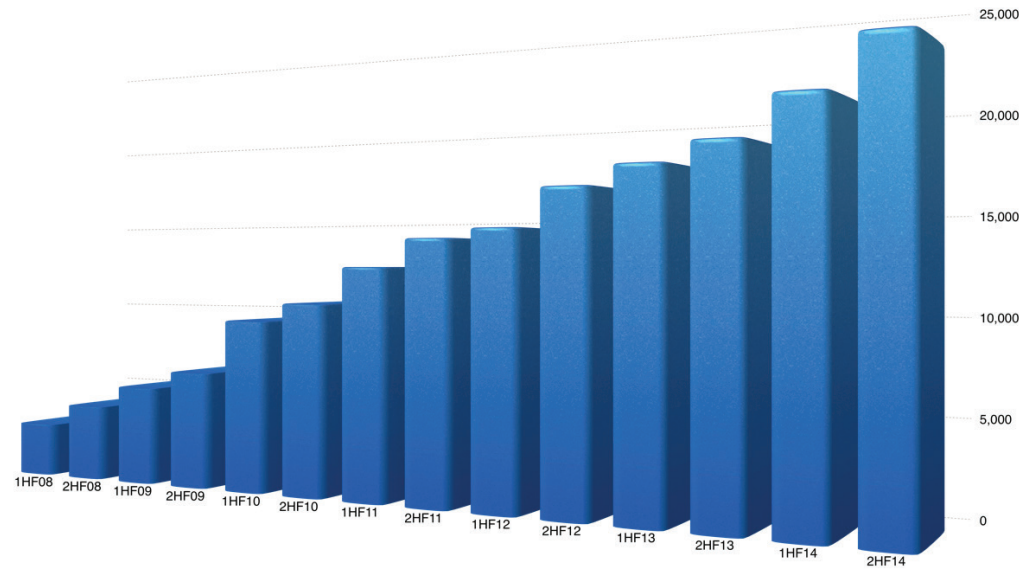
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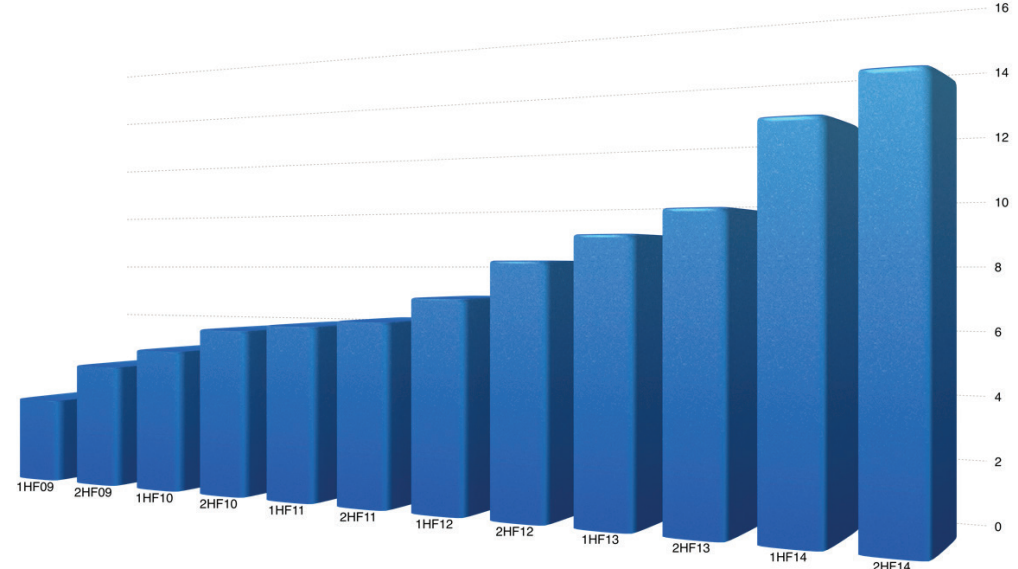


Unit sales growth



CAGR 36%pa

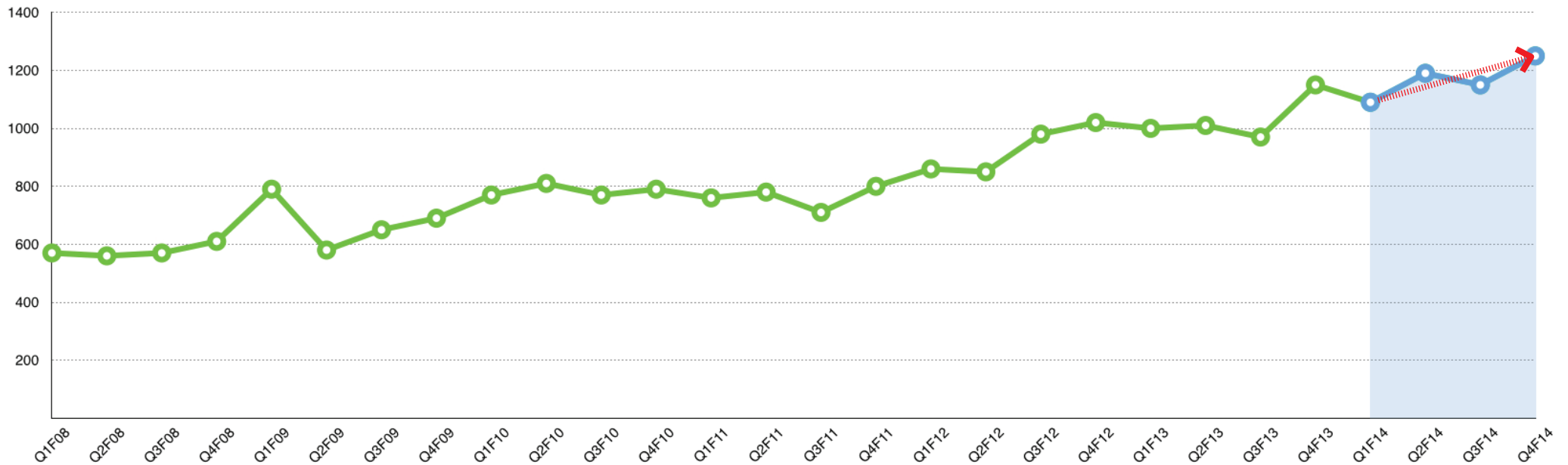
Revenue growth (\$' millions)



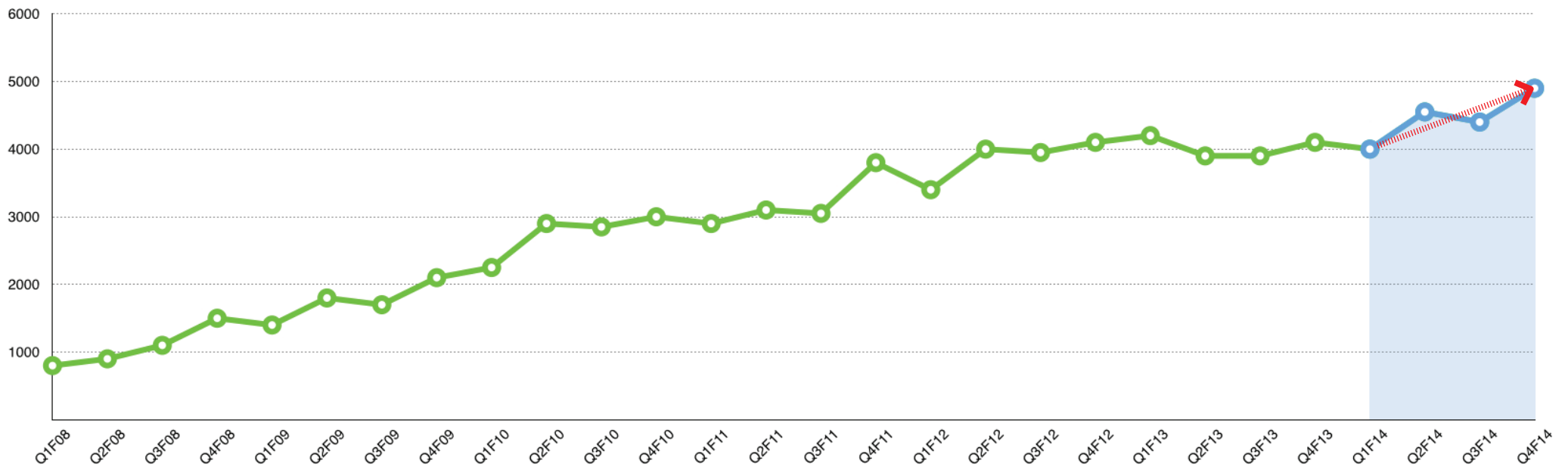
CAGR 39%pa



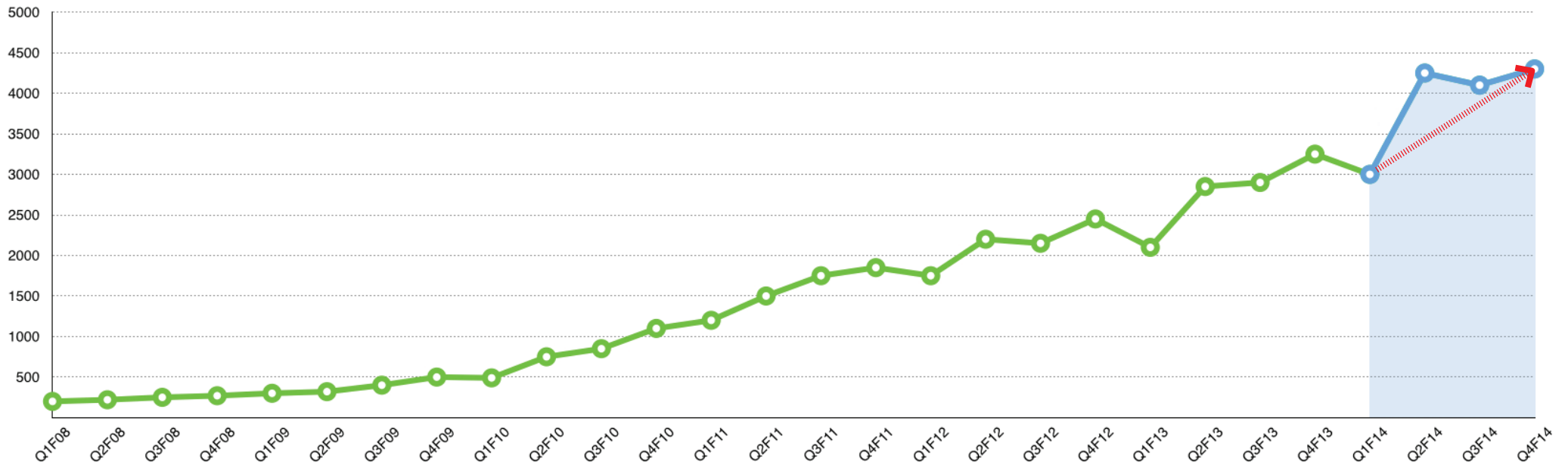
APAC quarterly unit sales



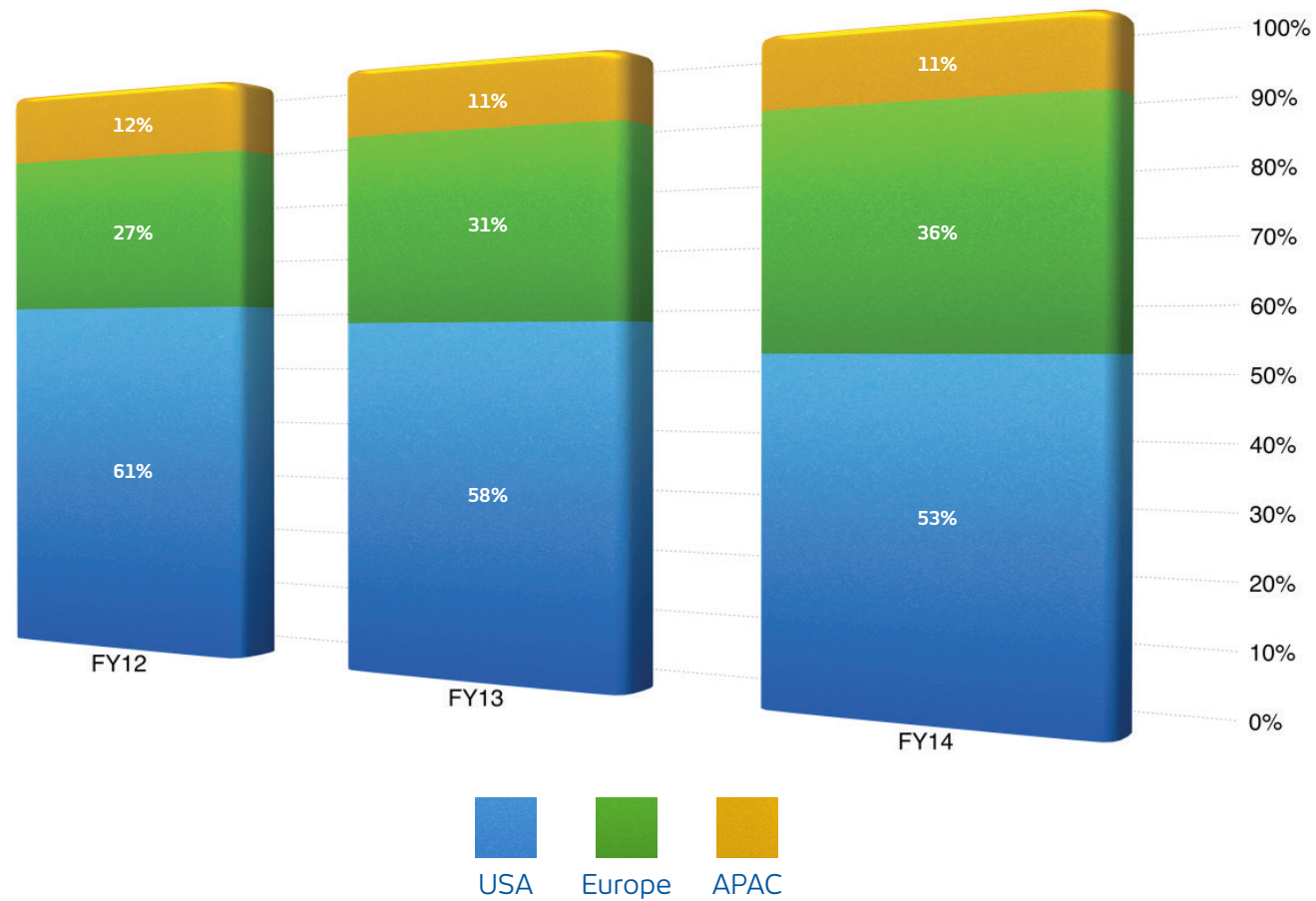
USA quarterly unit sales



Europe quarterly unit sales



Share of units sold by global region



Financial Summary (\$000's)	08/09	09/10	10/11	11/12	12/13	13/14
Revenue	7,737	10,714	12,335	15,246	18,489	25,894
Net Average Sales Per Unit (Direct MAS – Actual \$)	641	562	536	535	562	639
Gross Margin	4,059	6,084	8,176	10,357	12,267	16,810
Group Gross Margin %	52.5%	56.8%	66.3%	67.9%	66.3%	65.0%
MAS Gross Margin %	55.2%	59.3%	68.0%	70.1%	69.3%	67.0%
Sales and Marketing, G&A expenses	4,040	4,241	5,114	7,077	9,040	13,112
Operating profit before corporate, research and development expenses, non cash items and income tax	19	1,843	3,062	3,280	3,227	3,698
Corporate expenses	(1,176)	(1,769)	(2,303)	(2,356)	(2,460)	(2,648)
Share of associated company profits other	–	216	232	158	63	–
EBITDA*	(1,767)	290	991	1,082	830	1,050

*EBITDA as adjusted; does not include share and option expense.



Financial Summary (\$000's) Underlying EBITDA*	2013/14		
	Total Year	1st Half	2nd Half
Revenues	25,894	12,553	13,341
Investments made in FY14:			
Investments in Medical Capabilities (MAB, CMO, Managed Care, Medical Sales Team) USA	1,850	915	935
Acquisition & Legal costs Europe	108	62	46
New market set-up, legal and recruitment costs	325	-	325
Total Investments made	2,283	977	1,306
Posted EBITDA*	1,050	680	370
Underlying EBITDA*	3,333	1,657	1,676
% Revenues	12.9%	13.2%	12.6%

*EBITDA as adjusted; does not include share and option expense.

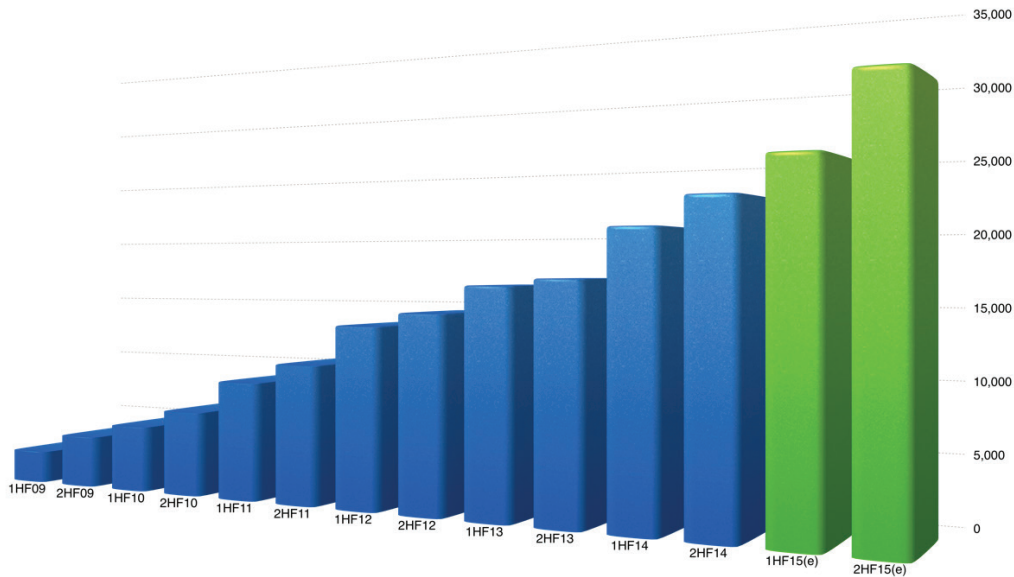


Financial Summary		
Net profit after taxation	2012/13	2013/14
Operating profit before corporate, research and business development expenses, non cash items and income tax	3,227,060	3,697,689
Share of profit of associated company	63,601	-
Corporate, research and business development expenses	(2,460,722)	(2,648,325)
Revenue from investment activities	92,819	26,438
Share and option expense	(88,183)	(125,003)
Depreciation and amortisation	(503,283)	(626,143)
Interest expense	-	(12,748)
Unrealised foreign exchange loss	(16,305)	(81,417)
Profit before income tax expense	314,987	230,491
Income tax benefit/(expense) Note 1	389,688	(15,535)
Profit after income tax for the year	704,675	214,956

Note 1		
Tax paid	(290,694)	(318,545)
Deferred tax adjustments	680,382	303,010
Income tax benefit/(expense)	389,688	(15,535)

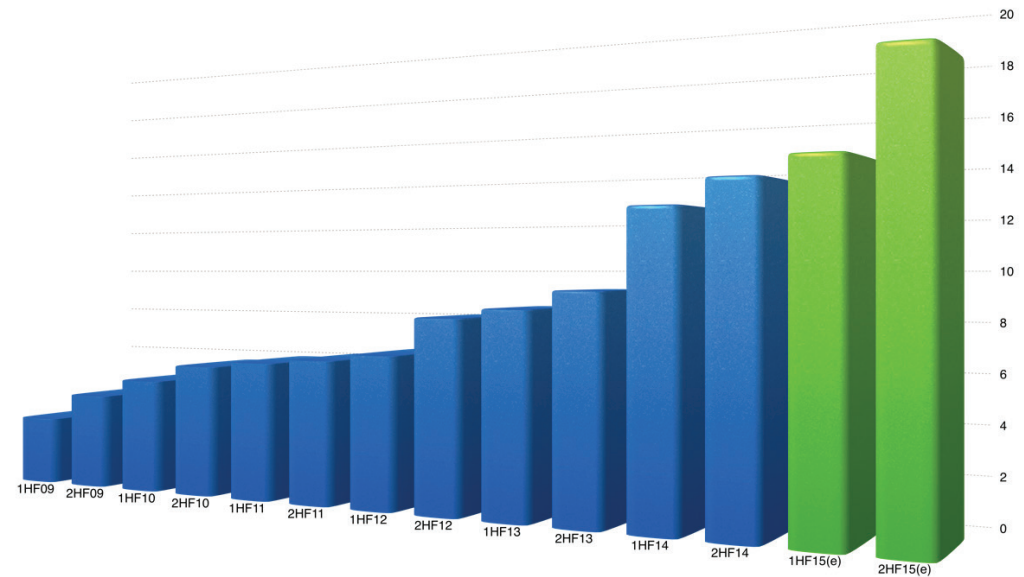


Unit sales to grow by 26.5%
in 2014/15 to 55,000 units



Units

Revenue to grow by 25%
in 2014/15 to \$32.5M*



Revenue (\$' millions)

*constant exchange rates



Demand for custom made oral appliances as alternative treatment for sleep disordered breathing is expanding worldwide

- Increased awareness of sleep disordered breathing and simpler home sleep testing drive number of diagnosed patients
- More clinical research uncovering the link between OSA and other severe medical conditions and mortality
- Persistent rejection and non-compliance of CPAP remains a growing issue for physicians, insurers and patients
- Increasing confidence of efficacy of COAT™ especially as higher compliance is linked to patient comfort
- Increasing awareness of COAT™ delivering a lower treatment costs than CPAP over the treatment term
- Different countries adopt COAT™ at different speeds but the share of patients is growing world wide:
 - Sweden 52% COAT™ and 48% CPAP (2013)¹
 - Holland 45% COAT™ and 55% CPAP (2013)²
 - USA 5% COAT™ and 95% CPAP (2013)³
- According to Frost and Sullivan Report, the US market will grow from 180,000 - 200,000 patients fitted with a custom made oral appliance in 2013 to over 1 million patients in 2020³












¹ Swedish National Health Department Reimbursement statistics

² Netherlands Health Department Reimbursement statistics

³ Frost & Sullivan, Assessment of the US Oral Appliances for Sleep Apnea Market, June 2014 – based on a projected growth of value of Custom Made Oral Appliance market from \$63M in 2013 to \$343M in 2020 and assumed net average sales prices in different price segments.



Broadening the SomnoDent® product line

Flex	 SomnoDent Flex			 SomnoDent G2		 SomnoDent Herbst	 SomnoDent Fusion ¹  SomnoDent Herbst Advance ¹		
	Standard	 SomnoDent Classic					 SomnoDent Herbst		 SomnoDent Herbst Advance ¹
Other								 SomnoDent Compliance Control ³  Somtabs ²	
	2007	2008	2009	2010	2011	2012	2013	2014	2015

¹ Launch September 2014

² Launch August 2014

³ Launch September 2014 (Europe/APAC) and June 2015 (USA – Subject to FDA)



Entry into new markets

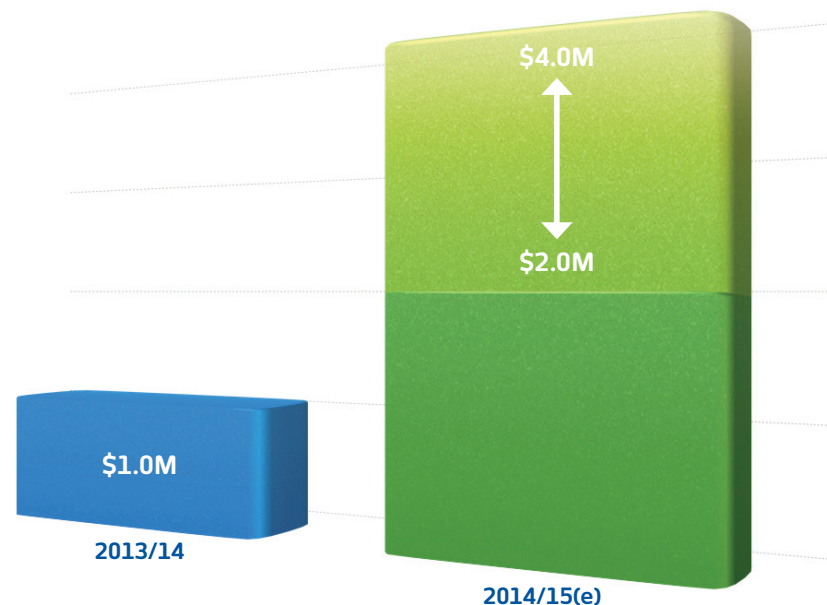
Established Markets Entry 2004 - 2008	Emerging Markets Entry 2009 - 2013	New Markets Entry 2014 - 2015
Asia-Pacific	Asia-Pacific	Asia-Pacific
Australia	New Zealand (2009) Japan (2009) Singapore (2010)* Malaysia (2010)* Indonesia (2010)* Korea (2010)* Israel (2010)*	Korea (2014)
North America	North America	North America
USA Canada		
Europe	Europe	Europe
Sweden* Germany* Holland* Italy* Switzerland*	Holland (2012) France (2013) Sweden (2013) Germany (2013) Austria (2013) Norway (2013) Belgium (2013) Luxembourg (2013) Russia (2013) Denmark (2013)	Finland (2014) United Kingdom (2014) Republic of Ireland (2014) Spain (2014) Portugal (2014) Italy (2014)

*Third party agent



Profits to double in 2014/15 – EBITDA* range of \$2.0 to \$4.0 Million

- The financial year 2014/15 will start to show the earnings strength of SomnoMed
- After investing approximately \$2m in FY14 in building the base for medical in USA, this division will break even in 2014/15
- New market entries in Europe are expected to break even in Second Half 2014/15
- Gross margin to be maintained in the high sixty percent range:
 - economies of scale impact on COGS – manufacturing, freight, national service centres
 - phasing in of digital will reduce freight and production costs
 - stable corporate overheads despite growth in volume



EBITDA* Guidance 2014/15

*EBITDA as adjusted; does not include share and option expense.





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