



## Media Release

### **SomnoMed accelerates third quarter global unit sales**

#### **Highlights for the third quarter ending 31 March 2008:**

- **Accelerated growth of 96% in the volume of devices sold this quarter**
- **US unit sales up 136% compared to same quarter last year**
- **Strong cash position of \$5.8 million**

**30 April 2008, Sydney:** SomnoMed Limited (ASX: SOM), a leader in the treatment of sleep apnea and snoring, today announced that it sold 1,809 MAS devices worldwide in the third quarter of the 07/08 financial year, up 96 percent compared to the same period in the previous year. SomnoMed makes and sells a dental device called the SomnoMed MAS (Mandibular Advancement Splint) which effectively prevents sleep apnea and snoring in mild to moderate cases.

Volume of units sold in the USA increased 136 percent compared to the same quarter in the last financial year. The company's strong business development in this geographical region has contributed 61 percent of the total sales achieved this quarter. The United States is the largest market for sleep dental devices. Sleep apnea affects up to 18 million people in the USA, with nearly 85% of them undiagnosed and untreated.

SomnoMed added momentum to their European expansion with the appointment of four distribution partners (announced 19.03.2008). These partners are prominent dental laboratories and market leaders in the sleep dental area in their respective countries. For the third quarter, the EU region contributed nearly nine percent in unit sales.

Ralf Barschow, chief executive officer of SomnoMed said, "We are pleased to see the US market gaining speed this rapidly. There is a huge untapped market in North America. By signing licensing agreements and distribution deals, we want to position the SomnoMed MAS as the best alternative to CPAP\* for the treatment of sleep apnea and snoring."

"We have a rigorous expansion strategy in place. With the appointment of key personnel and the signing of distribution agreements with market leaders around the world, we are confident that revenues will grow at a terrific rate for the coming quarters."

SomnoMed had a total of \$5.8 million in cash available at the end of March 2008. The Company has a strong balance sheet with no interest bearing liabilities.

A major milestone was reached in January 2008 with FDA approval for the new polymer, SMH BFlex soft material, which will be used in the USA to make dental sleep devices. This significant approval also allows for the material to be marketed broadly to other dental and medical device companies around the USA, potentially creating a different revenue stream.

SomnoMed will benefit significantly from the decision by American-based Centers for Medicare and Medicaid Services (CMS), announced 17 March 2008, to subsidise medical devices that are prescribed on the basis of data collected from home testing kits. This will lead to a general increase in the demand for treatment of obstructive sleep apnea. The SomnoMed dental sleep apnea device is the best alternative to the often cumbersome CPAP therapy.

\*CPAP: continuous positive airway pressure

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**How the SomnoMed MAS™ works**

The medical term for your lower jaw is 'mandible' and an oral appliance worn over the teeth is a 'splint', hence the name SomnoMed Mandibular Advancement Splint, or SomnoMed MAS™.

The SomnoMed MAS™ consists of two acrylic plates fitted over the upper and lower teeth. A patented fin coupling mechanism on the lower arch accurately positions the lower jaw (mandible) a little forward of its natural position.

This positioning tightens the soft tissue at the back of the throat to stop it from collapsing – the cause of snoring (partial collapse) and sleep apnea (full collapse). SomnoMed MAS™ allows the normal opening and closing of the mouth, allowing the user to yawn, speak and drink. The device will last 5 years and comes with a warranty.

The SomnoMed MAS™ is provided to patients through an integrated clinical protocol, involving dentists, primary care practitioners and sleep physicians. This pathway ensures that all patients are appropriately diagnosed and that only suitable patients are fitted with the device.

