

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

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

Name of entity

<b>SomnoMed Limited</b>
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ABN

<b>35 003 255 221</b>
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Quarter ended ("current quarter")

<b>31st March 2008</b>
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### Consolidated statement of cash flows

	Current quarter \$A	Year to date (9 months) \$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	718,218	2,216,245
1.2 Payments for		
(a) staff costs	(562,839)	(1,473,394)
(b) advertising and marketing	(299,252)	(737,172)
(c) research and development	-	(55,624)
(d) leased assets	-	-
(e) other working capital	(395,044)	(1,180,553)
(f) business development	(157,046)	(677,325)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92,732	195,893
1.5 Interest and other costs of finance paid	(2,402)	(4,585)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(605,633)</b>	<b>(1,716,515)</b>

+ See chapter 19 for defined terms.

	Current quarter \$A	Year to date (9 months) \$A
1.8 Net operating cash flows (carried forward)	<b>(605,633)</b>	<b>(1,716,515)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(33,203)	(101,553)
(b) equity investments	--	-
(c) intellectual property	-	-
(d) physical non-current assets	(2,917)	(56,954)
(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 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	<b>(36,120)</b>	<b>(158,507)</b>
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(641,753)</b>	<b>(1,875,022)</b>
<b>Cash flows related to financing activities</b>		
1.15 Net Proceeds/Costs from issues of shares, options, etc.	(8,490)	4,591,971
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(91,777)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	<b>(8,490)</b>	<b>4,500,194</b>
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	<b>(650,243)</b>	<b>2,625,172</b>
1.21 Cash at beginning of quarter/year to date	<b>6,480,096</b>	<b>3,204,681</b>
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>5,829,853</b>	<b>5,829,853</b>

+ See chapter 19 for defined terms.

## **Commentary**

The March 2008 quarter showed further acceleration in the growth of SomnoMed's global sales. A total of 1,809 MAS units were sold in the three months to March 08, 96% more than the 921 units sold in the same period in the previous year. In the nine months to the end of March a total of 4,724 units were sold, 69% more than in the same nine months period in the previous year.

On a regional basis the fastest growth was recorded in the USA where the quarter unit sales were up by 136% compared to the same quarter last year. North American sales represented 61% of the total sales achieved in the quarter; Asia Pacific contributed 30% and European sales started to contribute adding 156 units or 8.7% to the quarter total.

Revenues in the March 08 quarter were \$873,000, 80% higher than in the previous year's March Quarter, bringing the total for the nine months to \$2.37 million, 49% above the same YTD period in the previous year despite the increase in the value of the Australian Dollar vs the US Dollar.

The operating result for the quarter before corporate overheads was a loss of \$253,000, most of that relates to start up cost in Europe and Asia.

Net operating cash use was \$605,633 in the March 08 quarter with much of that relating to business development expenses and increase in working capital/ receivables as a result of the growth in revenues.

Total cash available at the end of March 2008 was \$ 5.83 million.

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+ 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
1.24	Aggregate amount of payments to the parties included in item 1.2	\$71,713
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	Amount used \$A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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+ 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	495,202	545,445
4.2 Deposits at call	64,651	64,651
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank Bills	5,270,000	5,870,000
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,829,853</b>	<b>6,480,096</b>

### 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: 30<sup>th</sup> April 2008

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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