

**Level 3  
20 Clarke Street  
Crows Nest 2065**

**Tel: 9467 0400  
Fax: 9467 0467**

18<sup>th</sup> December 2007

## **SOMNOMED SIGNS LICENSE AGREEMENT FOR THE USA**

SomnoMed Limited, the maker of the leading dental sleep apnea device, announced that it had signed a license agreement with the US based Dental Services Group (DSG). According to the agreement effective 1st January 2008, DSG will manufacture, market and distribute the SomnoMed MAS in the US and Canada and pay SomnoMed a product and license fee for every device sold. DSG owns and operates 31 full service dental laboratories located across North America.

“The agreement SomnoMed entered into with DSG is our first license agreement in the world. It is consistent with our strategy to build a global distribution network over the next two years,” said Ralf Barschow, SomnoMed’s recently appointed CEO.

“The network will consist of SomnoMed’s own distribution entities, third party distribution and service partners and a limited number of license partners. License partners will be predominantly large companies in the dental service area, which will have outstanding credibility, strong market coverage and the technical ability to make our product under our license, to our quality specifications.”

DSG is one of the largest privately held consortiums of dental laboratories in the United States, Canada and Mexico. It meets the oral restoration needs of more than 10,000 dentists through its skilled team of 1,000 laboratory specialists, who blend advanced techniques, quality materials, leading edge technology and commitment to superior service.

“We believe SomnoMed is the best, the most comfortable and the most patient friendly MAS device currently available on the market. SomnoMed will continue to manufacture our product for our distribution network and manage our own distribution organizations. We know that with the additional involvement of licensing partners like DSG we will be able to introduce our product much faster to a much larger group of potential customers. Under the agreement with DSG and in any license agreement, SomnoMed has reserved the right to control the manufacturing quality and ensure the fulfilment of all FDA requirements,” said Mr Barschow.

SomnoMed will also be directly involved in technical training, dentist seminars and general marketing of the MAS device.

The Chairman of SomnoMed Limited Dr Peter Neustadt said, “We are very proud to have gained a company of DSG’s reputation, size and strength as our first partner in the US and Canada. This is a very important first step in implementing our global growth strategy. Other agreements in North America and Europe are currently being negotiated and will be announced as they are finalized.”

For further information contact Mr Ralf Barschow – CEO.