

Somnetics' Pioneering CPAP Device Receives the 2012 North American Frost & Sullivan Award for Product Differentiation Excellence

Transcend leverages clinically proven technology to provide an innovative CPAP option for obstructive sleep apnea

MOUNTAIN VIEW, Calif. — March 19, 2012 — Based on its recent analysis of the sleep disordered breathing therapeutics market, Frost & Sullivan recognizes Somnetics International, Inc.® with the 2012 North American Frost & Sullivan Award for Product Differentiation Excellence. Somnetics received this award for developing Transcend®, currently the world's smallest, lightest and most portable continuous positive airway pressure (CPAP) system.

Increasing awareness about sleep disorders and their economic impact is fueling innovation toward new levels of diagnosis, treatment and management of sleep disordered breathing to enable better long-term clinical outcomes and improving quality of life for patients. Patients also want products that are smarter, smaller, lighter, and provide greater flexibility.

“Somnetics' Transcend represents the culmination of technologic innovation and cutting-edge knowledge within the sleep science community, offering a sustainable option for current and future CPAP users,” said Frost & Sullivan Research Industry Analyst Gary Burk. “Small enough to fit into the palm of the hand, it is ideal for travel (FAA approved) as well as permanent night use at home.”

Besides size and weight, Transcend's additional differentiator is its patented humidification system. Most conventional humidifiers are an annoyance and require distilled water, constant cleaning and continued maintenance. Transcend's heat moisture exchange (HME) insert is an option that can be integrated into the device, eliminating the need for water-filled humidifiers. The HME is compact, disposable and captures warm moisture from the patient's exhaled breathe and gives it back to the patient as they breathe, providing a comfortable night's sleep.

The Transcend CPAP device also comes with multiple options for true flexibility and individuality. Humidification options include a proprietary HME-compatible mask and nine-inch or six-foot air delivery hose to provide broad flexibility for use. Another option enables the patient to wear the Transcend CPAP for ultimate freedom of movement. Transcend also runs on battery power, offering two long-life battery options for overnight or multiple night use. The integrated battery charger can be used at home or most vehicles.

An additional value-add for Transcend users is that the device comes standard with a proprietary interface adaptor that allows the patient to use any CPAP mask on the market while providing true system customization.

“Somnetics' vision to revolutionize and lead the sleep therapy industry by putting the patient first evolved out of acute awareness of unmet sleep market needs as well as an in-depth working knowledge of patients' needs,” observed Burk. “Through a truly innovative technology, solid clinical evidence, and a focus on the patient, the company seeks to deliver patient-preferred sleep solutions that will provide sustainable momentum for consumers, patients, investors and the sleep community.”

In recognition of these efforts, Frost & Sullivan is proud to present Somnetics International, Inc. with the 2012 North American Frost & Sullivan Award for Product Differentiation Excellence. Each year, Frost & Sullivan presents this award to the company that has developed a product with unique features/functionality as well as high quality for customers with complex needs. The award lauds the degree of the product's customization and the fit for evolving market trends, which ultimately results in a strong brand perception of the product as being unique.

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research to identify best practices in the industry.

About Somnetics International, Inc.

Somnetics International, Inc. is a privately-held medical device company based in Minneapolis, Minn. It is an emerging leader in customer-driven design, development and production of respiratory medical devices to treat sleep apnea and related issues. Somnetics' mission is focused on integrating technology, customer input and employee creativity to provide innovative, high quality products that improve quality of life for people with respiratory disorders. Transcend received the *Innovation Award* at Medtrade in October 2011 and the 2012 Best Practices Award for Product Differentiation in the Sleep Disordered Breathing market from Frost & Sullivan. Somnetics received FDA market clearance for the Transcend CPAP machine in July 2010 and CE Mark in February 2012. Transcend and associated technology is protected by several issued and pending US and foreign patents. For information about Transcend visit www.mytranscend.com or call 877-621-9626.

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