



29 July 2014

Company Announcements Office
Australian Securities Exchange

Nanosonics (ASX:NAN) reports record quarter result

HIGHLIGHTS

- **FY14 full-year sales revenue up 44.3% on prior year to \$21.5 million**
- **Fourth quarter sales revenue up 26.3% on prior quarter and 5.1% on prior corresponding period to \$6.592 million**
- **Strong balance sheet with cash reserve of \$21.23 million. Additional cash receipts of \$3.04 million were received in July relating to sales in the fourth quarter.**
- **Market fundamentals continue to strengthen supporting the establishment of trophon[®] EPR as a new standard of care**

Nanosonics (ASX:NAN), a leader in infection control solutions, today released its Appendix 4C Quarterly Consolidated statement of cash flows for the quarter ended 30 June 2014.

Full year sales for FY 2014 were \$21.5 million up 44.3% on prior year.

Sales for the quarter ended 30 June, 2014 were \$6.592 million, up 26.3% on prior quarter (\$5.22 million) and 5.1% on the prior corresponding period (\$6.272 million).

Cash at the end of the quarter totalled \$21.23 million. Additional cash receipts of \$3.04 million were received in July relating to sales in the fourth quarter.

"The strong results and growth momentum coupled with strengthening market fundamentals provide confidence in our goal of establishing trophon as a new standard of care" said Michael Kavanagh, Nanosonics Chief Executive Officer and President.

All regions demonstrated growth for the year as awareness of imaging related healthcare acquired infections grows and the need for better disinfection solutions becomes more evident. Indeed, a recent report by the US Joint Commission, an independent organisation responsible for the accreditation and certification of healthcare organisations, highlighted High Level Disinfection as one of the top five non-compliance requirements for hospitals, critical access hospitals, ambulatory and office based surgery facilities.

During the quarter the American Institute of Ultrasound in Medicine (AIUM) also updated its 'Guidelines for Cleaning and Preparing External and Internal Use Ultrasound Probes Between Patients' reinforcing stricter controls for high level disinfection. The trophon EPR was also showcased in May by GE Healthcare at the conference for the Association for Professionals in Infection Control and Epidemiology (APIC) as part of the ongoing awareness program in North America.

A number of new studies are approaching publication which further demonstrates the improved safety and efficacy of the automated trophon EPR versus historical methods of disinfection which suffer the problems of toxicity, poor reproducibility and inefficient disinfection.

"FY14 has been an important year from a financial outcomes perspective as well as strengthening the foundations for future growth. Our transition from an emerging company with a proven technology to an international medical technology organisation is now truly taking shape. It is particularly pleasing to receive customer feedback on the positive impacts the trophon EPR has had on their clinical practice which bodes well for positive endorsement as we continue to implement our strategic growth agenda globally" said Mr Kavanagh.

Additional information on the Nanosonics' commercial activities and operating highlights for the past year will be provided in conjunction with the release of the Company's full year results in August.

Investor Conference call

Investors are invited to join a conference call hosted by Mr Michael Kavanagh, CEO and President of Nanosonics at 11.00am AEST on Tuesday 29th July. To access the call please use the following details:

Conference ID: 424181

Dial in numbers:

Australia	1800 558 698
Canada	1855 8811 339
China	4001 200 659
Hong Kong	800 966 806
India	0008 0010 08443
Japan	0053 116 1281
New Zealand	0800 453 055
Singapore	800 101 2785
United Kingdom	0800 051 8245
United States	1855 8811 339

To listen to the webcast online: <http://www.openbriefing.com/OB/1486.aspx>

Michael Kavanagh
CEO / President

For more information please contact:

Michael Kavanagh, CEO / President or McGregor Grant, CFO, on (02) 8063 1600

Kyahn Williamson, Investor Relations, Buchan Consulting on (03) 9866 4722 /

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Ben Oliver, Media Relations, Buchan Consulting on (03) 9866 4722 / boliver@buchanwe.com.au

About Nanosonics

Nanosonics Limited is developing a portfolio of decontamination products designed to reduce the spread of infection. The Company owns intellectual property relating to a unique disinfection and sterilisation technology which can be suited to a variety of markets. Initial market applications are designed for the reprocessing of reusable medical instruments. The Company's first product is designed to disinfect Ultrasound Transducers. In parallel with the commercialisation of this product, Nanosonics is also developing other medical applications and exploring opportunities for its proprietary technology in other industries. For more information about Nanosonics please visit www.nanosonics.com.au

Appendix 4C

QUARTERLY REPORT

Name of entity

NANOSONICS LIMITED

ABN

11 095 076 896

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	3,121	23,027
1.2 Payments for		
(a) staff costs	(2,667)	(10,381)
(b) operating expenses	(234)	(1,732)
(c) business development cost	(279)	(1,092)
(d) external consultants	(301)	(1,550)
(e) other, including working capital	(2,533)	(13,265)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	266	727
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund received (paid)	12	6
1.7 Other (R&D Tax Incentive/EMDG)	90	1,666
Net operating cash flows	(2,525)	(2,594)

Quarterly Report (4C Statement) for Quarter ended 30 June 2014

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,525)	(2,594)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(140)	(479)
(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)	-	-
Net investing cash flows	(140)	(479)
1.14 Total operating and investing cash flows	(2,665)	(3,073)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares	13	342
1.16 Net proceeds from issue of convertible note	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(2)	(6)
1.19 Dividends paid	-	-
1.20 Capital raising costs recovered	-	-
Net financing cash flows	11	336
Net increase (decrease) in cash held	(2,654)	(2,737)
1.21 Cash at beginning of quarter/year to date	23,762	24,064
1.22 Exchange rate adjustments to item 1.21	125	(94)
1.23 Cash at end of quarter	21,233	21,233

Quarterly Report (4C Statement) for Quarter ended 30 June 2014

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'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(111)
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 are for rent to, and various services provided by, director-related entities. Costs are determined on an arms length basis. Rent is at market rate determined by independent valuers.

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

None

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

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	106	45
3.2 Credit standby arrangements	150	5

Quarterly Report (4C Statement) for Quarter ended 30 June 2014

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	5,705	6,401
4.2	Deposits at call	308	330
4.3	Bank overdraft	-	-
4.4	Term Deposits	15,220	17,031
4.5	Floating Rate Notes	-	-
4.6	Fixed Rate Notes	-	-
Total: cash at end of quarter (item 1.23)		21,233	23,762

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	
5.3	Consideration for Incorporation	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 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.
- This statement does /does not* (delete one) give a true and fair view of the matters disclosed.

Sign here:
Print name:

Michael Kavanagh
CEO/Managing Director

Date: 29 July 2014