



21 August 2014

Company Announcements Office
Australian Securities Exchange

Nanosonics reports full year sales growth of 44.3%

HIGHLIGHTS

- Sales revenue up 44.3% on prior year to \$21.5 million with all regions contributing to growth. North America up 34%, ANZ up 51% and Europe gaining significant traction.
- Total revenue up 45.6% on prior year to \$25.6 million.
- Gross profit up 64% on prior year to \$13.9 million.
- Net loss down 55% on prior year to \$2.6 million with 2nd half delivering a profit of \$900K.
- Strong balance sheet with cash reserve of \$21.2 million. Additional cash receipts of \$3.3 million relating to sales in the fourth quarter were received in July.
- Market fundamentals continue to strengthen supporting the establishment of trophon[®] EPR as a new standard of care.

\$ million	H1	H2	FY14	FY13
Operating revenue	9.7	11.8	21.5	14.9
Gross profit	6.0	7.9	13.9	8.5
%	62%	67%	65%	57%
Other income	0.8	2.6	3.4	1.5
Operating expenses	(10.3)	(9.8)	(20.1)	(16.4)
EBIT	(3.5)	0.7	(2.8)	(6.4)
Interest (net)	0.1	0.1	0.2	0.7
Pre-tax loss / profit	(3.4)	0.8	(2.6)	(5.7)
Net loss / profit	(3.5)	0.9	(2.6)	(5.8)

"The 2014 financial year has been one of strong sales growth and global expansion for Nanosonics. This year we laid the foundations to support our next phase of growth and accelerate our transition from an emerging company with proven technology to a globally recognised leader in infection control" said Michael Kavanagh, Nanosonics Chief Executive Officer and President.

Full year sales for FY2014 were up 44.3% to \$21.5 million with all regions contributing to the growth.

Operating expenses of \$20.1 million grew 22.6% compared to the sales growth of 44.3%.

Net loss for the year was down 55% on prior year to \$2.6 million with the 2nd half delivering a profit of \$900K.

Cash at the end of the year totalled \$21.2 million. Additional cash receipts relating to sales in the fourth quarter of \$3.3 million were received in July.

North American sales grew 34% to \$17.7 million driven by continued expansion in the number of sites adopting trophon EPR which is now present in 40 of the top 50 hospitals in the United States and across 1,606 sites. The growth strategy in North America continues to focus on increasing the number of hospitals and healthcare facilities as well as the number of sites (e.g. Ob/Gyn, Urology, Emergency and Surgery departments) within each facility. Each hospital and site represents an opportunity for multiple trophon EPR units as awareness increases across all relevant departments. Nanosonics continues to work closely with GE Healthcare and GE Ventures to drive this strategy.

Australia / New Zealand sales revenue grew 51% to \$2.3 million driven by adoption by leading corporate imaging groups as well as expansion into the public sector.

Sales in Europe have begun to gain traction and increased from \$0.2 million to \$1.6 million for the year. The increase in sales for the European region was primarily driven by the UK where Nanosonics has strategic partnerships with Toshiba and GE Healthcare as well as direct sales operations. In March we announced a new strategic partnership with Miele Professional in Germany and market awareness programs are now being rolled out across the German market.

Plans for expansion in Asia Pacific are beginning to take shape. Regulatory approvals were received for both Korea and Japan in the period and the commercialisation strategies for both these markets are progressing well. As we implement our commercialisation strategy into these markets we anticipate an increase in our sales and marketing expenses accordingly.

"Throughout the year, the market fundamentals continued to strengthen with growing awareness of imaging related healthcare acquired infections, trends toward stricter guidelines mandating high level disinfection, mounting clinical evidence of the inadequacies of current practice and importantly the clinical evidence for the efficacy of trophon" said Mr Kavanagh. "These fundamentals are creating the right market environment to achieve our goal of establishing trophon as the global standard of care for ultrasound disinfection."

"2014 has been a year of significant achievements and we are looking forward to building on these achievements to create sustainable value for shareholders. Our focus is on growth within existing markets as well as expansion into new markets plus looking at other opportunities to expand our product portfolio in the infection control market" said Michael Kavanagh.

A comprehensive review of Nanosonics' business is included in the Company's Annual Report that was released today.

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 Thursday 21 August 2014. To access the call please use the following details:

Conference ID: 240 058

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

Michael Kavanagh CEO / President

For more information please contact:

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

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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 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity: **NANOSONICS LIMITED**

ABN 11 095 076 896

Year ended: **30 June 2014**

Nanosonics Limited (the Company) gives the following information to ASX under listing rule 4.3A and Appendix 4E.

1 Reporting period: Year ended 30 June 2014

Previous corresponding period: Year ended 30 June 2013

2 Results for announcement to the market

	% change			\$000's
Revenue from ordinary activities	up	46%	to	25,606
Loss from ordinary activities after tax attributable to members	down	55%	to	(2,605)
Net loss for the period attributable to members	down	55%	to	(2,605)
Dividends	Amount per security			Franked amount per security
Interim dividend paid per share	0			0
Final dividend paid per share	0			0
Dividends proposed per share	0			0
Record date for entitlement to dividend Proposed	n/a			n/a
Net Tangible Asset Backing	30 June 2014			30 June 2013
Net tangible asset backing per ordinary security on issue at period end:	7.6 cents			8.1 cents

The Nanosonics Limited audited Annual Report for the year ended 30 June 2014 accompanies this announcement.

Additional Appendix 4E disclosure requirements can be found in the Directors' report, the review of operations and the 30 June 2014 financial statements and accompanying notes in the Annual Report.

Where applicable, the Annual Report includes information per items 3 to 15 below:

- 3** Consolidated statement of profit or loss and other comprehensive income together with notes to the statement prepared in compliance with AASB 101 Presentation of Financial Statements.
- 4** Consolidated statement of financial position together with notes to the statement.
- 5** Consolidated statement of cash flows together with the notes to the statement, prepared in compliance with AASB 107 Statement of Cash Flows.
- 6** Details of dividends are shown in note 23 to the financial statements. No dividends were proposed, declared or paid during the reporting period and the previous corresponding period.
- 7** No dividend or distribution reinvestment plans operated during the reporting period and the previous corresponding period.
- 8** Consolidated statement of changes in equity showing retained earnings / (accumulated losses) and movements during the year.
- 9** Net tangible assets per security with the comparative figure for the previous corresponding period is noted in the table in item 2 above.
- 10** There were no entities over which control has been gained or lost during the period or the previous corresponding period.
- 11** The entity had no associates or joint venture entities during the period or the previous corresponding period.
- 12** Nanosonics Limited is an Australian company which applies Australian Accounting Standards and also complies with International Financial Reporting Standards.
- 13** Other significant information is available in the Annual Report for the year ended 30 June 2014 that accompanies this announcement.

A commentary on the results for the period is available from the Directors' report on pages 22 to 52 and the review of operations on pages 8 to 13 of the Annual Report. Other relevant information is as follows:

	2014	2013
	cents	cents
13.1 Loss per share		
Basic (loss) per share	(1.0)	(2.2)
Diluted (loss) per share	(1.0)	(2.2)

- 13.2** There were no returns to shareholders during the period or the previous corresponding period.
- 13.3** Significant features of operating performance are included in the Annual Report.
- 13.4** The entity has one business segment, being healthcare equipment and operates in three geographical regions – North America, Australia and NZ, Europe and other countries. Segment information is included in the notes to the financial statements.
- 14** The financial statements included in the Annual Report have been audited and the Auditor's report appears on pages 104 to 105.
- 15** The financial statements included in the Annual Report are not subject to audit dispute or qualification.

Directors' resolution

The information set out above and in the Annual Report accompanies this announcement is provided to ASX in accordance with a resolution of the directors dated 21 August 2014.

Signed :

A handwritten signature in dark ink, appearing to read "McGregor Grant".

Date : 21 August 2014

Print name : McGregor Grant
CFO and Company Secretary