



16th October 2014

Company Announcements Office
Australian Securities Exchange

Nanosonics reports record first quarter result

HIGHLIGHTS

- **First quarter sales revenue up 19% on prior corresponding period to \$6.01 million**
- **Cash flow positive for the quarter with cash reserve of \$23.56 million.**
- **Market fundamentals continue to strengthen**

Nanosonics (ASX:NAN), a leader in infection control solutions, today released its Appendix 4C Quarterly cash flow Summary for the period ended 30 September 2014.

Sales for the quarter ended 30 September, 2014 were \$6.01 million, up 19% on the prior corresponding period (\$5.07 million).

The company was cash flow positive in the first quarter with cash at the end of the quarter totalling \$23.56 million compared with \$21.23 million as at 30 June 2014.

"This record first quarter result demonstrates continued growth momentum as a result of increasing awareness of the risk of imaging related Healthcare Acquired Infections (iHAI's) and the superior role *trophon*® EPR plays in mitigating these risks" said Michael Kavanagh, Nanosonics Chief Executive Officer and President.

In North America, 41 of the top 50 hospitals have adopted trophon and the overall number of healthcare institutes using *trophon*® EPR continues to grow strongly with 13% growth in the last quarter. There are now approximately 1,350 hospitals and more than 1,750 healthcare sites using trophon in North America.

Momentum also continues to grow in Europe. This quarter Nanosonics announced the results of a pivotal clinical trial in Germany demonstrating trophon EPR to be significantly more effective than the manual wipe disinfection procedure which is currently standard in most European countries.

A detailed review of the progress of the business will be provided at the Annual General Meeting (AGM) which is being held at The Sydney Harbour Marriott Hotel, Sydney, on Friday 7th November, commencing at 11.00am.

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 Monday 20 October 2014.**

To access the call please use the following details:

Conference ID: 469043

Australian Participant Dial-in Numbers

Toll: +61 2 9007 3187 (can be used if dialing from international location)

Toll Free: 1800 558 698

International Participant Dial-in Numbers

Toll-free dial-in numbers for each country are listed below. For countries not listed below, the Australian Toll number provided above may be used.

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

An archive of the conference call will be available at <http://www.openbriefing.com/OB/1397.aspx> and on the company's website www.nanosonics.com.au

Michael Kavanagh
CEO / President

For more information please contact:

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

Rebecca Wilson, Investor Relations, Buchan Consulting on (03) 9866 4722

Ben Oliver, Media Relations, Buchan Consulting on (03) 9866 4722.

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 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	8,899	8,899
1.2 Payments for:		
(a) staffing costs	(3,848)	(3,848)
(b) intellectual property	(93)	(93)
(c) quality and regulatory management	(59)	(59)
(d) business development	(216)	(216)
(e) premises, plant and equipment	(254)	(254)
(f) external consultants and advisors	(364)	(364)
(g) other operating costs, including working capital	(2,005)	(2,005)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	53	53
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund received (paid)	(4)	(4)
1.7 Other (R&D Tax Incentive/EMDG)	-	-
Net operating cash flows	2,109	2,109

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

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	2,109	2,109
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	(212)	(212)
(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	(212)	(212)
1.14 Total operating and investing cash flows	1,897	1,897
Cash flows related to financing activities		
1.15 Proceeds from issue of shares and exercise of options	304	304
1.16 Net proceeds from issue of convertible note	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(2)	(2)
1.19 Dividends paid	-	-
1.20 Capital raising costs recovered	-	-
Net financing cash flows	302	302
Net increase (decrease) in cash held	2,199	2,199
1.21 Cash at beginning of quarter/year to date	21,233	21,233
1.22 Exchange rate adjustments to item 1.21	125	125
1.23 Cash at end of quarter	23,557	23,557

Quarterly Report (4C Statement) for Quarter ended 30 September 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	138
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	41	23
3.2 Credit standby arrangements	150	6

Quarterly Report (4C Statement) for Quarter ended 30 September 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	2,229	5,705
4.2 Deposits at call	1,080	308
4.3 Bank overdraft	-	-
4.4 Term deposits	20,248	15,220
4.5 Floating rate notes	-	-
4.6 Fixed rate notes	-	-
Total: cash at end of quarter (item 1.23)	23,557	21,233

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	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:



Date: 16 October 2014

Print name: Michael Kavanagh
CEO/Managing Director