

30 October 2015

Company Announcements Office
Australian Securities Exchange

Quarterly Cash Flow Statement

HIGHLIGHTS

- **First quarter sales up 56% on prior quarter to \$6.457 million as North American direct operations sales gain momentum.**
- **Strong balance sheet to support growth strategy with cash reserve of \$45.468 million.**
- **Installed base growing strongly in North America with over 5,700 trophon[®] EPR units now in use.**
- **Market fundamentals for adoption continue to strengthen with US Centers for Disease Control and Prevention (CDC) issuing alert in September urging healthcare facilities to immediately review current practices to protect patients.**
- **Over 900 ultrasound probes across all major ultrasound OEMs now validated for use in trophon.**

Nanosonics (ASX: NAN), a leader in infection control solutions, today released its Appendix 4C Quarterly Report for the quarter ended 30 September 2015.

Sales in the first quarter were \$6.457 million, representing a 56% growth on prior quarter as North American direct sales operations begin to gain momentum.

The installed base in North America continues to grow strongly with over 5,700 units now in use.

Cash at the end of the quarter totalled \$45.468 million which includes cash from customers of \$6.422 million and \$2.048 million received in relation to the fit-out of the Company's new Global Headquarters, manufacturing and R&D centre in Lane Cove, Sydney.

"The adoption of trophon continues to grow strongly as awareness of the risk of cross contamination with ultrasound probes becomes prominent in risk assessments in healthcare facilities," said Michael Kavanagh, Nanosonics' Chief Executive Officer and President. "In September the US Centers for Disease Control and Prevention (CDC) issued an alert emphasising that reusable medical devices must be properly maintained, cleaned and disinfected, and urges healthcare facilities to immediately review current practice to protect patients. This is coupled with recent evidence demonstrating that the commonly used disinfectants in soaking methods, Gluteraldehyde and Cidex OPA, are ineffective against Human Papillomavirus (HPV), the primary cause of cervical cancer. The trophon EPR is the only system proven to be effective against cancer causing HPV.

"We continue to make excellent progress with our direct operations in North America with sales beginning to gain momentum and importantly our pipeline growing strongly. With now over 900 probes across all major ultrasound OEMs validated with trophon, it is pleasing to see many of our initial direct sales being implemented for use across a range of ultrasound brands, which is central to our growth strategy. Sales by GE

Healthcare to end-user customers remained strong during the quarter. GE's purchases during the quarter were largely focussed on consumables to support their installed base.

"The recent move to Nanosonics' new Global Headquarters, manufacturing and R&D centre has now been completed with all new laboratories and manufacturing areas fully commissioned. This has facilitated an expansion of the Company's R&D and product development initiatives consistent with the goal of diversifying our product portfolio that will leverage our growing global sales and marketing capability."

A detailed review of the progress of the business will be provided at the Company's Annual General Meeting which is being held at Brisbane Room, Sofitel Sydney Wentworth Hotel, 61-101 Phillip Street, Sydney, NSW, Australia on Friday 6 November 2015, 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 Friday 30 October 2015.**

To access the call please use the following details:

Conference ID: 6883 8147

Australian Participant Dial-in Numbers

Toll: + 61 2 8038 5221 (can be used if dialing from an international location)

Toll Free: 1800 123 296

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.

Canada	1855 5616 766
China	4001 203 085
Hong Kong	800 908 865
India	1800 3010 6141
Japan	0120 477 087
New Zealand	0800 452 782
Singapore	800 616 2288
United Kingdom	0808 234 0757
United States	1855 293 1544

An archive of the conference call will be available at www.openbriefing.com.

Michael Kavanagh
CEO / President

For more information please contact:

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

Kyahn Williamson, Investor / 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. 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 2015

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	6,422	6,422
1.2 Payments for:		
(a) staffing costs	(4,351)	(4,351)
(b) intellectual property	(167)	(167)
(c) quality and regulatory management	(107)	(107)
(d) business development	(563)	(563)
(e) premises, plant and equipment	(506)	(506)
(f) external consultants and advisors	(454)	(454)
(g) other operating costs, including working capital	(2,302)	(2,302)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	304	304
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund received (paid)	(5)	(5)
1.7 Other (R&D Tax Incentive/EMDG)	-	-
Net operating cash flows	(1,729)	(1,729)

Quarterly Report (4C Statement) for Quarter ended 30 September 2015

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,729)	(1,729)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)26	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(766)	(766)
(e) other non-current assets	(17)	(17)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	23	23
(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	(760)	(760)
1.14 Total operating and investing cash flows	(2,489)	(2,489)
Cash flows related to financing activities		
1.15 Proceeds from issue of shares and exercise of options	-	-
1.16 Net proceeds from issue of convertible note	-	-
1.17 Proceeds from borrowings	2,048	2,048
1.18 Repayment of borrowings	(40)	(40)
1.19 Dividends paid	-	-
1.20 Share issue costs	-	-
Net financing cash flows	2,008	2,008
Net increase (decrease) in cash held	(481)	(481)
1.21 Cash at beginning of quarter/year to date	45,724	45,724
1.22 Exchange rate adjustments to item 1.21	225	225
1.23 Cash at end of quarter	45,468	45,468

Quarterly Report (4C Statement) for Quarter ended 30 September 2015

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	272
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 director fees to non executive directors and salaries to executive directors including superannuation, 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	2,065	2,026
3.2	Credit standby arrangements	50	9
3.3	Guarantee facilities	475	461

Quarterly Report (4C Statement) for Quarter ended 30 September 2015

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	4,469	1,886
4.2 Deposits at call	2,999	2,138
4.3 Bank overdraft	-	-
4.4 Term deposits	38,000	41,700
Total: cash at end of quarter (item 1.23)	45,468	45,724

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: 30 October 2015

Print name: Michael Kavanagh
CEO/Managing Director