

20 August 2008

Company Announcements Office
Australian Securities Exchange

2008 Annual Report and 4E Statement

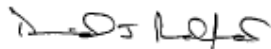
Nanosonics Limited (ASX code: NAN) is pleased to present its results for the year ended 30 June 2008. Accompanying this announcement is Nanosonics' audited 2008 Annual Report and appended below is the Company's Appendix 4E Statement.

In the 2008 financial year, Nanosonics completed the transition from a business primarily focused on Research and Development (R&D) to a company focused on the commercialisation of the Trophon™ EPR Ultrasound Probe Disinfector. The Company further advanced other developments in its technology and product pipeline and entered into commercial discussions with several OEMs.

During the year the Company benefited from \$1.1 million in government R&D grants and from more than \$1.9 million in interest on cash reserves, which amounted to \$24million at the year end. Overall, the investment in the development of new products as well as the move to full commercialisation resulted in an operating loss for the year of \$7.1 million, compared with a loss for the previous year of \$5.7 million. This result was better than that targeted in the Company's business plan for the year.

In 2008 the Company added 3 further patents to lift its patent portfolio to 10 patent families. The unique technology created and patented further provides a basis for the rapid development of new product solutions for emerging market opportunities, where the patented NanoNebulant™ can be quickly assimilated into new products. New opportunities under development represent a market potential in excess of AUD1billion.

Market feedback on the launch product continues to be positive. The initial sale of the console will be supported by ongoing consumable sales, which are expected to grow rapidly. The outlook for the future growth of Nanosonics remains strong, with sales from the launch product to be followed by a stream of new products leveraging the Company's proprietary NanoNebulant technology.

A handwritten signature in black ink, appearing to read "David Radford".

David Radford
Director and CEO

For more information please contact: David Radford, Chief Executive Officer, or Chris Grundy, Chief Financial Officer, on 02 8063 1600.

**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

Final Report

Name of entity: **NANOSONICS LIMITED**
ABN 11 095 076 896

Year ended: **30th June 2008**

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

1. Reporting period: Year to 30 June 2008
 Previous corresponding period: Year to 30 June 2007

2. **Results for announcement to the market.**

	2008 \$000's	% chg	2007 \$000's
2.1 Revenue from ordinary activities	3,055	+7%	2,865
2.2 Profit (Loss) from ordinary activities after tax attributable to members	(7,147)	+25%	(5,703)
2.3 Net profit (loss) for the period attributable to members	(7,147)	+26%	(5,703)
2.4 Interim dividend paid per share, franked as to nil cents per share	Nil		Nil
Final dividend paid per share, franked as to nil cents per share	Nil		Nil
Dividends proposed per share	Nil		Nil
2.5 Record date for entitlement to dividend proposed	N/a		N/a
2.6 Additional information on the details provided above: Revenues comprise government grants and interest received. Increased expenditure in the year was incurred as part of a planned transition from R&D and product development to commercialising the company's first product.			
2.7 Net tangible assets per share	12.6 cents	-22%	16.1 cents

The Nanosonics Limited audited Annual Report for the year ended 30 June 2008 accompanies this announcement.

Appendix 4E - Final Report
Year ended 30 June 2008

Where applicable, the Annual Report includes information per items 3 to 17 below:

3. Income Statements and accompanying notes forming part of the financial statements, prepared in compliance with AASB 1018 Statement of Financial Performance.
4. Balance Sheets and accompanying notes forming part of the Financial statements.
5. Cash Flow Statements and accompanying notes forming part of the Financial statements, prepared in compliance with AASB 1026 Statement of Cash Flows.
6. Details of dividends, shown in note 18 to the Financial statements. (No dividends were proposed, declared or paid because the immediate purpose of the Company is to complete the development and commercialisation of its existing products.)
7. No dividend or distribution reinvestment plans operated during the reporting period and the previous corresponding period.
8. Statements of Changes in Equity, showing retained earnings/(accumulated losses) and movements during the year, and accompanying notes forming part of the Financial statements.
9. The value of net tangible assets per share is shown at 2.7 above.
10. The parent company incorporated a subsidiary in Germany, Nanosonics Europe GmbH. Details are shown in note 12 to the Financial statements. There were no other 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. Other significant information is available in the Review of Operations and Activities on pages 4 to 6 of the Annual Report.
13. Nanosonics Limited is an Australian company which applies Australian Accounting Standards.
14. A commentary on the results for the period is available from the Review of Operations and Activities on pages 4 to 6 of the Annual Report. Other relevant information is as follows:

14.1 Loss per share (Note 27 to the Financial Statements)

	2008 cents		2007 cents
Basic (loss) per share	(3.7)	-14%	(4.3)
Diluted (loss) per share	(3.4)	-15%	(4.0)

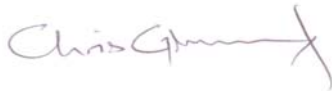
Appendix 4E - Final Report
Year ended 30 June 2008

- 14.2 There were no returns to shareholders during the period under review or the previous corresponding period
- 14.3 Significant features of operating performance are included in the Annual Report, in the Review of Operations and Activities on pages 4 to 6 and in the Income Statements and accompanying notes forming part of the financial statements on pages 36 to 61.
- 14.4 The entity has one business segment and operates in two geographical segments – Australia and Europe.
- 14.5 Trends in performance are shown in the Income Statements and accompanying notes in the Financial Statements on pages 36 to 61 of the Annual Report. The Company continued its R&D and product development programmes during the reporting period. The Company is yet to generate sales revenue.
- 14.6 Other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified, are disclosed in the Annual Report, in the Review of Operations and Activities on pages 4 to 6 and in the Income Statements and accompanying notes forming part of the financial statements on pages 36 to 61.
- 15, The Financial Statements included in the Annual Report have been audited and the Auditor's Report appears on page 63.
- 16,17 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 attached Annual Report is provided to ASX in accordance with a resolution of the Directors dated 20 August 2008.

Signed:

A handwritten signature in blue ink, appearing to read "Chris Grundy".

Date: ..20 August 2008

Print name: Chris Grundy
CFO & Company Secretary