

Nanosonics Limited (ASX:NAN) Annual General Meeting 4 November 2009



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Maurie Stang
Non-Executive Chairman

4 November 2009



Nanosonics

“At Nanosonics our goal is to safeguard the health and wellbeing of individuals, communities and environments by commercialising a stream of breakthrough disinfection and sterilisation technologies”



Nanosonics in transition



Nanosonics today

12 months of delivering on commitments

- ✓ TGA approval
- ✓ 14 European distribution partners appointed
- ✓ Successfully transitioned from R&D to commercial activity
- ✓ Production commenced
- ✓ Controlled roll out and sales to ANZ and targeted European countries
- ✓ Trophon EPR driving additional product opportunities with potential partners
- ✓ 510(k) application to USA FDA
- ✓ Negotiations underway with distributors in US/Canada/targeted Asian countries



Nanosonics today

- Nanosonics has today been advised that its Australian distributor has reached an in-principle agreement with a highly regarded Australian organisation for the large-scale roll-out of the Trophon EPR reprocessor. The implementation is likely to commence in January 2010 with an initial installation of over 200 Trophon devices over the short-term.
- The agreement covers both the Trophon device and related consumables and will provide greater efficiency and enhanced safety for both patients and professional staff.
- Nanosonics and its distributors have received orders from a number of leading healthcare providers in Australia and New Zealand who have indicated their intention to standardise on the Trophon system as an integral part of their infection prevention protocols.

Nanosonics today



Financials

Category	Date	Amount
Total shares on issue	@ 3 November 09	196 million
Share price	@ 3 November 09	A\$ 0.51
Market capitalisation	@ 3 November 09	A\$ 100 million
Average trading volume	@ 3 November 09	150,000 shares/day
Cash on hand*	@ 30 September 09	A\$ 12.1 million
Cash burn / month	@ 30 September 09	A\$ 0.6 million
First Revenue	Q4-FY09	

* Nanosonics is debt-free and has expensed the majority of its R&D to date.

The healthcare revolution to P.o.C.

- Aging population
- Increased elective surgeries
- New technologies

Minimally
invasive
procedures

Drives rapid
turnaround of
disinfection/
sterilisation

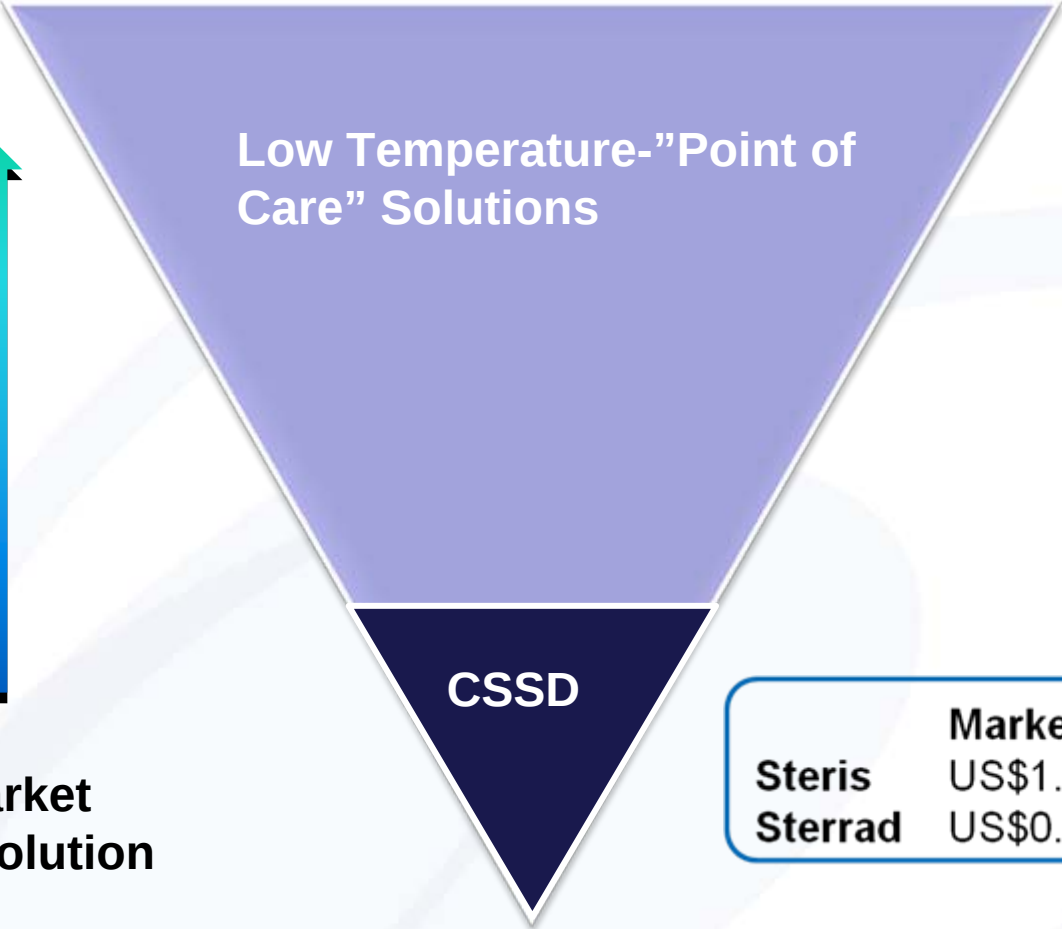
- Productivity
- Patient throughput

**Point of care
Low Temp
Sterilisation**

- Ease of use
- Point of care
- Materials compatibility
- Rapid
- Quality Assurance

**NANOSONICS IS THE EMERGING GLOBAL LEADER IN LOW
TEMPERATURE 'POINT OF CARE' SOLUTIONS**

Market opportunity



Low Temperature-"Point of Care" Solutions

CSSD

Steris
Sterrad

Marketcap
US\$1.7B
US\$0.8B

Revenue
~US\$ 1.3B
~US\$ 500M

**Market
Evolution**

Market issues

Scope of the healthcare challenge

Golden staph kills 20% of patients

Sydney Morning Herald, Monday 5th October

Staphylococcus aureus bacteraemias: time to act, The Medical Journal of Australia, October 2009

- Forty per cent of cases of *Staphylococcus aureus* bacteraemia are hospital-acquired, and most are preventable.
- There are about 6,000 golden staph infections in Australia each year, putting the death toll at about 1,200.

Germs 'costing hospitals \$1B a year'

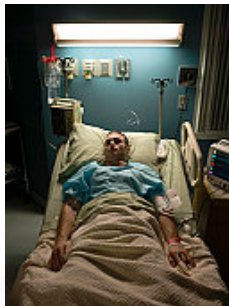
ABC news, Wednesday 2 September

Economic rationale for infection control in Australian hospitals, Healthcare Infection 14(3) 81–88, 26 August 2009

- It is estimated that there are 175,153 cases of healthcare-acquired infection among admissions to Australian hospitals annually.

Product pipeline

Leveraging current platform technologies into a leadership position in low temperature disinfection



Trophon Platform

- Trophon EPR
- TEE probe disinfectant
- Single lumen probe decontamination
- Rigid endoscopes
- Scientific labs (cell culture)

Xonar Platform

- Critical areas, room / surface decontamination
- Bed decontamination
- Transport
- Food processing

Key drivers of shareholder value

Financial

- The company is well positioned for expected growth with Trophon EPR and consumables
- Sustainable high margins on Trophon EPR

Pipeline

- Strong pipeline development
- Growing demand for P.o.C. infection control solutions
- Establish commercial partnerships for further applications of Nanosonics' platform technology



Nanosonics Limited (ASX:NAN) Annual General Meeting

David Radford
Director and CEO

4 November 2009



Our people

Board

Ron Weinberger

David Fisher

Maurie Stang

David Slack

David Radford

David Radford

CEO

Leadership team

Arjang Safa

Manufacturing
& Supply Chain

Chris Grundy

Secretary

Kirste Jarvis

HR Manager

Jianhe Chen

QA Manager

Ron Weinberger

GM Innovation & Technology



Trophon – a breakthrough in the world of low temperature, point of care disinfection



Trophon EPR Competitive advantage

The only point of care, low temperature, automated ultrasound reprocessor available globally

Customer benefits



New standard in high level disinfection



Short operating time

- Process time only 7 minutes
- Improve workflow → more patients



Outstanding materials compatibility



No operator and patient exposure to harmful chemicals

- Alternative solutions dependent on toxic chemicals



Environmentally friendly solution

- No post-processing, only by-products water and oxygen



End user endorsement of Trophon EPR

“The Trophon greatly improves our workflow.”

Mr David Singe, Radiographer , Maryborough Hospital, Victoria

“The Trophon EPR will make the task of disinfecting ultrasound transducers significantly faster, safer and more convenient and it is easily integrated into current medical practices and procedures”

Dr Michael Cooper, Head of Gynaecology at Royal Prince Alfred Hospital, NSW

“It is a well-known problem that sonographic transducers can become contaminated with pathogenic agents like MRSA, HBV, HCV, HIV or Herpes viruses, and turn into a source of infection that is not to be underrated. For this reason, correct handling as well as cleaning and disinfection of the transducers are indispensable.”

Professor E. Merz, Director Gynaecological Hospital, Krankenhaus Nordwest, Frankfurt/M. (Germany)

Commercial availability of Trophon EPR

- Initial controlled roll-out to Australia, New Zealand and France.
- US FDA 510(k) application in process
- Japan Ministry of Health submission targeted mid 2010





Distribution strategy

- Dual channel distribution strategy in place
 - Primary channel dedicated ultrasound distributors appointed in 14 European countries and ANZ
 - OEMs granted full access across all regions
- Attractive margins guaranteeing distributor focus for Trophon EPR and associated NanoNebulant consumables



Roll-out strategy

Australia & New Zealand

- Product launched
- Market opportunity \$ 40M
- Strong regulatory support
- Positive market feedback



Roll-out strategy



Europe

- Market opportunity \$ 420M

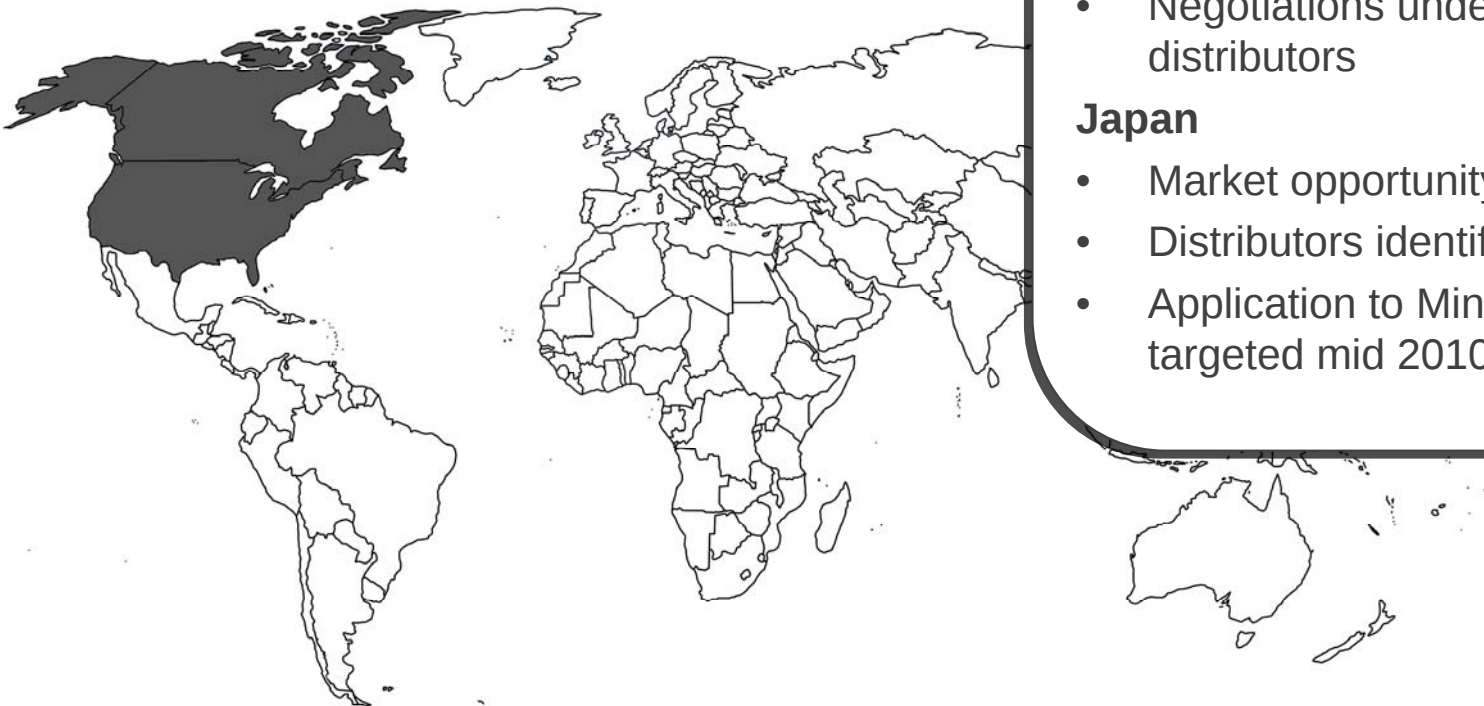
France

- Product introduction
- National move banning the use of glutaraldehydes
- Positive market feedback

Germany & UK

- Product launch FY2010
- Nanosonics invited to participate in establishing new national ultrasound standards in UK

Roll-out strategy



US & Canada

- Market opportunity \$ 700M
- CDC guidelines recommending use of hydrogen peroxide based product
- 510(k) application lodged with US FDA
- Negotiations underway with distributors

Japan

- Market opportunity \$500M
- Distributors identified
- Application to Ministry of Health targeted mid 2010

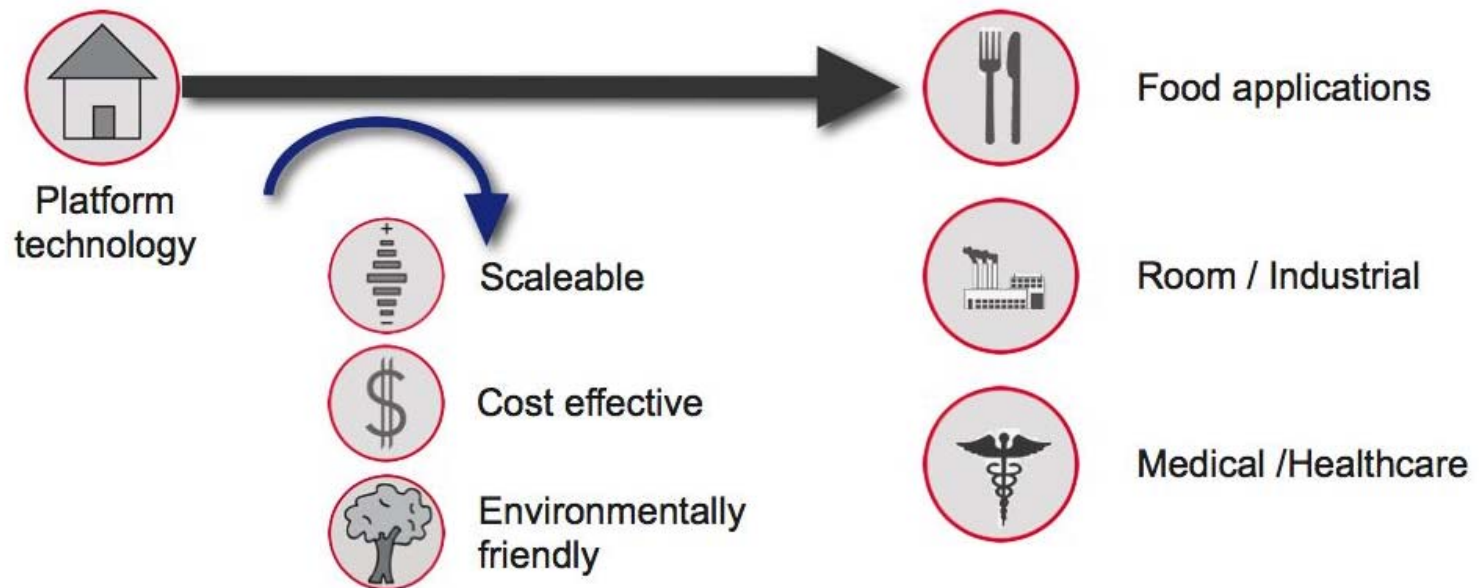
Production capacity

- Current potential 2,000 devices per annum/shift
- Move to increase capacity to 8,000 devices per annum expected early 2010 with outsourcing
- Current strategy enables continuous supply through inventory management
- Mission critical tooling and parts are owned by Nanosonics
- NanoNebulant production in 2 global locations enables flexibility in meeting supply and demand



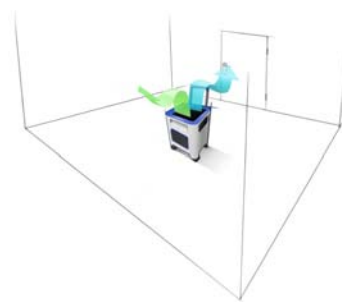
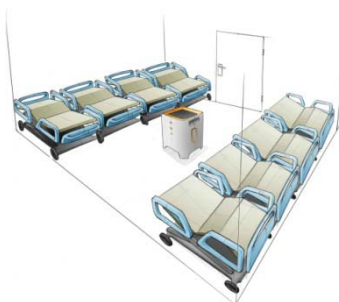
Product development

Nanosonics' platform technologies are transferable and highly scalable to other applications



Product opportunities

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Summary

- ✓ Significant commercial demand and acceptance for Trophon EPR
- ✓ Global infection control awareness and regulation driving growth opportunities
- ✓ Expected entry to US market in 2010 (pending FDA approval)
- ✓ Manufacturing capability implemented
- ✓ Focus on strong commercial product pipeline and partnership opportunities
- ✓ Continued investment in R&D projects to drive shareholder value
- ✓ Strong focus on revenue in FY2010



The logo for nanosonics features the word "nanosonics" in a sans-serif font. The "nano" portion is in blue, and the "sonics" portion is in grey. A light blue, stylized circular graphic, resembling a sound wave or a sphere, is positioned behind the text, partially overlapping the "o" in "nano" and the "s" in "sonics".

nanosonics