31 October 2012

Company Announcements Office
Australian Securities Exchange

Quarterly Cashflow Statement

Nanosonics Limited (ASX: NAN) submits the attached Appendix 4C – Quarterly Cashflow report for the period ended 30 September 2012.

The cash balance at the end of the quarter was $27,853,000 compared to $29,310,000 at the end of the June 2012 quarter.

Sales for the quarter ended September 2012 were $1,186,000 and in line internal budget expectations. This is compared with sales of $2,284,000 for the corresponding quarter ended September 2011.

As previously announced with the June Appendix 4C, the Company anticipated lower sales during the quarter due to the supply chain requirements of Nanosonics' North American partner, GE Healthcare. The current orders and sales forecast from GE represent a return to trend sales.

Net operating cash outflows were $1,829,000 for the quarter, compared with $2,117,000 in the September 2011 quarter.

As part of the on-going strategic growth agenda, a number of highly experienced medical device sales specialists have recently been appointed in North America, the UK, France and Germany. In parallel, the Company continues to pursue regulatory and marketing approval in a number of international markets including Japan, Korea and China.

The climate for regulation of the disinfection of semi-critical devices (including intra-cavity ultrasound probes) continues to move towards more stringent requirements focussing on automation, traceability and full immersion reprocessing and providing validated High Level Disinfection.

Additional information about the progress of the business will be provided in the quarterly shareholder report and at the Annual General Meeting which is being held at The Menzies Hotel, 14 Carrington Street, Sydney, NSW, Australia on Friday 9 November 2012, commencing at 11.00am.

Dr Ron Weinberger
CEO

For further information, please contact:
Dr Ron Weinberger, Managing Director, +61 2 8063 1600
McGregor Grant, Chief Financial Officer, +61 8063 1600
Tom Donovan, Media Enquiries, + 61 3 8866 4722

About Nanosonics
Nanosonics develops easy to use, environmentally friendly and quality assured products for the infection control market.

Nanosonics is committed to preventing healthcare-associated infections (HAIs), through its first product, Trophon® EPR which is commercially available in the United States, Australia and New Zealand.

Trophon® EPR is the next generation in ultrasound probe disinfection. Nanosonics identified an unmet need in the market for fast, safe, eco-friendly probe disinfection. This unique platform technology effectively disinfects the probe including the shaft and handle - in just seven minutes between patients.

HAIs are infections caused by a wide variety of common and unusual bacteria, fungi, and viruses during the course of receiving medical care. HAI's are the fourth largest cause of fatality in the United States each year. The Center for Disease Control and Prevention (CDC) estimates that as many as two million people suffer from HAIs annually in the U.S, resulting in more than 100,000 deaths.

Disinfection and sterilization of medical equipment are essential for ensuring there is no transmission of infectious pathogens between patients thereby reducing HAI's. Not all medical instruments can be sterilized due to heat sensitivity and therefore the FDA & CDC recommend high level disinfection (HLD) of these devices. Intra-cavity ultrasound probes are one such medical device that requires high level disinfection.

Nanosonics Ltd was founded in 2001 and headquartered in Sydney Australia with offices in the USA (Nanosonics Inc) and Europe (Nanosonics Europe GmbH).

You can read more about Nanosonics and its products at **www.nanosonics.com.au**

Appendix 4C

QUARTERLY REPORT

Name of entity

NANOSONICS LIMITED

ABN	Quarter ended ("current quarter")
11 095 076 896	**30 September 2012**

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	2,735	2,735
1.2	Payments for		
	(a) staff costs	(2,136)	(2,136)
	(b) operating expenses	(255)	(255)
	(c) business development cost	(165)	(165)
	(d) external consultants	(445)	(445)
	(e) other, including working capital	(1,905)	(1,905)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	363	363
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(21)	(21)
1.7	Other (government grant income)	-	-
	Net operating cash flows	**(1,829)**	**(1,829)**

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		Current quarter $A'000	Year to date (3 months) $A'000
1.8	Net operating cash flows (carried forward)	**(1,829)**	**(1,829)**
	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	(124)	(124)
	(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	**(124)**	**(124)**
1.14	**Total operating and investing cash flows**	**(1,953)**	**(1,953)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares	500	500
1.16	Net proceeds from issue of convertible note	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(1)	(1)
1.19	Dividends paid	-	-
1.20	Capital raising costs recovered	-	-
	Net financing cash flows	**499**	**499**
	Net increase (decrease) in cash held	**(1,454)**	**(1,454)**
1.21	Cash at beginning of quarter/year to date	**29,310**	**29,310**
1.22	Exchange rate adjustments to item 1.20	(3)	(3)
1.23	**Cash at end of quarter**	**27,853**	**27,853**

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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	(224)
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	106	79
3.2	Credit standby arrangements	150	Nil

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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	1,832	952
4.2	Deposits at call	607	2,201
4.3	Bank overdraft	-	-
4.4	Term Deposits	25,414	26,157
4.5	Floating Rate Notes	-	-
4.6	Fixed Rate Notes	-	-
	Total: cash at end of quarter (item 1.23)	**27,853**	**29,310**

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

1 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.

2 This statement does /~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: Date: 31 October 2012

Print name: Ron Weinberger
CEO

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