20 August 2015

Company Announcements Office
Australian Securities Exchange

Nanosonics 2015 full year results

HIGHLIGHTS

- **Full year sales of $22.214 million in line with plan as North America direct sales operations established.**
- **Gross profit up 10% on prior year to $15.3 million.**
- **Operating expenses up $3.3 million (16%) to $23.4 million and net loss up $2.9 million to $5.5 million, reflecting investment associated with establishing direct sales operations in North America and one off costs associated with move to new global corporate headquarters, manufacturing and R&D facility.**
- **Strong balance sheet to support growth with cash reserve of $45.724 million.**
- **Installed base growing strongly in North America with over 5,000 trophon® EPR units now in use with direct sales and pipeline building strongly.**
- **Relocation to upgraded new global headquarters, manufacturing facility and R&D centre now fully completed.**
- **Market fundamentals for adoption continue to strengthen with significant clinical study results highlighting trophon EPR as only high level disinfection system for ultrasound probes proven to be effective against high-risk, cancer-causing strains of human papillomavirus (HPV).**

$ million	H1	H2	FY15	FY14
Operating revenue	**14.3**	**7.9**	**22.2**	**21.5**
Gross profit	**9.2**	**6.1**	**15.3**	**13.9**
%	64%	77%	69%	65%
Other income	1.6	0.7	2.3	3.4
Operating expenses	(9.6)	(13.8)	(23.4)	(20.1)
EBIT	**1.2**	**(7.0)**	**(5.8)**	**(2.8)**
Interest (net)	-	0.3	0.3	0.2
Pre-tax profit / (loss)	**1.2**	**(6.7)**	**(5.5)**	**(2.6)**
Net profit / (loss)	**1.2**	**(6.7)**	**(5.5)**	**(2.6)**

Nanosonics (ASX: NAN), a leader in infection control solutions, today released its Appendix 4E Preliminary Final Report and Annual Report for the year ended 30 June 2015.

"The 2015 financial year has been one of continued strong delivery and significant achievement for Nanosonics. In 2014 we laid the foundations to support our next phase of growth through the implementation of a structured strategic growth agenda. Focussed efforts throughout 2015, has resulted in the organisation delivering on its strategic plan in support of its long-term corporate growth objectives. Central to these outcomes was ongoing strong growth in the installed base, the establishment of a direct sales operation in North America, a move to expanded new corporate, R&D and manufacturing facilities, strengthening of our balance sheet to support ongoing investment in our growth strategy, plus strong shareholder return with an increase in market capitalisation of 131% over the 12 month period," said Michael Kavanagh, Nanosonics Chief Executive Officer and President.

Full year sales for FY15 were up 3.4% to $22.2 million in line with plan which foreshadowed significantly lower purchases from GE Healthcare during the transition to a non-exclusive partnership and our direct sales model in North America.

During the year Nanosonics made a strategic decision to invest in the establishment of a direct sales operation in North America plus a move to upgraded corporate, R&D and manufacturing facilities. This investment resulted in an increase in operating expenses to $23.4 million (16%) and net loss for the year up $2.9 million to $5.5 million.

Cash at the end of the year totalled $45.724 million providing a strong balance sheet to support the Company's broad growth strategy.

The adoption of trophon in North America continues to grow strongly. There are now in excess of 5,000 trophon units installed across 1,900 facilities including 43 of the top 50 hospitals. Sales in North America for the year were $17.7 million. First half sales in North America of $12.1 million were up 51% on prior corresponding period and second half sales of $5.6 million reflect the expected lower purchases from GE Healthcare during the transition to a non-exclusive partnership.

Nanosonics' North American direct sales organisation has been successfully established and is now fully operational. Recruitment for all sales territories is complete with all sales professionals trained and focussed on building the pipeline for direct sales. Warehousing, service operations and order procurement facilities are now in place and operating effectively.

Sales in Australia/New Zealand remained strong at $2.28 million for FY15. The installed base grew 13% throughout the year to 951 units and trophon EPR is clearly becoming the standard of care for ultrasound transducer decontamination with a total market penetration now in excess of 60%. The success in the ANZ market is a strong indication of what is possible in other developed markets around the world.

European / ROW sales grew 45.4% to $2.3 million, primarily driven by strengthening market fundamentals for adoption in the UK. During the year new guidelines for ultrasound probe decontamination were published by NHS Wales which positioned the optimal solution for decontamination as an automated, validated system that can be used at point of care; trophon meets all these criteria. New guidelines from NHS England and Health Facilities Scotland are expected this year. In Germany, successful trials were conducted demonstrating trophon to be significantly more effective than the manual wipe disinfection process that is currently standard across most European countries and the trophon EPR was awarded the DGKH certificate as a high level virucidal system. Nanosonics also expanded its presence in Europe with the addition of five new countries (Austria, Belgium, Italy, Netherlands, and Luxemburg) to the distribution agreement with Miele professional. Trials with trophon EPR are underway in these countries.

Plans for further expansion in Asia Pacific continue. Formal market research was conducted in Japan as well as visits to various hospitals to inform our market entry strategy. These plans are progressing well. Focussed efforts for Hong Kong, Singapore and Korea are also a part of the FY16 growth plans.

A core component of our growth strategy during 2015 has been the execution of an extensive clinical studies program. In May this year we announced the results of a significant clinical study conducted by researchers from Penn State College of Medicine and Brigham Young University. The study demonstrated that trophon EPR is the only high level disinfection system for ultrasound probes proven to be effective against high-risk, cancer-causing strains of HPV. The outcomes from this study seriously question current practice.

Throughout the 2015 financial year we invested approximately $5 million in R&D activities both in next generation trophon technology devices plus development of a strong pipeline including a number of new decontamination solution approaches. Excellent progress is continuing in these areas.

"Looking forward, our focus for FY16 is to consolidate and expand on the achievements of the past year. Our installed base is growing well and the market fundamentals continue to strengthen. New guidelines are expected, compelling clinical evidence of the risk of cross contamination and the superiority of trophon support its establishment as standard of care. Our direct operations in North America are now fully operational and we expect to expand our global operations further throughout the year," said Mr Kavanagh.

Michael Kavanagh
CEO / President

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 Thursday 20 August 2015.**

To access the call please use the following details:

Conference ID: 1285006
Australian Participant Dial-in Numbers
Toll: +61 2 8038 5221 (can be used if dialing from 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.

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

An archive of the conference call will be available at http://www.openbriefing.com/OB/1899.aspx and on the Company's website www.nanosonics.com.au

For more information please contact:
Michael Kavanagh, CEO / President or McGregor Grant, CFO, on (02) 8063 1600
Kyahn Williamson, Investor Relations, Buchan Consulting on (03) 9866 4722
Ben Walsh, Media Relations, Buchan Consulting on (02) 9237 2801.

Appendix 4E

Preliminary Final Report – Results for Announcement to the Market

Name of entity: **NANOSOSONICS LIMITED**

ABN 11 095 076 896

Year ended: **30 June 2015**

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

1 Reporting period: Year ended 30 June 2015

Previous corresponding period: Year ended 30 June 2014

2 Results for announcement to the market

		% change		$000's
Revenue from ordinary activities	down	1%	to	25,450
Loss from ordinary activities after tax attributable to members	up	110%	to	(5,460)
Net loss for the period attributable to members	up	110%	to	(5,460)

Dividends	Amount per security	Franked amount per security
Interim dividend paid per share	0	0
Final dividend paid per share	0	0
Dividends proposed per share	0	0
Record date for entitlement to dividend Proposed	n/a	n/a

Net Tangible Asset Backing	**30 June 2015**	30 June 2014
Net tangible asset backing per ordinary security on issue at period end:	15.6 cents	7.6 cents

The Nanosonics Limited audited Annual Report for the year ended 30 June 2015 accompanies this announcement.

Additional Appendix 4E disclosure requirements can be found in the Directors' report, the review of operations and the 30 June 2015 financial statements and accompanying notes in the Annual Report.

Where applicable, the Annual Report includes information per items 3 to 15 below:

3 Consolidated statement of profit or loss and other comprehensive income together with notes to the statement prepared in compliance with AASB 101 Presentation of Financial Statements.
4 Consolidated statement of financial position together with notes to the statement.
5 Consolidated statement of cash flows together with the notes to the statement, prepared in compliance with AASB 107 Statement of Cash Flows.
6 Details of dividends are shown in note 23 to the financial statements. No dividends were proposed, declared or paid during the reporting period and the previous corresponding period.
7 No dividend or distribution reinvestment plans operated during the reporting period and the previous corresponding period.
8 Consolidated statement of changes in equity showing retained earnings / (accumulated losses) and movements during the year.
9 Net tangible assets per security with the comparative figure for the previous corresponding period is noted in the table in item 2 above.
10 During the period, Nanosonics Europe Limited and Nanosonics UK Limited were formed as wholly-owned subsidiaries of Nanosonics limited. 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 Nanosonics Limited is an Australian company which applies Australian Accounting Standards and also complies with International Financial Reporting Standards.
13 Other significant information is available in the Annual Report for the year ended 30 June 2015 that accompanies this announcement.
A commentary on the results for the period is available from the Directors' report on page 18 to 50 and the review of operations included in the CEO's report and the Regional highlights on pages 6 to 11 of the Annual Report. Other relevant information is as follows:

		2015	2014
13.1	Loss per share	**cents**	cents
	Basic (loss) per share	**(2.0)**	(1.0)
	Diluted (loss) per share	**(1.9)**	(1.0)

13.2 There were no returns to shareholders during the period or the previous corresponding period.
13.3 Significant features of operating performance are included in the Annual Report.
13.4 The entity has one business segment, being healthcare equipment and operates in three geographical regions – North America, Australia and NZ, Europe and other countries. Segment information is included in the notes to the financial statements.
14 The financial statements included in the Annual Report have been audited and the Auditor's report appears on pages 100 to 101.
15 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 Annual Report accompanies this announcement is provided to ASX in accordance with a resolution of the directors dated 19 August 2015.

Signed: McGregor Grant Date: 20 August 2015

Print name: McGregor Grant
CFO and Company Secretary