

Nanosonics Limited (NAN)

David Radford –CEO
13 October 2009



nanosonics

Key Investment Highlights

12 months of delivering on commitments

- ✓ TGA approval
- ✓ 14 European distribution partners appointed
- ✓ Successfully transitioned from R&D to commercial entity
- ✓ Production validated and commenced
- ✓ Successful completion of a controlled roll out and sales to ANZ and targeted European countries
- ✓ Trophon EPR driving credibility with potential partners
- ✓ 510(k) application to USA FDA
- ✓ Negotiations underway with distributors in US/Canada/targeted Asian countries



Our vision: Commercialising innovative solutions to global challenges

“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”

David Radford, CEO and Executive Director Nanosonics Limited

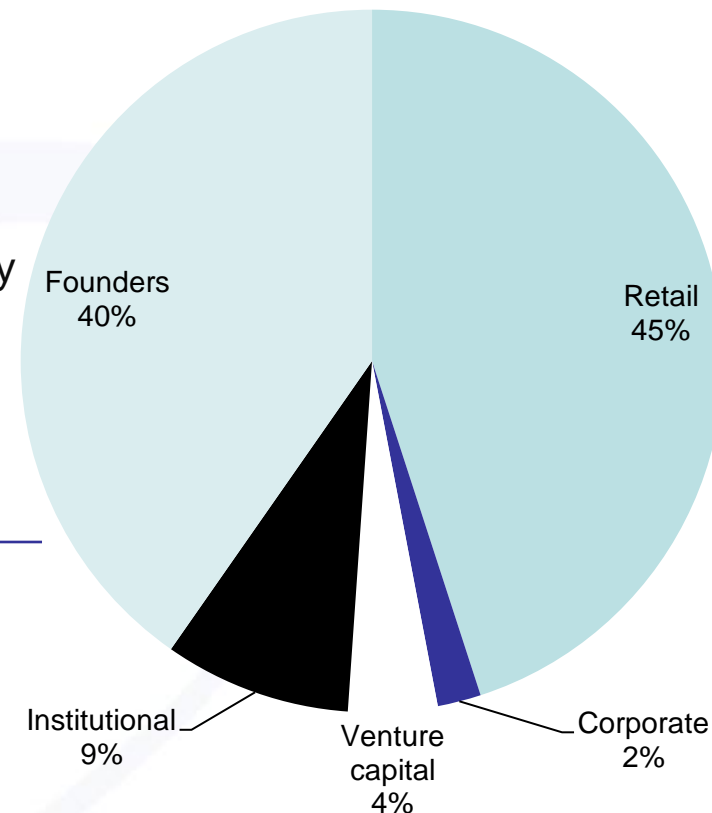
- Selected markets for the platform technologies are healthcare, food and environmental sectors
- Broad IP Portfolio based on 13 patent families secures an ongoing competitive advantage
- Proven capability to commercialise.

The launch product, Trophon EPR, provides the only point of care low temperature solution for the global ultrasound market

Financials

Category	Date	Amount
Total shares on issue	@ 1 October 09	196 million
Share price	@ 1 October 09	A\$ 0.48
Market capitalisation	@ 1 October 09	A\$ 94.1 million
Trading volume	@ 1 October 09	150,000 shares/day
Cash on hand	@ 30 June 09	A\$ 13.8 million
Cash burn / month	@ 30 June 09	A\$ 0.7 million
First Revenue	Q4-FY09	

Register segmentation



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.






Setting a *new* standard

The only point of care low temperature solution available globally



Trophon EPR Competitive advantage

The only point of care low temperature solution available globally

- Customer benefits
 -  New standard in high level disinfection
 - Sporicidal capability
 -  Short operating time
 - Process time only 7 minutes
 -  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

Launch product – Trophon EPR

The Opportunity

- Current disinfection practices are known to be unacceptable
- Nosocomial infections are costing Australia \$1B p.a.
- Materials compatibility problems with current technologies
- OH&S issues with current use of toxic chemicals

Ultrasound market attractiveness

- Highly regulated
- 500million Ultrasound procedures and 160million intracavity procedures per annum, CAGR 5%

Competitors

- No alternative automated point of care solution available
- Current methods manual in nature, lack quality control & effectiveness

Global Market potential

- **>AU\$ 1.5B**

Global market opportunity

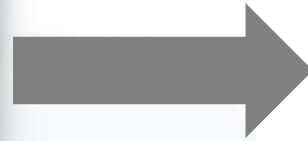
Annual procedures

Country / Region	Radiology intracavity	O&G intracavity	Other targeted	Total targeted market	Total available market	Commercial update
ANZ	0.5M	1M	0.2M	1.7M	5.8M	Rolled-out
Western Europe	7M	16M	3M	26M	70M	Roll out underway
Canada	0.4M	0.9M	0.2M	1.5M	3.6M	Under negotiation
US	7M	11M	9M	27M	87M	Under negotiation
Asia	8.2M	17M	22M	47.2M	215M	Negotiations underway
Japan	3.4M	13M	12M	28.4M	76M	Distributor identified
Total World Market	29.9M	71.9M	58.4M	160.2M	457.4M	

Source: Frost & Sullivan
Market insights into the Global Ultrasound Market
 September 2006

Trophon EPR Competitive advantage

Current practices



Trophon EPR – Strong regulatory driven demand

- **US** – The Centers for Disease Control (CDC) recommends the use of hydrogen peroxide for high-level disinfection of intracavity probes.
- **Australia** - High level disinfection recommended in between patients supported by the Australian Government professional bodies support guidelines
- **France and Poland** – National move banning glutaraldehydes with requirement for HLD.
- **UK** – Developing new standards for ultrasound probes driven by high focus on MRSA and *C.diff*.
- **Canada** – Highly regulated and recommends HLD in between patients.

Trophon EPR – Positive customer validation

“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)

“The Trophon greatly improves our workflow.”

Mr David Singe, Radiographer , Maryborough Hospital, Victoria

Product commercialisation

Distribution channels

- Local distribution partners in 14 European countries now appointed with recognised expertise in their local ultrasound market
- OEM participation in global markets
- Attractive margins driving distributor focus

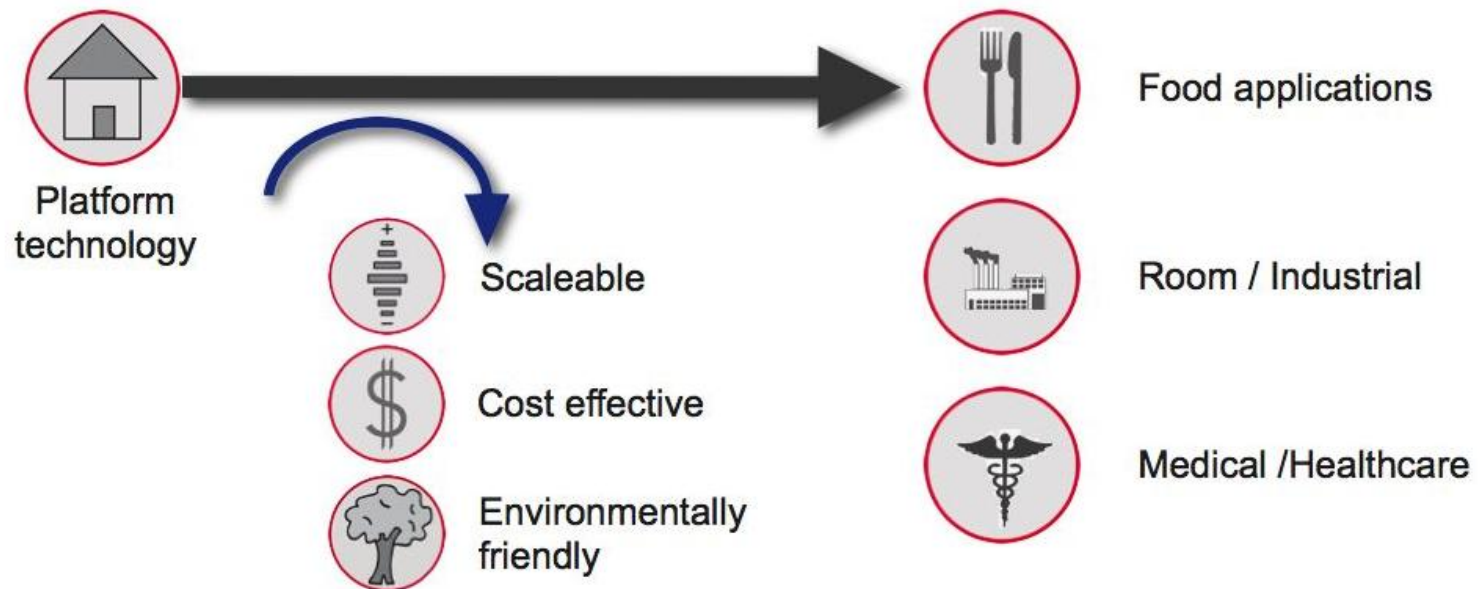
Sales strategy

- Initial 6 month controlled roll-out to Australia, New Zealand and France successfully completed
- Commercial roll-out expanding in Europe Q4-09
- US FDA 510(k) application in process
- Japan Ministry of Health submission targeted mid 2010



Expanding the product range

Nanosonics' novel platform technologies are transferable and highly scalable to other significant markets



Product Pipeline

Leveraging current NanoNebulant platform technology into a leadership position in low technology disinfection

13 Patent families aiding technology transfer

- Endoscope/TEE probe disinfectors at advanced prototype stage
- Market potential: > A\$ 400M

Current development projects

- Bed decontamination
- Room / Surface decontamination
- Transport decontamination
- Food processing decontamination



Summary

- ✓ Strong 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 validated
- ✓ Focus on strong commercial product pipeline and partnership opportunities
- ✓ Continued investment in R&D projects to drive shareholder value
- ✓ Strong focus on commercialisation in FY2010



The background features a blue gradient with abstract, glowing patterns of dots and lines, resembling a digital or scientific visualization. A prominent white horizontal band runs across the middle of the image, serving as a backdrop for the company name. The word "nanosonics" is centered on this band, with "nano" in a bold blue font and "sonics" in a grey font. A thin, light blue circular line is positioned behind the text, partially overlapping the "o" in "nano" and the "s" in "sonics".

nanosonics