

28 October 2010

ASX RELEASE

ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 30 SEPTEMBER 2010

ImpediMed Limited (ASX:IPD) (the Group) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 30 September 2010.

Cash on hand as of 30 September 2010 was \$13.6 million. Receipts from customers for the quarter were \$1.0 million.

Revenue for the current quarter was \$0.8 million, a decrease of 20% from the \$1.0 million of revenue for the previous quarter ended 30 June 2010 and a decrease of 6% from the \$0.85 million in revenue for the same quarter ended 30 September 2009. The decrease in revenue related to a slower U.S. summer market for the test and measurement segment.

Net cash used in operations for the quarter was \$3.5 million, representing an increase in cash used as compared to the \$2.2 million cash used in the previous quarter ended 30 June 2010 and a decrease in cash used as compared to \$3.7 million cash used for the quarter ended 30 September 2009. The increase in net cash used from the previous quarter relates to an increase in employee headcount with related salaries and benefits and increased spending on research and development in relation to the Beta II UB500 prototypes.

ImpediMed CEO, Mr Greg Brown said, "We are very pleased with the Group's progress during the quarter in advancing U.S. physician adoption and key programs for the reimbursement of L-Dex® medical devices to aid in the clinical assessment of lymphoedema in female breast cancer patients. As previously disclosed, we completed four managed care contracts with Preferred Provider Organizations (PPOs) under contract with both major healthcare insurers and employers groups to provide health care services. We look forward to further growing interest and adoption of ImpediMed's technology in the coming quarters by delivering coverage statements by key healthcare insurance companies (covered lives)".

Following are some highlights during the quarter:

- The four executed managed care contracts, all PPO's, were National Preferred Provider Network (NPPN), Integrated Health Plans (IHP), Encore Health Network and Three Rivers Provider Network (TRPN). These contracts represent in excess of 30 million members within their care services. PPO members, depending on their coverage plan, can have access to reimbursement.
- The independent health economic model contracted with IMS continues to progress and should be available in November. This will be an important tool for

For personal use only

delivering the first coverage statement (covered lives) from an insurance company. While no covered lives have been reported, the Group remains on target with its milestone timetable.

- We are directing significant energy towards building reimbursement and coverage statements during 2011 and we are confident that the rewards are potentially considerable if we can establish effective reimbursement. A key milestone to build shareholder value in the financial year is completing the reimbursement journey for physicians – coding, payment and coverage.
- Product development continues to make progress as evidenced by the completion and delivery of ten Beta II UB500 prototype devices. These devices are being used for clinical research and as a foundation for commercial development, which is currently under way, for aiding in the clinical assessment of bilateral lymphoedema in both arms and legs.

We look forward to reporting our progress in achieving key milestones to build shareholder value in the coming year,” said Mr Brown.

Greg Brown
CEO

ENDS

For further information contact:

Greg Brown
ImpediMed CEO
T: 61-7-3860-3700
Mobile/Cell: +61408281127

L-Dex® is a trademark of ImpediMed Limited.

“ L-Dex® values that lie outside the normal range may indicate the early signs of lymphoedema and values that have changed +10 L-Dex units from baseline may also indicate early lymphoedema. The L-Dex scale is a tool to assist in the clinical assessment of lymphoedema by a medical provider. The L-Dex scale is not intended to diagnose or predict lymphoedema of an extremity”.

About ImpediMed

ImpediMed Ltd. is the world leader in the development and distribution of medical devices employing Bioimpedance Spectroscopy (BIS) technologies for use in the non-invasive clinical assessment and monitoring of fluid status. ImpediMed’s primary product range consists of a number of medical devices that aid surgeons, oncologists, therapists and radiation oncologists in the clinical assessment of patients for the potential onset of secondary lymphoedema. Pre-operative clinical assessment in breast cancer survivors, before the onset of symptoms, may prevent the condition from becoming a lifelong management issue and thus improve the quality of life of the cancer survivor. ImpediMed has the first medical device with an FDA clearance in the United States to aid health care professionals, clinically assess secondary lymphoedema of the arm in female breast cancer patients.

For more information, visit. www.impedimed.com.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ImpediMed Limited

ABN

65 089 705 144

Quarter ended ("current quarter")

30th September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	1st Quarter 2011 \$'000	Year to date (3 months) \$'000
1.1 Receipts from customers	994	994
1.2 Receipts from grants	0	0
1.3 Payments to suppliers and employees	(4,295)	(4,295)
1.4 Interest received	101	101
1.5 Interest paid	0	0
1.6 R&D tax offset received	0	0
1.7 Other (provide details if material)	(255)	(255)
Net operating cash flows	(3,455)	(3,455)

+ See chapter 19 for defined terms.

For personal use only

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	1st Quarter 2011 \$'000	Year to date (3 months) \$'000
1.8 Net operating cash flows (carried forward)	(3,455)	(3,455)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
Net investing cash flows	0	0
1.14 Total operating and investing cash flows	(3,455)	(3,455)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
1.16 Costs from capital raise	0	0
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (provide details if material)	0	0
Net financing cash flows	0	0
Net increase (decrease) in cash held	(3,455)	(3,455)
1.21 Cash at beginning of quarter/year to date	18,789	18,789
1.22 Exchange rate adjustments to above items	(1,712)	(1,712)
1.23 Cash at end of quarter	13,622	13,622

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		1st Quarter 2011 \$'000
1.24	Aggregate amount of payments to the parties included in item 1.3	303
1.25	Aggregate amount of loans to the parties included in item 1.11	0

1.26 Explanation necessary for an understanding of the transactions

Item 1.24: Payments to directors consist of Directors' salaries and the Directors' fees for the quarter, including superannuation. This excludes any amounts that were unpaid as at the end of the quarter.

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

N/A

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

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$'000	Amount used \$'000
3.1	Loan facilities	—	—
3.2	Credit standby arrangements	—	—

+ See chapter 19 for defined terms.

For personal use only

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

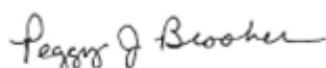
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	1st Quarter 2011 \$'000	4th Quarter 2010 \$'000
4.1 Cash on hand and at bank	13,622	18,789
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	13,622	18,789

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	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

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 give a true and fair view of the matters disclosed.



Sign here:

Date: 28 October 2010

Print name: Peggy J. Brooker,
 Chief Financial Officer

+ See chapter 19 for defined terms.

For personal use only

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.