

31 January 2011

ASX RELEASE

ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 31 DECEMBER 2010

ImpediMed Limited (ASX:IPD) (the Group) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 31 December 2010.

Cash on hand as of 31 December 2010 was \$19.9 million. Receipts from customers for the quarter were \$0.83 million.

Greg Brown
CEO

ENDS

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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 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ImpediMed Limited

ABN

65 089 705 144

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (six months) \$A'000
1.1 Receipts from customers	827	1,821
1.2 Payments for		
(a) staff costs	(1,326)	(3,045)
(b) advertising and marketing	(52)	(100)
(c) research and development	(294)	(847)
(d) leased assets	(7)	(15)
(e) other working capital	(1,627)	(3,594)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	20	121
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (provide details if material)	0	(255)
Net operating cash flows	(2,459)	(5,914)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (..... months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,459)	(5,914)
1.9 Cash flows related to investing activities		
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	(2,459)	(5,914)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	10,010	10,010
1.16 Proceeds from sale of forfeited shares	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)	(573)	(573)
Net financing cash flows	9,437	9,437
Net increase (decrease) in cash held	6,978	3,523
1.21 Cash at beginning of quarter/year to date	13,622	18,789
1.22 Exchange rate adjustments to item 1.20	(661)	(2,373)
1.23 Cash at end of quarter	19,939	19,939

+ 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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	273
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 1.20: Other cash flow movements related to financing activities consists of capital raising costs.
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.

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

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Reconciliation of cash

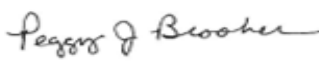
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	19,939	13,622
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	19,939	13,622

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: 31 January 2011
(Director/Company secretary)

Print name: Peggy Brooker
Chief Financial Officer

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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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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.

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