



31 July 2012

## ASX RELEASE

### ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 30 JUNE 2012

Brisbane, Australia - **ImpediMed Limited (ASX:IPD)** (the Company) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 30 June 2012.

ImpediMed Executive Director, Mr. Greg Brown said, “During fourth quarter we saw the U.S. Lymphoedema market up slightly over the same quarter for the previous year. Widespread reimbursement continues to be a critical success factor and the Company remains focused in building L-Dex<sup>®</sup> U400 testing.”

“As we enter financial year 2013, we are focused on accelerating access to this technology and continuing to educate physicians, patients and payers on the importance and improved outcomes of early detection of Lymphoedema,” added ImpediMed President & CEO, Mr. Richard Carreon.

The following are some highlights from the quarter:

- We announced the appointment of Richard Carreon as our new U.S. based CEO starting in July 2012. Richard is a seasoned medical device executive having spent 11 years in senior (Vice President) roles at Medtronic Inc., a global provider of medical technology and devices.
- U.S. lymphoedema revenue from L-Dex readings is up 16.3% over the same twelve months in the prior year. Customers ordered more electrodes than in the previous year.
- We announced the publication of the Health Economic model in a key U.S. managed care journal. This model supports both the clinical and economic outcomes of using L-Dex in the care continuum of breast cancer patients. The publication model compares the impact based on the clinical outcomes of a theoretical population of one (1) million covered lives in the United States and compares the new prospective management model with today’s reactive model of care. The model shows savings to the healthcare system using pre-emptive care.
- Magee’s Womens Hospital of UPMC also presented at the MASCC/ISOO - 2012 International Symposium on Supportive Care in Cancer held in New York. The clinical outcomes data was directly linked to the use of the L-Dex U400 technology (BIS) in a routine setting for helping lymphoedema prevention in breast cancer patients. The conclusion drawn from the data collected was that early detection and timely intervention demonstrated the greatest promise of reducing the incidence of late-stage lymphoedema. UPMC also anticipated, with an extended period of follow-up, a delay or elimination of more advanced breast cancer related lymphoedema (BCRL) in the future.

- We announced winning the “Life Changing” award at the Medical Device & Diagnostics Expo hosted by BIOCUM in California, USA in May. The award was for the U400 limb application, which we received U.S. FDA clearance for in November 2011.
- We held a Board Room Radio address on “Common Questions Addressed on U.S. Reimbursement” in June 2012 to further educate shareholders and analysts on U.S. reimbursement issues.
- We completed an Institutional Entitlement Offer and a Retail Entitlement Offer in the fourth quarter with net proceeds of \$8.1 million.

### **Cash Flow Report Commentary**

Cash on hand as of 30 June 2012 was \$14.5 million as compared with \$17.9 million at 30 June 2011. Receipts from customers for the quarter ending 30 June 2012 were \$0.7 million down from \$1.0 million for the corresponding quarter ending 30 June 2011 and was stable compared to the \$0.7 million for the most recent quarter ending 31 March 2012.

Receipts from customers for the twelve months ending 30 June 2012 were \$2.9 million compared to \$3.8 million in the previous twelve months ending 30 June 2011. As in the first three quarters, receipts continue to be down in the non-core businesses of test and measurement (T&M) and body composition (BC) as revenue from these customer bases continue to be slower this financial year. Customer purchases from T&M and BC are generally of a capital expenditure nature and continue to be impacted by broader market conditions.

Net cash used in operations for the quarter was \$3.0 million compared to \$2.6 million cash used in the previous quarter ended 31 March 2012, a 15% increase. The increase in net cash used from the previous quarter relates to an increase in research and development expenses, staff costs and other working capital.

Net cash used in operations for the twelve month period ending 30 June 2012 was \$11.8 million compared to \$11.3 million cash used in the previous twelve month period ended 30 June 2011, a 4% increase. The increase in net cash used relates to decreases in receipt from customers, higher advertising and marketing expenses and research and development expenses offset by a decrease in other working capital spending.

**Richard Carreon**  
**CEO**

### **ENDS**

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L-Dex<sup>®</sup> is a trademark of ImpediMed Limited.

The L-Dex scale is a tool to assist in the clinical assessment of unilateral lymphoedema of arm and leg in women and the leg in men by a medical provider. The L-Dex scale is not intended to diagnose or predict lymphoedema of an extremity.

### **About ImpediMed**

ImpediMed Limited 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 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 unilateral lymphoedema of the arm and leg in women and the leg in men.

For more information, visit: [www.impedimed.com.au](http://www.impedimed.com.au)

# 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")

30 June 2012

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (twelve months)
		\$A'000	\$A'000
1.1	Receipts from customers	678	2,896
1.2	Payments for (a) staff costs	(1,436)	(5,901)
	(b) advertising and marketing	(177)	(764)
	(c) research and development	(923)	(2,812)
	(d) leased assets	(2)	(18)
	(e) other working capital	(1,591)	(6,220)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	33	231
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)	425	791
	<b>Net operating cash flows</b>	<b>(2,993)</b>	<b>(11,797)</b>

+ See chapter 19 for defined terms.

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**admitted on the basis of commitments**

	Current quarter	Year to date (twelve months)
	\$A'000	\$A'000
1.8 Net operating cash flows (carried forward)	(2,993)	(11,797)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	(24)
(d) physical non-current assets	(7)	(69)
(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
<b>Net investing cash flows</b>	<b>(7)</b>	<b>(93)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(3,000)</b>	<b>(11,890)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	8,137	8,137
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)	0	0
<b>Net financing cash flows</b>	<b>8,137</b>	<b>8,137</b>
<b>Net increase (decrease) in cash held</b>	<b>5,137</b>	<b>(3,753)</b>
1.21 Cash at beginning of quarter/year to date	9,264	17,899
1.22 Exchange rate adjustments to item 1.20	113	368
<b>1.23 Cash at end of quarter</b>	<b>14,514</b>	<b>14,514</b>

+ 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	238
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 1.7: Receipt of ATO R&D tax credit refunds and royalty payments.

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	Previous quarter
		\$A'000	\$A'000
4.1	Cash on hand and at bank	2,522	1,638
4.2	Deposits at call	11,992	7,626
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.23)</b>		<b>14,514</b>	<b>9,264</b>

**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 July 2012  
Chief Operating Officer and Chief Financial Officer

Print name: Peggy J. Brooker  
Chief Operating Officer and 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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