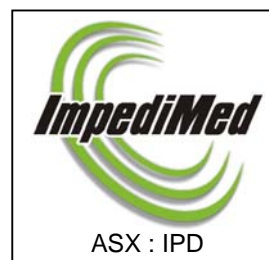


26 February 2008

**ASX RELEASE**



**ImpediMed Announces Half Year Results and Heralds Positive Year Ahead**

In announcing its Half Year Results, ImpediMed (ASX: IPD) heralded a positive year ahead with the planned launch of a new medical device to breast surgeons in the US involved in the clinical assessment of lymphoedema in breast cancer patients.

ImpediMed has the first FDA cleared device, which in the longer term will be targeted to homecare, and expects to receive FDA clearance for its' physician device, the L-Dex U400, in September 2008. The planned FDA clearance, with the expected publication of a NIH trial focusing on the benefits of early detection are set to be the catalysts for a major US roll out campaign. To support this launch, the company will leverage the benefits of its new San Diego base.

ImpediMed CEO, Mr Greg Brown, said he was confident the recent acquisition of Xitron Technologies in San Diego gave the company the launching pad to quickly build revenues and expand its US operations in 2008.

"Being able to service customers in the same time zone and to be able to turn around service repairs quickly is an important requirement for the US medical market."

Mr Brown said another positive development was the early signs of acceptance in the US of a pre-emptive care clinical paradigm.

"This approach focuses on the early detection of lymphoedema in breast cancer survivors, which may prevent its progression to irreversible stages. ImpediMed is beginning to see breast surgeons getting behind this emerging clinical paradigm in the US and adopting it into clinical practice with the use of ImpediMed technology."

In announcing the Half Year Results, Mr Brown said he was pleased the company was gaining traction in the sales of its devices in other markets as well.

"Going forward, ImpediMed sees the lymphoedema products, focused on breast cancer, as driving most of the revenue growth. This focus gives breast cancer patients hope with a clinical paradigm that may help prevent the progression of lymphoedema to irreversible stages and preserve their quality of life."

ImpediMed results for the half year ended 31<sup>st</sup> December 2008 in summary were:

- Sales of Goods and Services for the reporting period of \$893,266, up 12.9% versus the comparative period total of \$791,143;
- EBITDA loss for the period of (\$3,715,097) versus the comparative period result of (\$2,445,093)
  - EBITDA excludes the interest expense of \$1,681,893 which related to conversion discounts on convertible notes that converted upon the closing of the company's IPO, a non-cash expense;
- The Net Loss for the period (which included the interest expense on convertible notes) was (\$5,552,155) versus the comparative period result for continuing operations of (\$3,469,292).

The increased loss at EBITDA level reflects an increase in the resources committed to supporting the objectives of growing ImpediMed's business and building a substantial market for the company's lymphoedema business in the US market.

The Xitron Technologies business acquired on 1 October 2007 reported a net loss of (\$49,524) for the period, which was in line with expectations of a close to break even business. Xitron Technologies infrastructure will now be used to support ImpediMed's US Medical business.

Mr Brown said the company remains in a strong cash position, with cash at the balance date of \$12,562,650 and with a strong expected demand for its products.

Greg Brown  
Chief Executive Officer

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**About ImpediMed Limited:**

ImpediMed Limited was incorporated in 1999 to commercialise technology developed by researchers from the University of Queensland and the Queensland University of Technology.

ImpediMed Limited develops and globally markets medical device systems for use in non-invasive screening and monitoring of human disorders and diseases.

ImpediMed's primary product range consists of a number of medical devices that enable the early detection and monitoring of secondary lymphoedema in cancer survivors before the onset of symptoms that are detectable using the most commonly used clinical technique.

ImpediMed has the only medical device with an FDA clearance in the United States for the clinical assessment by Health Care Providers of secondary lymphoedema in the arm. This device will be targeted to homecare longer term and ImpediMed is now submitting a second device for provider care in the US market.

**Forward Looking Statements**

This release may contain discussion relative to the company's anticipated future financial performance or make other forward-looking statements. Actual results may differ materially from these statements due to a number of risks and uncertainties, including, but not limited to customer demand for our products, the successful and timely development of new products, regulatory clearances, reimbursement for our products, internal and external manufacturing execution, the business of the Company's major customers and macro economic conditions.

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