



ASX : IPD

30th July 2008

**ASX ANNOUNCEMENT / MEDIA RELEASE
INCREASES CAPITAL RAISING FROM \$1.2 MILLION TO \$4.2 MILLION TO SUPPORT
US MARKET EXPANSION**

ImpediMed CEO Greg Brown today announced the conclusion of a share placement with four funds under the direction of one of its existing institutional investors with the issue of 4,000,000 fully paid ordinary shares at 75 cents.

"ImpediMed is in the unique position presently to be raising funds to supporting the commercial launch of its devices in the US and Australian markets. These funds are intended to leverage the value in the company's advanced US clinical validation, regulatory and reimbursement programs for breast cancer patients. The funds will be targeted specifically towards making substantial inroads with breast surgeons and oncologists in the United States, among whom we have strong building support from thought leaders," Mr Brown said.

The \$3,000,000 raised, along with \$1,200,000 raised earlier in July, will be used by the company to accelerate marketing activities specifically targeted to the 5000 breast surgeons and 4000 oncologists in the US market, following a very strong response from breast surgeons at the New York ASBS meeting in May. These marketing initiatives are expected to help drive widespread adoption of ImpediMed technology to further support the company's category one CPT code submission for later this year.

A recent study conducted by the National Institutes of Health (NIH) and the National Naval Medical Center, published in the journal *Cancer*, concluded that the early assessment and early treatment of subclinical lymphoedema in breast cancer survivors demonstrated clinicians could successfully treat this debilitating condition. The study further established that a preoperative baseline measurement of the patients is valuable in assessing the condition early.

"This is a significant study that breast surgeons in the US are taking seriously. Current medical practice regarding post-breast cancer secondary lymphoedema is a 200 to 300 ml volumetric change in the affected limb, a point at which the survivor runs a risk of irreversible changes occurring," said Mr. Brown.

Steven Schonholz, MD, FACS, Medical Director of the Breast Care Center at Mercy Medical Center in Springfield, Mass., said "The problem with lymphoedema is that there hasn't been an easy way to detect the condition before it is apparent to the doctor and patient. Today there are new, non-invasive methods that have enabled me to identify the condition and begin treatment long before the patient is aware of a problem. If patients aren't treated at the earliest possible indication of lymphoedema, it is less likely to be effectively treated, and the condition may require life-long costly treatment and, more importantly, have an enormous impact on a woman's self-esteem, function and quality of life."

Mr Brown said, "ImpediMed is pleased to have the support of its institutional investors to fund the acceleration of the US market development in response to this emerging preemptive care paradigm for lymphoedema."

ImpediMed's securities on issue following the issue of shares under the placement are summarised below.

Instrument	Details	Quoting Status	Escrow Status	Escrow Release Date	Balance at 30-Jun-2008	Placement 30th July 2008	Closing Balance
Ord Shares	Shares on Issue Pre-Prospectus	Quoted	Unrestricted	n/a	31,789,017		31,789,017
Ord Shares	Shares on Issue Pre-Prospectus	Quoted	Voluntary Escrow	24/04/2008	-		-
Ord Shares	Shares on Issue Pre-Prospectus	Quoted	Voluntary Escrow	24/10/2008	14,370,317		14,370,317
Ord Shares	Shares issued through IPO	Quoted	Unrestricted	n/a	25,000,000		25,000,000
Ord Shares	Placement 11th July 2008	Quoted	Unrestricted	n/a	1,600,001		1,600,001
Ord Shares	Placement 30th July 2008	Quoted	Unrestricted	n/a		4,000,000	4,000,000
Total Quoted Shares					72,759,335	4,000,000	76,759,335
Ord Shares	Shares on Issue Pre-Prospectus	Unquoted	Mandatory Escrow	24/10/2009	7,510,126		7,510,126
Ord Shares	Issue on Closing of Xitron Acquisition : 01-Oct-07	Unquoted	Mandatory Escrow	1/10/2008	2,041,318		2,041,318
Ord Shares	Issue Xitron Acqn Working Cap Adj : 21 Dec 08	Unquoted	Mandatory Escrow	1/10/2008	120,212		120,212
Ord Shares	Issue Xitron Acq'n Milestone 1 : 21-Apr-08	Unquoted	Mandatory Escrow	1/10/2008	757,118		757,118
Ord Shares	Issue CY2007 Performance Shares - 1/3 vesting	Unquoted	Share Plan Escrow	Conditional	130,749		130,749
Total Shares on Issue					83,318,858	4,000,000	87,318,858
IPDO Opts	IPO Options issued through Prospectus on IPO	Quoted	Unrestricted	n/a	12,500,000		12,500,000
CEO Opts	Options on issue Pre-Prospectus	Unquoted	Restricted	24/10/2009	747,673		747,673
CEO Opts	Options issued to CEO through Prospectus	Unquoted	Restricted	24/10/2009	1,000,000		1,000,000
ESOP Opts	Options on issue Pre-Prospectus	Unquoted	Unrestricted	n/a	3,700,000		3,700,000
Total Options on Issue					17,947,673	-	17,947,673

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1. Preoperative Assessment Enables the Early Diagnosis and Successful Treatment of Lymphoedema, *Cancer* Vol 112/ Issue 12, June 15, 2008 pp. 2809-2819.

About Lymphoedema

Lymphoedema is a condition that can cause significant swelling of the upper and lower extremities due to the build-up of excess lymph fluid. This can occur when the lymphatic system, which is responsible for draining excess fluid from the body and is a key component of the immune system, is damaged or altered. In breast cancer patients, this can occur after surgery, such as removal or biopsy of the lymph nodes, and/or radiation therapy. It is estimated that 6 percent to 40 percent of patients with breast cancer develop lymphoedema, and that it often occurs within the first two years after surgery. For some cancer survivors and others at risk, a low level lymphoedema can occur 10 years to 15 years following the initial primary treatment and develop into a condition that has a serious impact on overall health and quality of life. For more information about lymphoedema, visit

<http://www.nci.nih.gov/cancerinfo/pdq/supportivecare/lymphedema/patient/>.

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Note: ImpediMed devices are not intended to diagnose or predict lymphoedema of an extremity.

No endorsement of any organization, product or service mentioned in the Cancer publication article is intended by the National Institutes of Health or its employees or should be inferred.

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