ASX ANNOUNCEMENT – APP 4C - DEC 2008 QUARTERLY CASHFLOW REPORT

ImpediMed Limited is pleased to provide its Appendix 4C quarterly cashflow report for the quarter ended 31st December 2008.

As reported in the earlier company update release, cash at the end of the quarter was $4.7 Million, with pro-forma cash after a $2.0 Million placement completed today coming to $6.7 Million.

Receipts from customers for the quarter were $687K, while gross sales for the quarter (unaudited) were $708K, or $386K after the European distributor credit (which had no cash effect, and had previously been provided for as a doubtful debt).

The cashflow from operations for the quarter was ($3,308K), but as noted in the company update, the company’s operating plans for 2009 project a more modest cash burn due to new product development costs reducing significantly (with the company’s major development project completing its high cost phase), meaning the company does not have near term cash pressures.

Phil Auckland
Chief Financial Officer
& Company Secretary
Appendix 4C

Quarterly report for entities admitted on the basis of commitments


Name of entity
ImpediMed Limited

ABN 65 089 705 144
Quarter ended ("current quarter") 31st December 2008

Consolidated statement of cash flows

<table>
<thead>
<tr>
<th>Cash flows related to operating activities</th>
<th>2nd Quarter 2009 $'000</th>
<th>Year to date (6 months) $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Receipts from customers</td>
<td>687</td>
<td>1,254</td>
</tr>
<tr>
<td>1.2 Receipts from grants</td>
<td>304</td>
<td>304</td>
</tr>
<tr>
<td>1.3 Payments to suppliers and employees</td>
<td>(4,371)</td>
<td>(7,766)</td>
</tr>
<tr>
<td>1.4 Interest received</td>
<td>73</td>
<td>252</td>
</tr>
<tr>
<td>1.5 Interest paid</td>
<td>(1)</td>
<td>(3)</td>
</tr>
<tr>
<td>1.6 R&amp;D tax offset received</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1.7 Other (provide details if material)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net operating cash flows</strong></td>
<td><strong>(3,308)</strong></td>
<td><strong>(5,959)</strong></td>
</tr>
</tbody>
</table>

+ See chapter 19 for defined terms.
### Appendix 4C
Quarterly report for entities admitted on the basis of commitments

<table>
<thead>
<tr>
<th>1.8</th>
<th>Net operating cash flows (carried forward)</th>
<th>2nd Quarter 2009 $’000</th>
<th>Year to date (6 months) $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(3,308)</td>
<td>(5,959)</td>
</tr>
</tbody>
</table>

#### Cash flows related to investing activities

<table>
<thead>
<tr>
<th>1.9</th>
<th>Payment for acquisition of:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) businesses (item 5)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(b) equity investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(c) intellectual property</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(d) physical non-current assets</td>
<td>(370)</td>
<td>(624)</td>
</tr>
<tr>
<td></td>
<td>(e) other non-current assets</td>
<td>(563)</td>
<td>(820)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.10</th>
<th>Proceeds from disposal of:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) businesses (item 5)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(b) equity investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(c) intellectual property</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(d) physical non-current assets</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(e) other non-current assets</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| 1.11 | Loans to other entities                  | 0                      | 0                           |
| 1.12 | Loans repaid by other entities           | 0                      | 0                           |
| 1.13 | Other (provide details if material)      | (158)                  | (461)                       |

**Net investing cash flows**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>(1,081)</th>
<th>(1,895)</th>
</tr>
</thead>
</table>

| 1.14 | Total operating and investing cash flows | (4,389)                | (7,854)                     |
|      |                                         |                        |                             |

#### Cash flows related to financing activities

| 1.15 | Proceeds from issues of shares, options, etc. | 0 | 4,200 |
| 1.16 | Costs from capital raise                     | 0 | (60)  |
| 1.17 | Proceeds from borrowings                     | 0 | 0     |
| 1.18 | Repayment of borrowings                      | (23) | (22) |
| 1.19 | Dividends paid                               | 0 | 0     |
| 1.20 | Other (provide details if material)          | 0 | 0     |

**Net financing cash flows**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>(23)</th>
<th>4,094</th>
</tr>
</thead>
</table>

#### Net increase (decrease) in cash held

| 1.21 | Cash at beginning of quarter/year to date | 9,137                  | 8,485                       |
| 1.22 | Exchange rate adjustments to items 1.12, 1.20 | 0                      | 0                           |

| 1.23 | Cash at end of quarter                     | 4,725                  | 4,725                       |

+ 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

<table>
<thead>
<tr>
<th>1.24</th>
<th>Aggregate amount of payments to the parties included in item 1.3</th>
<th>2nd Quarter 2009</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>329</td>
</tr>
<tr>
<td>1.25</td>
<td>Aggregate amount of loans to the parties included in item 1.11</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

1.26 Explanation necessary for an understanding of the transactions

Payments to directors consist of Directors’ salaries and the Directors’ fees for 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).

<table>
<thead>
<tr>
<th>3.1 Loan facilities</th>
<th>Amount available $'000</th>
<th>Amount used $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Credit standby arrangements</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+ See chapter 19 for defined terms.
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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>2nd Quarter 2009 $'000</th>
<th>4th Quarter 2008 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Cash on hand and at bank</td>
<td>4,574</td>
<td>1,075</td>
</tr>
<tr>
<td>4.2</td>
<td>Deposits at call</td>
<td>151</td>
<td>8,062</td>
</tr>
<tr>
<td>4.3</td>
<td>Bank overdraft</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4.4</td>
<td>Other (provide details)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total: cash at end of quarter</strong> (item 1.23)</td>
<td><strong>4,725</strong></td>
<td><strong>9,137</strong></td>
<td></td>
</tr>
</tbody>
</table>

Acquisitions and disposals of business entities

<table>
<thead>
<tr>
<th>Item</th>
<th>Name of entity</th>
<th>Acquisitions (Item 1.9(a))</th>
<th>Disposals (Item 1.10(a))</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.2</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.3</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5.5</td>
<td>Nature of business</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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: ....30th January 2009..................

+ See chapter 19 for defined terms.
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.