



28 May 2009

Australian Securities Exchange
Announcement

IMPEDIMED ANNOUNCES CAPITAL RAISING

*A\$5 Million Placement Fully Underwritten
A\$7 Million Entitlement Offer Fully Underwritten*

ImpediMed Limited (**ImpediMed** or **the Company**) is pleased to announce a fully underwritten capital raising of A\$12 million (before costs), comprising a placement to professional and sophisticated investors at an offer price of A\$0.64 per share to raise A\$5 million (**Placement**) and a renounceable 1 for 9 pro-rata entitlement offer at an offer price of A\$0.64 per share to eligible shareholders to raise A\$7 million (**Entitlement Offer**). The Placement and Entitlement Offer is fully underwritten by Wilson HTM Corporate Finance Limited.

ImpediMed's primary focus is to accelerate the adoption of its L-Dex™ U400 instrument (**U400**) in the United States. In October 2008, the U400 became the first medical device to receive US Food and Drug Administration (**FDA**) clearance for aiding in the clinical assessment of unilateral lymphedema of the arm for female breast cancer survivors. Since receiving FDA clearance, the Company has signed L-Dex™ agreements with around 50 breast surgeons and oncologists, including key opinion leaders in the field.

Proceeds from the Placement and Entitlement Offer will primarily be used to facilitate adoption of the U400 by surgeons and oncologists in the US. Use of funds include:

- expanding the US sales, technical support and managed care team;
- funding of a potential lymphedema patient registry in association with the American Society of Breast Surgeons;
- continuing market development including activities targeted at maintaining and building reimbursement;
- expanding regulatory and quality resources; and
- funding additional working capital as required.

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“It is an exciting time for the company as we build on the progress we have made to date in signing L-Dex™ agreements in the US market. We have now signed around 50 agreements with US breast surgeons and ImpediMed has a building list of prospects. Following completion of the capital raising, the Company will be in a stronger position to invest into programs targeted at supporting existing reimbursement coverage and building more coverage across multiple US healthcare payers. US reimbursement coverage is critical to both maintaining present L-Dex™ agreements and driving broad adoption of the U400 by US breast surgeons and oncologists,” said Greg Brown, Chief Executive Officer.

Placement

The Company will issue approximately 7,812,500 shares under the Placement, which equates to approximately 8.66% of the Company’s issued capital. Shares issued under the Placement will be eligible to participate in the Entitlement Offer. The terms of the underwriting for the Placement are materially the same as the terms of the underwriting for the Offer Summary, lodged with ASX on or about the date of this announcement.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are invited to participate on a pro-rata basis to their existing holdings by subscribing for 1 new ImpediMed share (**New Shares**) for every 9 ImpediMed shares owned, at a price of A\$0.64 per share (**Entitlement**). Shareholders will be entitled to apply for additional shares under a shortfall facility.

The offer price of A\$0.64 represents a discount of 15.2% to ImpediMed’s closing price on 25 May 2009 and a discount of 16.0% to the one month VWAP.¹

The Entitlements are renounceable and will be tradeable on ASX or transferable.

Shareholders with registered addresses in Australia and New Zealand, as at 7:00 pm AEST on the Record Date will be entitled to participate in the Entitlement Offer (**Eligible Shareholders**).

Full details of the Entitlement Offer will be contained in the Offer Summary to be lodged with the ASX and despatched to Eligible Shareholders in accordance with the timetable set out below. The Offer Summary will also be available on ImpediMed’s website www.impedimed.com.

Key dates for the Entitlement Offer are set out below. The dates are indicative only and ImpediMed reserves the right to vary them, subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

¹ Volume-weighted average price

Announcement of the Offer – Offer Summary, Appendix 3B and section 708AA Cleansing Notice lodged with ASX	28 May 2009
Rights trading commences	01 June 2009
Shares trade 'ex-Entitlement' (date from which Shares commence trading without the entitlement to participate in the Offer)	01 June 2009
Outcome of Placement announced	02 June 2009
Record Date to determine Entitlements	05 June 2009
Anticipated despatch of Offer Summary and Entitlement and Acceptance Forms	10 June 2009
Offer Opening Date	10 June 2009
Rights trading ceases	18 June 2009
Offer Closing Date and last day for lodgement of Entitlement and Acceptance Forms and payment in full	25 June 2009
Allotment and expected date for despatch of holding statements	03 July 2009
Expected date for commencement of trading of New Shares on the ASX	06 July 2009

Yours faithfully
IMPEDIMED LIMITED

Phil Auckland – CFO & Company Secretary

Contacts

ImpediMed Information

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