

28 April 2011

ASX RELEASE

ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 31 March 2011

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ImpediMed Limited (ASX:IPD) (the Group) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 31 March 2011.

ImpediMed CEO, Mr Greg Brown said, “We are pleased with the Group’s progress during the quarter in advancing U.S. physician adoption and key programs for the reimbursement of L-Dex® medical devices to aid in the clinical assessment of unilateral lymphoedema in female breast cancer patients. Although, we have no medical policy posted to date, we have made progress in several key areas”.

Following are some highlights during the quarter:

- The independent health economic model contracted with IMS continues to support the potential value of pre-emptive care for third party payers. A manuscript about the economics has been drafted and is in review for submission. This is an important tool for supporting the argument for building medical policy and covered lives from U.S. insurance companies.
- We are directing significant energy towards building reimbursement and insurance medical policy and covered lives targeting 27 plans estimated to represent 150 million covered lives. Our CPT 0239T was available for reimbursement on 1 January 2011. While no medical policy to date, we do see some signs of coverage of the CPT code occurring sporadically through Explanation of Benefits (EOB’s) statements for L-Dex readings.
- New York-Presbyterian Hospital/Columbia University Medical Center announced the use of L-Dex testing to aid in the clinical assessment of unilateral lymphoedema in female breast cancer patients.
- We are addressing key obstacles to medical policy and covered lives with insurers. A number of surgeons are authoring publications of clinical data which documents the performance value of L-Dex readings to aid in clinical assessment of unilateral lymphoedema in female breast cancer patients. Several key publications expected including a key literature review article – A Comprehensive Review of Incidence Rates, Modes of Detection, Classification Schemes, Optimal Management and Risk Reduction Strategies
- Strong reader support continues for the Medscape continuing medical education (CME) certificate program with almost 1,600 certificates issued.
- The Australasian Lymphology Association (ALA) announced that it independently recognizes BIS and its role in aiding in the early assessment of lymphoedema.

- Successful capital raising activities resulting in \$4.0 million, net of transaction costs, received during the third quarter of the current financial year.
- At 31 March 2011, L-Dex placements in the U.S. marketplace were 122 devices.
- The U.S. National Lymphoedema Network (NLN) posted on their website clinical guidelines for the pre-emptive care of breast cancer patients. One method for an objective measure recognised by the NLN for aiding in the clinical assessment on unilateral lymphoedema in female breast cancer patients is the L-Dex reading. The NLN went on to state that breast cancer treatment places individuals at lifelong risk for the development of lymphoedema and that pre-emptive care, leading to early identification of lymphoedema is believed to yield better patient outcomes.

Cash Flow Report Commentary

Cash on hand as of 31 March 2011 was \$21.0 million. Receipts from customers for the quarter and nine months ending 31 March 2011 were \$0.9 million and 2.8 million, respectively.

Revenue for the current quarter and nine months ending 31 March 2011 was \$1.0 million and 2.8 million, respectively.

Net cash used in operations for the quarter was \$2.7 million, representing an 8% increase in cash used as compared to the \$2.5 million cash used in the previous quarter ended 31 December 2010 and \$1.8 million for the quarter ended 31 March 2010. The increase in net cash used from the previous quarters relates to an increase in employee headcount with related salaries and benefits and other working capital items.

“ Insurance coverage continues to be the key driver to our business model, we remain focused on building clinical support and independent medical guidelines for aiding in building medical policy and covered lives,” said Mr Brown.

Greg Brown
CEO

ENDS

For further information contact:

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L-Dex[®] is a trademark of ImpediMed Limited.

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

About ImpediMed

ImpediMed Ltd. 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 breast 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 lymphoedema of the arm in female breast cancer patients.

For more information, visit. www.impedimed.com.

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")

31 March 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (nine months) \$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from customers | 940 | 2,761 |
| 1.2 Payments for | | |
| (a) staff costs | (1,204) | (4,249) |
| (b) advertising and marketing | (128) | (228) |
| (c) research and development | (160) | (1,007) |
| (d) leased assets | (3) | (18) |
| (e) other working capital | (2,121) | (5,715) |
| 1.3 Dividends received | 0 | 0 |
| 1.4 Interest and other items of a similar nature received | 64 | 185 |
| 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) | (102) | (357) |
| Net operating cash flows | (2,714) | (8,628) |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter \$A'000 | Year to date (nine months) \$A'000 |
|---|----------------------------|--|
| 1.8 Net operating cash flows (carried forward) | (2,714) | (8,628) |
| 1.9 Cash flows related to investing activities | | |
| Payment for acquisition 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 |
| 1.10 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 |
| Net investing cash flows | 0 | 0 |
| 1.14 Total operating and investing cash flows | (2,714) | (8,628) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | 4,270 | 14,280 |
| 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) | (260) | (833) |
| Net financing cash flows | 4,010 | 13,447 |
| Net increase (decrease) in cash held | 1,296 | 4,819 |
| 1.21 Cash at beginning of quarter/year to date | 19,939 | 18,789 |
| 1.22 Exchange rate adjustments to item 1.20 | (195) | (2,568) |
| 1.23 Cash at end of quarter | 21,040 | 21,040 |

+ 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 | 248 |
| 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 1.20: Other cash flow movements related to financing activities consists of capital raising costs.

Item 1.24: Payments to directors consist of Directors' salaries and the Directors' fees for the quarter, including superannuation and payments to a consultant who is related to the CEO. 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 | --- | --- |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

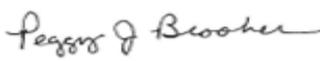
| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank | 1,480 | 19,939 |
| 4.2 Deposits at call | 19,560 | 0 |
| 4.3 Bank overdraft | 0 | 0 |
| 4.4 Other (provide details) | 0 | 0 |
| Total: cash at end of quarter (item 1.23) | 21,040 | 19,939 |

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: 28 April 2011
(Director/Company secretary)

Print name: Peggy Brooker
Chief Financial Officer

+ 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 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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