



11 November 2013

## **ASX RELEASE**

### **Annual General Meeting Chairman's Address**

As your Chairman, I am delighted to address you at this 2013 AGM of ImpediMed Ltd.

In the last 12 months ImpediMed has come a very long way along its journey of recovery:

- the business has been transformed;
- solid foundations have been laid for ImpediMed's future in a number of areas, including reimbursement and with respect to clinical data;
- the team has been rebuilt and the board refreshed.

Rick as CEO has achieved this transformation through the following processes:

- intense focus on the core element of our business – lymphoedema - pursuing sales without reimbursement:
- working with payers and the relevant physicians groups to understand what was / is needed to achieve reimbursement – an area where we had previously failed to meet our targets - and developing a plan to take IPD over this hurdle – to achieve a CPT 1 code in Jan 2016 and a clinical trial commencing 2014
- building and leading a new strong capable cohesive executive team.

and of course in parallel with those changes has been the appointment of two US directors with very significant experience in the medical device industry both in the US and internationally.

For those of you who hoped that Rick would bring a silver bullet and magically fix everything overnight, including reimbursement, and share-price, I am sorry to have disappointed you. What Rick and his team have done is to build the foundation - the plan and the team (executives and consultants) and the financial base from which the big and critical goals, which IPD must achieve, can occur. We are progressing to a CPT1 code in the US which will bring cover from Medicare and Medicaid. In addition we know now what the

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private payers want / require - more clinical data - and our clinical trial currently being planned can be expected to provide that data. For this trial to achieve its hoped for impact, the Principal Investigators must be respected and experienced clinicians in the US where our dominant market is, and come from credible centres.

All these things take time:

- achieving sales through detailed and ongoing engagement with leading breast cancer centres and organisations rather than individual surgeons;
- working our way systematically through the well-defined process to achieve a CPT Code;
- working with private payers to understand what is required for reimbursement and then to deliver;

but we have made significant progress. In just over 12 months we have made substantial progress down that pathway - relentlessly pursuing the defined and agreed goals – bit by bit - step by step - and encouraged by the knowledge that we now have a clear view of what needs to be done.

During the last 12 months, whilst Rick and his team have, on one hand, been pursuing the achievement of the big goals of CPT 1 code and private payer reimbursement (which we now clearly know means a clinical trial) we have simultaneously achieved a series of smaller but equally important targets which have formed the foundation from which the other goals can be achieved. Those smaller goals include the following.

We have

- managed our cash position through tight expenditure control reducing our quarterly cash burn, 3m in 2012 to 1-1.5m now
- increased our lymphoedema revenue - we have achieved quarter on quarter revenue growth in 4 of the last five quarters which could well be some sort of record for a company like ours, or so it seems to me.
- formed relevant partnerships to more effectively drive our sales - to date, in Australia and New Zealand with 3M and the Australasian Lymphoedema Association.

For a company in ImpediMed's position of 12 months ago and with no reimbursement, this is no mean feat.

Enough of the business. Rick will talk more about this in a few minutes.

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Twelve months ago when I stood before you, I promised that we would commence the process of refreshing the board. We have delivered. We farewelled Martin Kreiwaldt in July, Greg Brown in September, and Mel Bridges retires today: Scott Ward joined us in July and Dave Adams becomes a director today. Both Scott and Dave offer themselves to you our shareholders for election today. You have seen their CVs, so I am not going to reiterate the details now. We are fortunate to have individuals of this calibre on our board with their very significant experience in medical device development, approval, reimbursement and sales – experience which is central to IPD 's future success.

I must pay tribute to all of IPD's directors for their various contributions past and present – both those we have or are farewelling and those we have welcomed during this 12 month period. The changes have taken place very smoothly in a due to the dignified and professional way all directors have behaved - mindful always of the interests of the company and all its shareholders. Thank you to each of you.

I want to commend Rick and the team he has built on the progress made in the last 12 months. I have seen this executive in action as it plans, prioritises and executes and I can assure you that they are 100% committed to the task at hand and fully confident that together they can achieve the required goals - and they should be confident because they have demonstrated quarter by quarter that they can meet significant challenges and deliver on time and on budget. I am delighted that some/ all of our Brisbane based staff are here today. Thank you to each and every of ImpediMed's wonderful team.

And lastly to you our shareholders; thank you for holding on when that was a very hard thing to do – when the business performance was at an all-time low - and the share price reflected that. I can assure you that we were as worried and concerned as you were – maybe more - but today it is different. We have turned more than one corner in terms of understanding the details of the key elements which will lead to success for IPD and this is reflected in our world-wide lymphoedema sales, our cash position, our partnerships with ALA and 3m.

We believe that just as we have achieved our targets and delivered on our promises of the last 12 months so we we can achieve those next set of goals and longer terms goals which will create for ImpediMed a successful future and generate shareholder wealth. I commend them to you.