ASX: IPD

26 February 2014

ASX ANNOUNCEMENT

IMPEDIMED ANNOUNCES HALF-YEAR RESULTS

Brisbane, Australia – **ImpediMed Limited** (ASX: IPD) ("the Company") today released reviewed financial results of the half-year ended 31 December 2013.

Financial summary of the first half of the year for ImpediMed:

- Revenue, excluding finance income, for the half-year ending 31 December 2013, was $1.6 million – an increase of 28% on the prior half-year. Lymphoedema revenue increased by 38% over the same six month period from the prior year.
- Net cash flows used in operating activities decreased to $2.8 million in the half-year compared to $4.7 million for the previous half-year.
- Expenses for the period were $4.6 million versus $6.0 million in the comparative prior period.
- Total loss for the half-year was $3.5 million compared to $5.2 million in the prior half-year.
- Net assets at 31 December 2013 were $7.4 million versus $10.6 million at 30 June 2013.

Highlights of the first half of the year for ImpediMed include:

- Acceptance by the American Medical Association (AMA) of a Current Procedural Terminology (CPT®) Category 1 Code a full year ahead of plan.
    - The CPT panel accepted the addition of code 937XX2 for bioimpedance spectroscopy lymphoedema assessment for extracellular fluid.
    - The CPT is used to report medical procedures and services under public and private health insurance programs.
- Appointment of two highly-seasoned US-based Directors to the ImpediMed Board, Scott R. Ward and David Adams.
- Preparation for the upcoming pivotal clinical trial designed in conjunction with Principal Investigator Professor Sheila Ridner, PhD, FAAN, the newly endowed Martha Rivers Ingram Chair in Nursing at Vanderbilt University, and Co-investigator Dr. Frank A. Vicini, MD, FACR.
- Announcement of ImpediMed's collaboration with Fonterra, University of Auckland, and University of Queensland to assess the impact of nutrition on body composition.

"This has been an outstanding half year of achievements for ImpediMed," said President and CEO Richard Carreon. "The CPT 1 Code will become effective 1 January 2015 allowing us to greatly accelerate our strategies for growth in our markets."

For further information contact:

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About ImpediMed
ImpediMed Limited 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 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 unilateral lymphoedema of the arm and leg in women and the leg in men.

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

ImpediMed Limited

ABN 65 089 705 144

Appendix 4D

1 **for the half-year ended 31 December 2013**

(previous corresponding period : half-year ended 31 December 2012)

The information contained in this document should be read in conjunction with the financial statements for the year ended 30 June 2013 and any public announcements made by ImpediMed Limited and its controlled entities during the interim reporting period in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

2 **Results for announcement to the market**

		Current period	Previous corresponding period	
		$000	$000	$000
2.1	Revenue from ordinary activities	**1,645**	1,390	
	Increase in revenue:			255
	Percentage increase:			18%
2.2	Loss from ordinary activities after tax attributable to members	**(3,586)**	(5,165)	
	Decrease in loss from ordinary: activities after tax attributable to members			1,579
	Percentage decrease:			31%
2.3	Net loss for the period attributable to members	**(3,586)**	(5,165)	
	Decrease in net loss for the period attributable to members:			1,579
	Percentage decrease:			31%
2.4	Dividends	**NIL**	NIL	

There were no dividends declared and paid during the half year on ordinary shares.
There were no dividends proposed and not yet recognised as a liability during the half year.

2.5 Dividend Record Date — Not applicable

2.6 Explanation of operating performance

Refer to the operating and financial review in the Directors' Report of the Financial Statements for the current reporting period.

3 **Net tangible assets per ordinary security**

		Current period		Previous corresponding period
Net tangible assets ($000)	**$**	**5,299**	$	10,980
Issued share capital at reporting date ($000)	**$**	**106,101**	$	106,101
Number of shares on issue at reporting date		**181,314,055**		181,314,055
Net tangible assets per ordinary security	**$**	**0.03**	$	0.06

4 **Acquisitions and divestments**

4.1 There were no entities over which control has been gained or lost during the current reporting period.

4.2 Not applicable

4.3 Not applicable

5 **Details of dividends**

There were no dividends paid during the period, or payable at 31 December 2013.

6 **Dividend Reinvestment Plans**

The Company has no dividend reinvestment plan.

7 **Associates and joint ventures**

There are no equity accounted associates and joint venture entities.

8 **Accounting standards**

The financial report for the group has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards.

9 **Auditors' review report**

The review report prepared by the independent auditor Ernst & Young is not subject to any dispute or qualification, and is provided with the half year financial statements.

IMPEDIMED LIMITED

ABN 65 089 705 144

Financial Report

For the half-year ended 31 December 2013

Corporate Information

ABN: 65 089 705 144

This financial report covers the consolidated entity comprising ImpediMed Limited ("the Parent") and its subsidiaries ("the Group"). The Parent's functional and presentational currency and the Group's presentational currency are Australian dollars ($). A description of the Group's operations and of its principal activities is included in the operating and financial review in the directors' report. The directors' report is not part of the financial report.

Directors
C Hirst, AO (Chairman)
J Hazel
M Panaccio
S Ward (Appointed 12 July 2013)
D Adams (Appointed 11 November 2013)
G Brown (Resigned 30 September 2013)
M Bridges (Resigned 11 November 2013)
M Kriewaldt (Resigned 12 July 2013)

Company Secretary
S Denaro

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Unit 1, 50 Parker Court
Pinkenba QLD 4008

Principal places of business

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Websites: www.impedimed.com.au, www.impedimed.com, www.l-dex.com, www.international.l-dex.com, and www.lymphconnect.com**.**

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ImpediMed Limited shares are listed on the Australian Securities Exchange (ASX): ASX code "IPD".

Solicitors

Corrs Chambers Westgarth
Level 35, 1 Eagle Street
Brisbane QLD 4000

Sheppard Mullin Richter & Hampton LLP
12275 El Camino Real, Suite 200
San Diego CA 92130-2006 U.S.A.

Bankers

Commonwealth Bank of Australia
240 Queen Street
Brisbane QLD 4000

Bank of America
450 B Street, Suite 1500
San Diego CA 92101-8001 U.S.A.

Auditors
Ernst & Young
Level 51, 111 Eagle Street
Brisbane QLD 4000

Remuneration Advisors to the Board of Directors
Barney & Barney LLC
9171 Town Center Drive Suite 500
San Diego CA 92122 U.S.A.

Directors' Report

Your directors submit their report together with the consolidated interim financial report for ImpediMed Limited ("the Company" or "the Group") for the half-year ended 31 December 2013 and the auditor's review report therein.

Directors

The names of the directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Cherrell Hirst, AO FTSE MBBS BEdSt DUniv FAICD (Non-executive Director and Chairman)
Jim Hazel, B.Ec SF Fin FAICD (Non-executive Director)
Michael Panaccio, PhD, MBA, B.Sc (Hons) FAICD (Non-executive Director)
Scott Ward (Non-executive Director)(Appointed 12 July 2013)
David Adams (Non-executive Director)(Appointed 11 November 2013)
Greg Brown, B.Sc MBA (Executive Director)(Resigned 30 September 2013)
Mel Bridges, B.Sc FAICD (Non-executive Director)(Resigned 11 November 2013)
Martin Kriewaldt, BA LLB(Hons) FAICD (Non-executive Director)(Resigned 12 July 2013)

Principal activities

The principal activities of the Group during the period were the development, manufacture, placement and sale of bioimpedance devices and consumables and the sale of electronic test and measurement devices.

Operating and financial review

Group overview

ImpediMed Limited was founded in Australia in 1999, and was listed on the ASX on 24 October 2007.

The ImpediMed Group consists of three entities:

- ImpediMed Limited, the Parent company operating in medical markets in regions outside North America, incorporated in 1999 and listed on the ASX on 24 October 2007.
- ImpediMed Inc., a Delaware corporation operating in medical markets in North America.
- XiTRON Technologies, Inc., a California corporation operating in power test and measurement markets globally. XiTRON Technologies, Inc. was acquired by ImpediMed Limited on 1 October 2007.

Operating results for the period

Total comprehensive loss for the period was $3.5 million (31 December 2012: $5.2 million). The loss from continuing operations for the period after income tax was $3.6 million (31 December 2012 $5.2 million). The smaller loss is due to lower spending on research and development, salaries and benefits, and share based payments.

- Sale of goods and services for the current period were $1.6 million (31 December 2012: $1.3 million), an increase of 28%. The increase in revenue was due primarily to our Lymphoedema (LE) products within the medical segment up 38% and Test and Measurement (T&M) segment up 22%. The increased revenue in our LE market was mainly due to an increase in placements of devices and growth in ordering of our electrodes from new and existing customers.

The Parent and ImpediMed Inc. are the entities that generate revenue from bioimpedance spectroscopy (BIS) devices for the Group. These companies enter into agreements to place the L-Dex U400® with customers.

Operating results for the period (continued)

Under these agreements, ImpediMed may retain title to the device and carry the cost in property, plant and equipment, depreciating it over 3 years. As the U.S. marketplace business scales up, the investment in L-Dex devices is expected to have some impact on the working capital needs of the Group which are expected to be offset by revenue and profitability.

The lymphoedema product revenue within the medical segment was up 38% over the comparative prior period. This revenue was generated when customers purchase devices and/or electrode consumables to perform readings using the U400 device.

- Cost of sales increased by $0.2 million or 30% from the previous corresponding period. The increase was mainly due to the increase in revenue.

Expenses for the period were $4.6 million (31 December 2012: $6.0 million). The Company has scrutinised all expenditures and reductions were made where appropriate:

- Research and development expense for the current period was $0.2 million (31 December 2012: $0.5 million). The decrease was primarily due to reduced development spending on our next generation device.

- Advertising and promotion expense for the current period was $0.1 million (31 December 2012: $0.3 million). The decrease was mainly due to the reduction in number of trade shows attended.

- Salaries and benefits expense for the current period was $2.1 million (31 December 2012: $2.5 million). The decrease in spending was due to headcount reductions from 28 (31 December 2012) to 24 (31 December 2013) full and part-time employees.

- Administrative and governance expense for the current period was $0.6 million (31 December 2012: $0.9 million). The decrease was mainly due to lower directors' fees, as well as reduced unrealised losses on foreign exchange.

Liquidity and capital resources

Cash and cash equivalents decreased to $4.5 million at 31 December 2013 from $7.3 million at 30 June 2013 due primarily to the net cash used to fund operating activities. Net cash used in operating activities for the period was $2.8 million which reflected a 40% decrease from $4.7 million (31 December 2012).

Net cash used in Q2 of $1.1 million was a 36% decrease from Q1 of the current year.

No capital was raised during the half year ended 31 December 2013 or 2012. The Group believes it will be able to raise additional capital from its shareholders and potential investors should this be necessary in the future.

The Group maintains a significant portion of available funds in U.S. dollars to match U.S. dollar expenditure needs. The loss from continuing operations for the period before income tax includes the unrealised foreign exchange gain/loss arising from translating the U.S. cash held by the Parent into Australian dollars. The spot exchange rate for the beginning and end of the reporting period was AUD $1.00 to USD $0.913 and USD $0.887, respectively. The spot exchange rate for the beginning and end of the comparative period was AUD $1.00 to USD $1.016 and USD $1.037, respectively.

Significant events after the balance date

There have been no significant events after the balance date.

Directors' Report

Rounding of amounts

The amounts contained in this report and in the financial report for the half-year ended 31 December 2013 have been rounded to the nearest thousand (where rounding is applicable and where noted ($000)) under the option available to the Company under ASIC CO 98/100. The Company is an entity to which the Class Order applies.

Auditor Independence Declaration

The directors append to the directors' report the following declaration from our auditors, Ernst & Young.

Signed in accordance with a resolution of the directors.

Cherrell Hirst, AO
Chairman

Jim Hazel
Director

Brisbane, 26 February 2014

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Auditor's Independence Declaration to the Directors of ImpediMed Limited

In relation to our review of the financial report of ImpediMed Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

K McKenzie

Kellie McKenzie
Partner
Brisbane
26 February 2014

Interim Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013 $000	31 Dec 2012 $000
Continuing operations			
Sale of goods	3a	**1,502**	1,188
Rendering of services		**109**	75
Finance income	3b	**34**	127
Revenue		**1,645**	1,390
Cost of sales	3f	**(665)**	(513)
Salaries and benefits	3d	**(2,050)**	(2,470)
Research and development		**(193)**	(458)
Administrative and governance	3e	**(610)**	(880)
Consultants and professional fees		**(721)**	(653)
Depreciation and amortisation	3c	**(59)**	(127)
Advertising and promotion		**(106)**	(287)
Rent and property expenses		**(114)**	(166)
Travel expenses		**(294)**	(192)
Share based payments		**(256)**	(609)
Other expenses		**(163)**	(200)
Loss from continuing operations before income tax		**(3,586)**	(5,165)
Income tax		**-**	-
Loss from continuing operations after income tax		**(3,586)**	(5,165)
Net loss attributable to owners of the parent for the period		**(3,586)**	(5,165)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**126**	(2)
Other comprehensive income (loss) attributable to owners of the parent for the period, net of tax		**126**	(2)
Total comprehensive loss attributable to owners of the parent for the period, net of tax		**(3,460)**	(5,167)

Loss per share	**31 Dec 2013 $**	31 Dec 2012 $
Basic and diluted loss attributable to owners of the parent per share	**(0.02)**	(0.03)

The above interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Consolidated Balance Sheet

AS AT 31 DECEMBER 2013

	Notes	**as at 31 Dec 2013 $000**	as at 30 June 2013 $000
ASSETS			
Current Assets			
Cash and cash equivalents	4	**4,535**	7,316
Trade and other receivables		**536**	449
Inventories		**1,220**	1,330
Restricted cash		**31**	31
Other current assets		**204**	307
Total Current Assets		**6,526**	9,433
Non-current Assets			
Other financial assets		**53**	63
Plant and equipment		**268**	334
Intangible assets	9	**48**	49
Goodwill	9	**2,043**	1,985
Total Non-current Assets		**2,412**	2,431
TOTAL ASSETS		**8,938**	11,864
LIABILITIES			
Current Liabilities			
Trade and other payables		**1,001**	853
Provisions		**460**	333
Total Current Liabilities		**1,461**	1,186
Non-current Liabilities			
Provisions		**87**	84
Total Non-current Liabilities		**87**	84
TOTAL LIABILITIES		**1,548**	1,270
NET ASSETS		**7,390**	10,594
EQUITY			
Issued capital	10	**106,101**	106,101
Reserves		**5,814**	5,432
Accumulated losses		**(104,525)**	(100,939)
TOTAL EQUITY		**7,390**	10,594

The above interim consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013 $000	31 Dec 2012 $000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax and U.S. sales tax)		**1,588**	1,573
Payments to suppliers and employees (inclusive of goods and services tax and U.S. sales tax)		**(4,437)**	(6,439)
Interest received		**45**	137
Receipt of royalties		**-**	11
Net cash flows used in operating activities		**(2,804)**	(4,718)
Cash flows from investing activities			
Purchase of equipment		**(30)**	(5)
Proceeds from sale of equipment		**-**	2
Net cash flows used in investing activities		**(30)**	(3)
Cash flows from financing activities			
Transaction costs from capital raise		**-**	(1)
Release of restricted cash		**-**	72
Net cash flows from financing activities		**-**	71
Net (decrease) in cash and cash equivalents		**(2,834)**	(4,650)
Net foreign exchange differences		**53**	(215)
Cash and cash equivalents at beginning of period		**7,316**	14,514
Cash and cash equivalents at close of period	4	**4,535**	9,649

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued capital $000	Share reserves $000	Foreign currency translation reserve $000	Accumulated losses $000	Total $000
At 1 July 2012	106,102	4,180	(497)	(92,475)	17,310
Loss for the period	-	-	-	(5,165)	(5,165)
Other comprehensive income	-	-	(2)	-	(2)
Total comprehensive loss for the half-year	-	-	(2)	(5,165)	(5,167)
Equity Transactions:					
Share-based payments	-	609	-	-	609
Costs of capital raise	(1)	-	-	-	(1)
At 31 December 2012	106,101	4,789	(499)	(97,640)	12,751
At 1 July 2013	**106,101**	**5,208**	**224**	**(100,939)**	**10,594**
Loss for the period	**-**	**-**	**-**	**(3,586)**	**(3,586)**
Other comprehensive loss	**-**	**-**	**126**	**-**	**126**
Total comprehensive loss for the half-year	**106,101**	**5,208**	**350**	**(104,525)**	**7,1 34**
Equity Transactions:					
Share-based payments	**-**	**256**	**-**	**-**	**256**
Costs of capital raise	**-**	**-**	**-**	**-**	**-**
At 31 December 2013	**106,101**	**5,464**	**350**	**(104,525)**	**7,390**

The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Interim Consolidated Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1 Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements of ImpediMed Limited for the six months ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2014.

This general purpose interim consolidated financial statements ("financial report") for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2013 and considered together with any public announcements made by the Group during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

The accounting policies and methods of computation are consistent with those of the most recent annual report except the following amending Standards and Interpretations have been adopted in the current period. There was no material impact on the financial report as a result of the mandatory new and amended Accounting Standards adopted, which are outlined below:

- AASB 10: *Consolidated Financial Statements*. AASB 10 establishes a new control model dealing with the accounting for consolidated financial statements. This Standard did not affect the Group's accounting policies or the amounts reported in the financial statements as the Group is of the view that their control model is consistent with the new Standard.

- AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13*. AASB 13 addresses how to measure fair value and aims to enhance fair value disclosures. This Standard did not affect the Group's accounting policies or the amounts reported in the financial statements as the Group is of the view that the current basis of their fair value recognition is consistent with the new Standard's recognition basis.

- AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*. These Standards make changes to presentation and disclosure requirements, but did not affect the Company's accounting policies or the amounts reported in the financial statements.

- AASB 119: *Employee Benefits* and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119*. These Standards did not have a material effect on the Group's accounting policies or the amounts reported in the financial statements, as the Group's employee benefits are primarily short-term in nature.

1 Basis of preparation and accounting policies (continued)

The Group has not elected to early adopt any other new Standards or Amendments that are issued but not yet effective.

Certain amounts in the comparative financial statements have been reclassified to conform to the current period presentation.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000) unless otherwise indicated.

Going concern

The going concern basis of accounting contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities. This report adopts the going concern basis.

The Group has realised a loss after income tax of $3.5 million for the half-year ended 31 December 2013 (31 December 2012: $5.2 million) and net operating cash outflow of $2.8 million for the half-year ended 31 December 2013 (31 December 2012: $4.7 million).

The Directors believe that the Group continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period in excess of 12 months from the date of signing this report due to the following:

(i) As at 31 December 2013, the Group had net assets of $7.4 million. At the same date, the market capitalisation of ImpediMed Limited was $45.3 million and current assets of the Group exceeded current liabilities by a ratio of 4.5 : 1.

(ii) The Group had cash at its disposal of $4.5 million at 31 December 2013 and had no borrowings from banks or other financial institutions at 31 December 2013.

(iii) The Group has reduced operating cash burn from $1.59 million in Q1 2014 to $1.22 million in Q2 2014 and has the ability to reduce cash burn further, if necessary. The Group has the ability to vary certain expenditures; therefore cash outflows can be adjusted.

(iv) The operating plans have been set such that cash on hand at the date of signing is expected to last in excess of 12 months from the date of issue of the financial report.

(v) The Group believes it will be able to raise additional capital from its shareholders and potential investors should this be necessary.

On this basis the directors believe that the going concern basis of presentation is appropriate. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2 Segment information

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2013 and 31 December 2012.

During the half year, the Chief Executive Officer, who is the Chief Operating Decision Maker, continued reviewing the business revenue information categorised by the Group's three product

2 Segment information (continued)

lines: Lymphoedema and Body Composition in the medical segment and the Test & Measurement segment. This reporting is consistent with the prior half year financial report.

Half-year ended 31 December 2013	**Medical**			**Test & Measurement**	**Total**
	Lymphoedema	**Body Composition**	**Total Medical**		
	$000	**$000**	**$000**	**$000**	**$000**
Revenue					
Device sales	**246**	**217**	**463**	**460**	**923**
Device operating leases	**36**	**4**	**40**	**2**	**42**
Consumable revenue	**467**	**69**	**536**	**1**	**537**
Rendering of services	**7**	**17**	**24**	**85**	**109**
Total segment revenue	**756**	**307**	**1,063**	**548**	**1,611**
Unallocated revenue (finance income)					**34**
Total consolidated revenue					**1,645**

Half-year ended 31 December 2012	Medical			Test & Measurement	Total
	Lymphoedema	Body Composition	Total Medical		
	$000	$000	$000	$000	$000
Revenue					
Device sales	146	248	394	332	726
Device operating leases	100	6	106	5	111
Consumable revenue	298	52	350	1	351
Rendering of Services	5	16	21	54	75
Total segment revenue	549	322	871	392	1,263
Unallocated revenue (finance income)					127
Total consolidated revenue					1,390

Segment Assets

The following table presents segment assets of the Group's operating segments as at 31 December 2013 and 30 June 2013.

	Medical	**Test & Measurement**	**Total**
	$000	**$000**	**$000**
At 31 December 2013	**7,795**	**1,143**	**8,938**
At 30 June 2013	11,047	817	11,864

2. Segment information (continued)

Half-year ended 31 December 2013	**Medical** $000	**Test & Measurement** $000	**Total** $000
Results			
Segment result	**(3,545)**	**(16)**	**(3,561)**
Depreciation and amortisation	**(55)**	**(4)**	**(59)**
Loss before income tax	**(3,600)**	**(20)**	**(3,620)**
Income tax expense	**-**	**-**	**-**
Net allocated loss for the period	**(3,600)**	**(20)**	**(3,620)**
Unallocated results (finance income less costs)			**34**
Net loss for the period			**(3,586)**

Half-year ended 31 December 2012	Medical $000	Test & Measurement $000	Total $000
Results			
Segment result	**(4,972)**	**(193)**	**(5,165)**
Depreciation and amortisation	**(126)**	**(1)**	**(127)**
Loss before income tax	**(5,098)**	**(194)**	**(5,292)**
Income tax expense	**-**	**-**	**-**
Net allocated loss for the period	**(5,098)**	**(194)**	**(5,292)**
Unallocated results (finance income less costs)			**127**
Net loss for the period			**(5,165)**

3 Revenue, income and expenses

	2013 **$000**	2012 $000
(a) Sale of goods		
Device sales	**923**	726
Consumable sales	**537**	351
Device operating leases	**42**	111
	1,502	1,188
(b) Finance income		
Interest income – bank deposits	**9**	12
Interest income – term deposits	**25**	115
	34	127

3 Revenue, income and expenses (continued)

		2013 $000	2012 $000
(c)	**Depreciation and amortisation**		
	Depreciation of property, plant and equipment	**26**	26
	Depreciation of demo and loan devices	**25**	52
	Amortisation of leasehold improvements	**5**	5
	Amortisation of patents and licenses	**1**	1
	Amortisation of software	**2**	43
		59	127
	Depreciation of operating lease and PSA devices (i)	**37**	27
		96	154

(i) Operating lease depreciation has been included in cost of sales.

		2013 $000	2012 $000
(d)	**Salaries and benefits**		
	Wages and salaries	**1,712**	2,077
	Superannuation costs	**64**	83
	Other employee costs	**269**	305
	Long service leave	**5**	5
		2,050	2,470
	Share based payments to employees	**249**	588
		2,299	3,058

(e) Administrative and governance

The following items are included in administrative and governance expense.

	2013 $000	2012 $000
Bad and doubtful debts	**-**	-
Unrealised loss (gain) on foreign exchange	**1**	202

(f) Cost of sales

The following item is included in cost of sales.

	2013 $000	2012 $000
Inventory write-down	**4**	3

4 Cash and cash equivalents

	as at 31 Dec 2013 $000	as at 30 Jun 2013 $000
Cash at bank and in hand	**4,535**	5,316
Short term deposits	**-**	2,000
	4,535	7,316

5 Dividends paid

There were no dividends declared or paid during the half-year on ordinary shares. There were no dividends proposed and not yet recognised as a liability during the half-year.

6 Related party disclosure

For the current period, no new transactions with directors occurred that would be considered related party transactions. Amounts accrued from fees and not paid to Directors were $119,000 at 31 December 2013 (30 June 2013: $24,000).

Transactions with all related parties are made at arm's length both at normal market prices and on normal commercial terms.

7 Share-based payments

For the six months ended 31 December 2013, the Group has $0.3 million (31 December 2012: $0.6 million) of share-based payment transactions expense in the Statement of Comprehensive Income.

8. Commitments and contingencies

The only changes to the commitments and contingencies disclosed in the most recent annual financial report are specified below.

Expenditure Commitments

At 31 December 2013, the Group had expenditure commitments of $0.3 million (30 June 2013: $0.6 million) relating to the funding of various research and development, advertising and promotion, and other operating activities.

Litigation

At 31 December 2013, the Group has no known open claims or lawsuits against it.

9 Intangible assets and goodwill

Intangible assets decreased in the current period due to amortisation of computer software, patents, and licenses and due to foreign currency exchange movements.

Goodwill decreased in the current period due to foreign currency exchange movements.

10 Issued capital

There was no movement in issued capital in the current period.

11 Events after the balance sheet date

There have been no significant events after the balance date.

Directors' Declaration

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

In accordance with a resolution of the directors of ImpediMed Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Cherrell Hirst, AO	Jim Hazel
Chairman	Director

Brisbane, 26 February 2014

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To the members of ImpediMed Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ImpediMed Limited, which comprises the consolidated balance sheet as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of ImpediMed Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ImpediMed Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Uncertainty Regarding Continuation as a Going Concern

Without qualification to the conclusion expressed above, your attention is drawn to the matter set out in Note 1 to the financial statements. As a result of the matter described in Note 1, there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classifications of liabilities that might be necessary should the company not continue as a going concern.

Ernst & Young

Ernst & Young

K McKenzie

Kellie McKenzie
Partner
Brisbane
26 February 2014