

27 April 2012

ASX RELEASE

ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 31 MARCH 2012

Brisbane, Australia - **ImpediMed Limited (ASX:IPD)** (the Company) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 31 March 2012.

ImpediMed CEO, Mr. Greg Brown said, "In the third quarter, our core lymphoedema business continues to grow. With the medical policy of a key Health Maintenance Organization (HMO), we achieved our 20 million covered lives milestone. Widespread reimbursement continues to be a critical success factor and the Company is very focused on building coverage in the U.S. market".

The following are some highlights from the quarter:

- U.S. lymphoedema revenue from L-Dex readings is up 20% over the same nine month period in the prior year. We see physicians and radiation oncologists ordering more electrodes than in the previous year.
- Reimbursement and coverage - Explanation of Benefits (EOB) payments continue to be collected from doctors at local levels. Coverage continues to build. However, it is still well short of levels needed to support routine use. Payment levels for L-Dex[®] U400 testing continue to be at targeted levels.
- We announced 9.6 million additional covered lives bringing the total covered lives to 23.4 million and achieved our December 2011 milestone in March 2012.

Cash Flow Report Commentary

Cash on hand as of 31 March 2011 was \$9.3 million as compared with \$17.9 million at 30 June 2011. Receipts from customers for the quarter ending 31 March 2012 were \$0.7 million down from \$0.9 million for the corresponding quarter ending 31 March 2011 and an increase over the \$0.6 million for the most recent quarter ending 31 December 2011.

Receipts from customers for the nine months ending 31 March 2012 were \$2.2 million compared to \$2.8 million in the previous nine months ending 31 March 2011. As in the first two quarters, receipts continue to be down in the non-core businesses of test and measurement (T&M) and body composition (BC) as revenue from these customer bases continue to be slower this financial year. Customer purchases from T&M and BC are generally of a capital expenditure nature and are impacted by broader market conditions.

Net cash used in operations for the quarter was \$2.6 million compared to \$2.9 million cash used in the previous quarter ended 31 December 2011, a 10% favourable variance. The decrease in net cash used from the previous quarter relates to a decrease in payments in staff costs and other working capital offset by an increase in advertising and marketing fees and research and development expenses.

Net cash used in operations for the nine month period ending 31 March 2012 was \$8.8 million compared to \$8.6 million cash used in the previous nine month period ended 31 March 2011, a 2% increase. The increase relates to higher advertising and marketing expenses and research and development expenses offset by decreases in staff costs and other working capital.

Greg Brown
CEO

ENDS

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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 unilateral lymphoedema of arm and leg in women and the leg in men by a medical provider. The L-Dex scale is not intended to diagnose or predict lymphoedema of an extremity.

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

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 2012

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	740	2,217
1.2 Payments for (a) staff costs	(1,395)	(4,465)
(b) advertising and marketing	(265)	(587)
(c) research and development	(554)	(1,888)
(d) leased assets	(3)	(15)
(e) other working capital	(1,168)	(4,629)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	50	197
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)	21	366
Net operating cash flows	(2,574)	(8,804)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (nine months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,574)	(8,804)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	(24)
(d) physical non-current assets	(62)	(62)
(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	(62)	(86)
1.14 Total operating and investing cash flows	(2,636)	(8,890)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
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)	0	0
Net financing cash flows	0	0
Net increase (decrease) in cash held	(2,636)	(8,890)
1.21 Cash at beginning of quarter/year to date	12,112	17,899
1.22 Exchange rate adjustments to item 1.20	(212)	255
1.23 Cash at end of quarter	9,264	9,264

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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	245
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 1.7: Receipt of ATO R&D tax credit refund and royalty payments for the year-to-date amount and royalty payments for the March 2012 quarter amount.

Item 1.24: Payments to directors consist of Directors' salaries and the Directors' fees for the quarter, including superannuation. 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	---	---

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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	1,638	883
4.2 Deposits at call	7,626	11,229
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	9,264	12,112

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: 27 April 2012
Chief Operating Officer and Chief Financial Officer

Print name: Peggy Brooker
Chief Operating Officer and Chief Financial Officer

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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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