



31 October 2012

ASX RELEASE

ASX ANNOUNCEMENT – APPENDIX 4C – QUARTER ENDED 30 SEPTEMBER 2012

Brisbane, Australia - **ImpediMed Limited (ASX:IPD)** (“the Company or ImpediMed”) is pleased to provide its Appendix 4C quarterly cash flow report (unaudited) for the quarter ended 30 September 2012.

ImpediMed CEO, Mr. Richard Carreon said, “In the first quarter of 2013 the Company’s worldwide lymphoedema business grew 43% over the same quarter of the previous year and 19% over the fourth quarter of 2012. U.S. lymphoedema revenue grew 19% and 30%, respectively, excluding a one-time sale of a device. Although on relatively small base, the increase shows our renewed focus on growing our core business.”

Mr. Carreon added, “In addition, we vigorously managed the cash burn to \$3.0 million which was flat compared to the fourth quarter of the previous year. The first quarter 2013 also included the one-time costs associated with the strategic realignment we announced earlier in the year. The Company has made good progress on a number of initiatives and is committed to the continuing improvement of our cost structure and focusing on our core lymphoedema business.”

Cash Flow Report Commentary

Cash on hand as of 30 September 2012 was \$11.4 million as compared with \$14.5 million at 30 June 2012. Receipts from customers for the quarter ending 30 September 2012 are stable at \$0.8 million compared to the corresponding quarter ending 30 September 2011 and ahead by 24% when compared to the most recent quarter ending 30 June 2012 of \$0.7 million.

Net operating cash flows for the quarter was flat at \$3.0 million compared to \$3.0 million cash used in the previous quarter ended 30 June 2012, however, a 10% decrease over the \$3.3 million cash used in the first quarter of 2012. The stability in net operating cash flows used from the previous quarter and reduction in expense over the prior year, relates to increases in inventory purchases and one-time reduction-in-force costs offset by reduced expenditures in research and development spending and lower continuing staff costs.

Richard Carreon
CEO

ENDS

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CEO**

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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

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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")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (three months)
	\$A'000	\$A'000
1.1 Receipts from customers	842	842
1.2 Payments for		
(a) staff costs	(1,399)	(1,399)
(b) advertising and marketing	(240)	(240)
(c) research and development	(418)	(418)
(d) leased assets	(7)	(7)
(e) other working capital	(1,844)	(1,844)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	78	78
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)	10	10
Net operating cash flows	(2,978)	(2,978)

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		Current quarter	Year to date (three months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(2,978)	(2,978)
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	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	1	1
	(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	1	1
1.14	Total operating and investing cash flows	(2,977)	(2,977)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	(1)	(1)
1.16	Release of restricted cash	72	72
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	71	71
	Net increase (decrease) in cash held	(2,906)	(2,906)
1.21	Cash at beginning of quarter/year to date	14,514	14,514
1.22	Exchange rate adjustments to item 1.20	(214)	(214)
1.23	Cash at end of quarter	11,394	11,394

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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	225
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 royalty payments.

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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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	6,859	2,522
4.2	Deposits at call	4,535	11,992
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)		11,394	14,514

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: 31 October 2012
Chief Operating Officer and Chief Financial Officer

Print name: Peggy J. 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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