



Pre-quotation announcement - Revised pro-forma balance sheet

The prospectus of ImpediMed Limited (**Company**) dated 11 September 2007 (**Prospectus**) contained, at page 56, a pro-forma consolidated balance sheet of the Company (**Pro-forma Balance Sheet**). The Pro-forma Balance Sheet was prepared on the basis that the Company raised \$8,784,000 under the Prospectus, being the amount underwritten. It did not take into account potential over-subscriptions.

The Company has accepted over-subscriptions of \$1,008,000, being the maximum amount of over-subscriptions the Company was able to accept. Set out below is a revised pro-forma consolidated balance sheet (**Revised Pro-forma Balance Sheet**) that has been updated to show the effect of these over-subscriptions on the Pro-forma Balance Sheet.

Treatment of oversubscriptions

The Revised Pro-forma Balance Sheet has been prepared consistently with the Pro-forma Balance Sheet, but has been prepared on the basis that:

- oversubscriptions of \$1,008,000 are accepted; and
- additional fees of \$43,000 are payable by the Company to the underwriters in respect of the oversubscriptions,

resulting in a net increase in the balance of cash and cash equivalents of \$965,000. As a result, the balance of cash and cash equivalents increases from \$16,265,520 (Pro-forma Balance Sheet) to \$17,230,520 (Revised Pro-forma Balance Sheet). There is a corresponding increase of \$965,000 in the balance of issued capital from \$49,573,105 (Pro-forma Balance Sheet) to \$50,538,105 (Revised Pro-forma Balance Sheet).

The Company does not consider that any other changes are required to the Pro-forma Balance Sheet to reflect the impact of the acceptance of oversubscriptions.

Update on Xitron acquisition accounting

On 1 October 2007 the Company completed the acquisition of Xitron Technologies, Inc. This acquisition was described in section 6.5 of the Prospectus, and its impact was described in the 'Details of the pro-forma adjustments' to the Pro-forma Balance Sheet at note 2 (p) on pages 58 and 59 of the Prospectus.

On completion of the Xitron acquisition the Company issued 2,041,318 shares to the vendors of Xitron. The Company currently expects that, following the finalisation of completion accounts, it will be required to issue further ordinary shares to the Xitron vendors. It currently believes that the estimate of the total number of shares to be issued

to the Xitron vendors used for the purposes of preparing the Pro-forma Balance Sheet, being 2,132,509 shares, remains valid. The Company therefore considers that the accounting information relating to the Xitron acquisition contained in the Pro-forma Balance Sheet remains current and does not need to be updated.

No further review by ImpediMed's auditors

The Company advises that the Company's auditors, Ernst & Young, have not been asked to review the changes contained in the Revised Pro-forma Balance Sheet.

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Actual and Pro Forma Consolidated Balance Sheets

	Actual	Pro Forma	Pro Forma
	30 June 2007	Adjustments	Post Offer
	(audited)		
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	1,643,162	15,587,358	17,230,520
Trade and other receivables	754,186	224,939	979,125
Inventories	415,673	566,778	982,451
Prepayments	844,844	-632,790	212,054
Other financial assets	117,129	0	117,129
Total Current Assets	3,774,994	15,746,285	19,521,279
NON-CURRENT ASSETS			
Other financial assets	93,550	0	93,550
Plant and equipment	204,316	43,735	248,051
Intangible assets	184,785	2,706,277	2,891,062
Total Non-Current Assets	482,651	2,750,012	3,232,663
TOTAL ASSETS	4,257,645	18,496,297	22,753,942
CURRENT LIABILITIES			
Trade and other payables	979,044	260,358	1,239,402
Interest-bearing loans	83,082	628,344	711,426
Provisions	319,096	2,523	321,619
Converting Notes	13,879,763	-13,879,763	0
Preference A Shares	6,672,018	-6,672,018	0
Total Current Liabilities	21,933,003	-19,660,556	2,272,447
NON-CURRENT LIABILITIES			
Interest-bearing loans	64,023	0	64,023
Provisions	48,935	0	48,935
Total Non-Current Liabilities	112,958	0	112,958
TOTAL LIABILITIES	22,045,961	-19,660,556	2,385,405
NET ASSETS	-17,788,316	38,156,853	20,368,537
EQUITY			
Issued capital	11,151,629	39,386,476	50,538,105
Capital to be issued	0	452,269	452,269
Reserves	1,186,782	0	1,186,782
Accumulated losses	-30,126,727	-1,681,892	-31,808,619
TOTAL EQUITY	-17,788,316	38,156,853	20,368,537