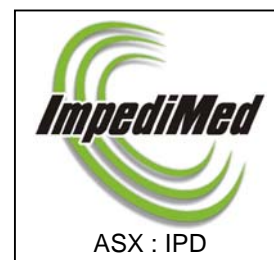


31 January 2008

**ASX RELEASE**



**Appendix 4C – Quarter ending 31<sup>st</sup> Dec 2007**

ImpediMed Limited (ASX:IPD) provides herewith its first Appendix 4C following listing for the quarter ended 31<sup>st</sup> Dec 2007.

Comments with respect to the report follow:

- a) The quarter takes in the closing of the company's initial public offer and the issue and conversions of shares contemplated in its prospectus, which are reflected in the cash flows from financing activities.
- b) The acquisition of Xitron Technologies Inc on 1<sup>st</sup> October 2007 for \$1,352K (including costs) is reflected in the cash flows related to investing activities, while the equity consideration at fair value of \$1,156K is shown in cash flows from financing activities.
- c) Following the Xitron acquisition, that subsidiary paid \$AU 1,144K (\$US 1 Million) for the reacquisition of certain rights related to Xitron's 1991 patent from Fresenius Medical Care, which is reflected in cash flows from investing activities under other non-current assets – intangibles.
- d) Following the acquisition of Xitron Technologies, its bank loan of \$US 500K (\$AU 563K) was repaid, which is reflected under cash flows from financing activities.
- e) Receipts from Customers were \$742K for the half year to 31<sup>st</sup> Dec 2007
  - For comparison, sales for the half year (unaudited) were \$892K, against the comparative period sales for the half year ended 31<sup>st</sup> Dec 2006 of \$791K.
- f) Net operating cash flows for the quarter were (2,373K) consistent with the indications given in the company's prospectus, indicating the company expected the funds raised under the offer and expected sales to be sufficient to fund the operations for 18 months (6 quarters).

The company is anticipating release of its 31<sup>st</sup> December 2007 half year financial statements on 26<sup>th</sup> Feb 2008, and will provide further information on results for the half year and the outlook ahead at that time.



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Phil Auckland  
Chief Financial Officer &  
Company Secretary

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ImpediMed Limited

ABN

65 089 705 144

Quarter ended ("current quarter")

31 December 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	2 <sup>nd</sup> Quarter 2007 \$A'000	Year to date months) \$A'000	(6
1.1 Receipts from customers	645	742	
1.2 Receipts from grants	203	305	
1.3 Payments to suppliers and employees	(3,396)	(5,282)	
1.4 Interest and other items of a similar nature received	184	203	
1.5 Interest and other costs of finance paid	(9)	(13)	
1.6 R&D tax offset received	0	0	
1.7 Other (provide details if material)	0	0	
<b>Net operating cash flows</b>	<b>(2,373)</b>	<b>(4,046)</b>	

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (..... months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,373)	(4,046)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(1,352)	(1,352)
(b) equity investments	o	o
(c) intellectual property	o	o
(d) physical non-current assets	(30)	(56)
(e) other non-current assets	(1,144)	(1,144)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>	(2,626)	(2,553)
<b>1.14 Total operating and investing cash flows</b>	(4,899)	(6,599)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
Gross proceeds from IPO – Public Offer	9,792	9,792
Gross proceeds from IPO – Redempt. Issue	8,208	8,208
Gross proceeds from Conversion of Pref Sh	7,894	7,894
Gross proceeds from Conv of S3 Conv Note	14,339	14,339
Gross proceeds from issue of shares to Xitron Shareholders	1,156	1,156
1.16 Costs from capital raise	(991)	(991)
1.17 Proceeds from borrowings	o	8,208
1.18 Repayment of borrowings		
Repayment of IPO Convertible Notes	(8,208)	(8,208)
Repayment of Preference Shares	(7,894)	(7,894)
Repayment of S3 Conv Note	(14,339)	(14,339)
Repayment of Xitron Bank Loan	(563)	(563)
Other repayments	(20)	(40)
1.19 Dividends paid	o	o
1.20 Other (provide details if material)	(1)	(1)
<b>Net financing cash flows</b>	9,374	17,562

+ See chapter 19 for defined terms.

Appendix 4C  
 Quarterly report for entities  
 admitted on the basis of commitments

1.21	Net financing cash flows (carried forward)	9,374	17,562
	<b>Net increase (decrease) in cash held</b>	<b>4,475</b>	<b>10,963</b>
1.22	Cash at beginning of quarter/year to date	8,132	1,643
1.23	Exchange rate adjustments to item 1.20		
1.24	<b>Cash at end of quarter</b>	<b>12,606</b>	<b>12,606</b>

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+ See chapter 19 for defined terms.

**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
1.25	Aggregate amount of payments to the parties included in item 1.2	172
1.26	Aggregate amount of loans to the parties included in item 1.11	N/A
1.27	Explanation necessary for an understanding of the transactions	
	Payments to directors consist of Directors' salaries and the Directors' fees for 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
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- 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
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	—	—
3.2	Credit standby arrangements	—	—

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+ See chapter 19 for defined terms.

## 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 Ended 31 Dec 2007 \$A'000	Previous quarter Ended 30 Sept 2007 \$A'000
4.1	Cash on hand and at bank	315	116
4.2	Deposits at call	12,291	8,016
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.24)</b>		12,606	8,132

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Xitron Technologies, Inc.	None
5.2	Place of incorporation or registration	San Diego, CA	N/A
5.3	Consideration for acquisition or disposal	Purchase consideration \$1,156,419 Incidental costs of acquisit. \$196,066 Total consideration cost \$1,352,485	N/A
5.4	Total net assets	Net assets at 1 October 2007 : US \$(11,082) / AU \$(12,474)	N/A
5.5	Nature of business	Test and Measurement (T&M) and Bio-impedance spectroscopy: Development, manufacturing and sale of medical devices	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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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Sign here:



Date: 31<sup>st</sup> Jan 2008

(Director/Company secretary)

Print name: Phillip S. Auckland

**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 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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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+ See chapter 19 for defined terms.