



ASX : IPD

30 April 2008

## **ASX ANNOUNCEMENT – APPENDIX 4C – CASH FLOW QUARTER ENDED 31 MARCH 2008**

ImpediMed Limited provides herewith Its Appendix 4C quarterly cash flow report for the period ended 31<sup>st</sup> March 2008.

The results in the cash flow report are consistent with expectations behind the company's use of funds projections in its prospectus of last year.

Highlights of the quarter included:

- Confirmation by US FDA of receipt of the company's submission for clearance of its L-Dex U400 for the clinical assessment of lymphoedema of the arm.
  - This product will be targeted at Breast cancer surgeons, and launch is anticipated in Q4 CY2008 subject to the FDA clearance.
- ImpediMed is implementing a strategy to make San Diego its global operations and logistics hub, putting key resources in its primary US market to underpin the strategies for market success.
  - On 28<sup>th</sup> March 2008 the company moved its US operations in to a new facility in San Diego which is expected to support the company's growth for at least 5 years.
  - Through the release of the old premises of the Xitron Technologies business acquired in October 2007 whose lease expired in March 2008, and a pending reduction in space required in Australia, the moves will be cost neutral while delivering a substantial increase in capacity.
  - In the execution of the US orientation strategy, and through synergies achieved through the acquisition of Xitron technologies, ImpediMed has been able to generate savings in operating costs, which are offsetting increased spending on market development.

The negative cash flow from operations for the quarter was (\$2,354K) broadly consistent with the previous quarter at (\$2,373K).

Cash on hand at 31<sup>st</sup> March 2008 was \$10.2 Million.

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<sup>st</sup> March 2008

### Consolidated statement of cash flows

| Cash flows related to operating activities | 3rd Quarter 2008<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--|-----------------------------|---------------------------------------|
| 1.1 Receipts from customers                | 594                         | 1,335                                 |
| 1.2 Receipts from grants                   | 363                         | 667                                   |
| 1.3 Payments to suppliers and employees    | (3,548)                     | (8,175)                               |
| 1.4 Interest received                      | 208                         | 411                                   |
| 1.5 Interest paid                          | (2)                         | (16)                                  |
| 1.6 R&D tax offset received                | 0                           | 0                                     |
| 1.7 Other (provide details if material)    | 32                          | 32                                    |
| <b>Net operating cash flows</b>            | <b>(2,354)</b>              | <b>(5,745)</b>                        |

+ See chapter 19 for defined terms.

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

|  | 3rd Quarter 2008<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--|-----------------------------|---------------------------------------|
| 1.8 Net operating cash flows (carried forward)             | (2,354)                     | (5,745)                               |
| <b>Cash flows related to investing activities</b>          |                             |                                       |
| 1.9 Payment for acquisition of:                            |                             |                                       |
| (a) businesses (item 5)                                    | 0                           | (1,352)                               |
| (b) equity investments                                     | 0                           | 0                                     |
| (c) intellectual property                                  | 0                           | 0                                     |
| (d) physical non-current assets                            | (99)                        | (155)                                 |
| (e) other non-current assets                               | (97)                        | (1,781)                               |
| 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                               | 71                          | 71                                    |
| 1.11 Loans to other entities                               | 0                           | 0                                     |
| 1.12 Loans repaid by other entities                        | 0                           | 0                                     |
| 1.13 Other (provide details if material)                   | 75                          | 75                                    |
| <b>Net investing cash flows</b>                            | (50)                        | (3,143)                               |
| <b>1.14 Total operating and investing cash flows</b>       | (2,404)                     | (8,888)                               |
| <b>Cash flows related to financing activities</b>          |                             |                                       |
| 1.15 Proceeds from issues of shares, options, etc.         |                             |                                       |
| Gross proceeds from IPO – Public Offer                     | 0                           | 9,792                                 |
| Gross proceeds from IPO – Redemption Issue                 | 0                           | 8,208                                 |
| Gross proceeds from Conversion of Pref Sh                  | 0                           | 7,894                                 |
| Gross proceeds from Conv of S3 Conv Note                   | 0                           | 14,339                                |
| Gross proceeds from issue of shares to Xitron Shareholders | 0                           | 1,156                                 |
| 1.16 Costs from capital raise                              | 0                           | (991)                                 |
| 1.17 Proceeds from borrowings                              | 0                           | 8,208                                 |
| 1.18 Repayment of borrowings                               |                             |                                       |
| Repayment of IPO Convertible Notes                         | 0                           | (8,208)                               |
| Repayment of Preference Shares                             | 0                           | (7,894)                               |
| Repayment of S3 Conv Note                                  | 0                           | (14,339)                              |
| Repayment of Xitron bank loan                              | 0                           | (563)                                 |
| Other repayments   | (22)                        | (62)                                  |
| 1.19 Dividends paid  | 0                           | 0                                     |
| 1.20 Other (provide details if material)                   | 30                          | (85)                                  |
| <b>Net financing cash flows</b>                            | 8                           | 17,456                                |

+ See chapter 19 for defined terms.

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

|      |   |         |        |
|------|---|---------|--------|
|      | Net financing cash flows (carry forward)    | 8       | 17,456 |
| 1.21 | <b>Net increase (decrease) in cash held</b> | (2,395) | 8,568  |
| 1.22 | Cash at beginning of quarter/year to date   | 12,606  | 1,643  |
| 1.23 | Exchange rate adjustments to item 1.20      | 0       | 0      |
| 1.24 | <b>Cash at end of quarter</b>               | 10,211  | 10,211 |

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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**

|      |   | 3rd Quarter 2008<br>\$A'000 |
|------|---|-----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.3                              | 161                         |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11                                | N/A                         |
| 1.26 | 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 |
|-----|

- 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. (See AASB 1026 paragraph 12.2).*

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$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. | 3rd Quarter 2008<br>\$A'000 | 2nd Quarter 2008<br>\$A'000 |
|---|-----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank  | 1,516                       | 315                         |
| 4.2 Deposits at call  | 8,695                       | 12,291                      |
| 4.3 Bank overdraft  | 0                           | 0                           |
| 4.4 Other (provide details)   | 0                           | 0                           |
| <b>Total: cash at end of quarter (item 1.23)</b>  | <b>10,211</b>               | <b>12,606</b>               |

### Acquisitions and disposals of business entities

|   | Acquisitions<br>(Item 1.9(a)) | Disposals<br>(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: ....30<sup>th</sup> April 2008.....  
(Director/Company secretary)

Print name: ..Phillip S. Auckland.....

+ See chapter 19 for defined terms.

## 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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