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The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

(2 pages by email)

Dear Madam

EXPANSION OF SAFETY SYRINGE PRODUCT RANGE

The Directors are pleased to advise that IMD Group Limited's wholly owned subsidiary, Bio Medical Operations Australia Pty Ltd ('BMOA') has signed an agreement with Weihai Medical Polymer Group Co. Ltd ('Shandong Weigao') of China for the exclusive distribution and naming rights of a second generation manual retractable safety syringe range for Australia, New Zealand and the South Pacific Rim and non-exclusive distribution and naming rights for the rest of the world, excluding the USA.

The Shandong Weigao safety syringe is a second generation manual retractable device which has the added features over first generation manual retractable syringes of a luer lock function for the needle hub and a locking device which inhibits the syringe being re-engaged.

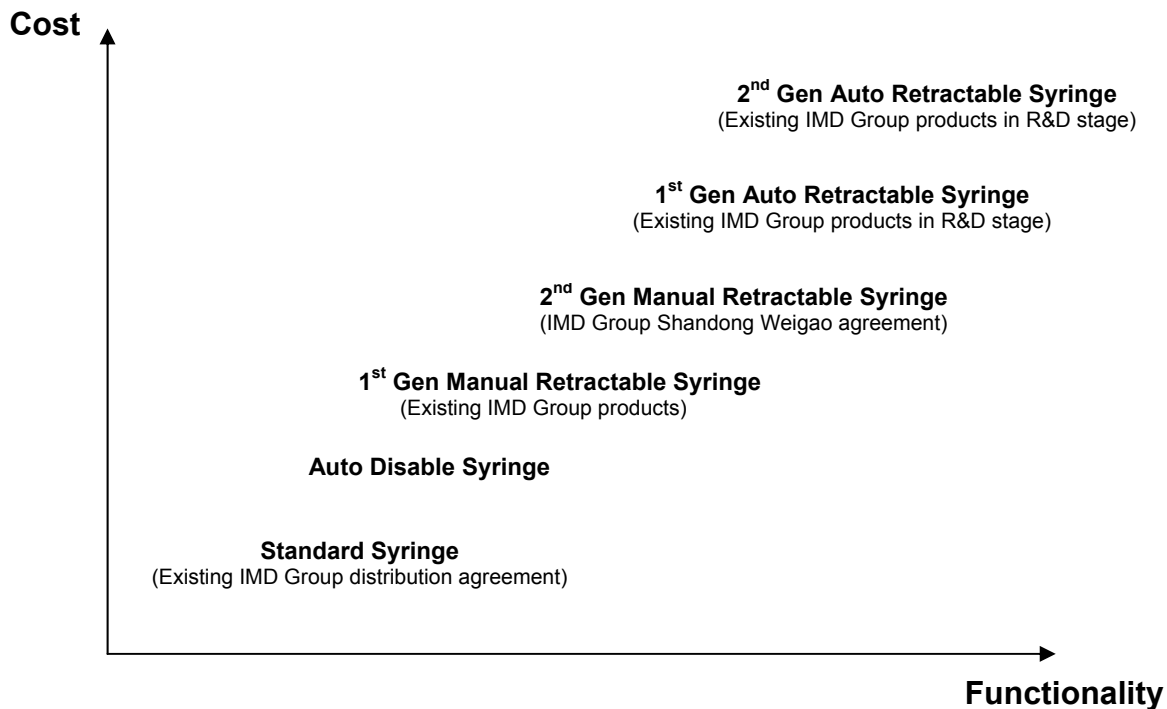
The Shandong Weigao safety syringe range, which includes 3cc, 5cc and 10cc manual retractable safety syringes, is currently in production in China and will be white labelled and badged as IMD Group products. These products are already CE Mark accredited and Australian TGA accreditation will be applied for and is expected to be received in the first half of the current year.

Under the agreement, BMOA has full and unrestricted access to sell these products to all world markets, excluding the USA, and has negotiated an exclusivity arrangement for the Australian, New Zealand and South Pacific Rim countries.

As part of the agreement, IMD Group has negotiated set prices for the purchase of the Shandong Weigao products which will enable IMD Group to maintain its product selling margins.

As can be seen in the below chart, the Shandong Weigao safety syringe range complements the existing IMD Group safety syringe range. These products further diversify the IMD Group product range and provide a means by which the Company can offer its distribution channels in the health sector a more comprehensive range of products including waste containers, first generation manually retractable syringes, second generation manually retractable syringes and a full range of standard non-retractable syringes.

Syringe Technology and IMD Group Status Chart



In addition to securing the rights for the distribution of the Shandong Weigao products, the agreement also establishes a relationship with Weigao who are the dominant distributor of medical devices in China supplying 80% of the Chinese medical device consumable market.

About Weigao Group

Weigao Group Medical Polymer Co., Ltd. is situated in the Hi-Tech Development Zone of Weihai city. Weigao and its subsidiaries employ a total of 4,000 staff, many with senior technical credentials. The group has manufacturing space of 400,000 square meters including 48,000 square meters that meet GMP standards. Weigao are a diversified company that both distributes and manufactures medical devices across the globe and dominates the Chinese medical consumables market.

For further information, contact Robert Archer on (61 2) 42717255 or Sam Mann on (61 2) 92475087.

Yours sincerely

Peter J. Nightingale
Company Secretary

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