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18 April 2006

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

Dear Madam

**FIRST USA AND EUROPEAN SALES
APPOINTMENT OF DISTRIBUTORS**

The Directors are pleased to advise that BMDi Pty Ltd ('BMDi'), a wholly owned subsidiary of IMD Group Limited (the 'Company'), has secured its first orders totalling approximately \$500,000 for medical consumables from the USA and Europe, markets with significant potential for distribution of safety medical consumables.

Through a close strategic association the Company has developed with a North American based company IMD has secured an order for the manufacture and supply of 10 million safety needle devices which will be sold initially in the USA and Canadian markets. Negotiations are continuing for the collaboration with respect to the manufacture and supply by the Company of a number of other medical safety products for distribution and sale in North America and Europe.

Following the successful participation at Medica in Düsseldorf in November 2005, the Company has appointed a number of new distributors in Europe, the Middle East, Asia and Former CIS countries. Orders for the supply of the Company's products have been received from European and Former CIS country based distributors and are in the process of being fulfilled.

The Company has also significantly enhanced its product portfolio negotiating supply agreements with two more Chinese manufacturers, Post Medical Inc in the US and AP Medical in Italy. This will give IMD access to an extended range of medical sharps collectors and blood collection needle removers under exclusive supply agreements for Australia and New Zealand.

For further information, contact Robert Krakowiak on + 61 2 9648 4224 or Tom Mann on + 61 2 9247 5087.

Yours faithfully

A handwritten signature in black ink, appearing to read "P. Nightingale", written over a horizontal line.

Peter J. Nightingale
Company Secretary

pjn3444