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10 October 2005

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

(1 page by email)

Dear Madam

IMD SECURES FIRST MIDDLE EAST ORDER OF MEDICAL CONSUMABLES

The Directors are pleased to advise that BMDi Pty Ltd (BMDi), a wholly owned subsidiary of IMD Group Limited, has secured its first order of medical consumables from the Middle East. As mentioned in the Annual Report, IMD believes there is significant potential for distribution of medical consumables into the Middle Eastern market in particular Kuwait and UAE due to the significant healthcare expenditure of the national governments and established hospital network.

The sale has been secured from AL-SUMOW International Co., the premier dealer for Medical Equipment and related materials in Kuwait.

The order is for two 20 foot containers of general medical consumables marketed under the BMDi brand and includes over 400,000 syringes and 4,000 medical sharps waste containers.

In a further development for IMD, the Swiss Red Cross have decided to extend their trial of the BMDi Nomoresharps™ medical waste disposal system in Kyrgyzstan and has ordered a further 30 units for a trial in the hospital system. The trial is part of a Swiss Red Cross program to encourage developing nations to think seriously about waste management practices and the BMDi Nomoresharps™ medical waste disposal system has been put forward by the Swiss Red Cross as an essential part of this system. The Directors are very encouraged by the opportunities that a successful trial could bring to the Company.

Finally, the Directors are also pleased to advise that the Company has been successful in obtaining a grant under the NSW Department of State and Regional Development BioBusiness Program, whereby the NSW Government will provide the Company with a financial contribution for the IMD trade show exhibit and associated costs at Medica 2005, to be held in Germany in November this year. Medica is the largest medical consumables trade show globally and IMD will be exhibiting its full range of capabilities including the range of BMDi Nomoresharps™ medical waste disposal systems, manual retractable safety syringes, medical sharps waste containers and general medical consumables.

For further information, contact Robert Krakowiak on (61 2) 9648 4224 or Sam Mann on (61 2) 9247 5087.

Yours sincerely

A handwritten signature in black ink, appearing to read "PJN", with a stylized flourish at the end.

Peter J. Nightingale
Company Secretary

pjn3195