



ABN 30 096 048 912

Level 8
261 George Street
Sydney NSW 2000
Australia
Tel: 61 2 9247 5087
Fax: 61 2 9247 7273

14 July 2005

Mr Christopher Chong
Assistant Companies Adviser
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RE: PRICE QUERY

I refer to your letter dated 13 July 2005 querying the increase in IMD Group Limited's share price from 5.7 cents on 5 July 2005 to 10.5 cents on 13 July 2005.

I advise that the Company is not aware of any information concerning it that has not been announced which, if known, could explain the recent trading in the Company's securities.

I advise that the Company changed its status from that of an unlisted, proprietary limited liability company to a public listed, limited liability company during the current financial year and the Company completed its initial public offering and was listed by the ASX on 20 December 2004.

As a result of the Company's fundamental change of circumstances, the Company's result for the year ended 30 June 2005 is not comparable to the year ended 30 June 2004. However, in line with the Company's previously announced 31 December 2004 half year report and 31 March 2005 quarterly report the Company anticipates reporting a loss in the order of \$2.0 to \$2.5 million for the year ended 30 June 2005. This loss is a result of the Company incurring costs associated with tooling, research and development, regulatory approvals, expansion of distribution networks and corporate overheads to implement the business plan set out in the Company's prospectus. The Company has also significantly increased its sales revenues as a result of implementing the business plan set out in the Company's prospectus.

It is possible that an amount of 'tax loss' selling of the Company's securities occurred prior to 30 June 2005. This may have caused the price of the Company's securities to fall to near to the 5 July 2005 price and to subsequently rise in absence of the 'tax loss' selling.

I confirm that the Company is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully

A handwritten signature in black ink, appearing to read "Peter J. Nightingale".

Peter J. Nightingale
Company Secretary

pjn3097



13 July 2005

Mr Peter Nightingale
Company Secretary
IMD Group Limited
Level 8
261 George Street
Sydney NSW 2000

By email: peter@miscorp.com.au

Dear Peter

IMD Group Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a closing price of \$0.057 on 5 July 2005 to a high of \$0.105 at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2005 would vary from the financial year ended 30 June 2004 by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any other explanation that the Company may have for the price change in the securities of the Company?
5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Australian Stock Exchange Limited
ABN 98 008 624 691
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square
NSW 1215

Telephone 61 (02) 9227 0249
Facsimile 61 (02) 9241 7620
Internet <http://www.asx.com.au>
DX 10427 Stock Exchange Sydney

Your response should be sent to me by e-mail at christopher.chong@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 12.30 p.m. E.S.T.) on Thursday, 14 July 2005).

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Christopher Chong.

Christopher Chong
Assistant Companies Adviser

Direct Line: (02) 9227 0249