

5 December 2007

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

(3 pages by email)

Dear Madam,

ACTIVITIES UPDATE

The directors are pleased to provide the following update for the Company's wholly owned subsidiary BMDi Pty Limited (BMDi).

Highlights:

- **Production of a new injection device for the UK market due to commence in December 2007, with forecast year one sales of 10 million units.**
- **Signed a three-party manufacturing agreement with Inviro Medical (US) and Shandong Weigao Group (China) for the supply of up to 40 million manual retractable safety syringes per annum, commencing January 2008.**
- **Tooling developed for BMDi-patented auto retractable safety syringe.**
- **Successful launch of the BMDi DCAP safety injection and collection range at WHO headquarters in Geneva.**

Frontier Medical (UK)

Following the recently executed and announced Heads of Agreement with Frontier Medical (UK), both companies have progressed positively on a number of fronts. Firstly, production of a unique injection device designed by Frontier Medical is due to commence this month with a forecast delivery of 10 million units during the ensuing 12 months. Secondly, BMDi has recently invested in new tooling for a new range of UN-compliant sharps collectors launched by Frontier in the UK last month, with deliveries commencing in January 2008.

Inviro Medical (US)

BMDi and Inviro Medical have signed a three-party manufacturing agreement with Shandong Weigao Group (China) to ensure supply of up to 40 million units per year of the InviroSNAP manual retractable safety syringe. To ensure this new level of capacity is achieved, new tooling for an automated assembly line is being produced, which will come on line next month. This is in addition to other products BMDi will continue to produce for Inviro including a range of standard syringes incorporating the Inviro patented White Stripe feature and a comprehensive range of plastic cannulae (InviroLINK & InviroTIP) and hypodermic needles. Production has also commenced on safety syringes packaged in trays for distribution into retail pharmacies in the US.

BMDi Auto Retractable Safety Syringe

Based on favourable clinical evaluations, the Company is gearing up to produce commercial quantities of a 3 millilitre version of the BMDi-patented auto retractable safety syringe for global marketing. Recent development has focused on ensuring robustness of the device in high volume production settings, and this work has confirmed project viability on the basis of cost and manufacturability. Two leading multinational medical companies have expressed interest in distributing the device, and in-market trials are expected to commence in the first quarter of 2008.

Launch of BMDi DCAP injection Range

Following positive feedback at the WHO-sponsored Safe Injection Global Network (SIGN) meeting, and favourable discussions with key multilateral aid organisations, BMDi has launched its range of DCAP safety medical devices in Geneva. BMDi DCAP includes a comprehensive range of auto disable (AD) and manual retractable safety syringes, as well as needle destruction units and medical sharps boxes. Additional new products are also in the pipeline to further capitalise on the Company's strength in third world and aid environments, including a range of infection control products.

BMDi Nomoresharps Needle Cutter

Following the successful sale and deployment of the BMDi Nomoresharps[®] needle cutter in India, and positive trials in Africa and Vietnam, sales have been recently made to Africa, Indonesia and Central Asia. The Company's product continues to receive support and endorsement by leading aid delivery agencies including UNICEF and PATH and has generated significant interest at the world's largest medical congress (Medica), with particularly strong interest from North Africa, the Middle East and Eastern Europe. The BMDi Nomoresharps[®] cutter remains the number one selling product of its type in the world.

Medica 2007

BMDi participated at the Medica International Trade fair for the third consecutive year as part of the Austrade organised Health and Medical Australia Pavilion. This year, Medica attracted some 137,000 trade visitors from around 100 countries and BMDi once again profited from this exposure realising numerous new sales leads and potential strategic partnerships.

Corporate

Following the Company's AGM on 30 October, IMD Group Limited changes its name to BMDi International Limited, to better reflect the international reach of the business and its recognised brand. The new ASX code for the company is BMI. The Company is currently assessing a number of proposals in relation to potential merger and acquisition opportunities, as foreshadowed at the AGM. The Company also continues to review its funding requirements in light of the capital expenditure initiatives outlined above.

For further information please contact Gary Lewis, Managing Director on 61 2 8249 4375.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Nightingale', with a stylized, cursive script.

Peter J. Nightingale
Company Secretary

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