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7 February 2007

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

(1 page by email)

Dear Madam,

COMMERCIAL READY GRANT

The Directors of IMD Group Limited ('IMD') are pleased to announce the signing of an Agreement with the Federal Government's Department of Industry Science and Tourism for the receipt of a grant under the Commercial Ready Program.

The grant is for an amount of \$246,482 and will be used to assist the Company with the final development and commercialisation of its automatic retractable safety syringe.

The IMD Nomoresharps® automatic retractable safety syringe is designed to stop syringe re-use and as an aid in the avoidance of needle stick injuries. The most basic innovative feature of the IMD syringe is its very simple retraction mechanism which uses minimal components. IMD has designed a product that will be relatively simple to manufacture, easy to use and affordable for adoption in both developing and developed markets.

IMD was awarded the Commercial Ready Grant after a thorough review of IMD's patented syringe technology and an evaluation of the potential for successful commercialisation of the product. When the IMD automatic retractable safety syringe product is released on the market, IMD will have a range of quality manual and automatic retractable safety syringes that will make the Company globally competitive in the safety medical device industry.

For further information, contact IMD Chief Executive Officer, 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", with a stylized flourish at the end.

Peter J. Nightingale
Company Secretary

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