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17 May 2006

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

Dear Madam

Commercialisation of BMDi Nomoresharps™ Auto Retractable Syringe Technology



The Directors of IMD Group Limited are pleased to announce that the 'proof of concept' stage for the Company's BMDi label Nomoresharps™ Auto Retractable Safety Syringe has been successfully completed and prototype tooling for the manufacture of commercial grade samples of the 1.0cc and 3.0cc syringes is now being developed.

Benchmarked against the world's best safety syringe manufacturers, the BMDi device has been designed for simplicity in use and ease of manufacture. The Company has appointed Eversincere Enterprise Group in Jiangxi Province China and Rayco Technologies in Singapore as design, development and manufacturing partners for this project.

Negotiations are well advanced with a USA company that has expressed strong interest in acquiring a license to market the device under its own label. Prior to pursuing this opportunity the Company intends to put the device through comprehensive clinical and market evaluation before committing to full commercial production which is expected to take place in mid 2007.

For further information, contact IMD Group CEO 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 "PJN", written over a white background.

Peter J. Nightingale
Company Secretary

pjn3506