



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

ABN 30 096 048 912

5 May 2005

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

(1 page by email)

Dear Madam

AUSTRALIAN DISTRIBUTION AGREEMENT

The Directors are pleased to advise that BioMedical Operations Australia Pty Ltd ('BMOA') a wholly owned subsidiary of IMD Group Limited has signed a two year distribution agreement with The Daniels Group ('Daniels') of Victoria, Australia for the distribution of IMD Group's medical sharps waste container range.

Under the agreement, IMD Group has redesigned a special 19 litre cytotoxic waste container specifically for Daniels who will have exclusive distribution rights for this product in Australia and New Zealand and non-exclusive distribution for the remaining range of IMD Group medical sharps waste containers.

The agreement secures a significant initial order and substantial ongoing orders, particularly for the 19 litre cytotoxic container.

IMD Group believes that the signing of this agreement is the first step in establishing a long term relationship with the dominant hospital waste disposal company in Australia and New Zealand and that sales from the agreement will grow strongly.

This appointment is significant for IMD Group as it is the first distribution agreement signed by the Company in Australia and in particular the first of its kind with a hospital waste management firm. This agreement, together with recent offshore sales in India, Vietnam and the PATH rollout now in progress in Andhra Pradesh demonstrate the build up in distribution capabilities of the IMD Group.

About The Daniels Group

Daniels is an international leader in the development of innovative safety products. Daniels' products are well represented throughout Australia and internationally. Daniels has an innovative product line that meets the needs of thousands of healthcare professionals around the world.

For further information, contact Robert Krakowiak on (61 2) 42717255 or Sam Mann on (61 2) 92475087.

Yours sincerely

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

Peter J. Nightingale
Company Secretary

pjn3015