



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

ABN 30 096 048 912

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

(3 pages by email)

Dear Madam

COMPANY ACTIVITY UPDATE

During the past year, the Company has significantly expanded its range of safety medical injection devices and medical waste collection product portfolio. Following appointment of Mr Gary Lewis as Managing Director in March 2007, the Company's focus on supply chain management services together with the Company's expanding product range have resulted in significant Company achievements.

HIGHLIGHTS:

- **Product portfolio is expanding to include a comprehensive solution for medical injections and safety collection of medical devices.**
- **User trials commenced in July for the Company's range of auto retractable syringes.**
- **The Company's international distribution model continues to expand.**
- **Strong revenue growth has begun from the USA, Europe and Asia.**

As shown on the attached Product - Market matrix, in summary, the Company has expanded its product portfolio to include:

- **Injection solutions:**
 - auto retractable syringe currently in user trials
 - manual retractable syringes in 5 sizes
 - auto disable syringes in 5 sizes
 - 'white stripe' safety syringes in 7 sizes
 - standard syringes in 8 sizes
 - 3 types of hypodermic needles
 - scalp vein sets, 18G – 27G
 - an irrigation syringe
- **Safety collection solutions:**
 - sharps containers in 12 sizes
 - 'community' containers in 4 sizes
 - sharps boxes in 2 sizes
 - blood collection bags
 - needle disposal units
 - infection control products
 - long-term care products

In summary, the Company is developing a comprehensive product range to enable the Company provide customers with an industry unique 'one stop shop'. Also highlighted by the attached Product - Market matrix is the fact that there is the capacity for the Company to deliver more of its existing products to its existing markets.

The Company continues to invest in research and development of its existing and new products. Development of the BMDi non-reusable, auto-retractable syringe is nearing completion and the product is currently undergoing user trials. The Company has achieved significant production improvements to reduce costs and enhance robustness and final production trials are expected to begin in the current quarter. This product will be initially of test marketed in the United States.

Other new products being developed include safety collection and injection products for acute care, infection control and fluid collection. The Company is constantly searching its market place to identify and acquire rights to other products which are complementary to its already extensive product range.

In addition to developing its product range, the Company has improved its distribution methodology. For example, a new agreement with specialist clinical waste disposal company MediCollect has enabled the Company to offer a turnkey solution integrating supply of collection solutions with destruction and disposal in Western Australia. This is a significant enhancement to the Company's offering to hospitals, clinics and aged care centres. Under the agreement MediCollect will collect, transport and sterilise waste using both bio-medical thermal destruction and its proprietary 'Matrix' alkaline oxidation process, which renders waste inert that does not have to be incinerated.

This turnkey solution is made possible because of the Company's comprehensive product range and it is intended to expand this integrated service model internationally.

Sales of the Company's BMDi injection and collection range through Inviro Medical in the United States, where the government has mandated the use of safety medical syringes, has resulted in strong revenue growth. The Company has also recorded encouraging growth in Europe and BMDi products are now distributed in 12 countries, with discussions underway to broaden this network.

In addition, agreement has been reached for the distribution of products supplied by leading international safety medical organisations in Australia, New Zealand and the United States. Negotiations to expand and develop supply agreements are continuing.

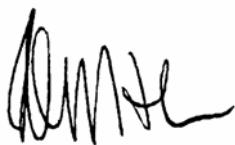
The Company has identified the developing countries of the sub-continent, Central Asia, the Middle East and Africa as key markets and plans to launch a specialised range of ten safety injection and five collection products to complement its UNICEF-approved needle disposable unit. New products are being prepared for user evaluation following which the Company will apply for WHO approval for commercial sale.

To support its increasing activities, the Company has expanded its operations located in Shanghai, China, including the appointment of three additional staff to monitor product quality.

The Company's capital raising in April 2007 has provided a foundation for growth and is expected to provide the Company with sufficient cash to fund the development of the BMDi range of safety medical devices, build international sales and provide working capital.

For further information, please contact Gary Lewis, Managing Director on 61 2 8249 4375 or Ashley Rambukwella, Financial & Corporate Relations on 61 2 8264 1004.

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn3962

Product-market matrix

INJECTION SOLUTIONS																
Auto retractable syringe 3mL																
Manual retractable syringe 0.5, 1, 3, 5, 10mL																
Auto Disable syringe 0.5, 1, 3, 5, 10mL																
STRIPE-enabled syringe 1, 3, 5, 10, 20, 30, 60mL																
Standard syringes 0.5, 1, 3, 5, 10, 20, 30, 60mL																
Hypodermic needles Sharp, blunt, plastic																
Scalp Vein Sets 18G - 27G																
Irrigation syringe 60mL																
Blood Collection Blood bags																
COLLECTION SOLUTIONS																
Sharps Containers 500mL, 1.4, 3, 6, 8, 10, 11, 17, 19, 30, 50, 60L																
'Community' Containers 0.25, 0.3, 0.45, 0.6L																
Sharps Boxes Cardboard 3, 6L																
OTHER PRODUCTS																
Needle Disposal Units BMDi, hand-held																
Infection Control																
Long-term Care																
Australia-NZ												X				
North America			X		X		X		X							
Europe						X		X				X				
Asia/Sub Continent						X	X	X				X			X	
Africa/Middle East						X	X					X			X	