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20 December 2005

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

(1 page by email)

Dear Madam

**EXPANSION OF FDA AND CE MARK APPROVED PRODUCT RANGE**

The Directors are pleased to advise that IMD Group Limited's wholly owned subsidiary, Bio Medical Operations Australia Pty Ltd ('BMOA') has signed an agreement with Shandong Zibo Shanchuan Medical Instrument Co. Ltd ('Shanchuan') of China for the distribution of a complete range of standard non-retractable syringes and intravenous therapy devices.

These Shanchuan products, which include 1cc (diabetic), 2cc, 3cc, 5cc, 10cc, 20cc and 50cc syringes, will be white labelled and badged as IMD Group products. These products are already CE Mark and USA FDA accredited. Australian TGA accreditation will be applied for and is expected to be received early in the new year.

Under the agreement, BMOA has full and unrestricted access to sell these products to all world markets.

As part of the agreement, the IMD Group has negotiated set prices for the purchase of the Shanchuan products which will enable the IMD Group to maintain its product selling margins.

This agreement, which further diversifies the IMD Group product range, provides a means by which the Company can offer its distribution channels in the health sector a more comprehensive range of products including waste containers, 3cc manually retractable syringe and a full range of standard non-retractable syringes.

In addition, the IMD Group is supplying a needle disposal system to third world markets and is in the research and development phase for a number of other products including its automatically retractable syringes.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "P. Nightingale", written in a cursive style.

Peter J. Nightingale  
Company Secretary

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