

2<sup>nd</sup> April, 2007

### **Cosmedics Australia Limited - Market Update**

Cosmedics Australia Limited wishes to advise that the previously announced agreements to purchase Australian Medical Imaging , Melbourne Medical Imaging and premises at 100 Victoria Parade, Melbourne, have been terminated. The parties have agreed to mutual recision of those agreements. Despite continued reassurances, the shareholders of Australian Medical Imaging and Melbourne Medical Imaging have not been able to fulfil their obligations under the agreements, despite the length of time that has been afforded to them.

Cosmedics Australia Limited will expand and exploit its Cosmedic Clinics and will seek a joint venture partner for its Medistation enterprise. The Directors will continue to explore opportunities the medical arena.

In an effort to contain costs, Cosmedics Australia Limited has negotiated a termination of the lease of premises at 219 Blaxland Road, Ryde and will re locate to smaller premises.



Dr. Bronte Douglass  
Chairman