

COSMEDICS AUSTRALIA LIMITED  
ABN 38 002 862 017  
Suite 4, 219 Blaxland Road  
RYDE NSW 2112

Telephone: 9808 2444  
Facsimile: 9807 3000

31st March, 2004

### **Cosmedics Australia Limited : Acquisition of Safety Syringe Producer ENSI-MED**

31 March 2004: Newcastle Stock Exchange listed Cosmedics will take over safety syringe manufacturer ENSI-MED after Heads of Agreement were signed today. ENSI-MED's US and Australian owners will control the entity as part of the manufacturer's strategy to raise capital to boost production and marketing of its established safety syringe. The company is also paving the way to a dual-listing on the ASX.

Cosmedics will pay 45 000 000 fully paid ordinary shares in Cosmedics to ENSI-MED's owners; plus 22 500 000 options exercisable at 20 cents each for up to three years. The options are to be listed and these shares and options are escrowed for 12 months. The transaction will be subject to usual shareholder approval.

Cosmedics will also pay 10 000 000 fully paid ordinary shares and 5 000 000 options exercisable at 20 cents similarly in Cosmedics to investment house Resource Capital Australia for arranging the transaction.

Conditions also include Cosmedics meeting ASX Listing Rule requirements sufficiently to apply for admission to ASX listing. Further, Cosmedics will raise up to \$6 million through the issue of new 20 cent together with one free option for every two shares. The options will also have an exercise price of \$0.20 and an expiry share date of 3 years. The ENSI-MED vendors have agreed to underwrite up to \$500,000 of the capital raising.

After the capital-raising of \$6 million, the total issued capital will be 101million shares including 16 million existing Cosmedics shares, and 57.4 million options including Cosmedics current options on issue of 14.9 million.

ENSI-MED is a US-Australian consortium which purchased the intellectual property and assets of Melbourne based retractable syringe manufacturer Uni-ject in 2003. ENSI-MED manufactures safety syringes in the Melbourne suburb of Seaford which are approved by the US FDA and the Therapeutic Goods Authority and already sold in Australian and overseas markets.

Retractable disposable syringes prevent the major problem of needle stick injuries.

Cosmedics and ENSI-MED's plan to:

- Complete mutual due diligence and complete the share purchase agreement
- Raise \$6 million and co-list on ASX
- Win significant new contracts for safety syringes and boost production
- Establish a second manufacturing base and a distribution base in the US

"ENSI-MED is the only retractable syringe manufacturer in Australia and our milestones are to increase sales and production in the US," said Mr Benjamin McGahey, executive chairman of ENSI-MED.

"The only factor limiting our operations is capital resources and this partnership with Cosmedics is our first stage in providing the depth and capital we need for our great product," said Mr McGainey.

Cosmedics Australia will continue to expand its IPL/RF Cosmetic Clinics along with this exciting new project.

**Dr. Bronte Douglass**  
**Chairman**