



21 July 2003

Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT

Dear Sirs

IMDEX LIMITED UPDATE

The Group's Appendix 4E Preliminary Final Report, including the results for the 2002/2003 financial year are scheduled for release by the end of August 2003.

In the interim, the Directors wish to provide the following update on the Group's performance.

In an announcement dated 12 February 2003, the Directors stated that Earnings Before Interest and Tax (EBIT) for the 2002/2003 financial year should approximate \$3 million, primarily comprising earnings from the domestic businesses. The domestic businesses have operated well during the year and have slightly exceeded budget EBIT of \$2.7 million. These businesses are expected to provide further significant earnings growth in the 2003/2004 financial year.

The performance of the international Joint Venture business with Rashid Trading Establishment in the Kingdom of Saudi Arabia continues to be difficult.

Internally generated estimates of Joint Venture results for the financial year 2002/2003 are of concern to the Board.

The financial performance of the Joint Venture is unacceptable, and is leading to uncertainty in the marketplace. For this reason the Board has resolved to review all options available to it with the objective of minimizing the Company's financial exposure to this investment.

This review of the Board's options with respect to the Joint Venture is involving sensitive commercial discussions. A more detailed announcement will be made to the market as soon as the outcome of these discussions is known.

Yours faithfully
Imdex Limited

B W Ridgeway
Managing Director