



ASIC

Australian Securities & Investments Commission

Media and information releases

06-295 ASIC acts against misleading statements by listed company

Friday 25 August 2006

ASIC has commenced proceedings against Melbourne-based Citrofresh International Ltd for allegedly making misleading statements to the market.

ASIC has issued proceedings in the Federal Court in Melbourne seeking a declaration that the listed company and its managing director, Mr Ravi Narain engaged in misleading or deceptive conduct regarding an announcement the company made to the Australian Stock Exchange (ASX) on 27 September 2005. It is also alleged that Mr Narain failed to exercise his duties as a director with a reasonable degree of care and diligence regarding the announcement. Citrofresh International is licensed to market and sell a range of products commonly called Citrofresh for cleaning and disinfection in the hospital, food processing and agriculture industries.

In the ASX announcement on 27 September 2005 it was claimed:

- Citrofresh can now offer a global solution to reduce and eventually stop the spread of human immunodeficiency virus (HIV) using Citrofresh
- Citrofresh provides a non-hazardous, non-toxic and effective solution that deal (sic) with emergency disease control and prevention for HIV, human influenza A virus, the SARS virus and the human rhinovirus
- Citrofresh will market a range of 'barrier protection' products to be used in the first instance for men's health (post intercourse spray or lotion)
- the use of Citrofresh as a postcoital application will act as an 'invisible condom' for the prevention of STDs including HIV and the ability to use Citrofresh as a postcoital application will have a significant impact on reducing the transmission of HIV and STDs.

ASIC is alleging that the announcement failed to disclose that Citrofresh was a disinfectant and not a vaccine and that these representations were either false or that there was no reasonable grounds for making them.

ASIC is seeking a civil penalty of \$200,000 and the disqualification of Mr Narain from managing corporations.

The matter is next before the Court on 19 September 2006.

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