



DataDot Technology Limited

ACN 091 908 726

Stock Exchange Announcement

17 May, 2006

DataDot Wins Government Support for Robotic Applicator

The directors of DataDot Technology Ltd (DDT) announce that DDT has been awarded a government grant of \$1.5 million to establish proof of concept and develop early stage commercialisation of its DataDotDNA Automated Applicator Cell (DAAC) for use by motor vehicle manufacturers. This will bring to \$3.5 million the total investment pool available for the DAAC project.

The DAAC is a prototype robotic applicator owned by DDT and developed by DDT and Machinery and Automated Robotics Ltd to apply DataDotDNA on vehicle assembly lines within the cycle time requirements of manufacturers. DataDotDNA is currently applied to vehicles using a patented, hand-held application method that takes about 7 minutes per vehicle. Using the DAAC, the application time using DDT's patented spray-on method will be reducible to 40 seconds.

The government grant of \$1.5 million has been approved under AusIndustry's *Commercial Ready* program, which is a competitive, merit-based grants program supporting innovation in Australian industry. Successful applicants must demonstrate superior standing in relation to four criteria: management capability; commercial potential of the project; technical strength of the project and technical capabilities and resources available to the applicant; and national benefits of the project, including contribution to economic growth, national productivity and export potential.

Under the terms of the grant DDT will contribute a matching \$1.5 million over the 18 month term of the project to bring the DAAC to production-ready capability and government contributions will be back-dated to cover one-half of DAAC development expenses incurred since January 25, 2006.

Mr Ian Allen, CEO of DDT, said the company is delighted to be awarded a *Commercial Ready* grant. "It's not just the money, though we will certainly put that to good use accelerating the commercialisation of our DAAC. It's also the recognition that DDT's intellectual property, development path and management capability are so highly regarded by



the authorities whose job it is to identify commercial opportunities that support the national interest.”

Mr Allen said that the next critical step in the DAAC project will be to secure the participation of an Australian vehicle manufacturer, so that the robotic applicator can be brought to production-ready status under assembly line conditions. The DAAC will also have significant export potential for the parties involved in its finalisation.

He said that provision had been made within the DAAC project to facilitate a positive response by manufacturers. “With the *Commercial Ready* grant we will be able to offer \$800,000 of our own funds to defray a partnering manufacturer’s costs of participation, which is additional to \$500,000 pledged by the National Motor Vehicle Theft Reduction Council for the same purpose. That is a total of \$1.3 million that can be made available to a partnering manufacturer to cover the costs of human resources, in-factory engineering and consumables for an initial prove-out trial run of vehicles.”

About DataDot Technology Limited (DDT)

DDT is a leading asset identification company, with expanding global operations. DDT has invented, patented and commercialised DataDotDNA, an asset identification technology that provides greater asset security, proves authenticity of product, assists in proving ownership, and acts as a deterrent to thieves. In partnership with the CSIRO, DDT has also developed and is commercialising DataTraceDNA, a unique luminescent marker for bulk materials.

The DataDotDNA technology has gained acceptance around the world and is currently sold in Australia, UK/Europe, USA, Canada, South Africa, Indonesia, Taiwan, Hong Kong, China, New Zealand, Russia, Romania and Poland. DataDotDNA customers include a number of major vehicle suppliers in various regions including Audi, Nissan, BMW, Subaru, Ford Performance Vehicles, Porsche, Holden Special Vehicles, Mitsubishi, Toyota and Honda.

For further information please contact:

Mr Ian Allen
Chief Executive Officer
DataDot Technology Limited
Phone: +612 9975 4777
Fax: +612 9975 4700
Web: www.datadotdna.com