



Prospectus



DATADOT TECHNOLOGY LIMITED
ACN 091 908 728

UNDERWRITER

KTMCAPITAL PTY LIMITED

ABN 63 086 281 950

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This Prospectus is dated 22 November 2004 and was lodged with the ASIC on 22 November 2004. No responsibility for the contents of this Prospectus is taken by the ASIC, the ASX or their respective officers. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Before deciding to invest in DDT, potential investors should read the entire Prospectus and, in particular, consider the risk factors that could affect the financial performance of DDT. The price of shares may rise or fall according to a number of factors. You should carefully consider these risks in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No securities will be issued or allotted on the basis of this Prospectus after its expiry date, being the date 13 months after the date of this Prospectus. A number of terms and abbreviations used in this Prospectus have defined meanings which appear in the Glossary of Terms. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

An electronic version of this Prospectus can be downloaded from the following website: <http://www.mdafatech.com/australia>. The offer or invitation to which the Electronic Prospectus relates is only available to persons receiving the Electronic Prospectus in Australia.

The Company will send to a person a copy of the paper Prospectus and paper Application Form free of charge if the person asks during the application period.

The Shares to which the Electronic Prospectus relates will only be issued or transferred on receipt of a printed copy of the electronic Application Form together with a printed copy of the Prospectus.

The Application Form may be generated by software accessible by the same means as the Prospectus.

Chairman's Letter

Dear Investor

On behalf of my fellow Directors, I have pleasure in presenting you with the opportunity to participate in the ownership and future growth of DataDot Technology Limited (DDT). DDT is one of the world's leading asset identification companies, with expanding global operations.

The problem of asset security is global by nature. Owners of all types of assets, such as motor vehicles, motor bikes, boats and personal equipment, are seeking more effective ways to protect their property from theft, and to provide evidence of ownership and authenticity of products. DDT has invented, patented and commercialised an asset identification technology which provides greater asset security, proves authenticity of product and ownership, and acts as a deterrent to thieves.

DataDots are tiny microdots, each about the size of a grain of sand, with multiple lines of laser-etched information detailing an asset's main identifier, or the identification of its owner. Thousands of DataDots can be applied to the surface of an object. The DataDots can then be detected with a UV light, and read with a simple magnifying device, making the true identification of the asset or its owner easily detectable.

The DataDot technology has gained acceptance in a number of countries around the world. The Group currently sells DataDots in Australia, UK/Europe, USA/Canada, South Africa, Indonesia, Taiwan, Thailand, Hong Kong, China, New Zealand and Russia. The Group continues to explore new markets, and expects to launch DataDots in India, Pakistan and Sri Lanka in 2005.

The Group's client list includes a number of major vehicle suppliers, including Nissan (USA), BMW (Australia), Subaru (Australia), Ford Performance Vehicles (Australia), Audi (Australia), Porsche (Australia), Holden Special Vehicles (Australia), Isuzu (Asia), Avis (South Africa), Techmashimport (Russia), Mitsubishi (UK), and VW (Taiwan).

The Group commenced commercial production of DataDots in 2001. Since that time, sales revenue has grown from \$184,000 in 2001 to \$8.5 million in 2004. The Company's future growth will be driven by new customers, product innovation, and expanding markets in existing and new geographic areas.

Under this Prospectus, DDT is offering for subscription 40 million shares at an issue price of \$0.25 to raise \$10 million. On listing on the ASX, the Company will have a market capitalisation of \$24.1 million at the Offer Price. After the float, the Company will have sufficient cash resources to fund the current growth plans of the Group.

Details of the Offer, and the operations and financial position of the Company, are set out in this Prospectus. I encourage you to read it carefully. On behalf of the Board of DDT, I look forward to welcoming you as a shareholder in the Company.

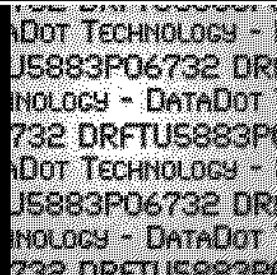
Yours sincerely



Peter Housden
Non-Executive Chairman

Section 1

Key Dates and General Information



*...Application list closes
Friday 17 December 2004...*

Key Dates

Application list opens (following the ASIC exposure period)	Monday	6 December 2004
Application list closes	Friday	17 December 2004
Expected date of dispatch of holding statements	Wednesday	29 December 2004
Expected date of quotation of Shares on the ASX	Wednesday	12 January 2005

Offer Statistics

Offer Price	\$0.25
Number of Shares on issue following the Offer	96,456,006
Number of Shares being offered by this Prospectus	40,000,000
Gross proceeds from the Offer available to DDT	\$10,000,000
Market Capitalisation at the Offer Price	\$24.1 million
Net tangible assets per Share (undiluted)	5 cents (Note 1)

Notes:

1. Based on the pro forma Statement of Financial Position (refer Section 8).

Section 2

Investment Highlights

...DDT is one of the leaders in the global development of asset based identification technologies...

Asset Security – A Global and Growing Industry

The problem of asset security is global in nature. In particular, the incidence of theft and re-birthing of motor vehicles, motor bikes, boats and personal equipment is growing in several countries. At the same time, the cost of insuring against theft is a major component of insurance premiums. Regulators and insurers are seeking ways to protect assets better and to reduce losses. In recent years, new security measures built around complete parts marking and product authenticity, such as DataDots, have gained greater acceptance as a highly effective method of deterring theft and proving ownership and authenticity of a product.

A Leading Asset Security Company

DDT is one of the leaders in the global development of asset based identification technologies. The Company has developed a patent protected microdot application technology which allows various types of assets, and their component parts, to be uniquely marked and made uniquely identifiable. Its akin to creating a unique asset based DNA for products. DDT's asset identification technology has wide product application, and the potential to penetrate global markets in areas as diverse as motor vehicles, motor bikes, boats, electronic equipment and consumables.

Global Operations

The DataDot technology has gained acceptance in a number of countries around the world. The Group currently sells DataDots in Australia, the United Kingdom, Europe, the United States of America, Canada, South Africa, Indonesia, Taiwan, Thailand, Hong Kong, China, New Zealand and Russia. DDT has recently signed a distribution contract for the distribution of its products in India, Pakistan and Sri Lanka from 2005.

Extensive Blue Chip Customer Base

The Group's client list includes a number of major vehicle suppliers, including Nissan (USA), BMW (Australia), Subaru (Australia), Ford Performance Vehicles (Australia), Audi (Australia), Porsche (Australia), Holden Special Vehicles (Australia), Isuzu (Asia), Avis (South Africa), Techmashimport (Russia), Mitsubishi (UK), and VW (Taiwan).

Extensive Intellectual Property Position

DDT has been granted patent protection for its unique microdot application technology in Australia, and has a number of patent applications currently lodged and being assessed in other markets around the world. DDT holds an extensive trademark portfolio in relation to the DataDot and Mighty Dot trademarks and logos. See Section 9 for further details regarding DDT's patent protection.

Ongoing Research & Development

DDT is working extensively with the Australian Government owned Commonwealth Scientific & Industrial Research Organisation (CSIRO), for the joint development of new generation asset identifiers based on the DataDot technology.

Strong Growth in Revenues

The Group began commercial production of DataDots in 2001 and, since that time, the Company's revenues have grown from \$184,000 in 2001 to \$8.5 million in 2004.

Experienced Management

The Management of DDT has over 5 years experience in the development and commercialisation of asset identification security products.

Strong Financial Position

After the float, the Directors expect that DDT will have cash resources of approximately \$7.35 million. These funds will be used to fund ongoing activities and the current growth plans of the Group.

Outlook

The Directors have elected to not include forecasts in this Prospectus due to the difficulty in estimating the timing and quantum of customer orders. Based on current trading conditions, and assuming no unforeseen delays or difficulties, the Directors believe that DDT is likely to achieve growth in sales and at least breakeven profitability in the 2005 financial year (notwithstanding a first half loss of approximately \$1.2 million unadjusted).

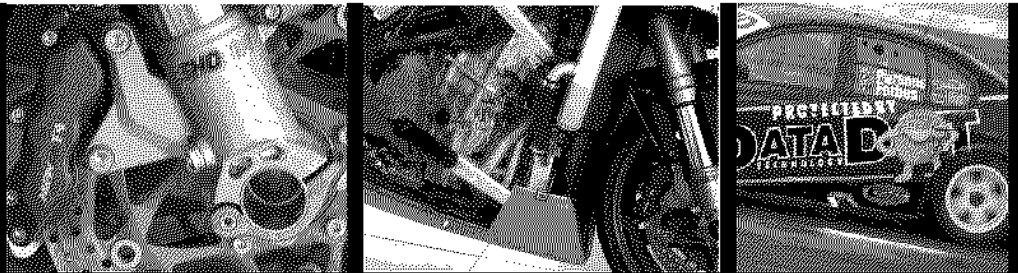
Section 3

Information Summary

DATADOT TECHNOLOGY LIMITED



Prospectus 2004



*...This Prospectus offers a total
of 40 million Offer Shares at an Offer
Price of \$0.25 per Share...*

Description of the Offer

This Prospectus offers a total of 40 million Offer Shares at an Offer Price of \$0.25 per Share, payable in full on application. The Shares being offered under this Prospectus comprise an issue of new Shares by DDT. The new Shares to be issued by DDT under the Offer will rank equally in all respects with each other and with the existing issued Shares of DDT after completion of the Offer. See Section 10 for details of the rights attaching to the Offer Shares.

After the close of the Offer, the issued capital of DDT will be 96.456m fully paid Shares. The Promoters of the Company will hold 42.965 million Shares, or approximately 44.5% of the total issued capital of the Company. The Promoters of DDT have entered into 24 month escrow arrangements in relation to their 42.965 million Shares. Details of these escrow arrangements are set out in Section 10.

The Company will apply to the ASX for admission to the Official List and to have all of its issued Shares listed for quotation on the ASX (other than the Shares classified as restricted securities by the ASX).

The Directors believe that, on completion of the Offer, DDT will have enough working capital to carry out its objectives stated in this Prospectus.

Purposes of the Offer

The subscription proceeds of the Shares to be issued under this Prospectus will augment the existing cash and cash-equivalent assets of the Company. The Company has commitments, consistent with its stated business objectives, to apply the subscription proceeds for the following purposes:

- to fund working capital requirements (\$3.155 million);
- to repay existing interest bearing liabilities to certain lenders including certain Directors and their associates (Ian Allen: \$2.4 million; John Richards: \$0.05 million; and Chris Stott: \$0.05 million) (\$2.5million);
- to fund the expansion of the DDT manufacturing facility (\$1.5 million);
- to fund the development of a new range of DataDot products (\$2 million); and
- to pay the costs of the Offer (\$845,000).

The listing of the Company on the ASX will also be useful:

- to assist DDT in retaining the services of key employees by providing them with the opportunity to own Shares in the Company;
- to increase the public profile of DDT both nationally and internationally; and
- to allow DDT easier access to the equity markets in order to fund future growth opportunities, both through acquisitions and other business opportunities.

Financial Performance

DDT's adjusted results for the years ending 30 June 2001, 2002, 2003 and 2004 are shown below:

\$'000 Y/E 30 June	Adjusted Actual 2001	Adjusted Actual 2002	Adjusted Actual 2003	Adjusted Actual 2004
Revenue	184	2,510	4,470	8,520
Loss before Interest, Abnormals & Tax	(1,985)	(766)	(489)	(513)

Note: Where necessary, the financial information has been adjusted to ensure comparability of results (refer Sections 6 and 8 for further financial information).

The Group commenced commercial production of DataDots in 2001 and, to date, has achieved growth in both the volume of DataDots sold and the dollar value of sales. The Company's future growth will be driven by new customers, product innovation, and expanding markets in existing and new geographic areas.

The Directors have elected to not include forecast sales and profit information in this Prospectus because of the difficulty involved in accurately estimating future customer orders for particular products across various geographic markets, some of which are still in their infancy. Nevertheless, based on current operating conditions for the Company, and the level of customer orders presently expected by the Board for the remainder of the current 2005 financial year, and assuming no unforeseen delays or difficulties, the Directors believe that DDT is likely to achieve growth in sales and at least breakeven profitability in the 2005 financial year (notwithstanding a first half loss of approximately \$1.2 million unadjusted).

Asset Backing

A summary of the DDT Proforma Statement of Financial Position is set out below, incorporating the Statement of Financial Position as at 30 June 2004 adjusted for the Offer. The assumptions underlying the summary Proforma Statement of Financial Position, and a detailed Proforma Statement of Financial Position, are set out in the Investigating Accountant's Report in Section 8.

	\$'000
Current Assets	10,345
Non-Current Assets	1,326
Total Assets	11,671
Current Liabilities	2,467
Non-Current Liabilities	4,468
Total Liabilities	6,935
Shareholders Equity/Net Assets	4,736

Based on the Proforma Statement of Financial Position annexed to the Investigating Accountant's Report in Section 8, DDT's proforma net tangible asset backing per Share (undiluted) will be \$0.05 at the time of its ASX listing.

Dividend Policy

The Directors cannot give any assurances as to the extent, timing, level of franking or payment of any future dividends, as they are dependent on a number of factors, including the level of future earnings, the amount of tax paid, the financial position of the Group and future operating conditions.

Business and Investment Risks

The business of the Group may be affected by a number of business risks. Some of these risks apply to companies generally, and include changes in the level of interest rates, movements in exchange rates and general economic conditions. There are also a number of risk factors that are specific to an investment in DDT. A description of certain of these and other potential business risks is set out in Section 7. Before deciding to invest in DDT, potential investors should read the entire Prospectus and, in particular, consider the risk factors that could affect the financial performance of the Group.

How to Apply for Shares

An application for Shares in the Offer can only be made by completing an Application Form contained in this Prospectus. Detailed instructions on the correct method of completing an Application Form are included at the end of this Prospectus.

The Application Form must be accompanied by a cheque, in Australian Dollars, for the application monies. The minimum Application under this Offer is for 8,000 Shares (being application monies of \$2,000) and thereafter in multiples of 1,000 Shares. All cheques must be made payable to 'DataDot Technology Limited Float Account' and crossed 'Not Negotiable'.

The completed Application Form should be received by

KTM Capital Pty Limited
Level 2
16 O'Connell Street
Sydney NSW 2000

no later than 5.00 pm EST on the Closing Date. The Closing Date is expected to be 17 December 2004.

Payments by cheque will be deemed to be made when the cheque is honoured by the bank on which it is drawn. Applicants are advised to lodge their Application Forms as early as possible after the Offer opens.

The Directors reserve the right, in consultation with the Underwriter, to close the application list at any time after expiry of the Prospectus exposure period without prior notice. The Underwriter reserves the right to extend the Offer period in consultation with the Company. The Company does not intend to accept Application Forms received after the Closing Date other than in satisfaction of the Underwriter's obligations to meet any shortfall in Applications.

Acceptance of Applications

The Company may accept or reject any Application, or accept an Application in respect of a number of Shares less than the number for which the Applicant applies. Acceptance of an Application by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares for which the Application is accepted. Acceptance only takes place on allotment and issue of Shares.

Where an Application is rejected, the Application monies will be returned in full. If the number of Shares allotted to the Applicant is fewer than the number for which the Applicant applied, the surplus Application monies will be returned. Interest will not be paid on the returned Application monies.

The Company will issue the Shares that are the subject of successful Applications as soon as possible after the Closing Date and the grant of ASX permission for official quotation of the Shares unconditionally or on conditions acceptable to the Board.

Pending the issue by the Company of the Shares offered by this Prospectus, the Company will deposit Application monies in a separate bank account and keep them there for so long as those Applications, or any part of them, are liable to be repaid in accordance with the Corporations Act and this Prospectus.

Employee Share Option Plan

Full details of the Employee Share Option Plan is contained in Section 10.

ASX Listing

The Company will make an application to the ASX within 7 days after the date of this Prospectus for the Company to be admitted to the Official List of the ASX and for the official quotation of all of its Shares (other than the Shares classified as restricted securities by the ASX).

The fact that the ASX may admit DDT to its Official List is not to be taken as an indication of the merits of the Company or the Shares. The ASX, its officers and employees take no responsibility for the contents of this Prospectus.

If granted, quotation of the Shares on the ASX will commence as soon as is practicable after the issue of holding statements to Shareholders.

If permission for official quotation of the Shares is not granted or deemed granted within 3 months, none of the Shares offered by this Prospectus will be issued, unless an exemption is granted by the ASIC permitting such issue. If no issue is made, all Application monies will be returned within the time prescribed by the Corporations Act. Interest will not be paid on any Application monies refunded.

Clearing House Electronic Subregister System

The Company will apply to the ASX to participate in the Securities Clearing House Electronic Subregister System (CHES). Under CHES, the Company will not be issuing certificates to Shareholders. Instead, Shareholders will receive a statement (similar to a bank account statement) that sets out the number of Shares allotted to each of them under this Prospectus. The notice will also advise Shareholders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHES. Further holding statements will be provided to Shareholders which reflect any changes in their shareholding in the Company during any month.

Underwriting Agreement

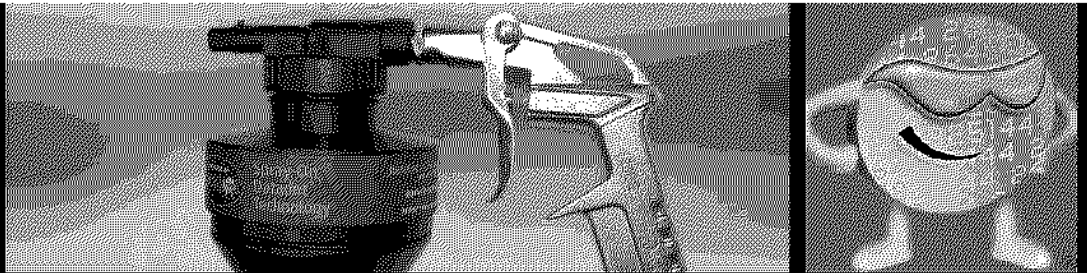
The Offer has been underwritten by KTM Capital. The Underwriter is entitled to a management fee of \$400,000, an underwriting fee of \$100,000 and 7,350,000 Options in the Company. The Company will also pay any GST payable in relation to any fees payable to the Underwriter. Details of the Underwriting Agreement, including the circumstances in which the Underwriter may terminate its obligations, are set out in Section 10.

Overseas Investors

It is the responsibility of investors to obtain all necessary approvals for the subscription for Shares under this Prospectus. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

Section 4

Overview of DataDot Technology Limited



*...DataDot Technology Limited
(DDT) is an Australian incorporated
holding company...*

Overview

DataDot Technology Limited (DDT) is an Australian incorporated holding company. The Group currently sells DataDots in Australia, the United Kingdom, Europe, the United States of America, Canada, South Africa, Indonesia, Taiwan, Thailand, Hong Kong, China, New Zealand and Russia. DDT has recently signed a distribution contract for the distribution of its products in India, Pakistan and Sri Lanka from 2005. The Company's manufacturing facilities are located in Australia, the United States of America (two facilities), the United Kingdom and South Africa.

The Company was formed in March 2000 to market its innovative anti-theft and anti-counterfeiting microdot technology. Using proprietary production and Australian patented spray application methods, DDT has adapted, tried, and proven the microdot technology to create many new applications for DataDot systems across various product channels and in various geographic markets.

Motor vehicles are among the most reported property assets stolen in many Western countries. For example in the relatively small Australian market, the annual cost of vehicle theft as measured by the National Insurance Crime Bureau is around \$1bn while in the USA it is \$7.5bn with 1.2m vehicles stolen annually. The fact that over 25% of stolen motor vehicles and around 70% of stolen motorcycles are never recovered highlights the massive economic and insurance cost associated with rebirthing and parts fragmentation in these markets.

DataDot technology delivers a community responsible theft deterrent service and has won official regulatory support in several jurisdictions. The technology is gaining acceptance in markets in which it operates. The Group has manufactured and supplied DataDot products to major companies such as Nissan (USA), BMW (Australia), Subaru (Australia), Ford Performance Vehicles (Australia), Porsche (Australia), Holden Special Vehicles (GM subsidiary, Australia), Audi (Australia), Izuzu (Asia), Avis (South Africa), Techmashimport (Russia), Mitsubishi (UK), and VW (Taiwan).

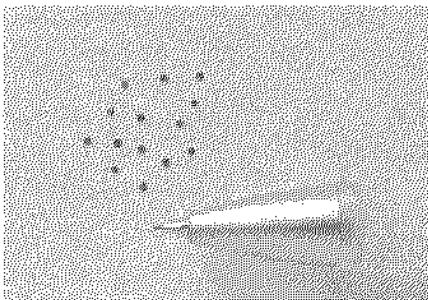
DDT is currently in early growth stages in Australia, the United States of America, the United Kingdom and South Africa, with new markets opening in Russia and Asia. The Company will continue to use its domestic presence and global relationships to continue to forge new strategic alliances, and to establish new manufacturing and distribution agreements, to build sales and enter new geographic markets.

The Group structure is shown below.

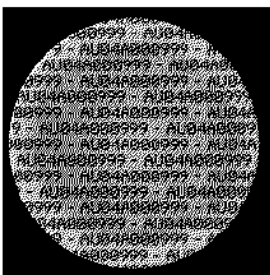


What Are DataDots

About the size of a grain of sand, each DataDot is manufactured using a polyester substrate which is then encrypted with an alphanumeric code via a laser etch process. The DataDots are suspended in a specially formulated adhesive containing a UV trace and are attached to any item of value, by either a unique spray or brush-on process.



DataDots not magnified



DataDot magnified about 60 times.

Each DataDot incorporates a unique code, which can feature the full regulatory based manufacturers VIN number (incorporating the chassis number) of motor vehicles, motor cycles or trailers or the HIN (Hull Identification Number) of marine craft. In addition, other unique identifiers may be used, distinctive to the individual, company or asset type or alternatively any other digit sequence identifier (Personal Identification Number or PIN) typically allocated by DDT.

To ensure ease of reading and identification, DDT has been working extensively with law enforcement, regulators and the insurance industry to obtain maximum awareness. In addition, DDT has developed some advanced database applications to collect and store identified asset data in each of its various markets. Where possible, DDT attempts to have vehicles marked with a DataDot identifiable through primary law enforcement databases, while also providing secure search facilities to law enforcement via the internet in each market in which it operates.

Range of Products

The Group has a range of products that are designed to deter theft, counterfeiting and product diversion. The Group's products have features that assist in identifying criminal activities through the identification of stolen assets and their parts, which then allows for the return of stolen goods to their rightful owners and potential prosecution of those involved.

The Group's products and systems are tailored for each particular geographic market and distribution channel. The primary products and systems for key assets are:

Motor Vehicles – 1,000 to 10,000 DataDots per vehicle coded with the unique auto manufacturer fitted Vehicle Identification Number (VIN) or a DDT designed Personal Identification Number (PIN) are applied via a spray or brush process at the place of assembly, importation or in the aftermarket through dealers. Similar VIN or PIN identification based dots are also used for caravans, trailers, and trucks.

Motorcycles – DataDots encoded with the motorcycle's VIN or a PIN are applied to motorcycles, ATV's and other Powersports equipment. In selected countries, a DataDot National Motorcycle Register has been implemented to allow law enforcement tracing in the event of theft.

Marine – Used in the protection of all types of watercraft, outboard motors, instruments and contents based upon a boat manufacturers Hull Identification Number (HIN) encoded on each DataDot.

Personal Identification – DataDots encoded with a DDT derived unique PIN may be applied by brush to all personal assets in and around the home. Accompanying home inventory software further adds to this valuable identification tool in the home. This product has also encapsulates the Community Marking Program now being implemented by law enforcement departments in Florida, Texas, Philadelphia and other parts of the United States of America.

Business and Military – All types of business assets can be brushed with DataDots encoded with the company's business name or registered business number. This system works to not only deter theft but as a unique asset management system.

Component Marking – Specialised dots are manufactured for a particular customer based on the needs and identification specifications of the customer for a particular purpose.

In addition to DataDots, the Group has also developed other iterations of the microdot namely the DataStrip and DataLabel.

DataStrip – The DataStrip is an encrypted thread which may be sewn into clothing labels or any item from a fabric or paper. The DataStrip is encrypted with a unique alphanumeric code.

DataLabel – The DataLabel comprises a label and strip combination which may be used for the prevention of counterfeiting manufactured products. The DataLabel provides a means by which manufacturers can record covert information on their product, prove authenticity of a product and act as an effective method of reducing product tampering.

Competition

Competition within the channels into which these products have been taken varies by geographic market but is typically limited. While various alternate asset identification systems do exist (eg. window etching, chemical marking and paper labelling), global competition in microdot based technologies is currently minimal. The Group's core competencies are built on:

- patented technologically based spray processes providing speed and ease in installation;
- scaleable and portable manufacturing plants in key markets around the world;
- Government and regulatory backing to aid education, awareness and hence assist in the reduction of vehicle theft in various countries;
- increasing insurance industry support in North America, the United Kingdom, Europe, South Africa, Australia and other parts of the world;
- extensive and increasing support of key manufacturers; and
- global offering which assists in location of stolen assets across geographic borders and allows the needs of customers to be better served.

A key example of Government and insurance industry support is the Australian National Motor Vehicle Theft Reduction Council (NMVTRC) which represents all State Governments and the insurance industry.

More recently, on 6 April 2004, the US Department of Transport issued a ruling that introduces potential opportunities for DataDot whole-vehicle identification. In summary this ruling provides that the parts marking requirements (Rule 541) is to be extended to all passenger cars vehicles and light trucks and that NHTSA has undertaken to study the effectiveness and cost of new forms of more permanent parts marking including DataDots.

Authority and Regulatory Support

The Group has forged close working relationships with a number of Investigating authorities and regulatory bodies in various markets which in turn has resulted in broader product awareness and support for microdot technology.

In Australia, the NMVTRC's endorsement and ongoing evaluation of the microdot VIN system has been particularly significant. DDT is the only company to successfully adhere to the strict criteria set down by the Council for an Australian Motor Vehicle Identification System. Investigating evaluation of the technology by the NMVTRC over the last 2^{1/2} years has highlighted an average 65% reduction in professional theft rates on BMW and Holden Special Vehicles, respectively, fitted with the technology. While still early days, Subaru is also reporting a considerable reduction in theft through the use of the DataDot technology.

Other key accreditations include:

Thatcham (UK) – The DataDot Technology and our motor vehicle identification system has been tested by Thatcham and accredited with the highest 'Q Class' security rating for insurance benefits.

Vehicle Crime Steering Committee (South Africa) – The VCSC comprising BAC, SA Police Services, SA Insurance Association and other government and private bodies involved in combating vehicle crime, fully endorse and promote the use of microdot technology in South Africa.

Ministry of Public Security Anti-Counterfeit Technology (China) – The Ministry has certified DDT to operate legally throughout China. Our products were subjected to a series of stringent laboratory and field tests and individually certified for many major applications such as motor vehicles, consumer goods and military equipment. DDT was the first foreign Company to receive this type of certification in China and we were awarded the highest rating.

Patents and Intellectual Property

The Company has applied for and been granted a standard patent and an innovation patent in Australia over its spray techniques. These patents allow the Company to claim rights to the technology to the exclusion of competitors up to 2021 (the standard patent) and 2009 (the innovation patent).

The Australian patents are derived from an initial patent application filed in the United States of America in November 2000. An international patent application, and applications in a range of countries, also derive from that initial application.

DDT is currently developing new microdot configurations which when open to patent protection will be applied for under international treaty conventions to ensure maximum protection.

Further information concerning the Group's patents can be found in Section 9.

The Company has extensive trademark lodgments throughout the world and continues to extend its coverage into new markets. In addition, DDT has proprietary ownership in various machines used in its manufacturing process due to the custom design and internal assembly of these machines.

Research and Development

Future development of DataDot technologies consists of three parts – Product, Application Methods and Regulatory reform:

Product – Product innovation will remain paramount in DDT maintaining its competitive advantage over alternative forms of asset marking. Product areas in focus include further mobility of the process, new spray techniques, more efficient machinery design and new product applications. Of particular significance is mobility of the manufacturing process, which would allow DataDot production to take place on a customer's premise, which will be of particular relevance to larger quantify vehicle manufacturing.

An agreement has been entered into with the Australian Government owned Commonwealth Scientific & Industrial Research Organisation (CSIRO), for the joint development of new generation Identifiers as an extension of our current DataDot technology. Under this agreement both parties share cost and ownership of patents with DDT having exclusive license rights for the commercialisation of the technology developed.

Application Methods – The current method of applying the DataDots, whilst adequate for imported vehicles and lower volume manufacturers, is too time consuming and costly for application to cars on an assembly line. To this end, DDT has entered into an agreement with Seymac Automation Limited, a UK robotic manufacturer for the development of a robotic arm for online application. The prototype for this development is now completed and will soon be available for display in the robotic company's showrooms in Detroit and the UK for motor manufacturers to examine.

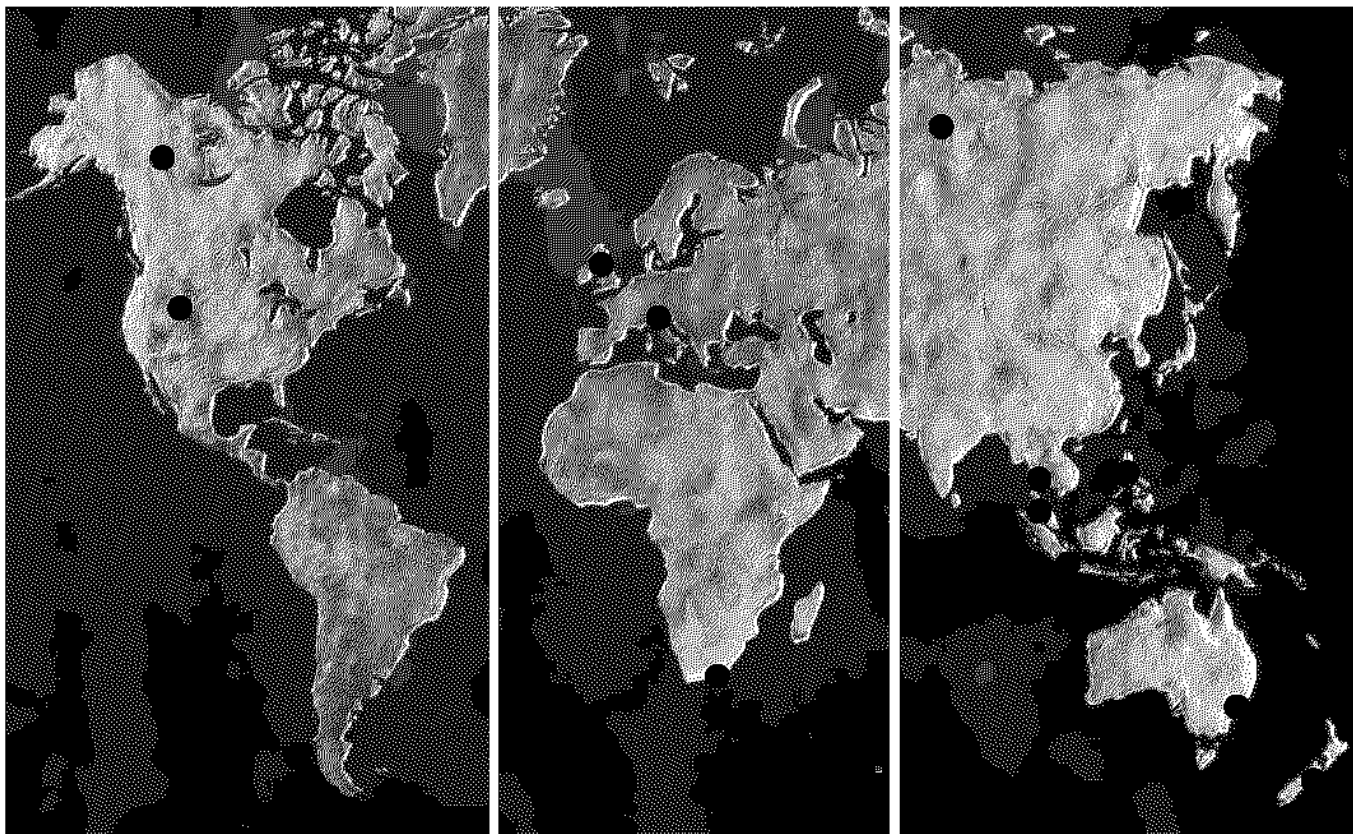
Regulatory – Steps being taken in the United States of America are directed at ultimately requiring asset identification on all parts within a vehicle as an integral part of the overall vehicle design. While paper based labelling has been the dominant parts marking technology for the past 14 years, microdot technologies offer new, cost effective and secure means of identifying components. While the lead-time in regulatory change is typically long, substantial new markets are expected to open up for DDT in the years ahead.

Regional Overview

Australia

In Australia, DDT has continued to move ahead in the three major transport sectors – motor vehicle, motorcycle and marine. DDT has established its technology as standard fit on approximately 10% of the nation's new motor vehicles which equates to approximately 75,000 motor vehicles annually. The Company remains in active discussions with other leading auto groups. The Company's achievements in Australia have been assisted by the dramatic theft reduction results as reported by independent analysis conducted by the National Motor Vehicle Theft Reduction Council.

In Australia, DDT has supplier relationships with manufacturers such as BMW (all models since October 2001), HSV (all models since September 2001), Porsche (all models since October 2001), FPV (all models since October 2001), Ford Mustang since October 2001, Mini (all models since March 2002), Subaru (all models since January 2003) and Audi (A6 since October 2004 with all models from January 2005).



● Countries in which Datadot, its subsidiaries and distributors have offices throughout the world.

The boating industry has also showed enormous interest in the creation of a product which replicates their standard identifier – the Hull Identification Number (HIN). A number of leading boat suppliers have committed to standard fitting DataDot and include Australian Master Marine, Mustang Pleasure Boats, Seafarer and Haines Hunter have already launched DataDot programs.

A non-Group company, DataDot Aftermarket Pty Ltd, has been contracted by DDT to service and develop the sale of DataDots to the motor vehicle, motorcycle and marine dealerships. The DataDot product is presently sold in over 450 car and motorcycle dealerships with many dealerships totally embracing the technology with standard fit of DataDots to all their vehicles prior to sale.

The home and business sector has also developed with an exclusive distributor appointed, creating an arm of the business called 'DataDot Home & Business'. In addition the building industry has shown great interest in DataDots. Henley Homes, Dale Alcock Homes and now, industry major player, Metricon Homes, utilise DataDot technology on all their building sites.

North America and South America

DDT's operation in the United States of America are conducted by a 100% owned subsidiary company, DataDot USA Inc (DDTUS). DDTUS has successfully established its position in the US

market with key contracts entered into, distributors appointed in a large number of key States and in Canada, new products launched, and new manufacturing facilities put in place in both Spokane and Redmond (Seattle).

DDTUS provides product and support for the USA, Canada, Mexico and South American markets. DDTUS has appointed licensed distributors and agents in key parts of the US to assist in education and product entry into various channels. Key regions represented include Illinois, Indiana, Michigan, New Jersey, California, Florida, Texas, New York, Pennsylvania, Tennessee, Washington and the Carolinas.

In June 2004, DDTUS launched the MightyDot aftermarket program directed at the 21,650 motor vehicle dealers across the US. Trends in this industry indicate an increased concentration of vehicle sales from major dealer groups and continued strong sale of warranty style programs. Accordingly, DDTUS has developed a program in association with one of the leading providers of automotive warranty and service contracts for launch to the major dealer groups across the United States. While only a few months into the launch phase, results already augur toward strong product growth in 2005 and beyond. Following the automotive program, DDTUS is also well advanced for the launch of similar programs into the

powersports and home markets during 2005 again backed by leading insurance and warranty providers.

Other key programs launched by DDTUS during 2004 included the specific component parts marking initiatives with Nissan North America, strategic marketing initiatives with Bank of America, a major automotive product launch in Canada with a leading automotive supplier, the commencement of a police badge authenticity program with Smith & Warren as well as first sales to suppliers to the US military for tool marking and law enforcement departments nationwide under the DataDot Community Marking program.

Longer term DDTUS sees potential growth with a number of key automotive manufacturers either based on whole of car spray application under possible Department of Transport mandates or manufacturer elect, or via selected parts marking initiatives based on the high theft componentry. Rule changes from the Department of Transport coupled with robotic spray developments are key determinants in this longer term program.

Outside of North America, significant opportunities are opening in Mexico where DataDots are seen by insurers and the automotive industry as a means of reducing the country's escalating theft rates. First orders into South America and Mexico have already begun, as have formal product launches in Trinidad and Bermuda. Advanced discussions are also underway with potential distributors in Argentina, Brazil, Ecuador and Chile. South America is expected to become a meaningful contributor during 2005 and 2006.

The United Kingdom and Europe

DDT conducts its activities in the United Kingdom and Europe (excluding Russia, the Commonwealth of Independent States and several Balkan countries) via a 72% owned subsidiary company DataDot Technology (UK) Limited and its Subsidiary (DDTUK). The balance of DDTUK is held by the UK Managing Director and a key distributor in the United Kingdom. DDTUK operates a DataDot manufacturing facility in the United Kingdom and markets DataDots under the 'MightyDot' banner. DDTUK has been aggressively pursuing the motor vehicle aftermarket market in advance of approaching local manufacturers and importers regarding OEM fitment. The first of these, Mitsubishi (UK), has commenced using DataDots.

South Africa

DDT conducts its activities in South Africa via a 42.5% owned controlled company DataDot SA Ltd (DDTSA). DDTSA operates a DataDot manufacturing facility in South Africa.

The first vehicles for key industry player Avis Rent a Car were applied with DataDots in June 2003. All of Avis' new vehicle purchases now have DataDots as standard equipment. Recent results released by Avis have revealed an overall improvement to vehicle theft of 52.4% after recoveries. An agreement with Imperial Car Rental – the second largest rental company in Southern Africa – has been formalised and the fitment of DataDots to certain models within their range was implemented in June 2004.

Further contracts include the compulsory application of DataDots to all taxis on the books of insurer Clarendon Transport Underwriters (CTU). This has been a good test for DataDot since Toyota Siyaya represents the highest risk vehicle in South Africa. CTU has stated that 'since using microdot technology, we're seeing a decline of at least 50 percent in our theft and hijacking statistics. Recovery of stolen vehicles has also increased dramatically but most impressive has been the South African Police Force involvement in the recoveries as well as their commitment to the project'.

Discussions with major manufacturers in South Africa are underway on a continuous basis. The Vehicle Crime Steering Committee of South Africa maintains its request to these manufacturers to fit the microdot as standard to all vehicles. Whilst the responses to these requests have been varied, management at DDTSA is confident that a positive announcement is imminent.

Asia

DataDot Asia Pty Ltd (DDTA) is 50% owned by DDT and 50% by Identify Hong Kong, a Chinese distribution company. DDTA is developing the market for and supplying DataDot product into China, Hong Kong and Macau.

Distribution arrangements have been initiated with several organisations within China and Hong Kong with the major market potential focused on anti-counterfeiting products utilising the DataLabel technology. Trials have already been completed with a number of leading consumer product manufacturers such as ST Dupont Health Brand.

DDTA has secured a Certificate from the Anti-Counterfeiting Association (Ministry of Public Security PRC) which has the sole mandate to approve all anti-counterfeiting measures used in China and Hong Kong. This certificate provides DDTA with substantial market credibility when approaching or negotiating with manufacturers and Government in the marketplace.

Russia

DDT has signed an exclusive distribution agreement with a non-Group company, DataDot Systems Australia Pty Limited, as the exclusive distributor for Russia and several of the Baltic States. That company has appointed as its sub-distributor for those territories Techmashimport. Techmashimport has been appointed by the Russian Federation to distribute DDT's products within its territories. Under this agreement, Techmashimport has become the sole distributor of DDT's products for the Russian Federation and Commonwealth of Independent States (former USSR Republics).

Initial orders for the Russian market were dispatched during October 2003, with the initial focus on dealer setup, obtaining regulatory support and the training of police and transport regulators. Experience in this market over the last year coupled with the considerable cross border vehicle theft resulted in further territory extension during 2004 to include the Baltic States and Ukraine.

Russia is anticipated to be a key growth market for DDT with contracts already signed for supply of product to a major truck manufacturer commencing 2005 and the possibility of contracts major motor vehicle manufacturers in the territory over the next twelve months.

Other Asian Markets

In Thailand, DDT sells DataDots under an exclusive distribution agreement with a local entity. In this market trials are well underway with Isuzu trialling a DataDot parts identification product on a range of spare parts with the view to marking all parts manufactured in the region.

In Indonesia, DDT sells DataDots under an exclusive distribution agreement with an Australian company. An order to supply the Honda Motor

company with significant volumes of DataLabels has been the highlight of 2004 and shows the potential in this market. There have been additional requests from the new Distributors for quotations for large quantities of this security label and it seems that this could evolve into a major source of new business in this territory.

In Taiwan, DDT sells DataDots under an exclusive distribution agreement with a local entity. Volkswagen (VW) Taiwan is now applying DataDots across its complete range of vehicles. Discussions with other leading manufacturers are also at an advanced stage with announcements expected late 2004 / early 2005.

Manufacturing

The Group's manufacturing process is a proven, scalable manufacturing process for the production of DataDots, DataLabels and DataStrips. The current production facilities have met the capacity needed for historical levels of sales. However, in order to service expected increases in sales in the future, DDT has committed \$1.5 million of the proceeds of the Offer to increase the capacity of the existing manufacturing facility. Once spent, the manufacturing capacity is expected to be sufficient to meet projected sales for the next 2 to 3 years.

Section 5

Board of Directors and Management Team

Board of Directors

Mr Peter Housden (57)

Non-Executive Chairman

Peter has 33 years in corporate life, as a Director or Company Secretary including 13 years on listed company Boards. He has extensive experience in most areas of business including operations, people, risk assessment and management, business development, finance and strategy. Previous roles held by Peter include Acting Chairman and Chair of Audit Committee for the Kaz Group Limited, Chief Financial Officer and Company Secretary for MIA Group Limited, Executive Director for RGC Limited, Executive Director and Chief Financial Officer for Australia Chemical Holdings Limited, Group Controller for Metal Manufacturers Limited as well as senior management positions with Esso Australia Limited and BHP Limited. Peter holds a Bachelor of Commerce (Honours) from the University of Newcastle, is a Fellow of the Australian Society of Certified Practising Accountants, a senior member of the Finance and Treasury Association and Fellow of the Australian Institute of Company Directors.

Mr Alan Grant (64)

Non-Executive Director

Alan has worked in the international banking and finance industries for over 48 years, holding management positions with the Commercial Banking Company of Sydney Limited, Associated Securities Limited, British Acceptance Limited, Granco Finance and a commercial finance consultancy and broking company, Trans State Finance Pty Limited. Alan has acted as non-executive Chairman for two listed public companies, Miniskips NZ Limited and Blue Line Cruises Limited as well as Chairman for a number of unlisted public companies in the resources sector. Alan brings to the Board of DDT a wealth of commercial experience in the areas of sales and marketing, finance and corporate governance.

Mr Ian Allen (55)

Chief Executive Officer

Ian is a joint founder of DDT and is responsible for the commercialisation of the DataDot technology around the world. Ian has over 40 years experience in the management of businesses in Australia, primarily in the insurance field. In 1978, he founded the National Credit Union Insurance Brokers, a business which offered insurance and financial planning services to credit union members throughout Australia. He ran this business until 1996. In 1996, he founded the National Asset Register, Australia's first asset identification and asset registration company. This company became DDT in 2002.

Mr John Richards (71)

Commercial Director and Secretary

As the Commercial Director of DataDot, John is responsible for all financial reporting, treasury, taxation and negotiation of Distribution and Supply Agreements. Prior to joining DDT in 2001, John was the managing partner of Kendalls Chartered Accountants, a position he held for some 40 years. In this position, he performed extensive accounting functions primarily for credit union clients. John holds a Diploma in Accounting from Sydney Technical College and was a member of the Australian Society of Accountants from 1957 until 2000. He is currently and has been a member of the Institute of Chartered Accountants of Australia from 1981.

Mr Chris Stott (53)

Chief Operating Officer

In conjunction with the Chief Executive Officer, Chris oversees the day-to-day functioning of the Group, as well as having specific involvement in the IT function and the auto manufacturers OEM strategy for the Group. He is also involved in the development of new region markets with specific emphasis on North America and Asia. Chris holds a Bachelor of Economics Degree from Flinders University. Prior to joining DDT, Chris held senior management positions with CUSCAL and the South Australian Government.

Management Team

Mr Brent McLaws (46)

Director and President DataDot Technology USA

Brent was the original developer of the micro identifier concept. Within DDTUS, he is responsible for the continued research and development effort including the robotic application for OEM auto manufacturers and the refinement and improvement of production workflow. Prior to jointly founding DDT with Ian Allen, Brent was a systems specialist with Kierrulff Electronics and a Vice President of Hybrid Micrographics, a developer and marketer of high end imaging systems.

Mr Stuart Cutler (35)

President Operations DataDot USA

Stuart's responsibilities at DDTUS include the day to day management of the US operations, the development and management of the US sales, distribution and agency network, the management and growth of the US Distributor network, undertaking specialised risk analysis work with insurance companies in the US, establishing global warranty businesses via underwriters in London, management of HR and the US accounting and finance functions. Stuart holds a Bachelor of Commerce from the University of New South Wales and a Degree in Australian Business Management from Deakin University.

Mr Andrew Blew (44)

Managing Director DataDot Technology South Africa

Andrew is responsible for the overall management of DDTSA and has held that position since 2001. Andrew has extensive experience in the management of businesses in South Africa. Prior to joining the Group, Andrew held senior management positions with Scansure/Volvo Insurance, the Meridian Insurance Group and the Standard General Insurance Company, a division of African Bank.

Mr Victor Stephens (51)

Production Manager

Within DDT, Victor is responsible for the management and supervision of the ordering of raw materials and the manufacture of DataDots for Australia, New Zealand and Russia. Victor holds a Bachelor of Economics (Honours) from Ealing

College in the United Kingdom. Prior to joining DDT, Victor held senior accounting and financial management roles within the credit union industry.

Mr Sam Saboune (36)

Chief Financial Officer

Within DDT, Sam's responsibilities include managing the finance and administration department, consolidated financial reporting, treasury, payroll, taxation and compliance. Sam has extensive experience in the financial reporting function for listed companies, having held this role for 2 other listed companies. Prior to this, he was an auditor with Deloitte and a senior accountant with Ajax Chemicals Limited. Sam holds a Bachelor of Commerce with an Accounting Major from Wollongong University, and is a Certified Practising Accountant.

Mr Geoff George (40)

Research and Development Manager

At DDT, Geoff is responsible for the research and development of new products, the production of machinery, the compilation and revision of manuals/templates for new and existing OEM customers and the installation and development of production equipment internationally. Prior to joining DDT in 2001, Geoff was a foreman at Sparloft Industries (who design and fabricate custom marine fittings, masts and rigging), a maintenance supervisor at Metropolitan Waste Disposal Authority and logistics manager at Forbesport.

Mr Rob Parsons (49)

General Manager Australia

At DDT, Rob is responsible for the overall management and marketing effort of the Australian business across all product categories including automobiles, boats, motor cycles and home use. Rob also manages customer relations and the development of the Australian marketing team. Prior to joining DDT in 2003, Rob held senior teaching and managerial positions (Deputy & Headmaster) with a number of non-Government schools including The Pittwater House Junior Schools, Newington College, Wyvern House, and Masada College. Rob holds a Diploma of Education and a Post Graduate Diploma in Educational Studies.

Section 6

Financial Information

Historical Results

The Adjusted Income Statements summarised below have been prepared so as to present fairly the earnings of DDT that would have been reported under applicable Australian Accounting Standards had the Company and its Subsidiaries been structured financially in the form in which it will be after the Offer, for the years ending 30 June 2001, 2002, 2003 and 2004. Interest and other financing costs and income tax have not been presented because the financial structure for the relevant period was different to that which will be in place after the Offer. Further historical information is included in the Investigating Accountant's Report in Section 8.

\$'000	Adjusted	Adjusted	Adjusted	Adjusted
Y/E 30 June	Actual	Actual	Actual	Actual
	2001	2002	2003	2004
Revenue	184	2,510	4,470	8,520
Loss before Interest, Abnormals & Tax	(1,985)	(766)	(489)	(513)

Note: Where necessary, the financial information has been adjusted to ensure comparability of results.

Financial Prospects

The Company's future growth will be driven by new customers, product innovation, and expanding markets in existing and new geographic areas. Factors affecting the future financial performance of the Company include market acceptance of the products offered by the Group and the impact of the competitive activities undertaken by other market participants.

The Group commenced commercial production of DataDots in 2001 and, to date, has achieved increased growth in both the volume of DataDots sold and the dollar value of sales.

The Directors have elected to not include forecast sales and profit information in this Prospectus because of the difficulty involved in accurately estimating future customer orders for particular products across various geographic markets, some of which are still in their infancy. Nevertheless, based on current operating conditions for the Company, and the level of customer orders presently expected by the Board for the remainder of the current 2005 financial year, and assuming no unforeseen delays or difficulties, the Directors believe that DDT is likely to achieve growth in sales and at least breakeven profitability in the 2005 financial year (notwithstanding a first half loss of approximately \$1.2 million unadjusted).

Section 7

Risk Factors

The business activities of the Group are subject to risks, and there are many risks which may impact on the Group's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Group and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to apply for Shares. In addition, investors should speak to their financial, legal or other adviser about these risks before making a decision to invest in Shares. The principal risk factors include, but are not limited to, the following:

Technological Obsolescence

The process by which the Group manufactures and applies DataDots may in time become obsolete in comparison to competing technologies to produce and apply DataDots. The Group continues to incur expenditure on improving its patented application process to minimise this risk. However, it can never be eliminated.

Reliance on Technology Performance

The Group is dependent on the computer and other information technology hardware and software which it operates. This computer equipment, software and other systems may not perform to specification. Performance failures of any of these components may significantly and adversely affect the Group's business.

Patent Infringement

The Group holds intellectual property rights, and a number of patents, in relation to the application of DataDots. In relation to the Group's patents, see Section 9 for further details, including additional risk factors. It is likely that the Group will continue to generate further intellectual property in the future as a result of its research and development, and other business activities. Not all of this intellectual property will necessarily be covered by patent protection. In any event, the granting of patent protection may not guarantee complete protection of the Group's intellectual property in all relevant geographic areas. Finally, even if the Group is successful in obtaining patents in relation to certain intellectual property, the enforceability of these patents by the Group is a risk factor. In most jurisdictions, it is an expensive and protracted exercise to enforce patent infringements.

Industrial Espionage

The Group's success depends in part on its ability to protect its proprietary intellectual property rights. However, it may be possible for a third party to copy, or otherwise obtain and use, the Group's proprietary rights. The Group employs a number of employees in the area of research and development, and in its manufacturing business, and necessarily discloses to those employees trade secrets concerning its manufacturing process and dispersion production. There is a risk that employees of the Group may improperly disclose

these trade secrets to competitors of the Group for commercial advantage. There can be no assurance that any protective measures taken by the Group have been, or will be, adequate to protect the Group's proprietary rights.

Business Interruption

Computer viruses, fire and other natural disasters, break-ins, theft, civil unrest, war and terrorism could lead to delays or cessation in the delivery of products or services to the customers of the Group and, accordingly, may adversely affect the Group's revenues and profitability.

Dependence on General Economic Conditions

In common with other companies, the Group may be affected by general economic conditions, including the level of interest rates, currency exchange rates, tax regulation and tax rates, global and national economic cycles, global and national political stability, employment rates, inflation, changing consumer demands, and spending by customers on related products and services. Any changes in the fiscal, monetary and regulatory policies of a Government may also adversely affect the Group's business.

Currency Exchange Rates

The financial position of the Company is affected by movements in exchange rates. Adverse movements in currency exchange rates have the potential to reduce investment returns. The Group does not have, but may in the future take out, hedging in respect of any currency exchange rates risk.

Foreign Markets

The Group conducts its business activities in many foreign markets and is, accordingly, subject to the imposition of taxes in those foreign markets without compensating credits necessarily being available in Australia. In particular, losses incurred by non-Australian Subsidiaries of DDT may not be able to be grouped by the Group for its Australian income tax purposes.

Recent Growth Record

Future growth is dependent on many factors, including those set out in this Prospectus. There is no assurance that the recent growth of the Group is sustainable, or is indicative of future growth or profitability, or future dividend payments. Nor is there any assurance that revenue will increase in

response to marketing and promotional activities proposed to be undertaken by the Group. In the future, there is no assurance that the Group's products will be readily taken up by the market or taken up at all.

Management of Future Growth

The Group has experienced a period of rapid growth and an increase in the number of its employees and offices and the scope of its supporting infrastructure. This growth has resulted in new and increased responsibilities for management and has placed, and will continue to place, a significant strain on the Group's management. The Group will be required to continue to implement and improve its systems on a timely basis in order to accommodate the increased number of transactions and customers and the increased size of its operation.

Reliance on Key Personnel

The Group's success will depend in part on the continued services of its key employees and contractors. The loss of services of one or more of the Group's key employees or contractors could have a material adverse effect on the Group's business, operating results and financial condition. The Group does not have, nor does it intend to take out, key man insurance in respect of any of its key employees and contractors.

Need to attract Qualified Staff

The Group's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that the Group will be successful in attracting and retaining such personnel on reasonable terms or at all. The Directors believe that the implementation of the Employee Share Option Plan will assist in attracting and retaining key staff. See Section 10 for further details.

Competition

The asset identification market is subject to rapid technological change and competition. The Group faces competition from other organisations, in various parts of the world, many of which may have significantly greater financial, technical and marketing resources than the Group. The Group has faced, and is expected to continue to face, additional competition from new entrants into its markets.

In most of the markets in which the Group's businesses currently operate, there are few or no special barriers to entry. This means that, despite any first mover advantage currently enjoyed by the Group, the prospect of new and substantial competition arising in those markets over time cannot be excluded, with consequential significant adverse effects on the Group's market share and profitability.

Increased competition could result in margin reductions, lower customer numbers, under-utilisation of employees, reduced operating margins, and loss of market share. Any of these occurrences could adversely affect the Group's business, operating results and financial condition. There can be no assurance that the Group will be able to compete successfully against current or future competitors.

Market Perception

The Group is proposing to expand its business significantly around the world. However, in existing markets, the Group is presently perceived as a relatively small entity. Further, in new markets, the Group has no present market reputation. This may inhibit the Group's ability to secure and convert business opportunities which are expected by the Board to develop in the future in those markets. Further, as manufacturing of the Group's products has not yet had to scale-up to meet large-scale customer demands, there is no assurance that the Group will be able to manage that scale-up, and this may have a material adverse effect on the profitability of the Group.

Dependence on Distributors

The business of the Group is based on relationships throughout the world with a number of arms-length distributors. A significant proportion of the Group's future revenues and profits are expected to be generated through those distribution arrangements. The Group's operations are, as a result, dependent on those distributors continuing and, wherever practicable, improving their effectiveness in their respective markets. However, not all of the Group's distribution arrangements contain minimum sales commitments from those distributors. See Section 10 for further details.

Business Contract Risks

There are a number of existing contracts which are material to the Group's business. See Section 10 for further details. Further contracts will likely be entered into by the Group which will also be material to the Group's business.

Many of those contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia. Apart from the usual vicissitudes of litigation, there may be regulatory or practical considerations which frustrate the enforceability, or enforcement, of such contracts against foreign or foreign-owned counterparties. These matters may have a significant adverse effect on the Group's ability to collect payments and otherwise to enforce its contracts, and may have a significant adverse effect more generally on the Group's business and profitability.

Apart from that, the business dealings of the Group are necessarily exposed to the potential of third party insolvency. If a third party with whom the Group has dealings becomes insolvent, this may also have a significant adverse effect on the Group and on its business and profitability. It should be noted that foreign insolvency laws are not necessarily similar to Australian insolvency laws.

Termination of Material Contracts

There are a number of existing contracts which are material to the Group's business. See Section 10 for further details. Further contracts will likely be entered into by the Group which will also be material to the Group's business.

Expiry or termination of those contracts, for any reason, may have a significant adverse impact on the business, revenues and profitability of the Group.

Litigation Risks

If the Group fails to meet its contractual commitments, it may be exposed to litigation that may materially adversely affect the financial position of the Group. This is particularly the case in more litigious jurisdictions in which the Group carries on business.

Further Capital Requirements

Although the Directors believe that, on completion of the Offer, the Group will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all.

Regulatory Changes

Changes in Government policies (such as in relation to the regulation of the providers of security systems) or statutory changes may affect the Group's revenues and profitability and the value of an investment in the Group.

Price and Liquidity for Shares

An investment in Shares should be regarded as speculative. The price of Shares can rise or fall. It can be affected by a range of factors affecting stock markets generally, or industries in which the Group's business is operated. Those matters are often beyond the control of the Group. In addition, liquidity in the trading of Shares (whether on the ASX or otherwise) can be affected by a range of matters beyond the control of the Group. Further, there is no guarantee of any return in respect of an investment in Shares, whether a return by way of profit or capital.

In particular, the price of many stocks listed on the ASX have, in recent times, been subject to large fluctuations, which, in some cases, may have been unrelated to the operating performance of the individual companies concerned. Such fluctuations may adversely affect the market price of Shares.

Force Majeure Risk

Force majeure is the term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war and strikes. The Group does not have insurance for all force majeure risks, some of which are, in any event, uninsurable. To the extent that any such risks occur, there may be adverse effects on the operations and profitability of the Group's business.

UK Shareholders Agreement

The Shareholders Agreement which the Group has entered into in respect of its Subsidiary in the United Kingdom includes provisions which impose non-competition restraints on all shareholders for a period of 2 years following the expiry or termination of the Agreement. See Section 10 for further details. The enforcement of these non-competition restraints against the Group would likely result in material adverse effects on the Group's revenues and profitability during the period of any such restraint. There can be no assurance that the Group will be able to limit the enforcement of these non-competition restraints in accordance with their terms.

Section 8

Investigating Accountant's Report

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A Member Firm of PKF International

PKFChartered Accountants
& Business Advisers**NSW Partnership**
ABN 83 236 985 726Level 10, 1 Margaret Street
Sydney NSW 2000

DX 10173 Sydney Stock Exchange NSW

Tel: 61 2 9251 4100
Fax: 61 2 9240 9821www.pkf.com.auLiability is limited by the Accountants
Scheme, approved under the
Professional Standards Act 1994 (NSW)

22 November 2004

The Directors
Datadot Technology Limited
Unit 9, 19 Rodborough Road,
Frenchs Forest
SYDNEY NSW 2086

Dear Sirs,

Introduction

This report has been prepared by PKF for inclusion in the Prospectus ('Prospectus') to be dated on or about 22 November 2004, and to be issued by Datadot Technology Limited ('DataDot') in respect of the proposed Offer of 40,000,000 shares in DataDot at a price of \$0.25 per share.

Expressions defined in the Prospectus have the same meaning in this report.

Background

PKF has been requested to prepare a report covering the financial information presented in the annexure to this report. It comprises:

- the sales revenue and adjusted loss before interest and income tax of the DataDot Group for the year ended 30 June 2004;

- the Statement of Financial Position of the DataDot Group as at 30 June 2004; and
- selected notes to the financial information.

The DataDot Group comprises DataDot and the companies it controlled as at 30 June 2004, as set out in Note 11 to the annexure.

The directors are responsible for the preparation and presentation of the financial information in the annexure, including the determination of the pro forma transactions. The financial information has been extracted from the audited financial statements of DataDot. The audit of these financial statements was conducted by PKF.

The historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act 2001.

The Pro Forma Statement of Financial Position has been extracted from the audited Statement of Financial Position of the DataDot Group as at 30 June 2004 after adjusting for the pro forma transactions described in Note 2 to the annexure.

Scope

We have reviewed the financial information presented in the annexure in order to report whether anything has come to our attention which causes us to believe that:

- the sales revenue and adjusted loss before interest and tax for the year ended 30 June 2004 and the Statement of Financial Position of the DataDot Group as at 30 June 2004, are not fairly presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by the DataDot Group disclosed in the annexure to this report; and
- the Pro Forma Statement of Financial Position is not fairly presented on the basis of the pro forma transactions.

Our review has been conducted in accordance with the Australian Auditing Standard AUS 902 'Review of Financial Reports'. We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of the DataDot financial statements for the year ended 30 June 2004;
- a review of work papers and documents;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by DataDot;
- a review of the pro forma transactions made to the historical financial information; and
- enquiry of directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Review Statements

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the sales revenue and adjusted loss before interest and income tax for the year ended 30 June 2004 and the Statement of Financial Position of the DataDot Group as at 30 June 2004, are not fairly presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by the DataDot Group disclosed in the annexure to this report; and

- the Pro Forma Statement of Financial Position is not fairly presented on the basis of the pro forma transactions.

Subsequent Events

Other than the matters dealt with in this report, to the best of our knowledge and belief, there have been no material transactions or events subsequent to 30 June 2004 outside the ordinary course of business of DataDot which require comment on, or adjustment to, the information contained in this report or which would cause such information to be misleading.

Independence

PKF does not have any interest in the outcome of this issue other than in the provision of this report and participation in due diligence procedures for which normal professional fees will be received. PKF is the auditor of DataDot and from time to time, PKF also provides DataDot with certain other professional services for which normal professional fees are received.

Yours faithfully,

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PKF
Chartered Accountants & Business Advisers



Arthur Milner
Partner

Sales Revenue and Adjusted Loss before Interest and Income Tax

Set out below are the sales revenue and adjusted loss before interest and income tax of the DataDot Group for the year ended 30 June 2004. These results have been extracted and compiled from the audited financial statements.

	12 months 30 June 2004 \$'000
Sales revenue	8,520
Adjusted loss before interest and income tax	(513)

Adjustments to Loss before interest and tax

Reported loss before interest and income tax has been adjusted to eliminate costs of an abnormal nature, and to reflect a cost structure to be implemented, as follows:

	12 months 30 June 2004 \$'000
Loss before interest and income tax as reported in the audited financial statements	(1,061)
Adjustment to eliminate non-recurring legal fees	212
Adjustment to eliminate non-recurring marketing expenses	141
Adjustment to eliminate non-recurring professional expenses	125
Adjustment to eliminate costs of closing service centre	20
Adjustment to reflect reduction in future salaries	50
Adjusted loss before interest and income tax	(513)

The financial information above should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION

	Note	Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
Current Assets			
Cash assets	3	137	8,988
Receivables	4	998	998
Inventories	5	359	359
Total Current Assets		1,494	10,345
Non-Current Assets			
Property, plant and equipment	6	1,326	1,326
Total Assets		2,820	11,671
Current Liabilities			
Payables	7	1,737	1,737
Interest bearing liabilities	8	556	556
Provisions	9	174	174
Total Current Liabilities		2,467	2,467
Non-Current Liabilities			
Payables	7	2,163	654
Interest bearing liabilities	8	5,199	3,804
Provisions	9	10	10
Total Non-Current Liabilities		7,372	4,468
Total Liabilities		9,839	6,935
NET ASSETS		(7,019)	4,736
Equity			
Contributed equity	10	582	11,237
Foreign Currency Translation Reserve		123	123
Accumulated losses		(7,685)	(6,585)
Parent entity interest		(6,980)	4,775
Outside equity interest		(39)	(39)
TOTAL EQUITY		(7,019)	4,736

The Statements of Financial Position should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Information**1. Summary of Significant Accounting Policies**

The financial information has been prepared in accordance with the measurement and recognition provisions of applicable Accounting Standards and Urgent Issues Group Consensus Views. Certain disclosure requirements have been omitted as they would provide no more relevant information to a potential investor in the DataDot Group.

The financial information covers Datadot Technology Limited as an individual parent entity and Datadot Technology Limited and controlled entities as an economic entity. Datadot Technology Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial information has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial information. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Datadot Technology Limited. Control exists where Datadot Technology Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Datadot Technology Limited to achieve the objectives of Datadot Technology Limited.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted average basis.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

Notes to and Forming Part of the Financial Information

1. Summary of Significant Accounting Policies (cont'd)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and methods used for each class of assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant & equipment	17-50%	Diminishing value & Straight line
Leased plant & equipment	20-33%	Straight line
Leasehold improvements	25-33%	Straight line

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(f) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

Notes to and Forming Part of the Financial Information**(h) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amount due at balance date plus, where applicable, accrued interest and less any unearned income and provisions for doubtful debts.

(j) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

2. Assumptions in Compiling the Pro Forma Statement of Financial Position

The pro forma Statement of Financial Position reflects the following transactions as if they had taken place as at 30 June 2004.

- (a) 2,820,000 convertible notes issued at \$0.25 per note on 2 July 2004.
- (b) 6,000,006 shares issued at \$0.25 per share on 18 October 2004.
- (c) Repayment of director and related party loans of \$2,509,000.
- (d) 40,000,000 shares at \$0.25 per share pursuant to the Offer.
- (e) Forgiveness of director and related party loans of \$1,100,000.
- (f) The payment of expenses of \$845,000 associated with the Offer outlined in this Prospectus.
These expenses have been charged against equity.

Notes to and Forming Part of the Financial Information

	Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
3. Cash Assets		
Cash at bank and on hand	137	8,988
Movements in cash		
Balance as at 30 June 2004		137
2,820,000 convertible notes issued at \$0.25 per note		705
6,000,006 shares issued at \$0.25 per share		1,500
Repayment of director and related party loans		(2,509)
40,000,000 shares issued at \$0.25 per share pursuant to the Prospectus		10,000
Cost of issue expenses		(845)
Pro forma cash at 30 June 2004		8,988

4. Receivables**Current**

Trade debtors	642	642
Provision for doubtful debts	(10)	(10)
	632	632
Other debtors	228	228
<i>Amounts receivable from related parties</i>		
D. Menday	138	138
	998	998

5. Inventories**Current**

Raw materials at cost	286	286
Finished goods at cost	73	73
	359	359

Notes to and Forming Part of the Financial Information

	Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
6. Property, Plant & Equipment		
Plant & equipment – at cost	727	727
Accumulated depreciation	(273)	(273)
	454	454
Leased plant & equipment	689	689
Accumulated amortisation	(184)	(184)
	505	505
Leasehold improvements – at cost	409	409
Accumulated amortisation	(42)	(42)
	367	367
Total Property, Plant and Equipment	1,326	1,326
7. Payables		
Current		
Trade creditors	599	599
Sundry creditors	1,033	1,033
	1,632	1,632
<i>Amounts payable to related parties</i>		
A. Blew	58	58
S. Cutler	37	37
C. Stott	10	10
	105	105
	1,737	1,737
Non Current		
<i>Amounts payable to related parties</i>		
B. McLaws	666	–
J. Richards	114	–
Valkyrie Nominees Pty Ltd	334	–
I. and D. Allen	259	–
A. Blew	136	–
Transform Limited	654	654
	2,163	654

Notes to and Forming Part of the Financial Information

		Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
8. Interest Bearing Liabilities			
Current			
<i>Secured</i>			
Bank loan – line of credit	8(a)	28	28
Bank loan – debtor finance facility	8(b)	241	241
Lease liabilities	8(c)	287	287
		556	556
Non Current			
<i>Secured</i>			
Lease liabilities	8(c)	941	941
<i>Unsecured loans</i>			
Amount payable to related parties – Valkyrie Nominees Pty Ltd	8(d)	2,000	–
J. Richards	8(d)	50	–
C. Stott	8(d)	50	–
Noteholder loans	8(e)	2,158	2,863
		5,199	3,804

(a) The bank line of credit is secured by a certificate of deposit provided by a subsidiary company.

(b) The Debtor Finance Facility is secured by a mortgage debenture over the whole of the assets and undertakings of Datadot Technology (Australia) Pty Limited, and by an Unsupported Guarantee & Indemnity for \$500,000 provided by that company.

(c) Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(d) Interest is paid at 9% per annum on related party loans.

(e) The Notes are convertible to ordinary shares up to the date of maturity which is 3 years from the issue date. The Notes were issued at varying dates between June 2002 and June 2004 at prices varying from \$0.15 to \$0.50 per Note. Noteholders may elect to redeem the notes at maturity. Notes that are not redeemed at maturity will automatically convert to ordinary shares. Interest is payable on Noteholder loans at 9% per annum.

Notes to and Forming Part of the Financial Information

	Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
9. Provisions		
Current		
Provision for employee entitlements	174	174
Non Current		
Provision for employee entitlements	10	10
Number of employees at year end	40	40
10. Contributed Equity		
(a) Issued Capital	Number	\$'000
Fully paid ordinary shares	96,456,006	11,237
Pro forma		
Balance at 30 June 2004	50,456,000	582
6,000,006 shares issued in October 2004	6,000,006	1,500
40,000,000 shares issued pursuant to the Prospectus	40,000,000	10,000
Costs of share issue	–	(845)
Pro forma at 30 June 2004	96,456,006	11,237

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholder meetings each shareholder has one vote on a show of hands. In the event of a poll, members present or their duly appointed representatives or proxies are entitled to one vote for each ordinary share.

	Actual 30 June 2004 \$'000	Pro forma 30 June 2004 \$'000
(b) Options		
Issued to employees – November 2002	2,500,000	2,500,000
Issued to employees – June 2003	4,000,000	4,000,000
	6,500,000	6,500,000

The options vest the earlier of two years of continued employment or sale or public listing of the company, and expire three years after vesting.

Subsequent to the end of the financial year, the company intends to issue 14,495,000 options to directors and management.

Notes to and Forming Part of the Financial Information

11. Controlled Entities

	<i>Country of Incorporation</i>	<i>Ownership</i>
<i>Subsidiaries of Datadot Technology Limited</i>		
Datadot Technology (Australia) Pty Ltd	Australia	100%
Datadot Technology USA, Inc.	USA	100%
Identify Australasia Pty Ltd	Australia	100%
Datadot Technology (UK) Limited	UK	72%
Datadot Technology (Asia) Pty Ltd	Australia	50%
Datadot Technology South Africa (Pty) Ltd	South Africa	42.5%
<i>Subsidiary of Datadot Technology (UK) Limited</i>		
Datadot Technology (Europe) Limited	UK	100%
<i>Subsidiary of Datadot Technology USA Inc.</i>		
MightyDot Warranty Services, Inc	US	100%

12. Contingent Liabilities

A subsidiary company has provided a guarantee to a third party in respect of property lease rentals (\$47,000).

13. Subsequent Events

There are no events subsequent to 30 June 2004 that have not been disclosed in the Prospectus so as to require reporting in this note.

14. Segment Reporting

Industry segment

The economic entity operates predominantly in one business segment being the manufacture and distribution of datadots.

Geographical segments

DataDot operates in the following geographical segments:

	Segment revenues from external customers \$'000	Segment Assets \$'000
Australia	5,139	1,775
USA	1,391	556
United Kingdom/Europe	335	133
Asia	1,232	39
South Africa	423	317
Total	8,520	2,820

Notes to and Forming Part of the Financial Information**15. Initial Adoption of International Reporting Standards**

For reporting periods after 1 January 2005, the DataDot Group must comply with International Financial Reporting Standards ('IFRS') as issued by the Australian Accounting Standards Board. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year, that is, the financial year commencing 1 July 2005.

The Directors of the DataDot Group are of the opinion that the overall impact on the accounting policies of the Group will be minimal. However, the following key differences in the Group's accounting policies stated in Note 1 above, that will arise as a result of the adoption of IFRS are:

a. Share Based Payments

The DataDot Group has established an Employee Share Option Plan under which the company can offer its employees and executives options as part of their remuneration packages. Australian IFRS equivalent AASB 2 Share Based Payments will require that these payments be measured at the fair value of the equity instrument. This amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

b. Income Tax

Currently, the Datadot Group adopts the liability (or income statement) method of tax-effect accounting whereby income tax expense is based on the accounting profit adjusted for any permanent differences. The Australian IFRS equivalent, AASB 112 Income Tax requires all income tax balances to be calculated using the balance sheet method. Under the balance sheet method, temporary differences are identified based on the carrying amount for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

In addition, the test for the recognition of deferred tax assets is a probable test rather than virtual certainty for tax losses and beyond reasonable doubt for timing differences under current Australian Accounting Standards.

Section 9

Patent Attorney's Report

40

DAVIES COLLISON CAVE
 AUSTRALIAN & NEW ZEALAND
 PATENT & TRADE MARK ATTORNEYS



29 October 2004

The Directors
 DataDot Technology Limited
 PO Box 6245
 Frenchs Forest DC
 New South Wales 2086

Our Ref: RSH/PLB

Re: Prospectus – Patent Attorneys Report

Dear Sirs,

This report is prepared for inclusion in a prospectus to be issued by DataDot Technology Limited ('DataDot').

Davies Collison Cave ('DCC') is a firm of patent and trade mark attorneys and this report has been prepared by Raymond Hind, a partner of the firm. Neither DCC or any of its partners has, or is entitled to, any shares in DataDot and this report has been prepared at the request of DataDot for inclusion in its prospectus.

DCC will be paid its usual professional fees for preparation of this report based on commercial rates.

1. General

Intellectual property may be regarded as a collective term for a group of rights which provide varying degrees of exclusivity in relation to products, processes, names, designs and drawings in industry, science or commerce. Patent rights constitute an important component of intellectual property. A patent provides protection for new, non-obvious and useful inventions for a limited period. Patents may be granted in respect of new or improved products and methods in almost all areas of current scientific, commercial and industrial activities.

Davies Collison Cave
 PATENT & TRADE MARK
 ATTORNEYS

Melbourne
 1 Nicholson Street
 Melbourne, Victoria
 Australia, 3000

GPO Box 438700
 Melbourne, Victoria
 Australia, 3001

Telephone:
 +61 3 9254 2777
 Facsimile:
 +61 3 9254 2770
 e-mail:
 mail@davies.com.au
 Web site:
 http://www.davies.com.au

ABN: 22 077 969 519

Other Offices:
 Sydney, Brisbane, Canberra

In association with:
 Davies Collison Cave Solicitors
 Intellectual Property Law

A fundamental requirement of the patent system is that the invention be 'new' at the time of lodging a patent application. Newness in this sense is judged in relation to what was publicly known or used at the date of the application. Another aspect of newness involves the requirement for a distinct inventive advance over what was previously known. This means that valid patent protection cannot be obtained for trivial or obvious developments.

Patent rights are essentially national rather than transnational and patents must be obtained in each country where protection is required.

The steps towards obtaining a patent generally begin by filing a first patent application in a selected country, say Australia or USA. This establishes a priority date in respect of the invention disclosed in the patent specification. Within the twelve month anniversary date of the filing of the patent application, corresponding patent applications can be filed in other countries to obtain the benefit of the priority date under an international convention (The Paris Convention). At that time, separate national patent applications may be filed in each of the countries in which protection is sought. Alternatively, or in addition, a single application may be filed under the provisions of the Patent Cooperation Treaty (generally referred to as a 'PCT' application or an 'International' application) in which it is possible to designate a range of countries in which protection is sought. The International application itself does not mature into a worldwide patent but at the end of the international phase, steps can be taken to file the application into any or all of the countries designated in the original International application; these are known as 'national phase applications'.

Regional patent applications, such as a European regional application, may also be filed. A European application may designate any or all countries which are party to the European Patent Convention. These countries include Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom. A European patent application may also be extended to certain other countries including those which are not full signatories to the European Patent Convention. The European patent application is processed centrally and in a single language and, if ultimately successful, can mature into a granted European patent. The European patent actually constitutes a bundle of national patent rights, each of which can be enforced separately through national courts.

In most countries examination by the relevant patent office comprises an examination of the technology to which the invention pertains as it existed at the priority date of the application. This examination establishes what is referred to as the 'state of the art'. The patent application is assessed against the state of the art and a determination is made regarding whether the invention described in the application is new, non-obvious and useful. Whether or not the patent application proceeds to grant of a patent will depend on the outcome of that determination.

Although the patent laws of most countries provide for a maximum term of 20 years for the patent, it is usually necessary to pay periodic renewal fees to maintain the patent in force and failure to pay those fees will result in lapsing of the patent.

While in most countries the patent is granted only following a determination by the Patent Office that the invention is new, non-obvious and useful, the patent laws of most countries enable that determination to be challenged by a third party at any time after grant of the patent and in some cases even prior to grant of the patent. As a result it is possible for a granted patent to be revoked following a reassessment of patentability usually by a court of competent jurisdiction within the country concerned. Accordingly, grant of a patent does not guarantee its validity, and an invalid patent will be unenforceable.

Grant of a patent in respect of an invention does not mean that the invention is able to be used without infringement of third party patent or other intellectual property rights.

2. Intellectual Property Relevant to DataDot

Technology relevant to the activities of DataDot is the subject of various patent applications/patents listed in Schedule 1 attached. These may be grouped into three patent families as follows:

Patent Family 1 – Label identifier application system

This family of cases relates to spray application systems for applying a variety of identifier labels, including microdots, to a product to assist in product identification.

The first application in this patent family was filed in the USA and provides a priority date of 17 November 2000. An International application, an Australian application, and a European application were filed with a claim to priority rights from the US application. National phase applications have been lodged in other countries from the international application.

The Australian application has proceeded to grant of a patent both as a standard patent and an innovation patent. The innovation patent was enforced in the Federal Court of Australia against an infringer and those proceedings resulted in an injunction to restrain further infringement by the party concerned. Although challenges to validity were raised against the innovation patent by the infringer, these were not pursued.

For the most part the other cases within Family 1 are still in their application stage. As far as the European application is concerned, we are aware that third party observations have been lodged on behalf of a third party to direct the attention of the Patent Office to prior art documents of which that party is aware.

The US, International, Australian, and European applications were filed in the names of the inventors Brent McLaws and Ian Allen whom we understand are each directors of DataDot. An assignment to DataDot has already been recorded for the Australian and South African applications in the Patent Offices of those countries. The other pending applications have been assigned to DataDot and steps are being undertaken to record the assignment in the Patent Offices of the countries concerned.

Patent Family 2

The basic application was filed in Australia on 21 June 2004 and relates to an improvement to the system of Patent Family 1. The Australian application was filed in the name of DataDot Technology Limited.

Instructions have already been sent for filing of a corresponding application in Brazil and we are informed by DataDot that it is intended that corresponding applications will be filed in other countries by the anniversary of the Australian filing date.

Patent Family 3

This relates to a security identification label incorporating a microstrip and the single case currently within this family was filed in the Russian Federation in the name of DataDot.

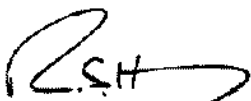
DataDot's US patent attorney was responsible for the preparation of the basic US application and subsequent International, Australian, and European applications of Patent Family 1. DCC was subsequently responsible for the prosecution of the Australian application and now has overall responsibility for the ongoing prosecution of the applications in other countries in liaison with patent attorneys in those countries. DCC was responsible for preparation of the patent applications of Families 2 and 3.

3. Disclaimer

Where a patent is listed in the Schedule as being granted, there is no guarantee that the patent is valid and enforceable. In addition there can be no assurance that each of the patent applications listed in the Schedule will result in the grant of a patent or as to the scope of protection which might be provided by a patent if granted, or whether a patent if granted is valid and enforceable.

Yours faithfully,

DAVIES COLLISON CAVE



RAYMOND HIND

Patent Family 1

Label identifier application system

Country	Application No.	Filing Date (Priority Date)	Status
United States of America	09/715864	17 November 2000 (17 November 2000)	Pending
International	PCT/US01/43934	14 November 2001 (17 November 2000)	National phases entered
Australia	87321/01	2 November 2001 (17 November 2000)	Granted – patent no. 770041
Australia Innovation patent	2001100633 (Divisional application of Australian application no. 87321/01)	12 December 2001 (17 November 2000)	Granted – patent no. 2001100633
Australia	2003270959 (Divisional application of Australian application no. 87321/01)	17 December 2003 (17 November 2000)	Pending
Europe	01309259.8	31 October 2001 (17 November 2000)	Pending
Hong Kong	04106621.0	3 September 2004 (17 November 2000)	Pending
New Zealand	525958 (National phase of International application)	14 November 2001 (17 November 2000)	Pending
People's Republic of China	01820751.0 (National phase of International application)	14 November 2001 (17 November 2000)	Pending
Republic of South Africa	2003/3810 (National phase of International application)	14 November 2001 (17 November 2000)	Accepted
Canada	2449824 (National phase of International application)	14 November 2001 (17 November 2000)	Pending
Japan	2002-542693 (National phase of International application)	14 November 2001 (17 November 2000)	Pending
Russian Federation	2003117428 (National phase of International application)	14 November 2001 (17 November 2000)	Pending

Patent Family 2

The application of microdots as identifier labels

Country	Application No.	Filing Date (Priority Date)	Status
Australia	2004903361	21 June 2004 (21 June 2004)	Filed
Brazil	To be advised	To be advised (21 June 2004)	Being filed

Patent Family 3

Security identification label

Country	Application No.	Filing Date (Priority Date)	Status
Russian Federation	2004116257	27 May 2004	Pending

Section 10

Additional Information

Share Capital

The Share Capital of the Company, after the issue of the Shares under this Prospectus, will be as follows:

Shareholder	Shares Held	Percentage of Shares after the Offer
Existing	5,491,000	5.7%
Promoters	42,965,000	44.5%
Public	48,000,006	49.8%
Total	96,456,006	100%

Rights Attaching to Shares

Immediately after issue and allotment, the Offer Shares will be fully paid ordinary Shares. There will be no liability on the part of Shareholders for any calls and the Offer Shares will rank pari passu with Shares currently on issue. Detailed provisions relating to the rights attaching to the Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company. Certain of the detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below.

Each Share will confer on its holder:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to priority given to holders of Shares that have not been classified by the ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of the Company (with the consent of Shareholders by special resolution); and
- subject to the Corporations Act and the Listing Rules, the right to transfer the Shares.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

Options on Issue

On completion of the Offer, the Company will have on issue the following Options:

Holder	Options Held	Share Issue Price	Shares on Exercise	Expiry Date
Directors	7,562,000	\$0.25/Share	7,562,000	31/12/09*
Directors	4,495,000	\$0.15/Share	4,495,000	31/12/09*
Management	2,500,000	\$0.15/Share	2,500,000	23/07/09
Management	4,000,000	\$0.20/Share	4,000,000	23/07/09
Management	2,438,000	\$0.25/Share	2,438,000	31/12/09*
Other	7,350,000	\$0.25/Share	7,350,000	31/12/09*
Total	28,345,000		28,345,000	

* These Options will be issued prior to admission of the Company's Shares to the Official List of the ASX.

Convertible Notes

The Company has on issue the following Convertible Notes:

Holder	Notes Held*	Interest Rate	Maturity Dates	Share Issue Price	Maximum No. of Shares if Converted
Tranche 1	8,166,665	9% pa	19/06/05 – 21/06/07	\$0.15/Note	15,754,467
Tranche 2A	3,513,975	9% pa	2/02/06 – 30/05/06	\$0.20/Note	6,778,879
Tranche 2B	571,428	9% pa	20/05/07 – 22/06/07	\$0.35/Note	1,102,353
Tranche 2C	60,000	9% pa	21/06/07 – 22/06/07	\$0.50/Note	115,756
Tranche 3	2,820,000	9% pa	30/06/07	\$0.25/Note	2,820,000
Total	15,132,068				26,571,455

* These Convertible Notes have an aggregate face value of \$2,862,794.55. This represents the maximum amount which the Company would have to repay in respect of the Notes (excluding interest) if the Notes are redeemed.

Detailed provisions relating to the rights attaching to the Notes are set out in the Convertible Note Terms applicable to each tranche of Notes. A copy of the Convertible Note Terms can be inspected during office hours at the registered office of the Company. Certain of the detailed provisions relating to the rights attaching to Notes under the Convertible Note Terms are summarised below.

Each Note will confer on its holder:

- the right to convert the Note into Shares (as envisaged above) at any time until the applicable Maturity Date (subject to compliance with all applicable laws);
- the right to receive an increase in the number of Shares issued on conversion of the Notes in respect of bonus issues made prior to the conversion of the Notes;
- the right to redeem the Note, if not previously converted, on the applicable Maturity Date (in addition, the Note will be automatically redeemed on a winding up of the Company);
- the right to be paid interest on the Note at the rate of 9% per annum calculated daily and paid 6 monthly in arrears until the later of conversion or the applicable Maturity Date; and
- the right to transfer the Notes.

The Notes comprise unsecured obligations of the Company.

Employee Share Option Plan

The Company has established an ESOP. Detailed provisions relating to the rights attaching to the Options are set out in the ESOP. A copy of the ESOP can be inspected during office hours at the registered office of the Company. Certain of the detailed provisions relating to the rights attaching to Options under the ESOP are summarised below:

Objectives

The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of DDT and its Subsidiaries.

Consideration

Each Option will be issued free of charge.

Exercise Price

The exercise price for Options granted under the ESOP will be the price fixed by the Board prior to the grant of the Options or, if no price is so fixed, subject to any reconstruction of the capital of the Company, will be the higher of:

- (a) 90% of the weighted average price of Shares on the ASX for the 5 business days preceding the invitation date (or, if no Shares were traded on any of those days, the 5 business days on which Shares were traded preceding the invitation date) which is specified as the initial price on the face of the Option Certificate; or
- (b) \$0.25.

Exercise Restrictions

The Options granted under the ESOP may be subject to such other restrictions on exercise as may be fixed by the Directors prior to grant of the Options including, without limitation, length of service by the employee and threshold prices at which Shares are traded on the ASX. Any restrictions so imposed by the Directors must be set out on the Option Certificate.

Participation in Dividends, Rights Issues and Bonus Issues

The Options granted under the ESOP do not give any right to participate in dividends or rights issues until Shares are allotted pursuant to the exercise of the relevant Option. The number of Shares issued on the exercise of Options will be adjusted for bonus issues made prior to the exercise of the Options.

Eligibility

Under the ESOP, the Directors may invite employees (including executive officers) to participate in the ESOP and receive Options. An employee may receive the Options or nominate a relative or associate to receive the Options.

The number of Shares underlying Options granted under the ESOP when aggregated with:

- the maximum number of Shares that could be issued on exercise of unexercised ESOP Options and any other employee incentive share or option plan; and
- the number of Shares issued on exercise of Options under the ESOP and any other employee incentive share or option plan in the last 5 years,

must not exceed 5% of the issued Shares at the time of grant of the Options. This restriction will not apply if DDT has a current prospectus under which the Options are granted or Options are issued without the need for a disclosure document under Section 708 of the Corporations Act.

Term of Options

The Options granted under the ESOP have a term specified on the face of each Option Certificate.

Subdivision or Consolidation

If DDT, after having granted any Option under the ESOP, reduces its issued Share Capital or subdivides or consolidates its Shares, the number of the Shares issued to the Optionholder on exercise of an Option will be reduced, subdivided or consolidated, as the case may be, in accordance with the ASX Listing Rules.

Restrictions on Transfer

Options granted under the ESOP are not transferable.

Material Contracts Summary

The Directors consider that the material contracts described below, and elsewhere in this Prospectus, are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

The following is a summary only of the material contracts and their substantive terms.

Exclusive Distribution Arrangements

The Company has entered into a number of exclusive distribution arrangements with distributors which cover a number of overseas jurisdictions. The Directors consider that some of these arrangements are material to the operations of the Company. Below is a table which identifies certain particulars regarding these arrangements and a summary of their substantive terms:

Party	Territory	Term
Cita Holdings Co Limited	Taiwan	10 years from 22 March 2002
DataDot Supply Limited	Russian Federation and the Commonwealth of Independent States	5 years from 6 February 2004
DataDot Technology (South Africa) (Proprietary) Limited (42.5% owned)	Africa, Madagascar and Mauritius	20 years from 2002
DataDot Technology (UK) Limited (72% owned)	The United Kingdom and Europe (excluding Russia)	10 years from 2002
Identification Concepts Limited	New Zealand	10 years from 1 August 2001
Identitek International Pty Ltd	Indonesia	5 years from 30 July 2003
Omish Auto Systems (P) Ltd	India, Bangladesh, Sri Lanka and Pakistan	10 years from October 2004

Each of the agreements with the above licensees/distributors has been entered into by the Company as the licensor and supplier and provides that the Company will manufacture and supply products that embody the DataDot technology and will license the associated intellectual property to the distributors in the relevant territories. The distributors are obliged to promote and sell the products within the territories and pay the agreed licence fees and the prices for the products ordered by them.

The agreements between the Company and each of Cita Holdings Co Limited, DataDot Supply Limited, Identification Concepts Limited and Omish Auto Systems (P) Ltd require the respective distributors to purchase a minimum purchase value of products each quarter. Failure to reach these minimum purchase values gives DataDot the right to terminate the relevant agreement.

The agreement between the Company and DDTUK grants DDTUK the additional right to manufacture the product in the United Kingdom in consideration for the payment of a 2.5% royalty on all manufactured products sold.

In addition to the expiry of the term, and the right to terminate if the minimum quarterly purchase values are not achieved, the agreements can be terminated on giving the specified notice if a breach of the agreement is unremedied within a specified number of days, if a warranty given under an agreement is found to be untrue or if an administrator or equivalent is appointed in respect of a party.

As a majority of the counter-parties to the exclusive distribution arrangements are incorporated and/or operate in foreign jurisdictions, enforcement of a breach of the agreements is likely to be expensive and the successful outcome of any legal action is uncertain. Currently the Directors are unaware of any threatened or potential litigation in respect of any of the exclusive distribution arrangements.

Vehicle Manufacturer Supply Agreements

Under an agreement dated 14 September 2004, Audi Australia Pty Limited has agreed to purchase DDT's vehicle identification system to be applied to all A6 models imported into Australia by Audi Australia from 1 October 2004 and all Audi vehicles from 1 January 2005. The term of the agreement is 2 years from 1 January 2005 unless either party terminates the agreement earlier by giving 3 months' written notice. Under the agreement DDT must supply DataDots to Audi Australia with each vehicle's Vehicle Identification Number etched on to them.

Under an agreement dated 5 May 2004, BMW Australia Pty Limited has agreed to purchase DDT's vehicle identification system to be applied to all BMW models, including Minis, imported into Australia by BMW Australia. The term of the agreement is 1 year from 5 May 2004, with a further 1 year extension contemplated, unless either party terminates the agreement earlier by giving 3 months' written notice. Under the agreement DDT must supply DataDots to BMW Australia with each vehicle's Vehicle Identification Number etched on to them.

Shareholders Agreements

DDTA Shareholders Agreement – DDT holds a 50% interest in DDTA and has entered into a Shareholders Agreement dated 9 August 2002 with the other shareholder of DDTA, Identity HK Pty Limited (a Hong Kong registered company). DDTA is also party to the Shareholders Agreement. Under the Shareholders Agreement, DDT has the following primary rights and obligations: to fund the additional working capital requirements of DDTA in relation to accounting and administration costs; to provide accounting and administrative functions to DDTA; and the right to appoint 2 out of the 4 Directors of DDTA. The Shareholders Agreement contains deadlock resolution procedures, and pre-emptive rights in favour of the other shareholders in the event that a shareholder wishes to sell their shares.

DDTSA Shareholders Agreement – DDT holds a 42.5% interest in DDTSA and has entered into a Shareholders Agreement dated 9 December 2002 with the other shareholder of DDTSA, Branmer International Trading (Pty) Limited (a South African registered company). DDTSA is also party to the Shareholders Agreement. Under the Shareholders Agreement DDT has the following primary rights and obligations: to fund the additional working capital requirements of DDTSA if the provision of such funding is agreed to be provided by all the shareholders; and the right to appoint 2 out of the 4 Directors of DDTSA. The Shareholders Agreement contains deadlock resolution procedures, and pre-emptive rights in favour of the other shareholders in the event that a shareholder wishes to sell their shares.

DDTUK Shareholders Agreement – DDT holds a 72% interest in DDTUK and has entered into a Shareholders Agreement dated 15 December 2002 with the other shareholders of DDTUK, Phillip Kibler and Craig Simnett. DDTUK is also party to the Shareholders Agreement. Under the Shareholders Agreement, DDT has the following primary rights and obligations: to fund the additional working capital requirements of DDTSA if the provision of such funding is agreed to be provided by all the shareholders; and the right to appoint, together with Mr Kibler, 4 out of the 5 Directors of DDTUK. The Shareholders Agreement contains deadlock resolution procedures, and pre-emptive rights in favour of the other shareholders in the event that a shareholder wishes to sell their shares.

DDTUK Loan Agreement – An entity associated with Mr Simnett, Transform (Leather Interior Specialists) Limited (a United Kingdom registered company), has provided a loan facility to DDTUK of up to £250,000 under a Loan Agreement dated 15 December 2002. This loan is repayable on the earlier to occur of the 10th anniversary of the Loan Agreement, the termination of the DDTUK Shareholders Agreement, and the termination of the exclusive distribution arrangement between DDT and DDTUK. DDT guarantees the performance of DDTUK's obligations under the Loan Agreement, including repayment of the loan facility.

Services Agreements

Under a Services Agreement dated on or about 16 August 2002 between DDT and Hermes Precisa Pty Limited, Hermes Precisa Pty Limited has agreed to supply micro-film to DDT in consideration for the payment of certain scheduled rates per film supplied. The Services Agreement can be terminated by either party for a subsisting default after giving at least 10 days notice, or without cause DDT may terminate the Services Agreement by giving Hermes Precisa Pty Limited 60 days notice of termination.

Under a Master Agreement for Document Services dated 17 October 2003 between DDTUS and Anacomp Inc (a United States registered company), Anacomp Inc has agreed to supply micro-film to DDTUS in consideration for the payment of certain scheduled rates per film supplied. The Agreement is subject to DDTUS purchasing a minimum of US\$2,500 worth of micro-film per month. The term of the agreement is for 2 years from signing, and automatically renews for successive 2 year terms if written notice to terminate has not been given by either party more than 90 days prior to a renewal date. The agreement can also be terminated in the event of default of a material term by the non-defaulting party giving the defaulting party 30 days written notice to rectify the default.

Under a Software Services Agreement dated 21 October 2003, Insurance Services Office Inc (a United States registered company) has agreed to provide certain services to DDTUS. DDTUS provides DataDot products for sale in the United States as an after-market product. Kits for applying DataDots are sold which include DDTUS generated personal identification numbers (PIN). On sale, the purchaser provides their manufacturer placed vehicle identification number (VIN) and this is matched against the PIN. Under the Software Services Agreement, in consideration for a fee payable by DDTUS to Insurance Services Office Inc, Insurance Services Office Inc validates the matched PIN and VIN, stores these numbers and provides access to these numbers to law enforcement customers.

Seymac Joint Development & Distribution Agreement

DDT entered into a Joint Development & Distribution Agreement with Seymac Automation Limited (Seymac) of the United Kingdom dated 25 October 2004 in respect of the joint development and sale of a robotic arm capable of applying DataDots to vehicles. Under the Agreement, DDT has agreed to provide certain development funding and to also provide Seymac with access to DDT's intellectual property and product examples for development purposes. Seymac is responsible under the Agreement for the robotic arm design and producing a working demonstration model in accordance with certain specifications. Both parties are jointly responsible for sales and marketing of the product. DDT will pay Seymac a percentage of the sales revenue from DataDot products which are applied using the robotic arm. The initial term of the Agreement is for 5 years. The intellectual property in the technology developed through this joint initiative will be owned jointly by DDT and Seymac.

Underwriting Agreement

Under the Underwriting Agreement, dated 22 November 2004, KTM Capital has agreed to place the Offer of 40,000,000 Offer Shares pursuant to this Prospectus. The Underwriter will receive a management fee of \$400,000 and an underwriting fee of \$100,000. The Company must also issue 7,350,000 Options to acquire Shares in the Company to the Underwriter or as it may direct. These Options have an exercise price of \$0.25 per option, and may be exercised at any time on or prior to 31 December 2009. The Underwriter will also receive payment of reasonable costs and expenses incurred by the Underwriter in connection with the Offer. DDT will also pay any GST applicable to any fee payable to the Underwriter under the agreement.

The Underwriter may terminate its obligations to satisfy a shortfall if any of the termination events specified in the agreement occur before the Shares are allotted under the Offer. The termination events are qualified by a requirement that before being entitled to terminate the Underwriter must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on the Company, or the outcome of the Offers or could give rise to a material liability of the Underwriter. Events of termination include:

- a statement contained in the Prospectus being found to be misleading or deceptive, a material omission or non-disclosure in the Prospectus or the Underwriter forming the opinion that the Prospectus fails to satisfy Sections 710 or 711 of the Corporations Act;
- the Prospectus not containing all information as required by the Corporations Act;
- any information given by the Company to the Underwriter being found to be misleading or deceptive;
- any adverse change occurring in the assets, liabilities, financial position, profits, losses or prospects of the Company;
- the Company does any act that in the Underwriter's reasonable opinion damages or is likely to damage the Underwriter's reputation;
- the Company fails to provide a shortfall notice as envisaged under the agreement;
- at any time after issue of the Prospectus:
 - (i) there occurs a change affecting any matter contained in the Prospectus, as envisaged in Section 719 of the Corporations Act occasioning the need, in the Underwriter's reasonable opinion, for a Supplementary Document to be lodged;
 - (ii) there arises a significant new matter, the inclusion in the Prospectus of information about which would have been required by Chapter 6D of the Corporations Act if it had arisen when the Prospectus was prepared, as envisaged in Section 719 of the Corporations Act; or
 - (iii) the Company withdraws the Prospectus;
- hostilities not presently existing commence involving any one or more of Australia, New Zealand, United States of America, the United Kingdom, a member of the European Union, the Commonwealth of Independent States or any of its constituent republics, Canada, Japan, Thailand, Singapore, Malaysia, Hong Kong, North Korea or the Peoples Republic of China;
- the All Ordinaries index of the ASX decreasing by 10% or more below the level of that index on the date of the Agreement and remains at or below that level for a period of at least 3 consecutive trading days;
- the Small Ordinaries index of the ASX decreasing by 10% or more below the level of that index on the date of the Agreement and remains at or below that level for a period of at least 3 consecutive trading days;
- the introduction into any parliament in Australia or announcement by a government in Australia of any prospective law or the adoption by the Reserve Bank of Australia of any new regulation or policy which adversely affects, or is likely to adversely affect, the principal business of the Company or capital issues or stock markets generally;
- any material adverse change or disruption to the financial markets of Australia, United States of America or other major international financial markets occurring or any change occurring in national or international political, financial or economic conditions which would make it impractical, in the reasonable judgment of the Underwriter, to market the Shares or to enforce contracts to purchase the Shares or is reasonably likely to materially and adversely affect the success of the Offer;
- a director of the Company being charged with an indictable offence;

- the Company contravening its constitution, the Corporations Act or the Listing Rules;
- the approval to the official quotation of the Shares on the ASX being refused, not granted or granted subject to any condition which the Underwriter reasonably considers unacceptable;
- the approval to the official quotation of all of the Shares on the ASX being withdrawn or qualified on a basis which the Underwriter reasonably considers unacceptable;
- the ASIC issuing an order, or giving notice of its intention, to hold a hearing in relation to the Prospectus or issuing a stop order under the Corporations Act or commencing an examination of any person or document in connection with the offer of the Shares;
- an application being made by the ASIC for an order under Section 1324B of the Corporations Act in relation to the Prospectus;
- any person other than the Underwriter withdrawing their consent to the issue of the Prospectus;
- any person giving notice under Section 730 of the Corporations Act in relation to the Prospectus;
- the Company defaulting in the performance of any of its material obligations under the agreement;
- a representation or warranty made or given, or deemed to have been made or given, by the Company under the agreement proving to have been untrue or incorrect in any material respect and not being remedied to the satisfaction of the Underwriter;
- any of the material contracts being varied, repudiated, rescinded or terminated without the Underwriter's prior written consent;
- the Company becoming engaged in any legal action or dispute, arbitration, mediation or other proceeding in any court or tribunal including, without limitation, any legal action or dispute concerning intellectual property rights against the Company; and
- any director of the Company dying or becoming a person whose estate may be dealt with in accordance with the Protected Estates Act 1983.

The Company has agreed to indemnify the Underwriter, its related bodies corporate and each of its officers, employers and advisers (each an Indemnified Party) from and against any and all losses, liabilities, claims, damages, costs and expenses whatsoever (including reasonable legal costs on a full indemnity basis) arising out of:

- (a) any representation or warranty made by the Company under the agreement not being correct in any material respect;
- (b) any breach of the agreement by the Company;
- (c) any advertisement or publicity of the Offer issued with the written approval of the Company and without consent of the Underwriter;
- (d) the distribution of the Prospectus and the making of the Offer; or
- (e) any liability under the Corporations Act or any other law.

The indemnity provided by the Company does not apply to any loss, damage, cost or expense to the extent that it arises out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Underwriter expressly for use in the Prospectus. The indemnity does not extend to and is not deemed to be an indemnity against any loss of an Indemnified Party where such loss results from a breach by a party of its obligations under the agreement or any fraud, recklessness, wilful misconduct or negligence of an Indemnified Party.

Executive Service Agreement for Ian Allen

DDT has appointed Ian Allen as Chief Executive Officer reporting to the Board by way of an Executive Service Agreement. Mr Allen commenced employment with the Company in April 2000. The Executive Service Agreement, is for successive 1 year terms unless terminated earlier in accordance with the Agreement. The initial remuneration payable to Mr Allen comprises base remuneration having a total cost to DDT of \$250,000 per annum (inclusive of mandatory superannuation contributions). Mr Allen has undertaken not to engage in competitive conduct with DDT for the term of the Agreement and for a further period of 1 year.

Executive Services Agreement for Geoff George

Geoff George, DDT's Research & Development Manager, was instrumental in DDT's development of part of its manufacturing processes. Under Mr George's employment arrangements with DDT, Mr George is paid a base salary of \$87,500 and further payments based on the number of spray applications per annum of DDT's products up to an additional \$250,000 per annum (inclusive of mandatory superannuation contributions). Mr George has undertaken not to engage in competitive conduct with DDT for the term of the Agreement and for a further period of 1 year.

NAB Facility

DDTAUS has a Debtors Funding Facility with National Australia Bank Limited of up to \$500,000 which is currently not drawn. The National Bank facility is secured by fixed and floating charges over the assets and undertaking of the Company and DDTAUS.

CSIRO Joint Research Agreements

DDT has two joint Research Agreements with the Commonwealth Scientific and Industrial Research Organisation (CSIRO), dated 5 July 2004 and 22 October 2004. The projects being undertaken are subject to confidentiality restrictions and the subject matter is commercially sensitive. However, under these Agreements DDT and the CSIRO have agreed to, respectively, develop an enhancement to the current DataDots and a new identification product that will expand the Company's market area. Both of the Agreements provide that DDT will contribute the use of its intellectual property and certain funding to the research project and the CSIRO will contribute its facilities and specialised research staff to the research project. Under the joint Research Agreements, DDT will be granted perpetual, world-wide, exclusive licences to commercialise the resultant technologies in consideration for royalty payments to the CSIRO based on net sales of the resultant commercial products.

Director Protection Deeds

DDT has agreed to provide access to the books and records of the Company to current officers of the Company while they are officers and for a period of 7 years from when they cease to be officers. The Company has agreed to indemnify, to the extent permitted by the Corporations Act, each officer in respect of certain liabilities which the officer may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. DDT has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are an officer and for a period of 7 years after the officer ceases to be an officer of the Company. That insurance policy has not yet been effected.

Litigation

DDT is not, and has not been, during the 12 months preceding the date of this Prospectus, engaged in any legal proceedings which would be likely to have a material adverse effect on its business, financial condition or the results of its operations nor, in so far as the Directors are aware, are any such proceedings pending or threatened.

Consents and Disclaimers of Responsibility

Written consents to the issue of this Prospectus have been given and at the date of this Prospectus have not been withdrawn by the following parties:

Watson Mangioni has given and, before lodgment of this Prospectus, has not withdrawn its consent to be named as lawyers to the Offer in the form and context in which it is named. Watson Mangioni specifically disclaims liability to any person in the event of any omission from, or any misleading or deceptive statement included elsewhere in, this Prospectus. While Watson Mangioni has provided advice to the Directors in relation to the issue of this Prospectus and the conduct of due diligence enquiries by the Company and the Directors, Watson Mangioni has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than references to its name.

PKF has given and, before lodgment of this Prospectus, has not withdrawn its consent to be named as auditors of the Company and Investigating Accountants to the Offer in the form and context in which they are named. PKF specifically disclaims liability to any person in the event of any omission from, or any misleading or deceptive statement included elsewhere in, this Prospectus. PKF has not authorised or caused the issue of this Prospectus and take no responsibility for any part of the Prospectus other than the audited financial statements referred to in this Prospectus and the Investigating Accountant's Report.

Registries Limited has given and, before lodgment of this Prospectus, has not withdrawn its consent to be named as the share registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Prospectus other than assisting in the design of the Application Form and recording its name as share registrar to the Company. Registries Limited specifically disclaims liability to any person in the event of any omission from, or any misleading or deceptive statement included elsewhere, in this Prospectus. It has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

KTM Capital Pty Limited has given and, before lodgment of this Prospectus, has not withdrawn its consent to be named as Underwriter in the form and context in which it is named. KTM Capital Pty Limited specifically disclaims liability to any person in the event of any omission from, or any misleading or deceptive statement included elsewhere, in this Prospectus. It has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the references to its name.

Davies Collison Cave has given and, before lodgment of this Prospectus, has not withdrawn its consent to be named as Patent Attorney to the Offer in the form and context in which it is named. Davies Collison Cave specifically disclaims liability to any person in the event of any omission from, or any misleading or deceptive statement included elsewhere, in this Prospectus. It has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of the Prospectus other than the Patent Attorney's Report.

Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Except as disclosed elsewhere in this Prospectus, no form of payment of any kind will be made or agreed to be made to any expert or firm other than for cash. The expenses of the Offer (excluding any applicable GST and applicable disbursements) are estimated to be follows:

Accounting	\$85,000
Legal	\$160,000
Underwriting	\$500,000
Printing	\$45,000
Share Registry	\$20,000
ASX and ASIC	\$35,000
Total	\$845,000

Except as set out above or elsewhere in this Prospectus, no sums have been paid or agreed to be paid to any professional adviser or other person in cash, Shares or otherwise by any person in connection with the formation or promotion of DDT. Certain parties and employees of the above firms may subscribe for Shares in the context of the Offer.

Interests of Directors and Others

Other than as set out in this Prospectus:

- no Director or other person envisaged in Section 711(4) of the Corporations Act has, or has had in the 2 years before the date of this Prospectus, any interest in the Offer, in the formation or promotion of the Company or in any property of or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer;
- no amount, whether in cash or Shares or otherwise, has been paid or agreed to be paid, or any benefit given or agreed to be given, to any Director to induce him or her to become, or to qualify him or her as, a Director; and
- no amount, whether in cash or Shares or otherwise, has been paid or agreed to be paid, or any benefit given or agreed to be given, for services provided by a Director or other person envisaged in Section 711(4) of the Corporations Act in connection with the formation or promotion of the Company or the Offer.

Shareholdings and Optionholdings

Directors are not required under the Constitution of the Company to hold any Shares in the Company. Upon completion of the Offer, Directors of the Company and their Associates will hold the following Shareholdings and Optionholdings in the Company:

	Shares	Options
Peter Housden and associates	nil	300,000
Alan Grant and associates	nil	250,000
Ian Allen and associates	18,235,000	3,685,000
John Richards and associates	4,495,000	1,238,000
Chris Stott and associates	nil	6,584,000

Directors may apply for Shares under this Prospectus.

Remuneration

Under the Company's Constitution, each Director (other than the Chief Executive Officer or an Executive Director) may be paid remuneration for ordinary services performed as a Director. Under the ASX Listing Rules, the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

The aggregate remuneration that may be paid to non-executive Directors is \$300,000. This remuneration may be divided among the non-executive Directors in such a fashion as the Board may determine. Notice of any proposed increase in the non-executive Directors' remuneration and the total amount of the remuneration payable to the non-executive Directors as a result of the proposed increase must be given to members in the notice covering the general meeting at which the increase is to be proposed. Directors will seek approval from time to time as deemed appropriate.

Executive Directors are full time employees of the Company. No Director's fees are paid to Mr Allen, Mr Richards, and Mr Stott in addition to their annual executive remuneration. Details of remuneration payable under the Executive Service Agreement for Mr Allen are set out in Section 10.

The Directors may also be paid all travelling and other expenses properly incurred by them in attending meetings of the Directors or any committee of Directors or general meetings of the Company or otherwise in connection with the execution of their duties as Directors.

In addition, any Director who is called on to perform extra services or to make special exertions or to undertake any executive or other work for the Company beyond his ordinary duties or to go or to reside abroad or otherwise for the purposes of the Company may, subject to law, be remunerated either by a fixed sum or a salary as determined by the Directors. This sum may be either in addition to or in substitution for his share in the remuneration for ordinary services.

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Related Party Transactions

Other than as set out in this Prospectus, the Company is not party to any transactions with related parties.

Escrow Arrangements

Chapter 9 of the Listing Rules precludes holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder will also be precluded from granting a security interest over those securities.

The ASX may review these restrictions during its consideration of DDT's application for admission to the Official List of the ASX. The ASX may also, at its discretion, waive or vary the requirements in accordance with the Listing Rules, in the event that an affected holder and DDT applies for a review of any escrow restrictions.

The Promoters of the Company hold 42.965 million Shares, or 44.5% of the total issued Share Capital of the Company following the Offer. The Promoters have entered into 24 month escrow arrangements in relation to their 42.965 million Shares. In addition, the Promoters, the Directors and the nominees of the Underwriter who will hold Options have entered into 24 month escrow arrangements in relation to 20.645 million Options. The escrow arrangements require the Promoters and other escrowed holders not to dispose of any interest in or to grant any security over any of the escrowed Shares or Options to be held by them on completion of the Issue. This restriction will terminate on the date which is 24 months after the date of admission of the Company to the Official List of the ASX. This restriction will not preclude any Promoter and other escrowed holders from accepting a takeover offer, provided that holders of not less than 50% of the remaining Shares then on issue have accepted the takeover offer.

These escrow arrangements may give DDT a 'relevant interest' in the Shares for the purposes of the Corporations Act. DDT intends to apply to ASIC for a modification such that DDT does not acquire a 'relevant interest' in the escrowed Shares as a result of these arrangements.

Corporate Governance

The composition of the Board is subject to Shareholder approval. All nominations for appointment to the Board are reviewed by the current Board. Currently, the Board comprises Peter Housden (Non-Executive Chairman), Alan Grant (Non-Executive Director), Ian Allen (Chief Executive Officer), John Richards (Commercial Director), and Chris Stott (Executive Director). At each annual general meeting, certain Directors will retire and, if those Directors so choose, and are eligible, will offer themselves for re-election.

The Company policies regarding the terms and conditions for remuneration relating to the appointment and retirement of Board members are approved by the Board following professional advice. The remuneration and terms and conditions of employment for the Chief Executive Officer and other executive Directors and senior executives are also reviewed and approved by the Board after seeking professional advice.

Non-executive Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. The Chairman's prior approval of such expenditure is required.

The Board is the vehicle to facilitate the identification of significant areas of business risk, to implement procedures to manage such risks and to develop policies regarding the establishment and maintenance of appropriate ethical standards. In relation to these matters, the Board specifically:

- ensures compliance in legal, statutory and ethical matters;
- monitors the business environment;
- identifies business risk areas;
- identifies business opportunities; and
- monitors systems established to ensure prompt and appropriate responses to shareholder complaints and enquiries.

The Company does not presently have an audit committee, however, all members of the Board currently participate in matters affecting the auditing requirements of the Company.

The Company has applied to the ASIC for an extension of time in which to hold its Annual General Meeting. The Company therefore proposes to hold its Annual General Meeting in December 2004. At that Annual General Meeting it is envisaged that, among other things, resolutions will be considered pursuant to which, if approved, the Company will: adopt a new Constitution appropriate to its listing on the ASX; ratify its ESOP; and confirm the appointment of certain of its Directors.

Section 11

Approval

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TECHNOLOGY - DATA
P06732 DRFTUS8

OT TECHNOLOGIES - DATA
P06732 DRFTUS8
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The Directors consent to, and have authorised the issue of, this Prospectus.



Peter Housden
Non-Executive Chairman

Section 12

Glossary of Terms

The following terms and abbreviations used in this Prospectus have the following meanings:

General Terms

Term/Abbreviation	Meaning
\$, A\$	Australian Dollars
Applicant	A person who submits an Application
Application	A valid application to subscribe for a specified number of Shares under the Offer
Application Form	The application form which is attached to and forms part of this Prospectus in relation to the subscription or purchase of Shares
ASIC	The Australian Securities & Investments Commission
Associate	An 'associate' as defined in the Corporations Act
ASX	The Australian Stock Exchange Limited
ASX Listing Rules	The official listing rules of the ASX as amended from time to time
Board	The board of Directors of the Company
CHES	The Clearing House Electronic Subregister System
Closing Date	The date on which the application list closes, expected to be 17 December 2004, unless the Directors, in conjunction with the Underwriter, exercise their right to vary that date
Company	DDT
Constitution	The Constitution of the Company
Corporations Act	The Corporations Act 2001 (Cth)
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DDT	DataDot Technology Limited (ACN 091 908 726)
DDTA	DataDot Asia Ltd

DDTAUS	DataDot Technology (Australia) Pty Limited
DDTSA	DataDot South Africa Ltd
DDTUS	DataDot USA Inc and its Subsidiary Mighty Dot Warranty Services, Inc
DDTUK	DataDot Technology (UK) Limited and its Subsidiary DataDot Technology (Europe) Limited
Directors	The Directors of the Company
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESOP	The Employee Share Option Plan
Financial Year	A year commencing on 1 July and ending on 30 June of the following year
Group	DDT and all of its Subsidiaries
GST	Goods and Services Tax
Issue	The issue of Shares pursuant to this Prospectus
KTM Capital	KTM Capital Pty Limited
Listing Rules	The Official Listing Rules of the ASX
Net Borrowings	Financial borrowings less cash
NMVTRC	Australian National Motor Vehicle Theft Reduction Council
Notes	Convertible notes which are convertible into Shares
Offer	The offer of Shares under this Prospectus
Offer Price	\$0.25 per Share
Offer Shares	The Shares to be issued by the Company pursuant to this Prospectus
Options	Options to subscribe for Shares
PE	Price earnings ratio
PIN	Personal Identification Number
Promoters	The Shareholders and Optionholders of the Company on the date of this Prospectus, described as such, and who hold the Shares and Options set out, in Section 10
Prospectus	This Prospectus dated 22 November 2004 for the offer of 40,000,000 Shares in DDT as modified by any Supplementary Prospectus made by the Company and lodged with the ASIC from time to time
R&D	Research and development
Shareholder	A holder of Shares
Shares	Ordinary shares in the Company
Subsidiary	A subsidiary as 'subsidiary' is defined in the Corporations Act
Underwriter	KTM Capital
US\$	United States Dollars
VIN	Vehicle Identification Number

Application Form



DataDot Technology Limited ACN 091 908 728

This application will only be considered after the Issue Closing Date. Applicants should read the Prospectus dated 22 November 2004 in its entirety before deciding to apply for Shares under the Offer.

Instructions for boxes A to H are set out on the following page.

Chess HIN
(if applicable)

Title

Given Names

Tax File No.

A **B**

Surname or Company Name and ACN Number

Address

C

Suburb/Town

State

Postcode

Contact Person

Telephone No.

Facsimile No.

D

Email Address

I/We Apply for

Application Monies

Date

E Offer Shares and enclose our Application Monies in full at A\$0.25 per Offer Share **F** A\$.00 / /2004

PIN YOUR CHEQUE HERE – made payable to 'DATADOT TECHNOLOGY LIMITED FLOAT ACCOUNT'

IMPORTANT: Complete the following Banking Details:

Drawer

Bank

Branch

Amount of Cheque

G A\$.00

H This Application Form does **not need to be signed**. By lodging this Application Form and a cheque for the application monies, the Applicant hereby:

- (1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the terms and conditions set out in the Prospectus and the Constitution of the Company;
- (3) authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions; and
- (4) declares this Application is completed and lodged in accordance with the terms of the Prospectus and that all statements made by me/us are complete and accurate and that I/we are not, as a result of the law of any place, a person to whom this Prospectus should not be given.

Application Forms and Instructions to Applicants

Please complete all relevant sections of the Application Form using BLOCK LETTERS. If you have any questions on how to complete this Application Form please telephone the number below.

Please post or deliver the completed Application Form together with your cheque to the following address:

DataDot Technology Limited Share Offer
C/- KTM Capital Pty Limited
Level 2
16 O'Connell Street
Sydney NSW 2000

- A** Write your **FULL NAME** in **Box A**. This must be either your own name or the name of a company. You should refer to the examples noted for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decisions as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to subscribe for more Shares and Options than is indicated by the amount of the accompanying cheque for the application monies referred to in **Box F**.
- B** Enter a **TAX FILE NUMBER** or exemption category beside your name in **Box B**. Collection of Tax File Numbers is authorised by taxation laws. Quotation of your Tax File Number is not compulsory and will not affect your application.
- C** Enter your **POSTAL ADDRESS** for all correspondence in **Box C**. All communications to you from the Company's Registry (shareholding statement, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.
- D** Enter details of contact person, telephone number, email address and facsimile number if any enquiries need to be made by the company or the Registry.
- E** Insert the **NUMBER OF SHARES** you wish to apply for in **Box E**.
- F** Insert the amount of your **APPLICATION MONIES** in **Box F**. The amount must be equal to the number of Shares applied for (as in Box E) multiplied by \$0.25 per Share.
- G** Insert the **TOTAL AMOUNT OF YOUR CHEQUE(S)** in **Box G**. The total amount of your cheque(s) must equal the total application monies (see **Box F**). Cheques must be drawn on an Australian bank in Australian currency and made payable to 'DATADOT TECHNOLOGY LIMITED – FLOAT ACCOUNT' and crossed 'NOT NEGOTIABLE'. Do not send cash. A separate cheque should accompany each Application Form lodged. No receipts will be issued.

The Application form does not need to be signed.

H CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The application must be in the name(s) of a natural person(s), companies or other legal entities acceptable to DataDot Technology Limited. At least one full given name and surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith	John Smith Family trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith and Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Limited	John Smith Superannuation Fund

Application Form



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Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Limited	John Smith Superannuation Fund

Corporate Directory

Directors

Peter Housden (Non-Executive Chairman)
Alan Grant (Non-Executive Director)
Ian Allen (Chief Executive Officer)
John Richards (Commercial Director)
Chris Stott (Executive Director)

Registered Office

Unit 9
19 Rodborough Road
Frenchs Forest NSW 2086
Telephone: (02) 9975 4777
Facsimile: (02) 9975 4700

Investigating Accountant & Auditor

PKF
Level 10
1 Margaret Street
Sydney NSW 2000
Telephone: (02) 9251 4100
Facsimile: (02) 9240 9821

Underwriter

KTM Capital Pty Limited
Level 2
16 O'Connell Street
Sydney NSW 2000
Telephone: (02) 9235 9940
Facsimile: (02) 9235 9999

Solicitors to the Offer

Watson Mangioni
Level 13
50 Carrington Street
Sydney NSW 2000
Telephone: (02) 9262 6666
Facsimile: (02) 9262 2626

Share Registry

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000
Telephone: (02) 9279 0677
Facsimile: (02) 9279 0664

Patent Attorney

Davies Collison Cave
GPO Box 4387QQ
Melbourne VIC 3001
Telephone: (03) 9254 2777
Facsimile: (03) 9254 2770



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TECHNOLOGY LTD