

1HFY2015 Results Announcement and Outlook

- DataDot trades profitably for 1HFY2015 with Substantial Turnaround
- Strong Pipeline Underpinned by Additions to Sales Force and Product Expansion
- Poised for Significant Revenue Growth in 2015 and 2016
- Strong Cash Position \$4.2m

The Directors are very pleased to announce that after a number of years of restructuring and investment the Company is in a strong position to grow both sales and profitability in its key targeted markets.

With the addition of sales resources and resultant build of the business pipeline in the US in areas as diverse as infrastructure, auto and retail, your Directors believe this market should be the driver of growth during the course of 2015. DataTrace continues to build sales momentum with major groups keen to avoid counterfeits and product substitution. Opportunities also continue to present themselves in the traditional auto market in other geographic regions and these will be pursued subject to profitability.

The cash position of your Company remains strong with \$4.2m on hand and no requirements to raise any additional capital.

Outlook

The Company is very pleased with the traction achieved during the first 6 months of the financial year. The Company has been focused on improving the profitability of its existing business and initiatives which will deliver material growth in Company revenues going forward. The first of these objectives has been firmly met with the Company returning to profitable trading at the EBITDA line for the first 6 months of the financial year. Investments and growth initiatives taken during the first 6 months of the financial year gives us confidence that we will deliver against the second objective of material revenue growth this year. The basis of this confidence includes the sales resources already added in the US in the Industrial Solution business, the pipeline built in that and other businesses, the additional sales resources planned to be added to the DataTrace business, the additional sales resources already added in Australia, the growth expected in the US economy more generally and product innovations to be brought on line during 2HFY2015.

In summary, the Company expects to see growth in targeted markets leading to stronger revenue and improving profitability.