



Shareholder Update October 2009

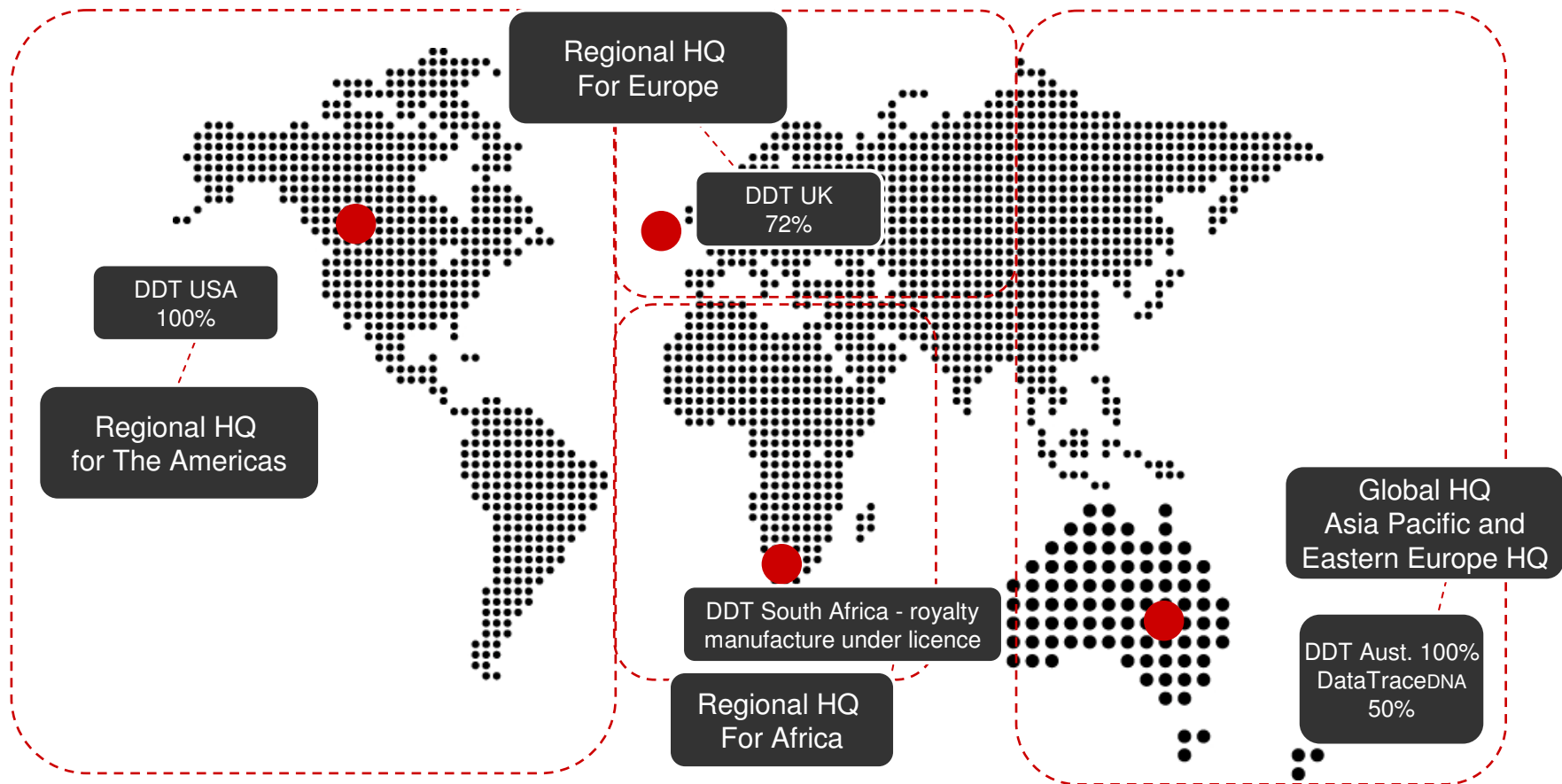
Who we are

DataDot Technology Limited (DataDot) is a global leader in providing asset identification, protection and authentication solutions.

1. DataDot is a leading solutions provider with highly innovative technologies. We create new methods of asset identification, protection and authentication which lead to new markets for our products
2. DataDot is the preferred asset identification solutions provider to governments, police, insurers, and blue-chip customers within the automotive industry in an increasing number of countries
3. DataDot has an increasing global presence and coverage with highly scalable operations. We are rapidly gaining acceptance in markets in which we operate
4. DataDot has growth in revenue and revenue streams
5. DataDot is in the early growth stages in most of the markets in which we operate with enormous potential to expand into new countries/markets

Our global network

Positioned to grow into new and emerging markets.



Our strategy

- In 2008 the Board sought to an new CEO and CFO.
- New management was recruited and tasked with five key roles:
 - i. Increase and diversify sales throughout the world
 - ii. Increase manufacturing efficiencies and reduce costs
 - iii. Reduce expenses and overheads
 - iv. Restructure staffing and distribution arrangements to focus on driving shareholder returns
 - v. In partnership with CSIRO, to exploit opportunities to commercialise the unique intellectual property within the DataTrace joint venture

Our strategy - continued

After nine months of extensive restructuring and cost reduction, DataDot is now positioned to be a profitable growth-oriented global business.

Additional strategies include:

- DataDot will target organic growth, strategic alliances and complimentary acquisitions to secure shareholder value over time
- DataDot will use the remodelled distribution network in Australia as a template for the rest of the world
- DataDot will use the per-capita performance of Australia as an indicator of market opportunity and a benchmark for new Distribution networks worldwide

Our products

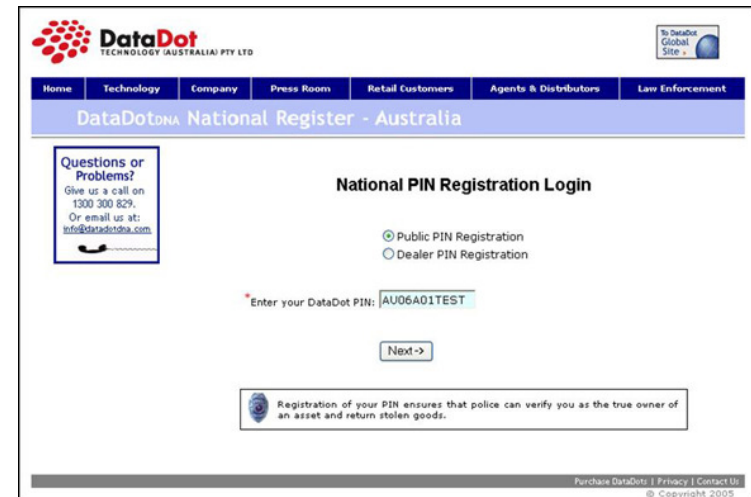
Unique DNA-like solutions for asset identification, protection and authentication

- DataDotDNA®
- DataThreadDNA™
- DataBaseDNA™
- DataTraceDNA®
- DD Secure™

DataBaseDNA

Significant contributor to preventing theft of high-value assets

- A global web-based database for law enforcement and insurance investigators
- Brings together all registered asset information onto one central database
- DataBasedDNA now hold over one million unique records placing this as a strong value generator for the business in the future
- DataDot will strive to ensure DataBasedDNA will evolve to be a national 'equipment bureau' with the collaboration of equipment associations, insurance and financial service providers



The screenshot shows the DataDot website interface for National PIN Registration Login. The page features a navigation menu with links for Home, Technology, Company, Press Room, Retail Customers, Agents & Distributors, and Law Enforcement. The main heading is "DataDotDNA National Register - Australia". On the left, there is a "Questions or Problems?" box with contact information: "Give us a call on 1300 300 829. Or email us at: info@datadotdna.com". The central section is titled "National PIN Registration Login" and includes two radio button options: "Public PIN Registration" (selected) and "Dealer PIN Registration". Below these is a text input field labeled "Enter your DataDot PIN:" containing the text "AU06A01TEST" and a "Next->" button. At the bottom, a small box contains the text: "Registration of your PIN ensures that police can verify you as the true owner of an asset and return stolen goods." The footer includes links for "Purchase DataDot", "Privacy", and "Contact Us", along with a copyright notice for 2005.

DataTraceDNA[®] - commercialised technology

A leading global solution incorporating CSIRO patented technology

- Joint venture company with CSIRO
- Engineered micro particles with unique tracers
- Unique physical properties – not replicable
- Presence and concentration detectable by specially developed portable reader – “The Authenticator[®]”



DataTraceDNA® - applications

DataTraceDNA® is an engineered particle that when scanned by “The Authenticator” generates unique digital codes. The particle is invisible to the naked eye and is suitable for a number applications.

DataTraceDNA® is targeted for brand protection from counterfeiting, diversion and manufacturing over-runs. Its features include:

- Suitable for use in solvent and water based lacquers in a variety of applications
- Surfactant for paints and coatings
- Masterbatch for polymers
- Powder for other applications

Vector	Applications
Ink	Liquid surfactant or powder
Polymer	Masterbatch
Paints & Coatings	Liquid surfactant or powder
Fibre	Masterbatch
Paper & Packaging	Liquid surfactant or powder
Explosives	Powder
Metal/Glass	Powder for Dynamic Metalization process
Concrete	Liquid surfactant or powder

DataDotDNA® and DataTraceDNA®

Combined use creates an enhanced range of security solutions.

Comparison Table

DataDotDNA®	DataTraceDNA®
Overt	Covert
Specific Code	Generic Code
Identify individual assets	Identify manufacturer /owner
Surface application	Integrated in manufacturing and surface application
Target identification for individual owner	Target identification of mass produced goods

DD Secure: The system for business asset & property protection

The DD Secure system is designed for:

- ✓ Business and retail premises
 - ✓ Construction and infrastructure sites
 - ✓ Council, utility and telecom sites
 - ✓ Hire and rental sites
 - ✓ Farm and agricultural equipment
 - ✓ Tradespersons' vehicles
 - ✓ Trucks and trailers
 - ✓ Marinas
 - ✓ School and university campuses
 - ✓ Government facilities
 - ✓ Business sites suffering from theft
 - ✓ Residential premises
- DataDot has partnered with Crime Stoppers Australia to develop the DD Secure System, enabling organisations to:
 - ✓ Control their assets
 - ✓ Reduce business costs
 - ✓ Ensure assets are readily identifiable and recoverable



DD Secure - system components



Identifiers

- Microdot labels
- Security seals
- Interactive labels (Identifyz)
- DatatracedNA[®] forensic security
- Radio Frequency Identification Device (RFID)
- Global Positioning System (GPS)

Signage

- Serialised secure signage and stickers

Communication

- Templates for internal and external communications

Detection

- Low cost detection kits for Police, second hand shops and pawnbrokers

Statistics

- Six and twelve monthly performance comparison to ensure effectiveness
- Incident report database

Key initiatives in the past nine months

New management team has changed the DataDot culture to be a lean, sales-focused, solutions and service driven company with a proven strategy to expand the business globally.

Strategy / Change	Impact on performance
Emphasis on high performance culture	<ul style="list-style-type: none">• Staff selection and training focused on a high performance culture• New staff KPI's to meet strategic objectives of the company
Targeted marketing on growth markets	<ul style="list-style-type: none">• Emphasis on growth of top line• Low cost marketing with direct and measurable results• Marketing with new and existing customers to expand market penetration• Change focus from technology development to customer solutions
Restructuring of sales team & strategy	<ul style="list-style-type: none">• Sales team restructured• Remuneration restructured• Diversifying sales from reliance on automotive manufacturers is showing success• Clear budgets for sales team monitored to ensure performance

Key initiatives - continued

Strategy / Change	Impact on Performance
<p>New distribution structure worldwide (the key to rapid growth of sales)</p>	<ul style="list-style-type: none"> • Strategic appointment of new selected Distribution agents • Active management of underperforming Distribution agents • Termination of non-performing Distribution agents • New Distribution agents selected based on capacity and proven credentials/track record and financial capability • Upfront Distribution fees quarantined to ensure appropriate support and training to be provided by DataDot • Licensing structure to cover IP, R&D, branding and other support • Implemented ongoing performance monitoring and feedback
<p>Management Staffing – a leaner business-oriented structure</p>	<ul style="list-style-type: none"> • Combined Commercial Director, Chief Operating Officer and Chief Executive roles • Combined Financial Controller and CFO roles • New ASX experienced CFO recruited • New company accountant recruited • Restructured finance and admin team – net reduction of two roles
<p>Focus on Cost Reductions & Monitoring</p>	<ul style="list-style-type: none"> • Continuing to focus on reducing other overheads. • Reward cost saving initiatives. • Initiated manufacturing efficiency measures – significantly lower staff costs in the medium term.

DataDot - future pipeline & market opportunities

Get DDT Australia right, then use this as a template for the world.

Domestic initiatives

Focus on building revenues in the following market segments:

- Vehicle finance initiatives
- New partnership announced with Crime Stoppers Australia
- Utilities – theft prevention strategies
- Major retailer initiatives for theft prevention
- Strata managers
- Local Government (Brisbane City Council)
- Plant variety rights - seed labelling through AgTechnix Pty. Limited
- Enhancement of the commercial capabilities of the substantial DataBaseDNA
- Commercial, industrial and farm equipment protection strategies

DataDot - future pipeline & market opportunities

Taking what works from DDT Australia to create an effective worldwide distribution model.

Internationally – DataDot

Re-engineer distribution agreements and strengthen international presence:

- Focus on restructuring and terminating existing underperforming territories (no revenue impact)
- Target five to ten new supported and resourced territories per year
- Install new production system (low capital) - significant reduction in labour costs
- Vehicle finance and insurance initiatives – e.g. FGA (Fiat Finance) Italy
- Establishing strategic partnerships with other asset technology providers

DataTrace - future pipeline & market opportunities

DataTrace is one of the worlds' leading anti-counterfeiting solutions available for Brand protection.

Establishing market-segment, distribution agreements to boost sales impact, allowing DataTrace to partner with global authentication solution providers. Initiatives to date include:

- Leading anti counterfeiting solutions in casino chips
- Verify TT – a commercial solution for counterfeit control of textiles, now in final stages of testing for initial client
- AgTechnix JV - a new plant variety rights anti-diversion and identification initiative
- New high security printing solutions
- Final stages of an initiative in (non-textile) fashion brand protection
- Final stages of development of a copper/metal/fibre optic cable protection solution
- Developing a fast moving consumer goods (FMCG) authentication initiative
- Developing a new digital media anti-counterfeiting initiative
- Developing a presence in the pharmaceutical industry as an anti-counterfeit and authentication solution partner

New CEO and CFO

Ben Bootle – Chief Executive Officer / Managing Director

Qualifications:

Bachelor and Masters Degree in Agricultural Economics (University of Sydney).

Nuffield Scholar (2000).

Member of Institute of Company Directors.

Previous Positions:

CEO – Perich Group of Companies (2002 to 2008)

Responsible for the strategic direction, management and control of businesses in a diversified portfolio including; agriculture, mining, manufacturing, medical research, motor racing circuit operation and property development. The Perich family is in the top 60 of the BRW rich list.

Previous Positions:

- Director – Gargaloo (1994 to 2002)
- Chair & Deputy Chair - Macquarie River Food & Fibre Association Inc. (1996 to 2000)
- Member - Grain Growers Association, Committee of Advice (2001 to 2002)
- Member - Macquarie-Cudgegong River MGMT Committee (1996 to 2000)
- Economic Consultant (1994 to 2000)
- Research Economist - Department of Agriculture (1987 to 1994)

New CEO and CFO

Ben Bootle - CEO - Continued

Skills And Experience

- Proven business acumen
- Clear strategic leadership
- Risk management experience
- Creating a culture of employee engagement aligned with corporate goals
- Business start-up track record in biotech, manufacturing and mining industries
- Superior communication, people management and negotiation skills
- Listed company experience including alternate board membership and investor relations
- Public and private corporate governance
- Merger and acquisition experience
- Capital raising, funds management and financing skills
- Extensive international business network including the United States, United Kingdom, Canada, Australia and Asia

New CEO and CFO

Ross Hawkey – Chief Financial Officer

Qualifications:

Bachelor of Business Studies and Chartered Accountant
Member of Institute of Company Directors.

Previous Positions:

CFO and CIO – Mission Australia (2006 to 2009)

Provided leadership and accountability for Mission Australia's Corporate Services functions – Finance, Information Technology, Property, Fleet, Legal, Procurement, Internal Audit and Risk Management.

Director – Many Rivers Opportunities (2007 to present)

Many Rivers Opportunities is a not-for-profit organisation at the forefront of micro-enterprise development within the indigenous communities of Australia.

CFO – Bravura Solutions Limited (2005 to 2006)

CFO of a publicly listed company with overall responsibility for all corporate infrastructure, including accounting and finance, treasury, investor relations, IT, property, HR, insurance, legal, company secretarial requirements, liaison with senior executives and Board members.

Other Positions:

- Finance & Operations Manager – Altiris Asia Pacific (2002 to 2005)
- ANZ Finance Director – Marconi (2000 to 2002)
- Various Finance roles in UK, US and Australia – Sterling Software (1993 to 2000)
- Management Accountant (London) – Morgan Grenfell Asset Mgmt (1991 to 1993)
- Project Accountant (New Zealand) – Reserve Bank of New Zealand (1986 to 1991)

New CEO and CFO

Ross Hawkey - CFO - Continued

Skills And Experience

- Financial and commercial acumen
- Significant finance and accounting background in both domestic and international entities
- Passionate and charismatic leader
- Able to take entrepreneurial approach balanced with sound financial management principles
- Ability to transform vision and strategy into tangible implementation plans
- Company Director with extensive Company Secretarial experience
- Corporate governance and risk management
- IT&T literacy at both strategic and operational levels
- Extensive business network across multiple disciplines
- Listed company experience
- Merger and acquisition experience