



MEDIA RELEASE

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MAJOR RESEARCH & DEVELOPMENT PROGRAM PLANNED

Bishop Technology Group is seeking to undertake at least three joint ventures at a value of more than \$100 million over the next three years.

"Investment by DaimlerChrysler would allow the company to ramp up existing projects and to simultaneously undertake new ones," Bishop Group managing director Bruce Grey said.

The DaimlerChrysler investment provided Bishop with both funding and with a strategic partner within the global automotive industry.

It would look in the future to making a public offering. However that possibility was at least several years away.

The agreement between DaimlerChrysler and Bishop had taken 19 months to conclude, Mr Grey said.

The automotive giant had been particularly impressed with the Australian company's productivity expressed as a ratio of expenditure against Intellectual Property (IP) generated.

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Bishop spends more than \$7 million annually on R&D and generates in excess of \$10 million annually in royalties.

Mr. Bruce Grey stated: "The Bishop Group has been growing quickly due to our commitment to R&D. For the past financial year ending June 30^t our revenue was \$44.714 million, up 27.3% on the prior year.

Our R&D spending was \$7.4 million, up 26.3% on the prior year and Earnings before Interest, Tax and R&D for the year ending June 30th 2001 was \$9.83 million, up 58.3% on the prior year."

A notable feature of the business is that the owners have never sought a dividend since the incorporation of the company, preferring instead to reinvest all earnings back into R&D.

While DaimlerChrysler has been active in international acquisitions it is believed the Bishop investment is the first of its kind.

DaimlerChrysler has a number of strategic partnerships including for example investments in fuel cell technology, Mr Grey said.

This would appear to be its first direct investment in a company with such a broad base in automotive R&D.

The Bishop Group was originally formed by Dr. Arthur Bishop in 1957 to develop the variable ratio (VR) steering rack.

The VR rack has the ability to streamline driver control, providing high speed stability, high levels of emergency manouverability and skid recovery, and driver confidence.

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This and other Bishop inventions are now used in more than 20 percent of all vehicles built annually through licensees located in Japan, Germany, England, USA, South Korea and Australia.

End users include Mercedes-Benz, Ford and Holden in Australia.

Further Bishop inventions include power steering valves, on-centre detent, and VARIATRONIC speed sensitive power steering. The Group now has a total of over 100 inventions covered by more than 350 patents worldwide.

The Bishop Torque and Angle Sensor (BTAS) now nearing production capability will provide unique measurement of torque, angle and rate of change. This system is very compatible with steer-by-wire technology being developed.

BTAS technology is likely to become a world standard in automotive production.

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For further information

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