

30 January 2015

Listed Company Relations
New Zealand Limited
PO Box 2959
Wellington

Dear Sir/Madam

Acquisition of Machinery Automation and Robotics (“MAR”)

Further to our announcement on 4 December 2014, the Board of Directors of Scott Technology Ltd (“SCOTT”) is pleased to announce that the Company has today settled on the agreement to acquire 100% of the shares of Machinery Automation and Robotics Pty Limited (MAR).

MAR is an established and very successful Australian automation and robotics company that is closely aligned to SCOTT, with products and markets that are complementary to SCOTT. This is a key development and fulfils our strategic expansion through a stronger presence in our key international markets and our strategy to move up the value chain by providing smarter, interconnected robotics and automation.

MAR employs 60 staff and has an annual turnover of approximately A\$20 million. The acquisition is for a total consideration of A\$13 million funded by a combination of bank debt (A\$12 million) and shares in SCOTT (A\$1 million) issued to the vendor. The issue price for the shares is based on the volume weighted average share price for the tenth to third business days preceding the completion date.

In our announcement of 4 December, the Board signalled a capital raising to reduce overall bank borrowings which have been used to settle the purchase of MAR and last year’s acquisition of RobotWorx in the USA. The Board is planning a rights issue shortly after the announcement of SCOTT’s half year result and update in March and is currently working on determining details.

About MAR

MAR designs and manufactures industrial automation and robotic solutions for large and small scale production-critical companies seeking the competitive edge that high-tech automation and robotics provide.

The business was established in 1987 by Clyde Campbell who is the company’s Managing Director and CEO. Mr Campbell will continue to lead a committed and experienced team in Australia and will take up the role of Regional Director for SCOTT in Australia. MAR’s principal place of business is in Sydney, Australia where the engineering and manufacturing is undertaken, along with sales and

service. MAR also has offices in Melbourne (sales, service and engineering), Brisbane (sales, service and training), Chile and Brazil, with a sales agent based in Perth.

MAR provides robotic and automation solutions and systems to a variety of industries including mining and meat processing, which are also key areas of focus for SCOTT. Other industries served by MAR include food production and packaging. Similar to SCOTT, MAR offers a complete service from design, manufacture and project management through to implementation and on-going 24 hour support.

About the Potential

MAR's strengths in electrical, programming and controls, complements SCOTT's strengths in mechanical design and vision.

The robot industry is expected to grow substantially, due to its promising output of high quality products at a lower price. With the ability to offer robotic automation for a wide variety of industries MAR, together with SCOTT, have significant ability to take advantage of this profitable market.

The management of SCOTT and MAR are already working very well together and we are focussed on ensuring a smooth transition and integration into the SCOTT Group.

Yours faithfully



S J McLauchlan
Chairman
+64 27 433 5481



C C Hopkins
Chief Executive
+64 21 815 975