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The Manager  
Company Announcements Office  
Australian Stock Exchange Limited

Dear Sir / Madam

**• Lighting Pioneer BluGlass signs Exclusive distribution agreement with Japanese company, ITOCHU Plastics Inc.**

Energy efficient lighting pioneer BluGlass Ltd (ASX code: BLG) has signed a sales and distribution agreement with ITOCHU Plastics Inc (CIPS), a wholly-owned subsidiary of one of Japan's oldest and largest trading companies, Tokyo-based Itochu Corporation. CIPS has won the sole rights to market BluGlass's unique Australian-bred LED manufacturing technology in Japan.

This is a breakthrough in the commercialisation of our next generation lighting technology, said BluGlass chief executive officer Mr Giles Bourne. We have been talking to CIPS, since August and they, together with BluGlass, have successfully introduced BluGlass technology to the Japanese market.

The BluGlass technology allows the production of gallium nitride based (GaN) semiconductor wafers considerably cheaper than existing processes. GaN based wafers are used in high performance LED general lighting devices for use in homes, offices and factories that are considerably more energy efficient than traditional incandescent or fluorescent bulbs and tubes.

Executives from CIPS visited BluGlass's pilot manufacturing plant in late December before the distribution deal was signed. CIPS's highly skilled sales team will promote the RPCVD technology with equipment to demonstrate the core competencies of both companies in GaN based semiconductor wafer business for the Japanese LED market, said Yamamoto, General Manager of CIPS. BluGlass's technology and equipment are a perfect complement to those that CIPS already delivers to the Japanese LED market, as well as enabling expansion of CIPS sales products, materials for LED, to leading edge GaN LED applications, Yamamoto added.

Mr Bourne said the agreement was an important milestone and BluGlass will be seeking to set up similar agreements in different markets around the world. He said that it indicated that the company was progressing well on its long-stated plan to commercialise the GaN technology, which was developed by scientists at Sydney's Macquarie University.

Our ultimate plan is to sell our semiconductor manufacturing equipment to the Japanese market through Itochu, Mr Bourne said. That would involve payments for the plant equipment and also ongoing licensing fees. We are also hoping to negotiate strategic collaborations with Japanese corporations so that we can further develop uses for our technology.

## About Itochu

ITOCHU Plastic Inc. (CIPS) is a trading arm of Itochu Corporation and specialises in importing and exporting materials for electronic devices, packaging, industrial materials and synthetic resin materials. Its annual sales are 230 billion yen (\$A3.5billion). Itochu Corporation has operated since 1858, since which it has established many trading, operating and investments businesses. Its

shares trade on the Tokyo Stock Exchange, it has paid-up capital of 202 billion yen (\$A3.3 billion) and total assets of 5,800 billion yen (\$A93.5 billion).

## About BluGlass

BluGlass is commercialising a unique Australian-bred manufacturing technology known as Remote Plasma Chemical Vapour Deposition (RPCVD) to reduce the cost of Gallium Nitride (GaN) semiconductor wafers. GaN wafers are a core component of high brightness light emitting diodes (LEDs) for which there is a US\$4 billion market, expected to treble to US\$12 billion by 2012. Applications for these LEDs include use in mobile appliances, signs/displays, automotive, signals and illumination. BluGlass's breakthrough in low cost manufacture of GaN could allow LEDs into mass markets such as the US\$100 billion general lighting market currently dominated by incandescent and fluorescent lights. LEDs will slash carbon emissions and green house gas emissions from electricity generation because they are 4-5 times more energy efficient than incandescent bulbs and last up to 50 times longer.

## Contact information

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