



17 February 2006

Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs,

**RE: Leading German Diecaster switches to AM-lite**

Please find attached announcement of a leading German diecaster switching to AM-lite.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P.K. Nair". The signature is fluid and cursive, with a large initial "P" and a long, sweeping tail.

P.K. Nair  
**COMPANY SECRETARY**



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## **ASX ANNOUNCEMENT - 17 February 2006**

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### **LEADING GERMAN DIECASTER SWITCHES TO AM -LITE**

**HDO Druckguß-und Oberflächentechnik GmbH , a leading German diecaster, has commenced production of the first of several new bathroom accessories to be released during the year using Advanced Magnesium Limited's (AML) new electroplateable magnesium alloy, AM-lite.**

HDO is an acknowledged development partner of the automotive, sanitary and household goods industry. The introduction of an AM-lite production line represents a key reference site for other manufacturers in Europe, the USA and Asia and further validates the cost and performance advantages of AM-lite.

HDO is the second European manufacturer to switch to AM-lite following the adoption of the alloy by the Polish diecaster Polmag.

AML has now completed AM-lite demonstration trials for 23 major OEMs and diecasters in Europe, Asia and the USA and expects to announce further contracts as AM-lite becomes increasingly accepted as a cost effective replacement for zinc, existing magnesium alloys, aluminum and plastic in a wide variety of applications.

The new range of products is being electroplated using MacDermid's newly developed electroplating technology for AM-lite which HDO has recently installed at its plant in Germany. AML's wholly owned subsidiary, Advanced Magnesium Technologies Pty Ltd (AMT) entered into an alliance with MacDermid in October 2004 to develop a low cost electroplating technology for AM-lite. MacDermid has now successfully completed its

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development work and is in the process of introducing the new technology to approved electroplaters in various locations around the world.

Whilst the tonnage involved in these new parts is small, it is important because it again endorses the performance and cost benefits of AM-lite over rival materials. The ability to electroplate AM-lite in a simple and cheap process effectively overcomes the expensive preparation work and high reject rates often experienced with traditional magnesium alloys .

For the first time, the combination of AMT's new magnesium alloy AM-lite and MacDermid's electroplating technology offers diecasters and OEM's a low cost alternative for the manufacture of electroplated components that would traditionally require either:

- The use of zinc, which is 3 times as heavy as AM-lite, and considerably more expensive per component than AM-lite;
- The use of existing magnesium alloy AZ91D or aluminium, both of which are lighter than zinc, but considerably more expensive than AM-lite to electroplate; or
- The use of plastic, which cannot replicate the look and feel of metal that consumers often demand.

Since launching AM-lite in June last year, AMT has now demonstrated the benefits of AM-lite to over 20 diecasters with more trials planned in the coming months. This has resulted in a host of new product development programs for electroplated parts with lead times varying between 2 months to 2 years depending on the complexity and the degree of pre-production testing required for the part before commercial release. These trials have also highlighted the considerable potential for AM-lite in painted and powder coated applications, which AMT will also be pursuing in the coming months.

More information can be found on HDO products at: <http://www.hdo-gmbh.com>