

MEDIA RELEASE

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NEW \$5 MILLION INNOVATION CENTRE KEEPS

SA ELECTRONICS FIRM WORLD COMPETITIVE

An Adelaide electronics firm is bucking the trend of outsourcing manufacturing to China with the official opening today (Nov 14) of its new \$5 million high technology Innovation Centre at Lonsdale.

Redarc Electronics is an \$8 million-a-year business employing 50 staff who design, develop and manufacture world-leading electronic systems for trucks, cars and recreational vehicles.

Redarc's range of products - including electronic voltage converters, inverters, power supplies and battery chargers - are also supplied to the agricultural, communication, industrial, marine, mining, medical, defence, recreation and solar industries.

Redarc Chief Executive Officer Anthony Kittel said the construction of the company's purpose-built Innovation Centre was assisted by a \$1.6 million grant from the State and Federal Government's Structural Adjustment Fund for South Australia (SAFSA).

Federal Industry Minister, Mr Ian Macfarlane will officially open the new Centre today in front of Redarc staff, customers and business associates.

"The support we have received from both the Federal and State Governments has been critical to our recent growth and job creation," Mr Kittel said.

"We had outgrown our existing premises and our new Innovation Centre will support our growth plans over the next 20 years."

Mr Kittel said he realised some years ago that Redarc could not compete with China's mass production abilities and he made a conscious decision to be an innovator, not an imitator.

Since the SAFSA grant was first announced in September 2005, Redarc staff numbers have increased from 27 to 50 and Mr Kittel said the company plans to increase its workforce further on way to hitting \$12 million turnover by 2012.

About 5% of the company's products are currently sold overseas to the trucking industry in Canada, the Middle East, New Zealand and the US – and exports are now set to soar.

"We aim to lift exports to 20% within five years – the motor home market in the US and Europe is huge and I can see a lot of demand for our niche electronic products," Mr Kittel said.

A large part of Redarc's business is voltage and power conversion products to enable European and Japanese trucks with 24-volt electrical systems to operate 12-volt devices such as computers, radios and other electronic equipment.

The company's power conversion devices are also popular with the auto-electrical trade in Australia and Redarc products are installed in a wide range of vehicles including cars, trucks, forklifts, boats, motor homes and four-wheel drives.

Future growth markets include the mining, defence and medical sectors.

“One of our key advantages is that our products are designed to suit harsh climatic conditions such as you will find in remote mining sites in the north and north-west of Australia,” he said.

“Another key advantage is our innovation, customer support and after sales service.”

Mr Kittel said Redarc’s 2,000 square metre Innovation Centre will mean it is no longer dependent on external component manufacturing.

“We made a strategic decision to bring all elements of our business under one roof,” he said.

“That means we can now research, design, develop and manufacture our products in Adelaide, keeping total control over all processes.

“That gives us a powerful advantage over our competitors in the power conversion market.

“Our new Innovation Centre gives us the ability to lower costs through greater efficiencies and maintain world-leading quality control over all of our components.

“We can also get our products to market faster because we’re not at risk of being held up by an external components supplier. It’s a fantastic outcome for our company and our customers.”

The company has invested heavily in leading manufacturing technology to enable products ordered in the morning to be shipped out as soon as either that evening or the next day.

“We aim to be competitive against any country in the world,” he said. “Certainly, one of our advantages is the advanced engineering skills and the quality of our engineering staff.

“We invest heavily in R&D and are currently working on several world-breaking technologies.

“On-time delivery is exceptionally important to our business. We can react very quickly to our customers’ needs.”

Mr Kittel said Redarc is now among Australia’s most technologically advanced and environmentally friendly electronics manufacturers.

“We have invested in new lead-free technology that not only benefits the environment but results in higher quality products,” he said.

Chemicals used throughout Redarc’s manufacturing process are non-toxic and solvents are no longer used within the purpose-built facility. Giant rainwater tanks with a storage capacity of 60,000 litres help cover Redarc’s on-site irrigation needs.

“In the future, we are planning to install solar panels to reduce the amount of electricity we currently source from non-renewable power,” Mr Kittel said.

FURTHER INFORMATION:

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BACKGROUND INFORMATION ON REDARC ELECTRONICS

Adelaide businessman and mechanical engineer, Mr Anthony Kittel, bought the privately-owned Redarc Electronics in 1997 with his wife Michele.

Since then, the company has grown rapidly from a turnover of less than \$1 million and eight staff to \$8 million and 50 staff. Redarc Electronics has previously been named in BRW Magazine's "Fast 100" list and Deloitte's "Technology Fast 50" list.

In 2006, Mr Kittel won the Electronics Industry Association *Excellence in Entrepreneurship* Award. In 2005, the company was a State winner in the Telstra Business Awards.

Innovative, niche products developed by Redarc include:

- Battery charging devices for the Australian Defence Force's rapid response vehicles.
- Dual battery charging systems which enable a second battery to be fully charged off the main electrical system of a vehicle.
- A Key-on Lights-on (KOLO) system developed for mining trucks and vehicles in WA's Pilbara region which, for extra safety, automatically switches on a vehicle's lights after the key is turned in the ignition.
- A new generation voltage reducer for Australian truck manufacturers for operating the lighting on trailers and detecting LED failures.
- A battery management computer designed to guarantee 100% charging of calcium content new style batteries found in many of today's modern vehicles.

NOTE TO NEWS EDITORS – VISUAL OPPORTUNITIES:

The official opening of the new Redarc Innovation Centre at 23 Brodie Road North, Lonsdale, will take place at 11 a.m. on Wednesday, November 14.

Special guests include Federal Industry Minister, Mr Ian Macfarlane and State Government representatives.

Vision includes fast moving, state-of-the-art electronics manufacturing equipment. A large prime mover fitted with Redarc products will also be available for filming.

Redarc CEO Mr Anthony Kittel, who is very experienced at explaining his company's advanced products to non-technical people, will be available for interview.

For any further assistance please contact Corporate Conversation on 8363 1158.