Advanced Braking Technology Limited

Microcap Conference Presentation | October 2012
ABT (ASX: ABV) is a developer, manufacturer and worldwide distributor of the award winning, patented, Sealed Integrated Braking System (SIBS®)

- SIBS® is a fail safe, enclosed “wet” braking system for off-road and on-road applications
- ABT’s technology has been extensively proven and successfully established in the mining industry over many years
- ABT is now using its SIBS® technology to target global market opportunities across multiple sectors
- The Company is targeting full scale commercial roll out of its garbage truck brake product in CY2013

<table>
<thead>
<tr>
<th>ABT is a Listed Company on the ASX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price</td>
</tr>
<tr>
<td>Shares on Issue</td>
</tr>
<tr>
<td>Market Cap</td>
</tr>
<tr>
<td>52 Week High</td>
</tr>
<tr>
<td>52 Week Low</td>
</tr>
</tbody>
</table>
Vision and Strategy

Vision:
To be the industry leader in developing, manufacturing and distributing safe and efficient braking technology across multiple applications and sectors

Strategy:
› Pursue robust growth through:
  • Leveraging strong mining market positioning to provide funding for product and sector expansion
  • Commercial roll-out of Garbage Truck Brake in Australia and other countries – North America and Europe
  • Entry into other sectors using “frequently stopping trucks”
  • Expand export sales into new markets
  • Invest in research and development – focusing on upgrading and expanding product range to increase market share and expand into new industries
Investment Proposition

› Unique, proven and **patent protected technology**
› Global **market potential across multiple applications and sectors**
› Significant **competitive advantages** over alternative products
› Compelling customer offering – **“triple bottom line”** benefits
› Robust **commercial model** with attractive margins and high scalability
› **Strong Board and management** with extensive technical and commercial expertise
› Significant **valuation upside** potential
Sealed Integrated Braking System (SIBS®)
› Fully enclosed, single rotor, high speed wet brake
› Incorporates fail-safe features
› Designed for retro-fit or factory fit
› Comprehensively patented Australian invention
› Virtually wear and maintenance-free (unlike conventional drum and disc brakes)
› Manufactured in Thailand, through wholly owned subsidiary

Comprehensive Patent Protection
› 61 international patents or patent applications
› Average patent life of 12 years
› New patents being lodged as developments continues
› Trademark protection on various trademarks including “SIBS” and “ABT”
How Our Technology Works?

- Wet brake technology enables a cooler operating temperature, essential to longer lasting and safer braking systems.
- System encloses key components - the single rotor, brake callipers and brake pads - within a casing containing the SIBS® cooling fluid.
- Cooling fluid is specifically formulated oil which controls the operating temperature of the system.
Blue Chip Customers Validate Technology
Global Market Potential

“Breaking into a Mainstream Market by leveraging off the mine tough heritage”
Primary Target Market – Waste Sector

Multiple customer “calls to action”:
› Brakes are the second biggest expenditure after fuel for garbage truck fleet operators
› Public desire for noise reduction
› Global drive to reduce pollution

Australian market:
› Dynamic, recession-proof industry
› Annual growth rate of 5.4% (ABS, 2011)

Global growth potential:
› Next targets:
  • Expanding into North America and Europe
  • Highest waste generating markets in the world (per capita)
Revolutionary Garbage Truck Brake

› Multi year **development program now complete**

› **Commercial roll out** set for CY2013

› **Technical risk is very low:**
  • ABT has significant experience and expertise with the associated technology
  • Long history of successful application
  • Extensive and successful testing process

› Targeted customers expressing **significant demand interest**

› Australian garbage truck brake **market size and potential impact:**
  • Sales of $75m for retro fit (at 30% market share)
  • New sales of $10m per annum (at 50% market share)
  • International sales potential of greater magnitude
“Triple bottom line” benefits

› **Financial Savings:**
  • Dramatically reduces frequency of brake overhauls from more than twice a year to once every two years or longer
  • Reduces annual operating costs by up to $15,000 per truck
  • Customer payback on initial investment < 2 years

› **Superior Operating Performance:**
  • Brakes are virtually wear and maintenance-free, unlike conventional drum and disc brakes

› **Safety and Environmental Benefits:**
  • Total elimination of brake noise and dust emissions
  • Provides consistent safer braking at all times
  • Avoids need for regular checking and adjustment
Competitive Advantages

› Significant **product development investment** – time and capital
› Comprehensively **patented technology for 10 years**
› **No existing competition**
› Braking technology **extensively proven** in commercial application
› ABT known as a **reliable supplier in mining sector** that provides quality, timely and reliable support
› **Brakes designed to be retro fitted** significantly increasing the immediate potential market
› Compelling proposition for Original Equipment take up
› **Seamless compatibility** with modern anti-skid systems (ABS)
Further Applications With Global Potential

- Penetration into the garbage truck market provides an entry point into other “frequently stopping vehicles”
- **Buses** – similar drivetrain to waste vehicles and can be easily adapted
- **Logging and similar heavy haulage trucks** – with high brake demands
- **Military vehicles** – used in harsh conditions and need low thermal signature
Established Presence in Mining Sector

**Australia:**

- Growing market share – currently 25%
- Product improvement driving growth
- SIBS® technology now standard in many vehicles, across many mining sites
  - Olympic Dam, Xstrata Zinc – George Fisher, BHP – Nickel West
- SIBS® II currently ABT’s standard product offering for Landcruisers in Australia
- Developed SIBS® II for Toyota Hilux and expanding to other similar vehicles
- Compatible with ANCAP 5 safety rated vehicles

**Export:**

- Representing 25% of total sales (average last 3 years)
- Strong foothold in South Africa and Canada
- Expansion into new markets (e.g. USA, Central/West Africa, South America)
Value Proposition in Mining

**Improved Vehicle Safety**

› Fully enclosed brakes – low wear
› Fail safe functionality
› Brakes interlocked
› Removes human factor

**Four Levels of Safety**

› Automatic fail safe spring applied hydraulic release brake
› Operator applied emergency brake
› Integrated interlocked park brake
› Sealed service brake
Significant Growth in Mining Sales

› Proven success in the mining industry
› Over 400% growth in brake sales over the past 6 years

Source: Company data
Growth set to continue

› Ongoing industrialisation of emerging economies led by China and India
› Strong growth in new mine development
› Expansion into surface mines with safety and productivity focus

Increased Focus on Safety Regulations

› WHS Act (Jan 12’) and pending MHS Act (Jan 13’) - greater focus on responsibility of mine holders/operators to ensure worker safety
› “Uncontrolled vehicle movements” are a major problem for mine operators - results in fatalities and injuries on site
› SIBS® brakes significantly improve safety for mine operators with a 3-in-1 service, park and fail-safe emergency brake

Growing Emphasis on Productivity

› Sector productivity has declined 50 per cent since 2001 (PWC Report 2012) – many companies have renewed focus on improving mine productivity
› SIBS® brakes increase productivity by reducing brake overhaul and therefore vehicle downtime on site
### Robust Commercial Model

**Attractive business:**
- High margins similar to mining products
- Highly scalable cost base with efficient fulfilment model

**Business model supports high long term RoI:**
- Benefits of offshore outsourced manufacturing
- Low cost fulfilment model
- Low capital intensity

<table>
<thead>
<tr>
<th>Manufacturing &amp; Assembly</th>
<th>Engineering, Sales &amp; Distribution</th>
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<tr>
<td><strong>Thailand</strong></td>
<td><strong>Australia</strong></td>
</tr>
<tr>
<td>› Low cost</td>
<td>› Proximity close to customer market</td>
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<tr>
<td>› Low capital</td>
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*Advanced Braking Technology | Microcap Conference Presentation*
Strong Board and Management Team

**Mr David Humann**

Chairman

- Chartered Accountant, Certified Practicing Accountant, FAICD
- Former MD of Price Waterhouse, Asia Pacific Region and Member of the World Board of Price Waterhouse
- Chairman Mincor Resources NL and Director India Resource Ltd

**Mr Ken Johnsen**

Executive Director and CEO

- Over 31 years experience in the development and licensing of advanced technology for the automotive industry
- Senior management roles in both Australia and the USA with Orbital Corporation Ltd and served on the Orbital board for 13 years

**Mr David Slack**

Non-Executive Director

- Managing Partner and Chief Investment Officer, Investment Manager for Karara Capital Limited
- Co-founder and Joint Managing Director of Portfolio Partners, which had $5.3 billion in funds under management when it was sold to Norwich Union in 1998

**Professor Malcolm Richmond**

Non-Executive Director

- Metallurgist by profession – 26 years with CRA/Rio Tinto Group
- Director of Water Resources Group Ltd, Argonaut Resources NL, Strike Resources Limited and Cuervo Resources Inc
- Until recently visiting Professor of Business and Engineering at the University of Western Australia;
- Former Vice Chairman of the Australian Mineral Industries Research Association
Significant Upside Potential

Garbage Truck Brake Market alone offers significant upside potential

- ABT are well positioned to take on this market growth

Note: The graph represents an indicative scenario based on current market estimates
Company Financial Performance

Revenue

<table>
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<tr>
<th>Year</th>
<th>05/06</th>
<th>06/07</th>
<th>07/08</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
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</thead>
<tbody>
<tr>
<td>Revenue (millions)</td>
<td>2nd Half</td>
<td>1st Half</td>
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Profit After Tax

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<th>07/08</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
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<tbody>
<tr>
<td>Profit After Tax (millions)</td>
<td>2nd Half</td>
<td>1st Half</td>
<td></td>
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<td>06/07</td>
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# Major Shareholders

<table>
<thead>
<tr>
<th>#</th>
<th>Shareholder Name</th>
<th>Number of Shares</th>
<th>% of Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Windpac Pty Ltd</td>
<td>73,399,750</td>
<td>6.64</td>
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<tr>
<td>2</td>
<td>Dasi Investments Pty Ltd</td>
<td>46,794,746</td>
<td>4.23</td>
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<tr>
<td>3</td>
<td>Mr Richard Palmer &amp; Mrs Tracey-Ann Palmer &lt;&lt;Palmer Family Retire A/C&gt;</td>
<td>32,500,000</td>
<td>2.94</td>
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<tr>
<td>4</td>
<td>M/S Tracey-Ann Palmer</td>
<td>25,144,893</td>
<td>2.27</td>
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<tr>
<td>5</td>
<td>M/S Richard Andrew Palmer</td>
<td>24,334,036</td>
<td>2.20</td>
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<td>6</td>
<td>Annapurna Pty Ltd</td>
<td>24,000,000</td>
<td>2.17</td>
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<tr>
<td>7</td>
<td>Fitel Nominees Limited</td>
<td>23,000,000</td>
<td>2.08</td>
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<tr>
<td>8</td>
<td>Mr Dale Albert Monson &amp; Mrs Dagmar Erna Monson &lt;Dale Monson S/F NO2 A/C&gt;</td>
<td>22,639,843</td>
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<td>Myall Resources Pty Ltd &lt;Myall Group Super Fund A/C&gt;</td>
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<td>Claymore Capital Pty Ltd</td>
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<td>Mr Peter Rodney Bower</td>
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<td>Windpac Pty Ltd &lt;The David Earl Slack Superannuation A/C&gt;</td>
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<td>Pershing Australia Nominees Pty Ltd &lt;Blue Ocean Equities A/C&gt;</td>
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<td>14</td>
<td>Mr Jim Sumpter &amp; Mrs Dale Elizabeth Sumpter</td>
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<td>15</td>
<td>Knarf Investments Pty Ltd &lt;Terrigal A/C&gt;</td>
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<td>16</td>
<td>Windpac Pty Ltd &lt;The Slack Family A/C&gt;</td>
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<tr>
<td>17</td>
<td>Mr David Humann &amp; Mrs Anne Humann &lt;David &amp; Anne Humann S/F A/C&gt;</td>
<td>13,378,323</td>
<td>1.21</td>
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<td>18</td>
<td>Mondal Investments Pty Ltd</td>
<td>12,273,927</td>
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<td>19</td>
<td>Galvale Pty Ltd</td>
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<td>R E Jones Properties Pty Ltd &lt;Greenhill Property A/C&gt;</td>
<td>10,829,399</td>
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</tbody>
</table>

**Total Top 20 holders of ordinary shares**: 458,891,792 41.51

**Total Remaining Holders of ordinary shares**: 646,613,097 58.49

**Total Issued Capital**: 1,105,504,889 100.00
Recap: Investment Proposition

› Unique, proven and **patent protected technology**
› Global **market potential across multiple applications and sectors**
› Significant **competitive advantages** over alternative products
› Compelling customer offering – “**triple bottom line**” benefits
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