

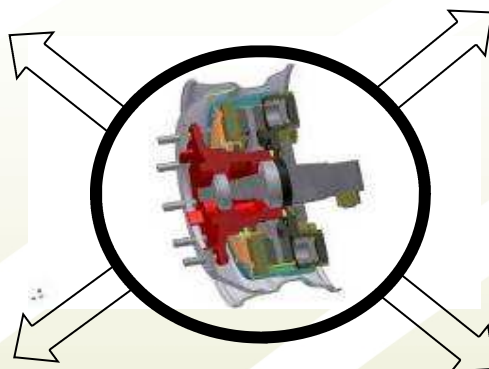
Garbage Trucks



Light Vehicles



Service Trucks



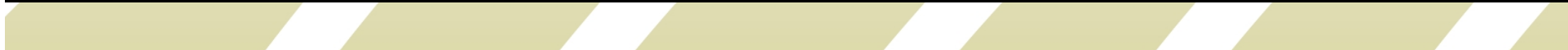
Concrete Trucks

Australian Microcap Investment Conference
18-19 October 2011
Ken Johnsen – CEO
Advanced Braking Technology Ltd



Video Introduction

For personal use only





Company Snapshot

- An Australian innovation in vehicle braking
- Worldwide patents
- Proven in the harshest mining conditions
- Delivers cost, safety and environmental benefits
- High value, high margin product
- In-house, low cost manufacturer of products
- Attractive value proposition to high volume truck market

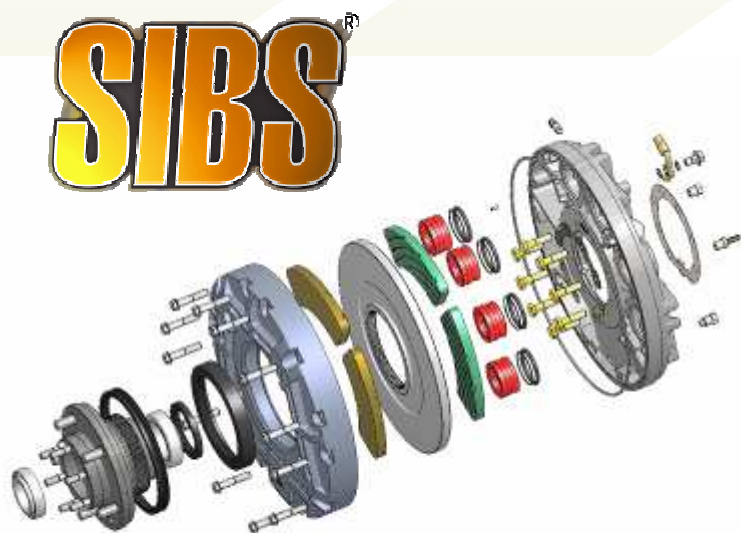


Overview of Technology

Patented Sealed Integrated Braking System

Single rotor enclosed in an oil filled housing

Rear brake fitted with fail-safe feature

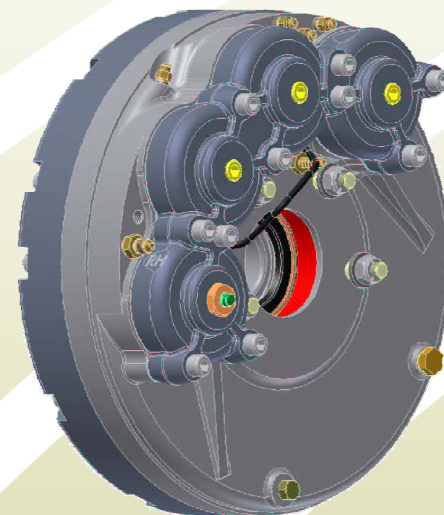


**THE SAFER
BRAKING SYSTEM**



Mine Tough Credentials

- Over a decade of mine service
- Meets regulatory and mine company safety standards
- Delivers operational cost savings
- Standard fitment on many mines
- Used in harshest environments
 - Canadian arctic
 - PNG Jungles
 - South African underground mines
 - Australian deserts





Current Product Applications



and
GROWING!





Blue Chip Customers

RIO
TINTO

bhpbilliton

BARRICK

ANGLO
AMERICAN

xstrata

Companhia
Vale do Rio Doce

Barminto
Underground mining professionals

DRD GOLD
LIMITED

perilya

Downer EDi
Mining

BYRNECUT
MINING

MAGMAHON

LEIGHTON

BUCYRUS



Business Model

(A Technology Company)

- Developed in Australia
- Manufactured in Thailand (wholly owned)
- Direct sales in Australia
- Resellers in Canada and South Africa
- Developer of ongoing new product applications
- Australian Registered Research Agency



Mining Business

- Safety is key driver
- Prevents “uncontrolled vehicle movements”
- Retro-fit to road vehicles used in mining
- Delivers operational savings
- Mandated on many sites
 - Olympic Dam
 - Xstrata Zinc – George Fisher
 - BHP – Nickel West
 - Extends to contractors (Redpath, Byrnecut, Macmahon)





Mining Business

	FY11 \$000's	FY10 \$000's	% Change
Brake Sets	\$4,041	\$1,897	113%
Spare Parts*	\$2,084	\$1,656	26%
Other	\$177	\$430	-59%
Total Sales	\$6,303	\$3,983	58%
Contribution	\$1,819	\$439	314%

* Increasing set sales drives spares sales



Prospects in Mining

Australia

- FY10 market share 10% (mainly Landcruisers)
- FY11 market share 20%
- Increasing market share from product improvement
- Confident this growth will continue

Export — average for last 3 financial years 25% of sales

- Market foothold in South Africa and Canada
- FY11 share 19% of larger overall sales
- Seeking expand current export sales and enter new markets (e.g. South America)



Mining Business

Growth opportunities

- Existing business primarily underground
- Good penetration into BHP, Xstrata, Rio (& contractors)
 - Opportunities with Barrick, Anglo, Newcrest, Newmont
 - Focus is on larger operators
- Penetration growing in open cut mines
 - Coal - Bowen Basin and Hunter Valley
 - Iron ore - Pilbara
- Export
 - Growth in Africa
 - Look to South America

**THE SAFER
BRAKING SYSTEM**



Growth Strategy Beyond Business As Usual

“Breaking into a Mainstream Market by leveraging off the mine tough heritage”





Garbage Truck Brake

- Waste industry confirms a need for improved braking solution
- Brake service costs are up to \$10k pa over 10 year truck life
- Safety and reliability a key issue
- Elimination of noise and dust pollution a key driver



Project Overview

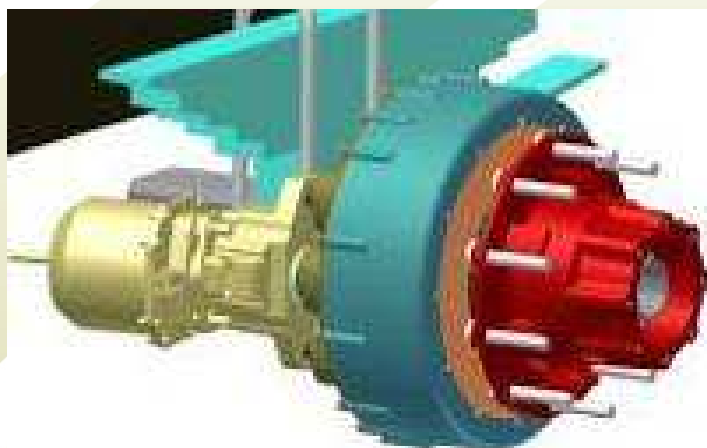
- Commenced March 2008
- Designed as a \$4 million 4 year project
- \$2 million expenditure achieved “proof of concept”
March 2010
- July 2010 Production Validation Commenced
- April 2011 project expanded to include and \$2
Commonwealth funding to assist market launch



From Concept to Reality



Front



Rear





Value Proposition

- Estimated 2.5 year payback on upfront cost of SIBS
- \$8k to \$10k annual savings on brake service costs
- Major service interval extended from 3 months to at least 12 to 24 months
- Target incremental cost \$25,000 per truck
- Pre-assembled wheel ends will be supplied and will be viable service exchange units
- Safer and more reliable brake system
- No brake squeal
- No dust emissions



Current Status/Next Steps

- Production Validation underway to confirm readiness for production and overall reliability
- Involves fleet testing 10 vehicles in real world conditions over 1500 hrs each
- Includes bench and other testing
- Targeting first retro-fit then new truck sales
- Planning for initial launch of 50 non – ABS trucks followed by 50 ABS trucks
- Currently planning is a production decision Q4 FY12



Waste Collection Market

Region	New Truck Sales (annual)	Fleet Size (est.)
Australia	800	6,500 – 8,000
North America	20,000	~ 200,000
Europe	6,000	~ 60,000

Urban refuse collection is a major industry in North America, employing over 300,000 people. Its revenues approach US\$50 billion p.a.



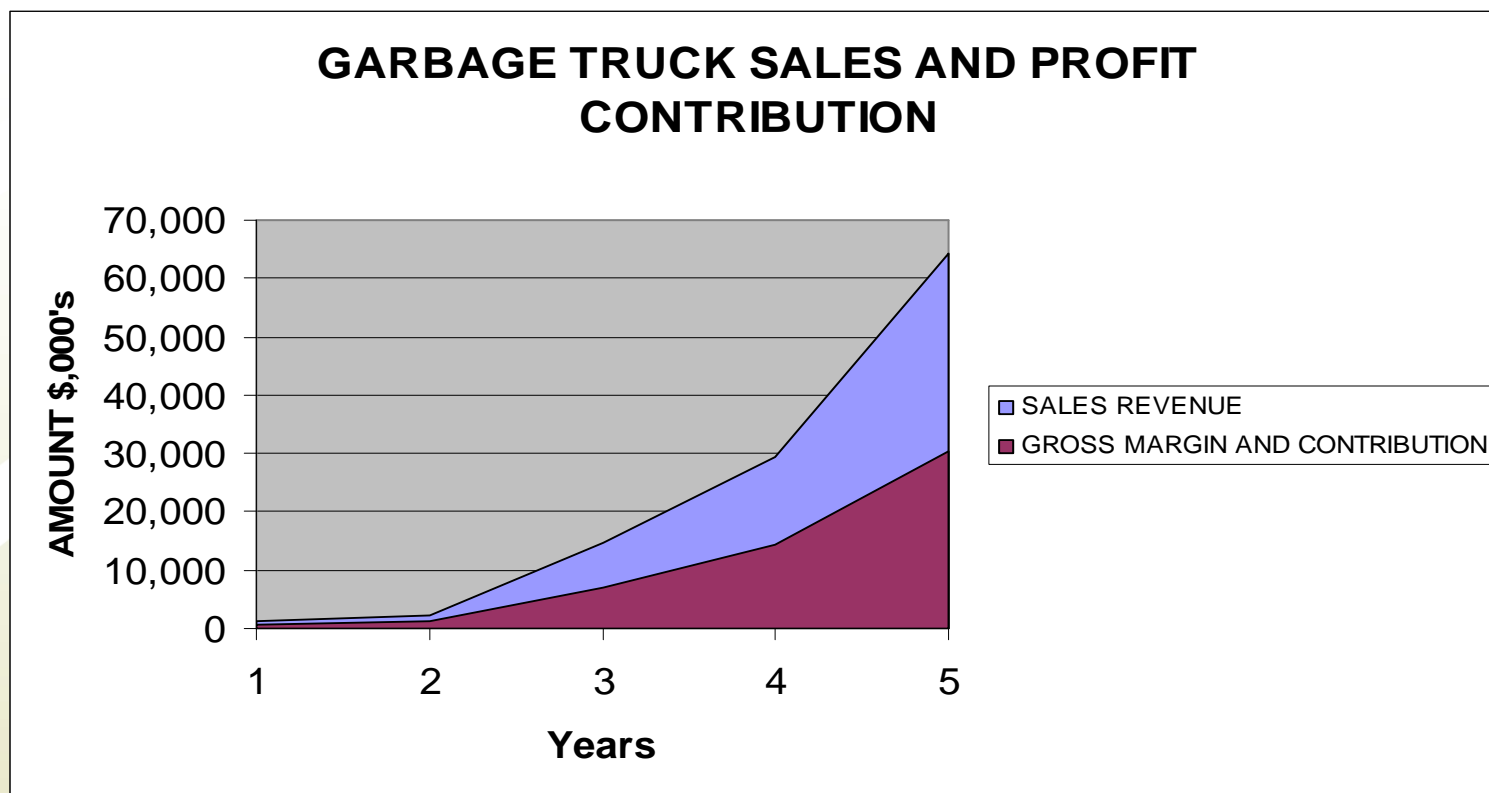
Opportunity

- Sales in Australia to retro-fit represents a \$25 million opportunity (at 30% of available market)
- The Australian market alone represents a \$10 million p.a. sales opportunity (at 50% penetration)
- Australia is only 2% of the North American and European market
- Penetration in this market provides an entry into other “frequently stopping trucks” e.g. city buses



Sales Potential

(possible scenario)



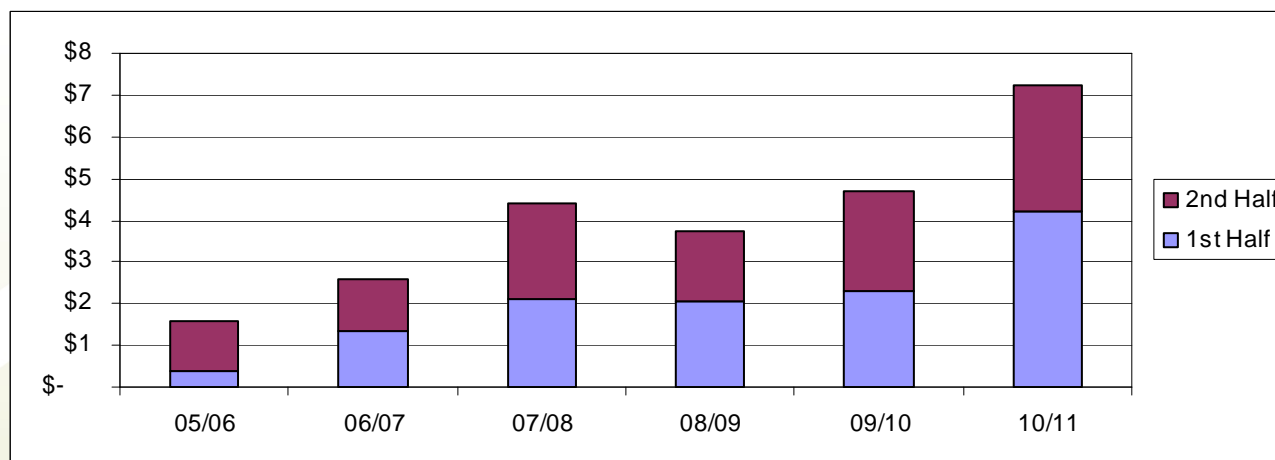
Assumptions

- based on current cost and sales price projections
- production Thai facility
- some retrofit of < 4 year old trucks
- entering US and European markets year 3 after Australian launch

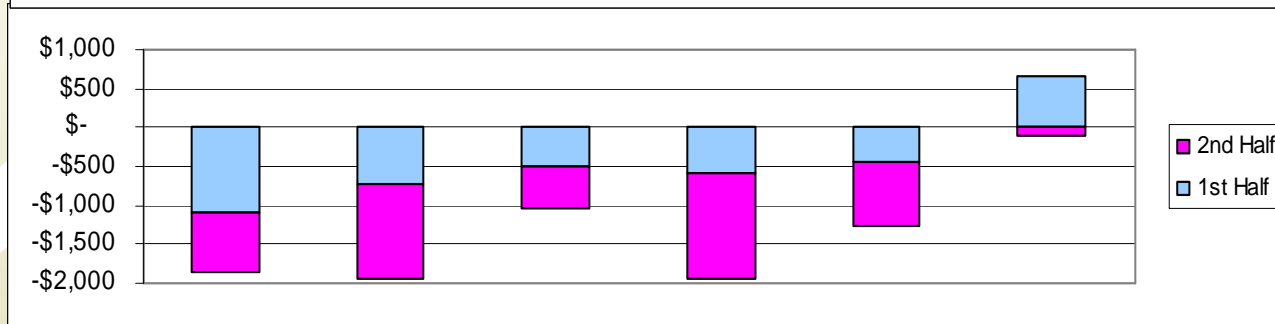


Company Financial Performance

REVENUE
\$m's



P & L
After Tax
\$000's



Losses largely investment in
R&D and establishing Market



Financials

Profit & Loss

	FY11 \$'000	FY10 \$'000	% Change
Revenues from trading activities	\$ 6,631	\$ 4,452	49%
Revenues from other activities	\$ 607	\$ 227	
Total revenue	\$ 7,238	\$ 4,679	55%
Cost of sales	-\$ 2,179	-\$ 1,250	
Adjustment to prior period Cost of Sale	\$ 141	-	
Other expenses	-\$ 5,339	-\$ 4,990	7%
Overheads capitalised as pre-production activities	\$ 583	-	
Total expenses	-\$ 6,995	-\$ 6,240	12%
Net Profit	\$ 243	-\$ 1,561	
R&D Tax Rebate	\$ 307	\$ 295	
Net Profit After Tax	\$ 550	-\$ 1,226	



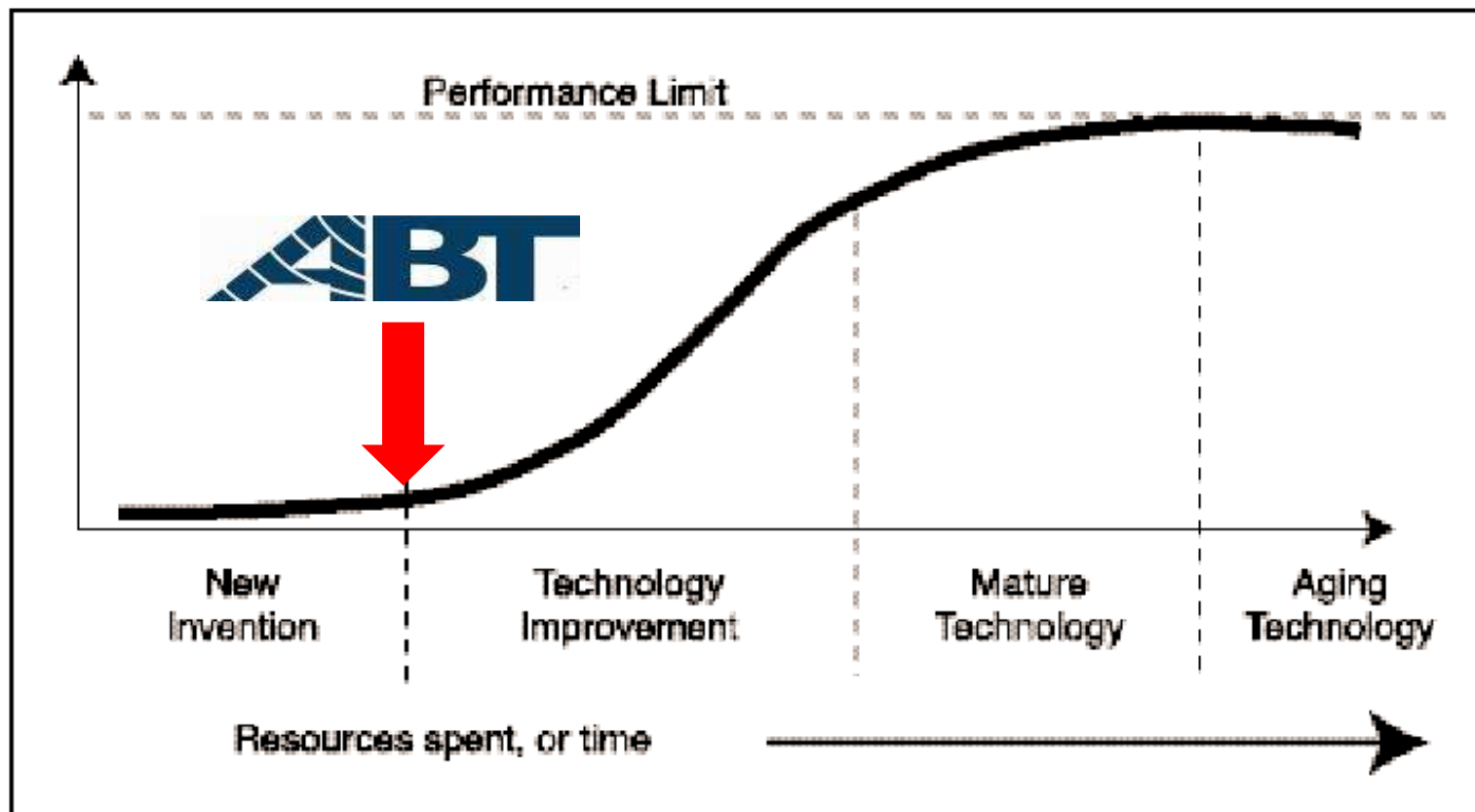
Financials

Balance Sheet

	FY11 \$'000	FY10 \$'000
CURRENT ASSETS		
Cash and Cash equivalents	2,737	510
Trade and other Receivables	1,194	697
Inventories	1,773	1,338
Other current assets	56	47
Total current assets	5,760	2,593
NON-CURRENT ASSETS		
Trade and other Receivables	30	34
Property, plant and equipment	734	504
Intangibles	2,572	2,188
Total non-current assets	3,336	2,726
TOTAL ASSETS	9,096	5,319
CURRENT LIABILITIES		
Trade and other Payables	985	738
Interest bearing liabilities	102	143
Provisions	179	98
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	133	211
Total non-current liabilities	133	211
TOTAL LIABILITIES	1,399	1,190
NET ASSETS/(LIABILITIES)	7,697	4,129
EQUITY		
Issued Capital	43,115	40,150
Foreign Currency Reserve	-252	-269
Other Reserves	708	672
Accumulated losses	-35,874	-36,424
TOTAL EQUITY	7,697	4,129



Technology S Curve



Demonstrating

- proven technology
- proven business model
- proven value proposition



1.	WINDPAC PTY LTD	73,399,750	7.64
2.	MR RICHARD PALMER + MRS TRACEY-ANN PALMER <PALMER FAMILY RETIRE A/C>	32,500,000	3.38
3.	DASI INVESTMENTS PTY LTD	31,494,746	3.28
4.	MR RICHARD ANDREW PALMER	24,334,036	2.53
5.	MR DALE ALBERT MONSON + MRS DAGMAR ERNA MONSON <DALE MONSON S/F NO2 A/C>	22,639,843	2.36
6.	M/S TRACEY-ANN PALMER	22,144,893	2.30
7.	LOST ARK NOMINEES PTY LTD <MYA SUPER A/C>	19,159,500	1.99
8.	WINDPAC PTY LTD <THE DAVID EARL SLACK SUPERANNU>	17,500,000	1.82
9.	MR PETER RODNEY BOWER	17,251,000	1.79
10.	MR JIM SUMPTER + MRS DALE ELIZABETH SUMPTER	17,000,000	1.77
11.	KNARF INVESTMENTS PTY LTD <TERRIGAL A/C>	15,145,980	1.58
12.	ANNAPURNA PTY LTD	15,000,000	1.56
13.	WINDPAC PTY LTD <THE SLACK FAMILY A/C>	14,900,000	1.55
14.	530 COLLINS ST PTY LTD	13,649,127	1.42
15.	MR DAVID HUMANN + MRS ANNE HUMANN <DAVID & ANNE HUMANN S/F A/C>	13,378,323	1.39
16.	CLAYMORE CAPITAL PTY LTD	12,312,500	1.28
17.	MONDAL INVESTMENTS PTY LTD	12,273,927	1.28
18.	GALVALE PTY LTD	12,000,000	1.25
19.	R E JONES PROPERTIES PTY LTD <GREENHILL PROPERTY A/C>	10,829,399	1.13
20.	KITTREDGE PTY LTD	10,329,399	1.07
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		407,242,423	42.36
Total Remaining Holders Balance		554,073,152	57.64
Total Issued Capital		961,315,575	100.00



CONCLUSION

- \$30 million in past investment in R&D is now generating returns
- Mining side of the business generating solid cash flow
- Focusing on growing mining sales and expanding mining product range through ongoing product development
- On track to enter global waste market with compelling new product.



Advanced Braking Technology Ltd

www.advancedbraking.com

ASX Code "ABV"

Email: info@advancedbraking.com

Phone: +61 (0) 8 9273 4800

Fax: +61 (0) 8 9201 9986