

ASX & MEDIA RELEASE

27 February 2012

ABT Experiencing Continued Sales Growth Truck Brake Development Advancing

Highlights:

- **\$671k profit (pre-tax) contribution from mining sales of \$3.264 million**
- **Increasing levels of export orders**
- **Full ADR Certification achieved for main products**
- **Solid prospects in open cut mining areas**
- **Truck brake project approaching production point**
- **Cash balance exceeds \$2 million**

Vehicle braking systems company, Advanced Braking Technology Ltd (**ASX: ABV**), today announced its trading performance and operational activity for the 6 months ending 31 December 2011 that shows a solid increase in recurring monthly mining sales, a growing market share and solid steps towards achieving a commercial launch of its new truck braking system.

A \$0.671 million pre-tax profit on revenues of \$3.264 million demonstrates the significance to the business of the mining products division in an overall after tax trading loss of \$60,000 on revenue of \$3.754 million.

Overhead expenses of \$3.154 million (\$2.628 million to 31 December 2010) reflect that increased development activity is being directed to both further improving the attractiveness of the SIBS[®] mining products and the final stages of preparing the SIBS[®] garbage truck for commercial production.

Mining sales in the prior corresponding period, 6 months ending 31 December 2010, were \$3.580 million of the total income of \$4.188 million resulting in an after tax profit of \$0.653 million. A large single sale of \$0.8 million in December 2010 boosted the previous period's total revenue and level of profit. Underlying base monthly sales however in this half are tracking well above the previous period's monthly sales. Estimated cumulative sales revenue to the end of February 2012, including strong orders in January and February, are now surpassing last year's revenue for the same period including the \$0.8 million sale. Detailed monthly sales comparisons are included in the half yearly report.

During the period the Company achieved full Australian Design Rule (ADR) approval on SIBS[®] for application on Toyota Landcruiser and Hilux vehicles. Previously SIBS[®] was an approved modification to already licensed vehicles and this new level of approval allows streamlined installation on new vehicles as they are licensed from the dealer.

The Company estimates its patented SIBS[®] wet brake technology now holds a 25% market share of the available light mining vehicle market in Australia and is playing a vital role in the sector in delivering improved workplace safety and productivity. This market share is predominantly from the majority of sales being to underground mines and further penetration will come from strong interest by open cut operators. Recent strong export orders will further enhance the full year results as will increased prospects in Australia and a recent product price rise.

Garbage truck brake developments

Application of the SIBS[®] technology to garbage trucks is being developed under ABT's four year, \$4 million program begun in March 2008, with proof of concept achieved in March 2010 and production validation now entering its final stage.

Funding for the program has been assisted by a \$2 million Commonwealth Commercialisation Australia Grant, matched on a 50:50 basis, which when awarded was a repayable grant. In December 2011 the Commonwealth changed the conditions of the Grant and it is now non-repayable.

Field testing in extreme conditions last year identified several areas of improvement were required to meet the most severe customers' expectations. The SIBS[®] technology is being developed to provide waste operators much reduced brake servicing cost, improved safety and reliability and the elimination of brake noise and fine particle emissions.

A detailed study involving many hundreds of thousands of brake stops under extreme load has overcome the identified issue with an improved brake rotor material specification. This improved specification is now undergoing round the clock road testing and a status check at 500 hours has indicated the desired level of minimal wear.

This work and other developments has the Company on track to complete further in-field real world testing in this second half and with continued good results the Company will be in a position to commit to commercial production by June 2012.

Recent program changes have advanced the timing of the release of an ABS version of the truck brake system which will be a pre-requisite for sales to original equipment manufacturers.

Outlook

The Company expects continued growth in mining sales in both the Australian market and the expansion of global markets. The finalisation of the production validation of the SIBS[®] garbage truck brake will signal the readiness to enter the global waste market with a compelling new product. **ENDS**

For further information: **Mr Ken Johnsen, Chief Executive Officer,
Advanced Braking Technology Ltd, Telephone: (+61-8) 9273-4800**

Issued by: **Westbrook Communications,
Contact: Ian Westbrook, Tel 0407 958 137**

Background Information – Advanced Braking Technology Ltd (ASX: ABV)

Advanced Braking Technology Ltd (ASX: ABV) is developing innovative braking systems, with its main product being the Sealed Integrated Braking System (SIBS[™]), a comprehensively patented Australian invention.

SIBS[™] is a fully enclosed, single rotor, high speed wet brake. The brake rotor runs in a bath of oil that serves to cool the brake and minimise wear. An innovative fail safe feature is incorporated into the rear axle brake. As a result, the brakes are virtually wear and maintenance-free and may outlast the vehicles they are fitted to, unlike conventional drum and disc brakes. SIBS[™] brakes deliver better safety, improved productivity and lower operating costs, and are engineered to survive the harshest conditions. The proven technology is environmentally friendly, eliminating brake dust emissions and noise and squealing, and provides a benefits for on-road, off-road and industrial applications in terms of safety, reliability, performance and adaptability.

Based in Perth, Western Australia, Advanced Braking has a manufacturing plant in Thailand, worldwide patents on its technology and an extensive reseller network.