

ASX Release

27 August 2012

ADVANCED BRAKING SECURES MARKET LEADER POSITION AHEAD OF TRANSFORMATION YEAR

- **Total revenue up by 10% to \$8 million**
- **\$1.3 million profit from the mining sector business**
- **A small group loss combined with a substantial investment in upgraded products**
- **An expanded workforce with bolstered expertise across sales and technical areas**
- **Commercial production and roll-out of the SIBS Garbage Truck Brake in FY13**

Advanced Braking Technology Limited (ASX: ABV) today announced its results for the 12 month period ending 30 June 2012. The 2012 Financial Year was a year of further commercial consolidation for the Company, with total revenue increasing by 10% to \$8 million.

The Company made further inroads into the lucrative mining sector and is also focusing energies on preparing for the commercial roll-out of its SIBS braking technology into the global waste industry. Significant expenditure went into Research and Development projects, which resulted in a financial loss of \$123,000, but positioning the Company well to ensure 2013 is a year of milestones.

Advanced Braking Technology (ABT) CEO, Ken Johnsen, said the FY12 results were encouraging, especially given the difficult economic conditions and the major investment into technology improvements in its patented unique product offering.

“Today’s near break-even result is pleasing and encouraging, considering the significant expenditure in product upgrades and workforce expansion. There was also considerable investment in pre-production and development activity.” Mr. Johnsen said.

“The FY12 results highlight ABT’s secure position in the mining sector. We experienced strong sales in the first three quarters, and maintained market positioning in Q4, despite challenging macro industry conditions.

“Our secure market position in the mining sector will support ongoing company growth, reinforcing our confidence in the commercial roll-out and product viability of our Garbage Truck Brake System in the waste management FY13.”

FINANCIAL HIGHLIGHTS

- A near breakeven P&L combined with a substantial investment in upgraded products
- \$1.33 million profit generated by the mining sector of the business
- Total mining sales for FY12 up by 3% to \$6.3 million (sales for first three quarters up by 17%).
- Successful \$2.1 million capital raising in April 2012

- Export sales have increased 11% and now account for 22% of total sales – up from 19% in the prior year
- Pre-production Garbage Truck Brake development supported by Commercialisation Australia grant income of \$761,000.
- R&D Tax Incentive Income of \$786,000

OPERATIONAL HIGHLIGHTS

- Preparations for commercial production and roll-out of the SIBS Garbage Truck Brake in FY13 including extensive in-field and bench testing
- Development of an ABS (anti-skid) version of the SIBS[®] Garbage Truck Brake
- Confirmation of the significant environmental benefits of the SIBS[®] Garbage Truck Brake – including significant reductions in dust particle and noise pollution
- Transition to the improved SIBS II version of the light commercial vehicle brake across various Landcruiser models
- Development of the SIBS II variant for the Toyota Hilux and other similar sized vehicles expanded our market in the mining sector
- Expanded workforce with bolstered expertise across sales and technical areas to support planned expansion of the mining business and the new garbage truck business

OPERATING PERFORMANCE FOR ABT'S TWO CORE DIVISIONS

SIBS[®] Garbage Truck Brake

Board approval was provided in July 2012 for the Group to progress towards the commercial roll out of its SIBS[®] garbage truck brake in the second half of FY13. This decision follows a four year extensive product development program.

During FY12 significant investment was made in preparing the SIBS[®] Garbage Truck Brake for production. Extensive in-field and bench testing was carried out, revalidating key desired performance attributes, including:

- Significantly extended brake overhaul intervals (extending the current brake overhaul interval from 5 months to over 24 months)
- Compatibility with modern anti-skid systems (ABS)
- Availability as a retro-fit braking system

Importantly, testing further confirmed the environmental benefits of the SIBS[®] braking system, showing the total absence of airborne fine particle emissions and total elimination of the brake squeal normally associated with waste collection vehicles.

These solid achievements point to a successful commercial launch in this financial year.

Mining Products

During FY12, ABT completed the SIBS II mining brake upgrade across its widespread customer base. SIBS II is now the standard product offering across the Landcruiser range in Australia. This has led to an expansion of the existing mining vehicle market by the development for the SIBS II variant for the Toyota Hilux and other similar sized vehicles.

The SIBS II can now be applied to a range of different light commercial vehicles with only minor modifications. This will include vehicles that have ANCAP 5 safety ratings. There is an ongoing movement towards requiring this safety rating on mine vehicles. The Company is extremely well positioned to capitalise on this growing requirement.

In addition the activity on the SIBS[®] Garbage Truck Brake the Company has invested over \$1 million in ongoing product development, aimed at enhancing the attractiveness of the mining products and widening the areas of product application. This expenditure is eligible for a 45% cash rebate under the R&D Tax Credit program.

OUTLOOK

Looking ahead for FY13, ABT CEO Ken Johnsen said the Company was poised for transformation and considerable growth, especially given the real commercial upside potential of launching in the waste industry.

“The FY12 results have reaffirmed my confidence in ABT’s commercial model,” Mr. Johnsen said.

“Encouraging and steady sales and secure market position of our mining products have laid a strong foundation for the growth of our SIBS[®] Garbage Truck Brake division in FY13.

“We remain focused on developing our two core business divisions. To achieve this, we have expanded our workforce, strengthening both our sales and technical expertise.

“I look forward to commercialising our SIBS[®] Garbage Truck Brakes and further expanding our mining products in this financial year.

“FY13 is shaping up as a year of growth, transformation and opportunity for ABT. I look forward to updating the market regularly on our positive progress.”

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About Advanced Braking Technology Ltd

Advanced Braking Technology Ltd (ASX: ABV) develops innovative braking systems. The Company’s main product is the Sealed Integrated Braking System (SIBS[®]), a comprehensively patented Australian invention that is used widely in light commercial vehicles in the mining industry. Following the Company’s success in the mining sector, ABV has branched into the waste disposal sector, developing the SIBS[®] technology into a revolutionary garbage truck braking system.

SIBS[®] is a fully enclosed, single rotor, high speed wet brake. The brakes are virtually wear and maintenance-free, unlike conventional drum and disc brakes. SIBS[®] brakes aim to deliver significant “triple bottom line” benefits to fleet operators, including substantially reduced servicing costs, more consistent and reliable braking performance, and the elimination of noise and dust emissions.