

Advanced Braking Technology Limited

Microcap Conference Presentation | October 2012

Company Profile

- › 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

ABT is a Listed Company on the ASX

Share Price	\$0.019
Shares on Issue	1.1 billion
Market Cap	\$21 million
52 Week High	0.026
52 Week Low	0.013

**THE SAFER
BRAKING SYSTEM**

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

Our Technology

Sealed Integrated Braking System (SIBS®)

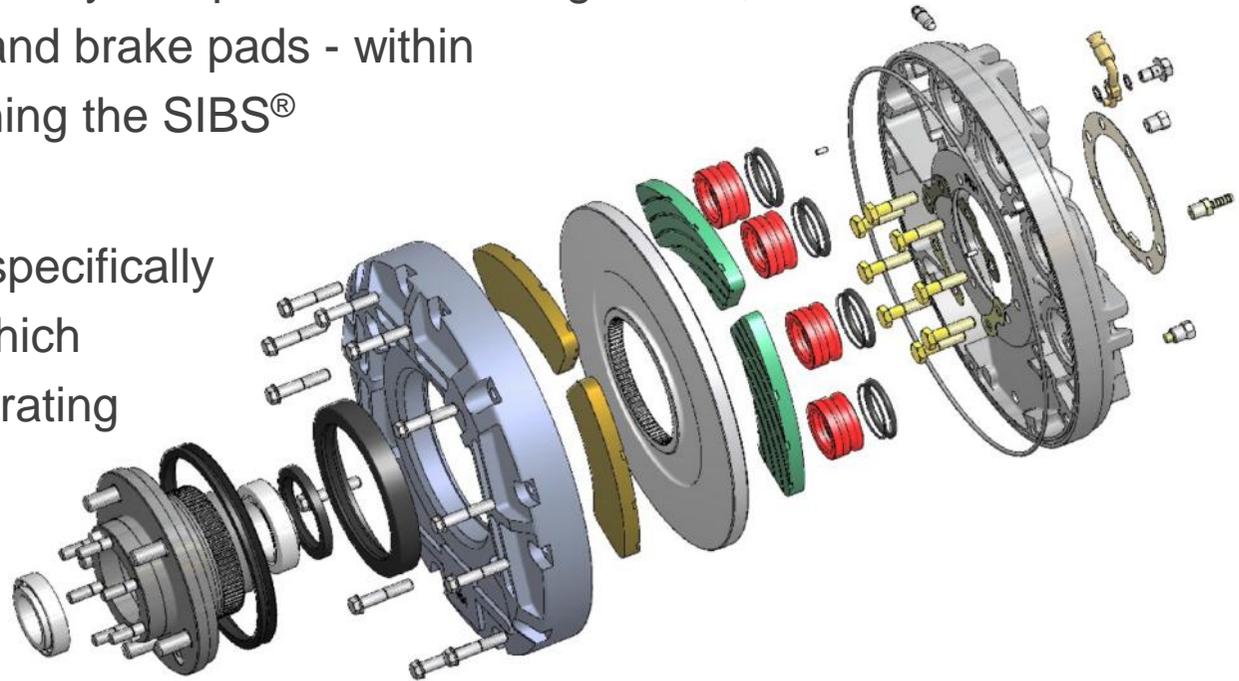
- › Fully enclosed, single rotor, high speed wet brake
- › Incorporates fail-safe features
- › Designed for retro-fit or factory fit
- › Comprehensively patented Australian invention
- › Virtually wear and maintenance-free (unlike conventional drum and disc brakes)
- › Manufactured in Thailand, through 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

RioTinto

bhpbilliton



xstrata



DRD GOLD LIMITED



perilya



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

Compelling Customer Offering

“Triple bottom line” benefits

› Financial Savings:

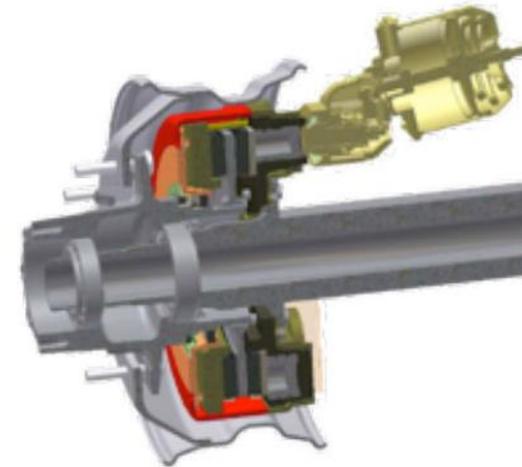
- Dramatically reduces frequency of brake overhauls from more than twice a year to once every two years or longer
- Reduces annual operating costs by up to \$15,000 per truck
- Customer payback on initial investment < 2 years

› 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

Buses



Logging



Military



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)

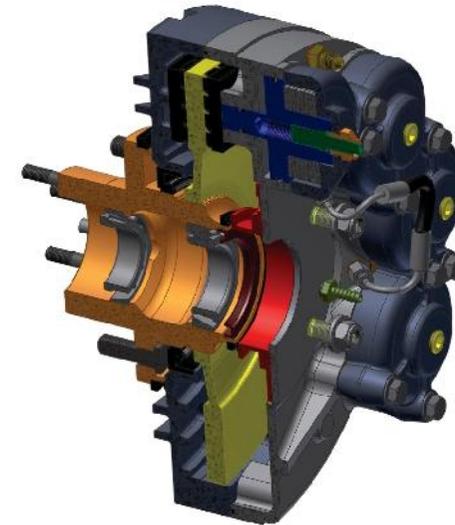
Value Proposition in Mining

Improved Vehicle Safety

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

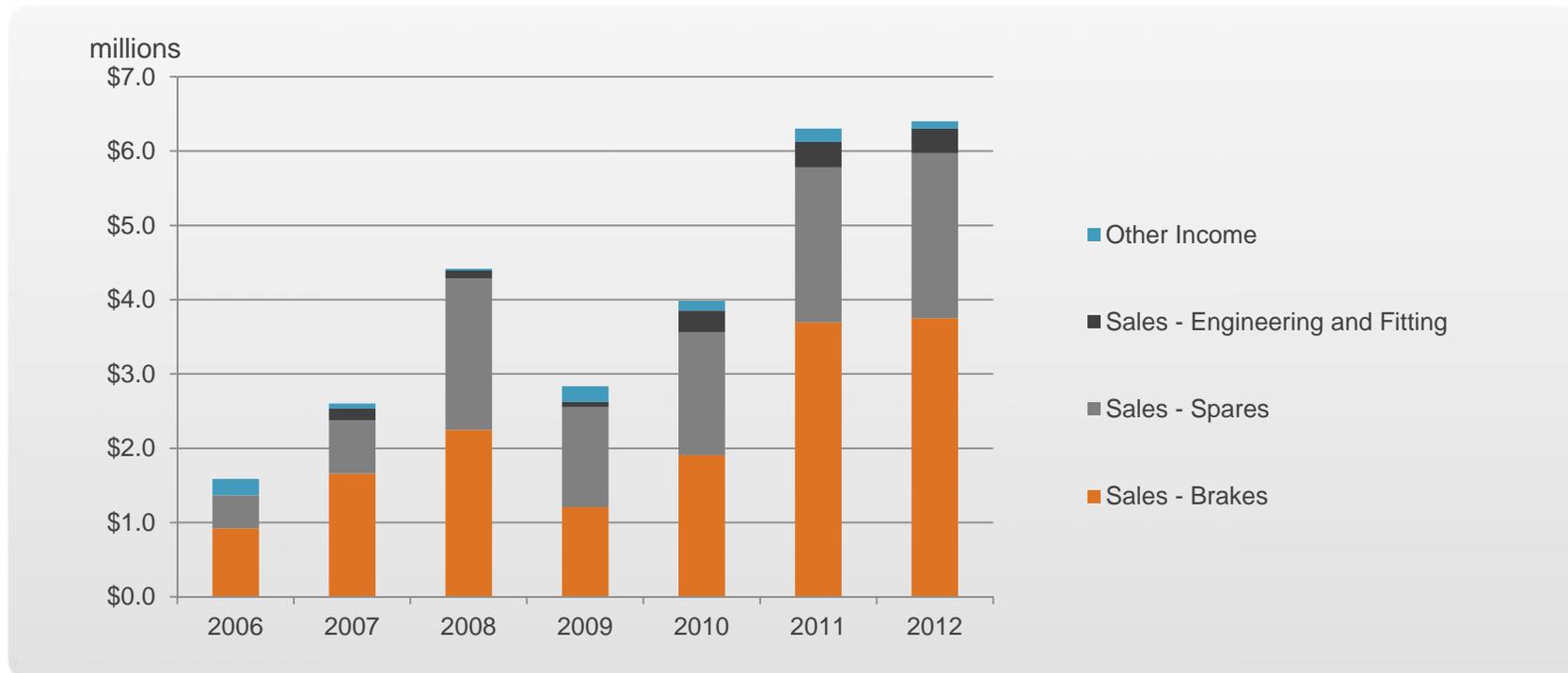
Four Levels of Safety

- › 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

Mining – Growth Drivers/Opportunities

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

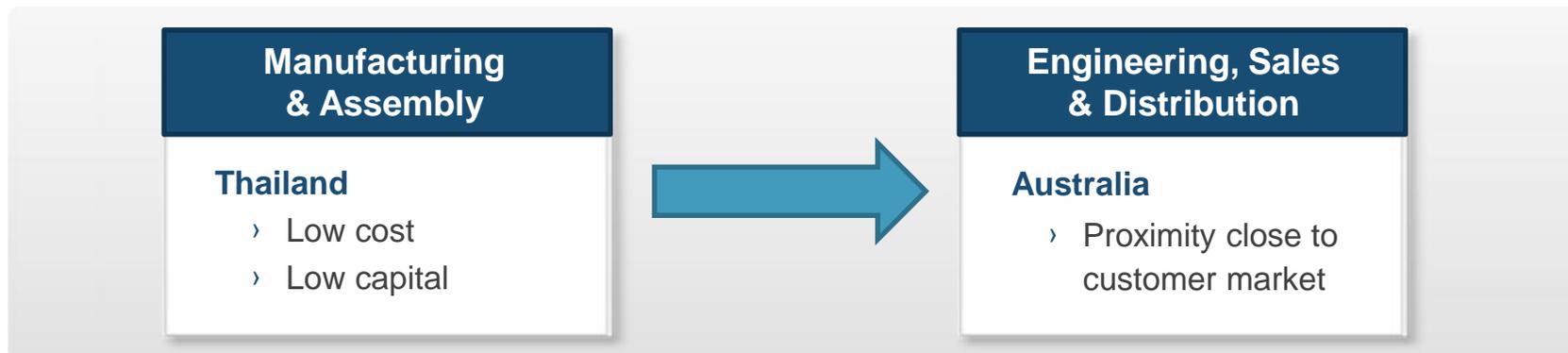
Robust Commercial Model

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



Strong Board and Management Team



Mr David Humann
Chairman

- › Chartered Accountant, Certified Practising 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



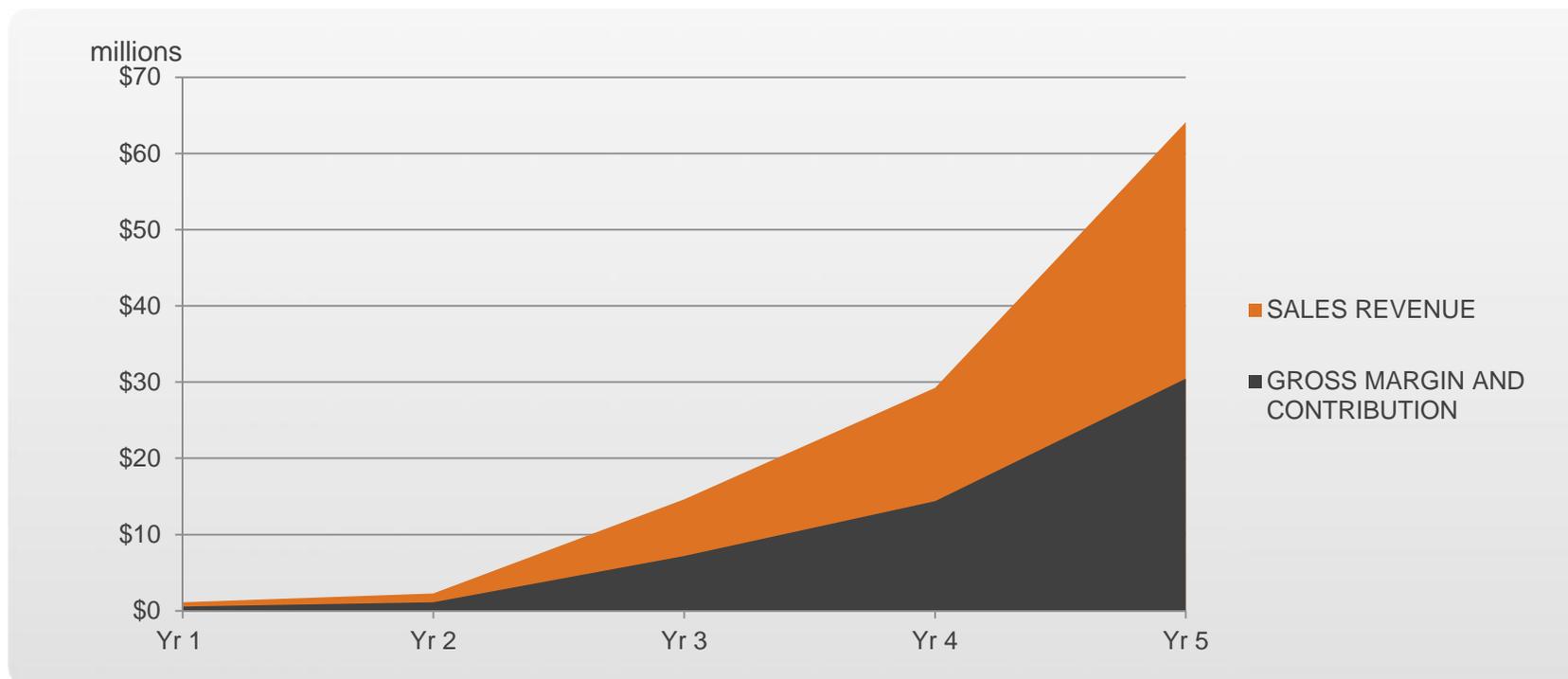
Professor Malcolm Richmond
Non-Executive Director

- › 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

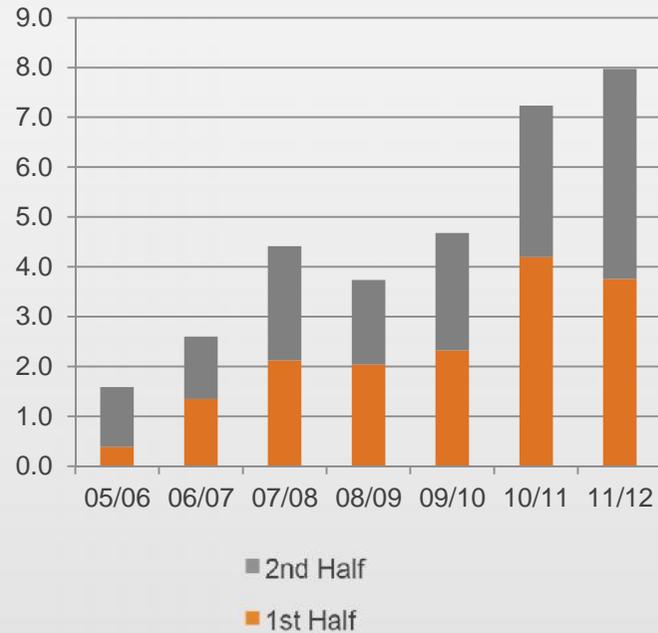


Note: The graph represents an indicative scenario based on current market estimates

Company Financial Performance

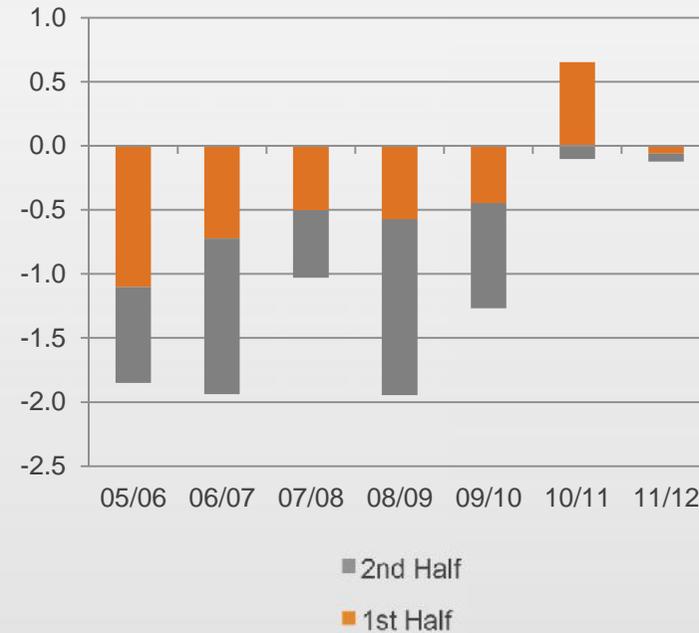
Revenue

\$ millions



Profit After Tax

\$ millions

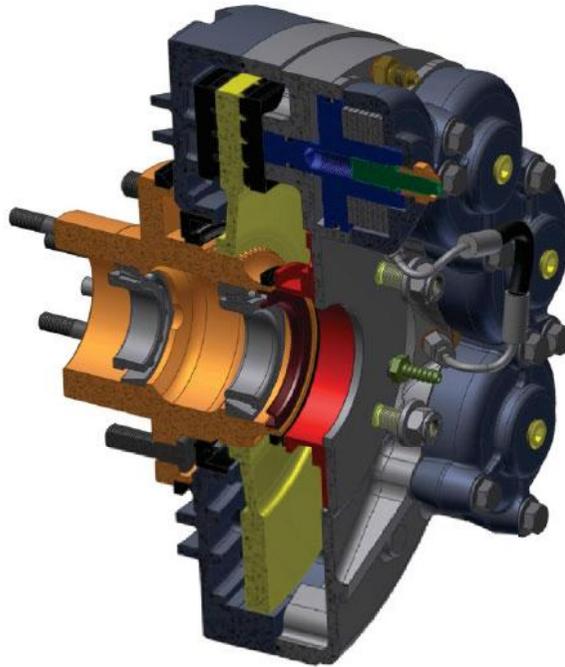


Major Shareholders

	Number of Shares	% of Issued Shares
1 Windpac Pty Ltd	73,399,750	6.64
2 Dasi Investments Pty Ltd	46,794,746	4.23
3 Mr Richard Palmer & Mrs Tracey-Ann Palmer <<Palmer Family Retire A/C>	32,500,000	2.94
4 M/S Tracey-Ann Palmer	25,144,893	2.27
5 M/S Richard Andrew Palmer	24,334,036	2.20
6 Annapurna Pty Ltd	24,000,000	2.17
7 Fitel Nominees Limited	23,000,000	2.08
8 Mr Dale Albert Monson & Mrs Dagmar Erna Monson <Dale Monson S/F NO2 A/C>	22,639,843	2.05
9 Myall Resources Pty Ltd <Myall Group Super Fund A/C>	20,759,500	1.88
10 Claymore Capital Pty Ltd	19,591,302	1.77
11 Mr Peter Rodney Bower	19,500,000	1.76
12 Windpac Pty Ltd <The David Earl Slack Superannuation A/C>	17,500,000	1.58
13 Pershing Australia Nominees Pty Ltd <Blue Ocean Equities A/C>	16,000,000	1.45
14 Mr Jim Sumpter & Mrs Dale Elizabeth Sumpter	15,200,093	1.37
15 Knarf Investments Pty Ltd <Terrigal A/C>	15,145,980	1.37
16 Windpac Pty Ltd <The Slack Family A/C>	14,900,000	1.35
17 Mr David Humann & Mrs Anne Humann <David & Anne Humann S/F A/C>	13,378,323	1.21
18 Mondal Investments Pty Ltd	12,273,927	1.11
19 Galvale Pty Ltd	12,000,000	1.09
20 R E Jones Properties Pty Ltd <Greenhill Property A/C>	10,829,399	0.98
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

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www.advancedbraking.com

info.perth@advancedbraking.com

Phone: +61 8 9273 4800 | Fax: +61 8 9201 9986