

Advanced Braking Technology Ltd

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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®)

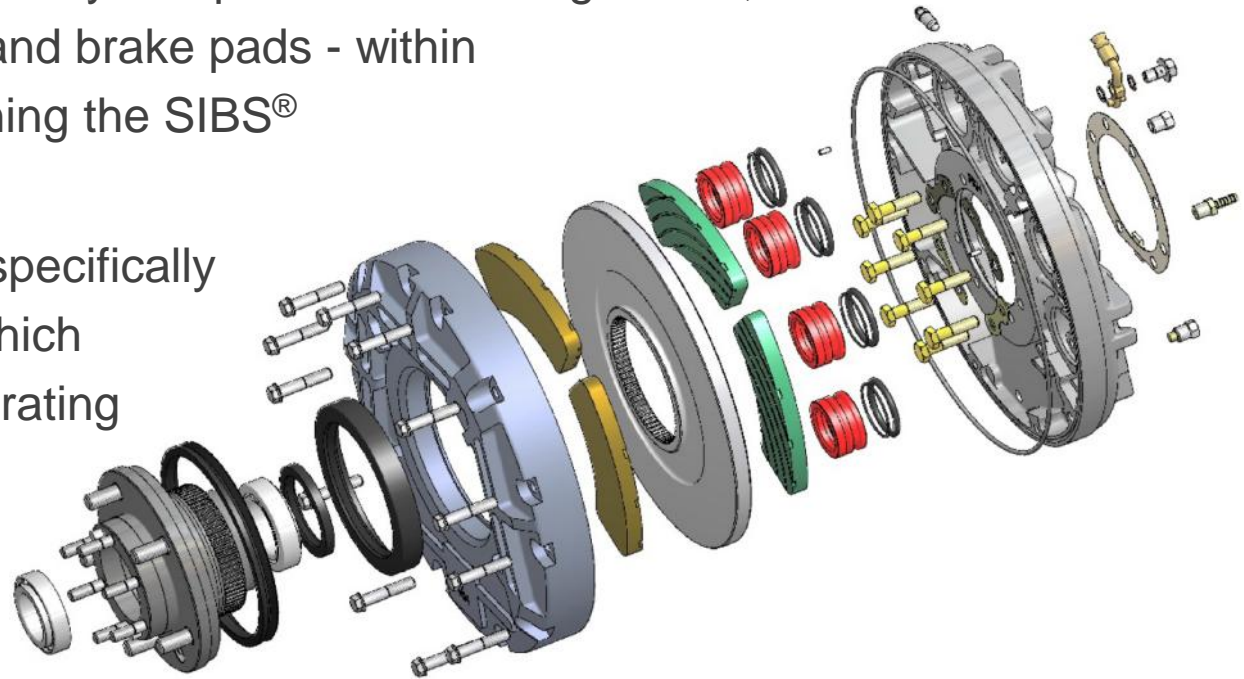
- › Fully enclosed, single rotor, high speed wet brake
- › Incorporates fail-safe features
- › Designed for retro-fit or factory fit
- › Comprehensively patented Australian invention
- › Virtually wear and maintenance-free (unlike conventional drum and disc brakes)
- › Manufactured in Thailand, through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

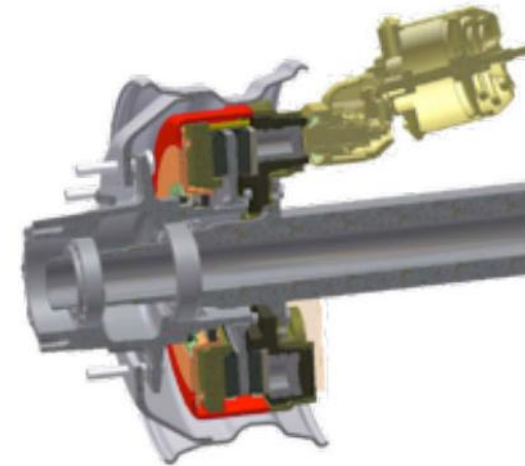
- Dramatically reduces frequency of brake overhauls from more than twice a year to once every two years or longer
- Reduces annual operating costs by up to \$15,000 per truck
- Customer payback on initial investment < 2 years

› 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)

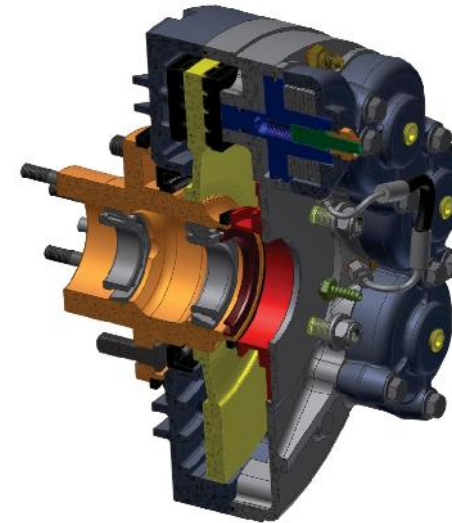
Value Proposition in Mining

Improved Vehicle Safety

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

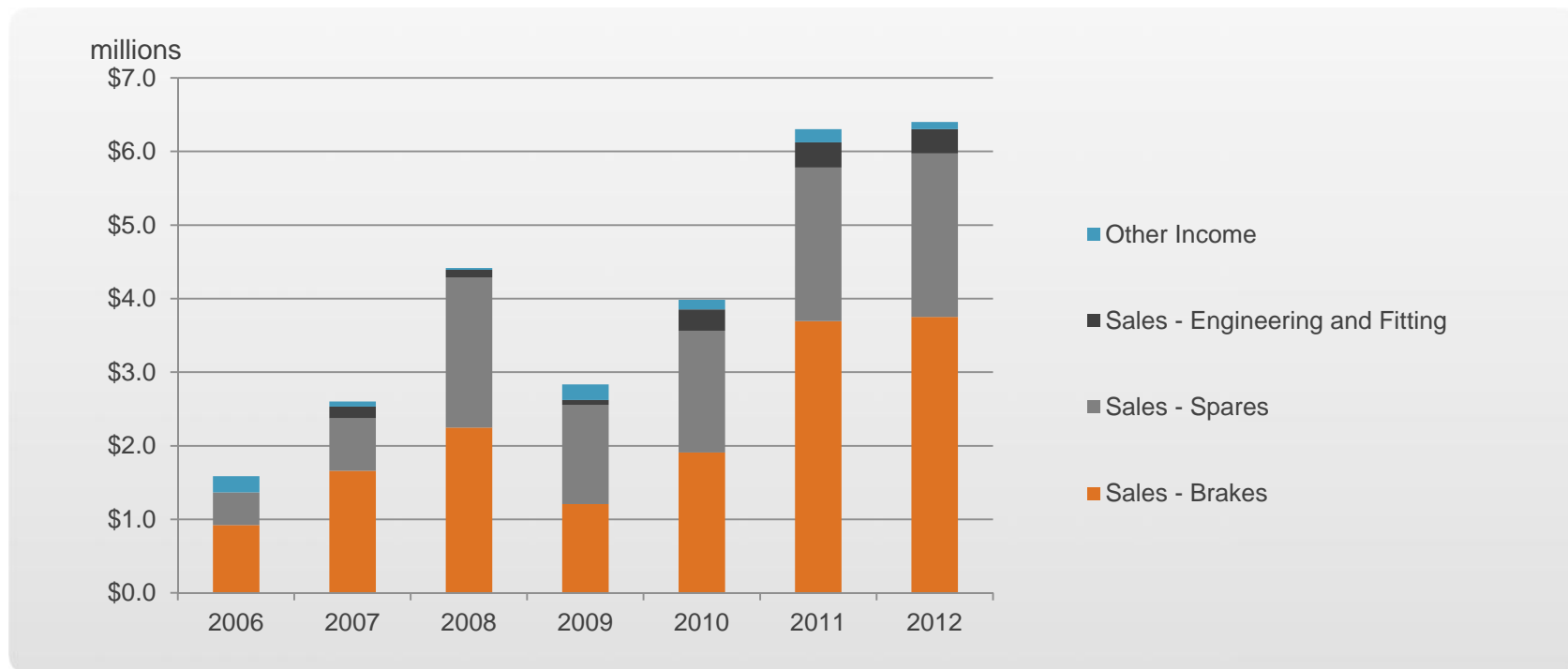
Four Levels of Safety

- › 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

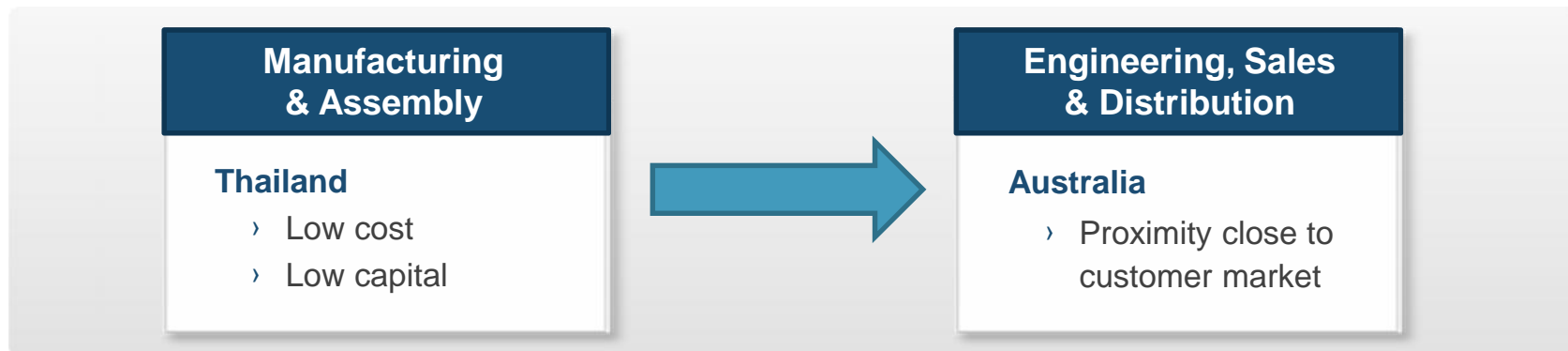
Robust Commercial Model

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



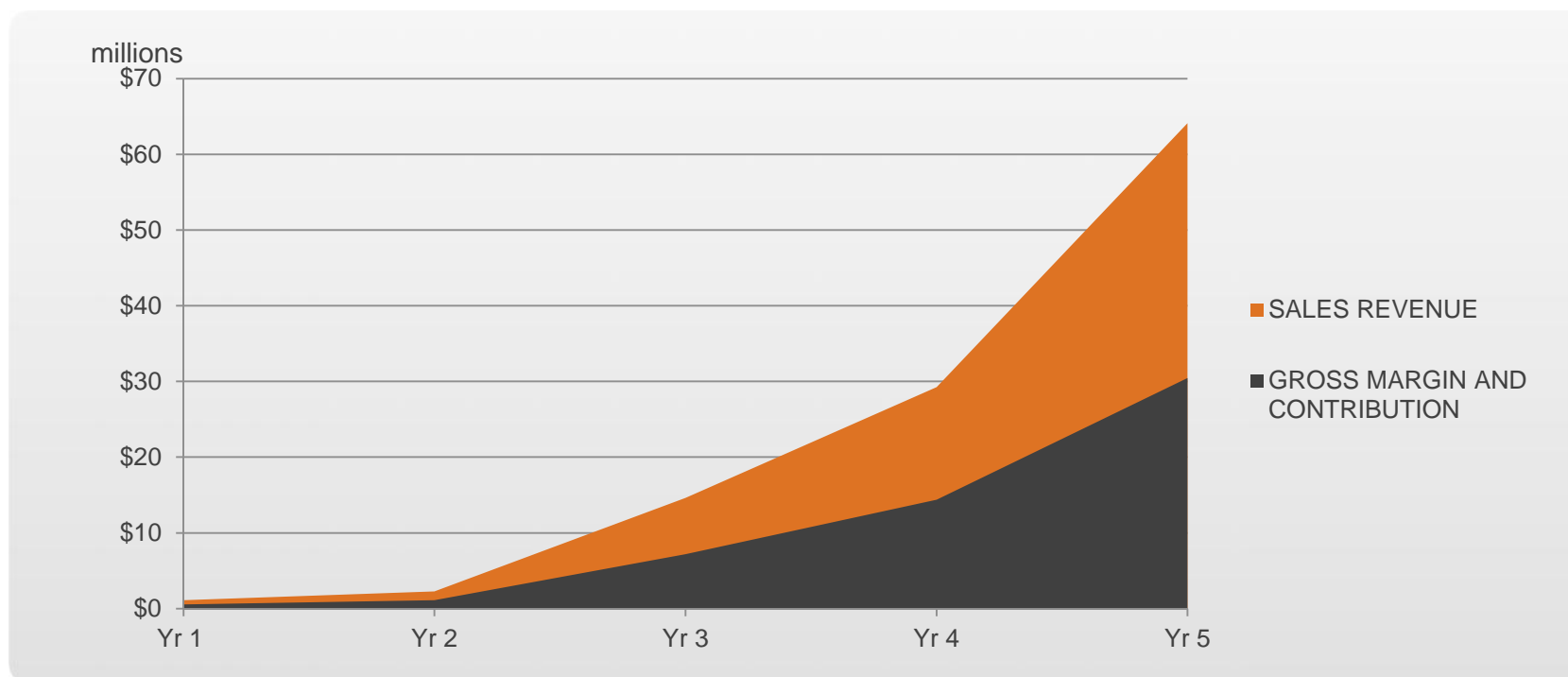
Professor Malcolm Richmond
Non-Executive Director

- › 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

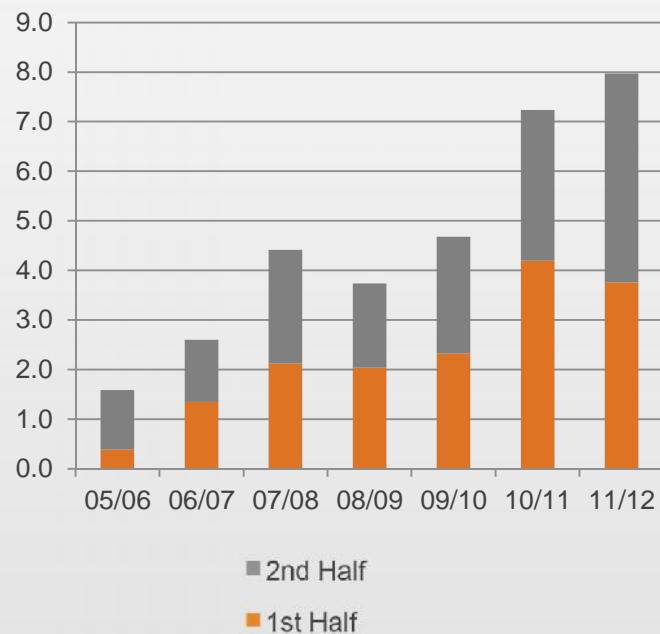


Note: The graph represents an indicative scenario based on current market estimates

Company Financial Performance

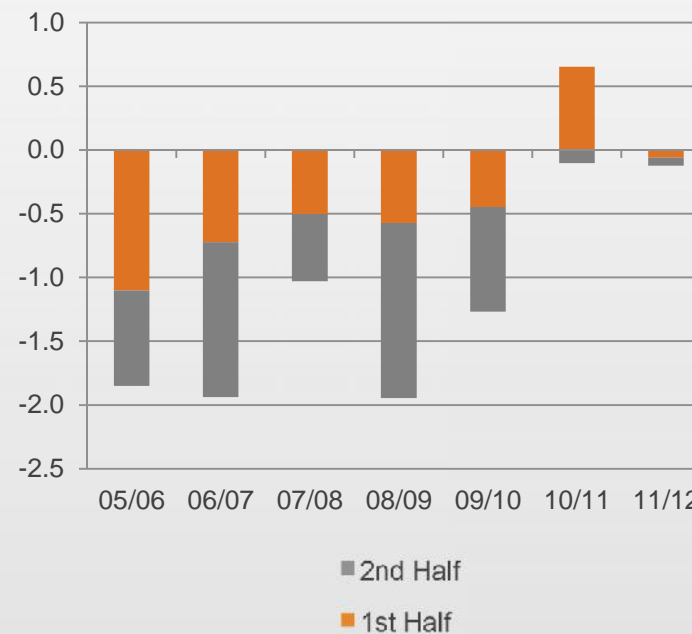
Revenue

\$ millions



Profit After Tax

\$ millions

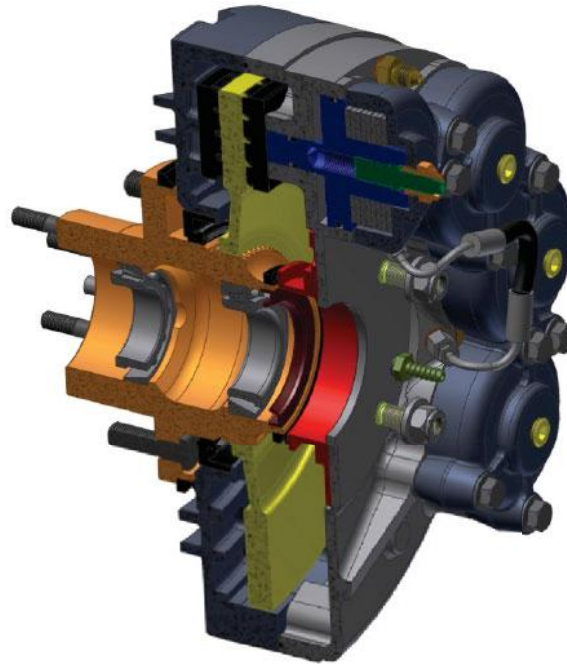


Major Shareholders

	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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