

ASX RELEASE

22 January 2015

Market Update

- **Trading Revenue up 64% on 1H 2013**
- **Total expenses, excluding one-time write-downs, down 44% on 1H 2013**
- **Stabilised cash position established. Cash held at 31 December 2014 of \$1.94m compared with \$1.98m as at June 30 2014**
- **A non-cash, one-time charge of \$1.29m to be taken in this half to write-down inventory and fixed assets following the closure of ABT's Thailand operations**
- **Total Revenue for the half-year of \$3.24m, with a loss after write-downs of \$2.45m**
- **SIBS[®] 4 braking solution developed and released for the existing product range and the widely used Ford Ranger**
- **7 new international distribution partners established**

Advanced Braking Technology (ASX: ABV) ('ABT' or 'the Company') wishes to advise the market of its unaudited results for the half year to 31 December 2014. The company is pleased to report good progress towards its goal of being a sustainably profitable and innovative technology business.

Trading revenue of \$2.8m was up 64% for the first half compared with same period in 2013/14 and was assisted by improved orders from both our Australian customer base and our new international distributors in Africa and Europe. Total revenue was 17.5% up on the same period last year when the prior year's R&D revenues are taken into account.

The effect of our cost restructuring initiatives began to take hold with a 44% decline in recurring expenses, principally as a result of staff reductions and the accompanying overheads. ABT's cash position stabilised during the past 6 months also as a result of the focus on costs and tighter capital management.

Along with the closure of its Thailand operations, ABT has completed a comprehensive review of its fixed asset base and its inventory holdings. The result of this review is that ABT has will take a non-cash \$1.29m write-down this half to reflect a reduction in the value of its truck stock and associated assets.

Strategically, ABT made good progress during the half year with the release of its SIBS[®] 4 product range which offered customers a number of additional benefits including

- Substantially reduced footprint providing greater flexibility in vehicle mounting
- In-vehicle monitoring of hydraulic fluid levels
- Highway speed isolation (HSI) as a further protection against accidental activation of the brake at high speed
- An engine oil pressure sensor that enables automatic application of the emergency brake in the event of an engine stall.

SIBS[®] 4 was released in December 2014 in conjunction with the newly developed SIBS[®] 4 brakes for the Ford Ranger and also supports our existing models of LandCruiser, Hilux, Isuzu and Hino vehicles.

Importantly we also added 7 additional international distributors in Southern Africa, Eastern Europe and New Zealand

ABT's Managing Director, Graeme Sumner commented, "While we still have a long way to go I am pleased with the progress to date. The emphasis in the next 6 months will be firmly on extending our product range and customer base."

ENDS

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About Advanced Braking Technology Ltd

Advanced Braking Technology Ltd (ASX: ABV) develops innovative braking systems, with its main product being the Sealed Integrated Braking System (SIBS[®]), a comprehensively patented Australian invention, now used widely in light commercial vehicles in the mining industry.