

ASX / MEDIA RELEASE

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March Quarter Business Update

- March quarter sales ~ \$2 million
- Financial YTD Mining Sales up 17% on prior corresponding period to \$5.23 million
- Sales momentum building in Bowen Basin and Hunter Valley
- Exports increasing to West Africa, South Africa and North America
- Cash from mining sales supporting garbage truck development
- Garbage truck testing moves in to final phase
- Key production suppliers selected
- Expanded engineering and sales team

Advanced Braking Technology Ltd (ASX: ABV) ("**ABT**" or "**Company**") today provides shareholders a summary of the March quarter operational highlights, including sales of its SIBS® braking system to the mining industry of just under \$2 million for the quarter. This excellent third quarter result takes the YTD (9 months) sales to \$5.23 million being 17% above sales for the prior corresponding period demonstrating the increasing demand for the Company's mining product. Total revenue YTD is \$5.95 million.

Significantly, 33% of the \$1.996 million of sales during the quarter were to overseas buyers, primarily in North America and South Africa, indicating further growth potential in these markets. There is also ongoing activity in West Africa and an order has been received for the first supply of SIBS® brakes to a Turkish mining operation.

Sales of SIBS® brakes also increased during the quarter to the Bowen Basin and Hunter Valley regions, where vehicles used in open cut coal mines suffer extremely high brake wear. Several companies that were using the SIBS® product on evaluation vehicles have begun a roll out to their wider fleet. The fully enclosed SIBS® brakes extend the service interval (lowering costs), provide more reliable braking and add a proprietary 'fail-safe' feature to vehicles.

During the quarter, the Company announced the commencement of the final testing phase for its patented braking system for garbage trucks. This has involved commercial testing of trucks fitted with production representative SIBS® brake sets in municipal waste collection at a local Western Australian council. Operator feedback from the trial has been very favourable to date, with a noticeable reduction in unintended wheel lock-up (which causes skidding) being reported.

Preparations continued for the commencement of commercial production of the SIBS® braking system for garbage trucks with key production suppliers selected both in Australia and overseas. The engineering team was also expanded during the quarter, including the appointment of a highly credentialed senior automotive engineer, Dr Malcolm Lambert.

One of the prime advantages of the SIBS® braking system on garbage trucks is the provision of a safer more reliable braking system, however, an additional benefit is vastly reduced servicing costs. Between service intervals, the SIBS® braking performance remains consistent, without the need for regular adjustment or inspection. In contrast, traditional brakes require regular inspection and adjustment to maintain optimum performance and have a rapid deterioration in effectiveness as they approach the replacement point.

The accompanying cash flow details a cash balance of \$1.664 million as at 31 March 2012. This includes an operating cash flow deficit of \$109k over the quarter. Due to the greater sales levels during the quarter there was a need to increase stock to a level sufficient to meet future expected higher sales. This resulted in an increase of \$186k in inventory compared to December 31st 2011. Total cash usage for 3 months was \$370k. Contributing to this total cash use was the ongoing investment in advancing the garbage truck project and an increase in fixed assets.

ABT Chief Executive Officer Mr Ken Johnsen stated, "We have made excellent progress in both the sales of our mining product and in progressing the commercialisation of our garbage truck product. Our persistence has paid off with the results reflected in improved cash generation from mining allowing us to fund our growth initiatives."

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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.

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 benefits for on-road, off-road and industrial applications in terms of safety, reliability, performance and adaptability.

Following the success of the product in the mining sector, the Company has branched into the waste disposal sector, developing the SIBS® technology into an innovative garbage truck braking system. After four years of development, the project is now in its final testing phase before commercialisation of the product.

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