

Appendix 4E

Preliminary final report

*Rule 4.3A
Introduced 1/1/2003*

Name of entity: **Advanced Braking Technology Ltd**

ABN: **66 099 107 623**

1. Reporting period ("current period"): **Year ended 30 June 2014**
Previous corresponding period: **Year ended 30 June 2013**

2. Results for announcement to the market

					\$A'000
2.1	Revenue from ordinary activities	down	23%	to	6,264
2.2	Profit /(loss) from ordinary activities after tax attributable to members	up	720%	to	(7,543)
2.3	Net profit / (loss) for the period attributable to members	up	720%	to	(7,543)
					Amount per share cents
					Franked amount per share cents
2.4	<i>Dividends</i>				
	Final				N/A
	Interim				N/A

Record date for determining entitlements to dividends: N/A

Brief explanation of figures in 2.1 to 2.4 (if necessary):

\$2,906,000 of development and pre-production costs capitalised in previous years was written off in the year. See the Market Update released on the date of this report.

There was a one-off inventory write-down in the year of \$801,000, as disclosed in the Market Update released 28 July 2014.

3. Consolidated Statement of Profit and Loss and Other Comprehensive Income	Current Period	Previous Correspond- ing period
	\$'000	\$'000
Revenue from trading activities	4,451	5,978
Revenue from other activities	1,813	2,175
Total revenue	<u>6,264</u>	<u>8,153</u>
Cost of sale	(1,969)	(2,312)
One-off inventory write=down	(801)	-
Amortisation of Intellectual Property	(199)	(199)
Bad and doubtful debts	(68)	(124)
Borrowing costs	(364)	(52)
Computer related expenses	(55)	(66)
Consulting fees	(430)	(566)
Consumables and minor equipment	(383)	(351)
Depreciation expense	(389)	(372)
Employee expenses	(4,635)	(4,523)
Insurance	(185)	(153)
Legal fees	(131)	(116)
Marketing and advertising expenses	(98)	(57)
Patents	(98)	(131)
Property expenses	(398)	(381)
Share Options Cost	(3)	(10)
Telephone and other communication	(41)	(45)
Travel and accommodation	(284)	(257)
Write-off of prototype fixed assets consumed in product development	-	(139)
Overheads capitalised as development and pre-production activities	-	1,071
Write-off of development and pre-production costs capitalised	(2,906)	-
Other expenses	(563)	(505)
Overheads recovered in production	193	215
Total expenses	<u>(13,807)</u>	<u>(9,073)</u>
(Loss) from continuing activities before related income tax benefit	(7,543)	(920)
Income tax credit	-	-
(Loss) from continuing operations after related income tax benefits	(7,543)	(920)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation	(5)	71
Total comprehensive (loss) for the period	<u>(7,548)</u>	<u>(849)</u>

4. Consolidated Statement of Financial Position

	Current Period	Previous Correspond- ing period
	\$'000	\$'000
CURRENT ASSETS		
Cash and Cash equivalents	1,989	1,197
Trade and other Receivables	535	838
Inventories	1,614	2,094
Other current assets	1,638	1,424
Total current assets	<u>5,776</u>	<u>5,553</u>
NON-CURRENT ASSETS		
Trade and other Receivables	31	32
Property, plant and equipment	736	974
Intangibles	1,392	4,497
Total non-current assets	<u>2,159</u>	<u>5,503</u>
TOTAL ASSETS	<u>7,935</u>	<u>11,056</u>
CURRENT LIABILITIES		
Trade and other Payables	819	891
Interest bearing liabilities	943	251
Provisions	233	252
Deferred Income	-	106
Total current liabilities	<u>1,995</u>	<u>1,500</u>
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	2,472	395
Provisions	26	58
Total non-current liabilities	<u>2,498</u>	<u>453</u>
TOTAL LIABILITIES	<u>4,493</u>	<u>1,953</u>
NET ASSETS	<u>3,442</u>	<u>9,103</u>
EQUITY		
Issued Capital	47,331	45,447
Foreign Currency Reserve	(173)	(167)
Other Reserves	744	740
Accumulated losses	(44,460)	(36,917)
TOTAL EQUITY	<u>3,442</u>	<u>9,103</u>

5. Consolidated Statement of Cash Flows

	Current Period	Previous correspond- ing period
	\$ '000	\$ '000
Net cash flows from operating activities		
Receipts from customers	6,647	7,867
Payments to suppliers, consultants and employees	(10,020)	(8,479)
Borrowing costs	(278)	(52)
Interest received	34	45
Net cash (used in) operating activities	<u>(3,617)</u>	<u>(619)</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	53	31
Purchase of property, plant and equipment	(165)	(315)
Development and Pre-production expenditure capitalised	-	(1,071)
Net cash (used in) investing activities	<u>(112)</u>	<u>(1,355)</u>
Cash flows from financing activities		
Proceeds from borrowings	3,123	534
Repayment of borrowings	(452)	(293)
Proceeds from issue of shares	1,943	-
Costs of issuing shares	(84)	-
Net cash provided by financing activities	<u>4,530</u>	<u>241</u>
Net increase / (decrease) in cash and cash equivalents held	801	(1,733)
Effects of exchange rate fluctuations on the balance of cash held in foreign currencies	(9)	5
Cash and Cash equivalents at the beginning of the year	1,197	2,925
Cash and Cash equivalents at the end of the month	<u><u>1,989</u></u>	<u><u>1,197</u></u>

6. Dividends

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	cents	cents	cents
Final dividend - current year	Nil	N/A	N/A
- previous year	Nil	N/A	N/A
Interim dividend - current year	Nil	N/A	N/A
- previous year	Nil	N/A	N/A

Total dividends on all securities for the year

	Current period	Previous corresponding period
	\$'000	\$'000
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/> <hr/>	<hr/> <hr/>

7. Dividend reinvestment plans

The dividend reinvestment plans shown below are in operation:

None

Last date for receipt of election notices
for the dividend reinvestment plan: N/A

8. Retained earnings

	Current period	Previous correspond- ing period
	\$ '000	\$ '000
(Accumulated losses) at the beginning of the financial period	(36,917)	(35,997)
Net (loss) attributable to members of the parent entity	(7,543)	(920)
	<hr/>	<hr/>
(Accumulated losses) at the end of the financial period	(44,460)	(36,917)
	<hr/> <hr/>	<hr/> <hr/>

9. Net tangible assets

	Current period cents	Previous corresponding period cents
Net tangible asset backing per ordinary share	0.15	0.42

10. Details of entities over which control has been gained or lost

<i>Control gained over entities</i>	N/A
<i>Control lost over entities</i>	N/A

11. Details of associates and joint venture entities

N/A

12. Any other significant information

Details of any other significant information needed by an investor to make an informed assessment of the entity's financial performance and position:

N/A

13. Accounting standards

For foreign entities, set of accounting standards used in compiling report: IFRS

14. Results for the period

14.1 Earnings per security

	Current period cents	Previous corresponding period cents
Basic (loss) per share	(0.67)	(0.08)
	Number '000	Number '000
Weighted average number of ordinary shares during the period used in the calculation of basic EPS	1,129,150	1,104,273

Diluted EPS are not shown for either the current period or the previous corresponding period as it would dilute the actual loss per share attributable to existing shareholders.

14.2 **Returns to shareholders**

N/A

14.3 **Significant features of operating performance**

\$2,906,000 of development and pre-production costs capitalised in previous years was written off in the year. See the Market Update released on the date of this report.

As advised to the market on 28 July 2014 a review of the Thailand operation has identified a significant amount of stock of little or no value in the current market and the company has therefore recognised a one-time stock write-down of \$801,000 in the current period.

14.4 **Segment results**

The Group has identified its operating segment based on the management reports that are reviewed and used by the executive management team (chief operating decisions makers) in assessing performance and in determining the allocation of resources.

Management has identified a single operating segment, which is the design, manufacture and distribution of improved vehicle braking systems based on the patented Sealed Integrated Braking System (SIBS) technology to customers worldwide.

The performance of the operating segment is evaluated based on profit before tax and net finance costs (profit before tax and interest) and is measured in accordance with the Group's accounting policies.

The Group's financing requirements, finance income, finance costs and taxes are managed on a group basis.

14.5 **Trends in performance**

N/A

14.6 Any other factors which have affected the results in the period or which are likely to affect the results in the future, including those where the effect could not be quantified:

Users are referred to the Market Update released 28 July 2014. At the date of this Appendix 4E report the Company intends to discontinue the operations of the Thailand subsidiary and to de-register that company.

15. This report is based on accounts to which one of the following applies:

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

16. Description of any likely audit dispute or qualification.

N/A

A handwritten signature in black ink, appearing to read 'Clare Madelin', with a long horizontal flourish extending to the right.

Sign here:

Date: 26 August 2014
Company Secretary

Print name: Clare Madelin