

Appendix 4C

Quarterly report – Quarter Ended 30 September 2015 (Quarter 1)

Advanced Braking Technology Ltd

ABN 66 099 107 623

ASX Code ABV

Commentary for the Quarter ending 30 September 2015

Delay in Receipt of the Research and Development Tax Rebate

ABT's cash flow forecast for Quarter 1 FY16, included a cash inflow of \$730k by mid-September, based on an historical three week turn-around. Cash out flows with regard to Research and Development and ramp up of local, Australian production was based on this assumption.

Unfortunately, the Research and Development rebate was not received until four weeks later than expected, resulting in approximately \$700k less cash as at 30 September 2015 than forecast.

The cash balance as at 29 October was \$1.307m.

Cash flows relating to financing activities

The Quarter 2 FY16 cash flows relating to financing activities will benefit from the current Non-Renounceable Rights issue, which is targeting a net \$2,375k.

Direct Cost Reductions

ABT continues to reduce its cost base. Staff costs have reduced by 30% (Quarter 1 FY15 versus Quarter 1 FY16) due to lower staff numbers. This cost reduction is partly offset by increased creditor payments of \$240k in Quarter 1 FY16 compared to Quarter 1 FY15, due to outsourcing manufacturing to local, Australian companies.

Increase in Research and Development

The work on the expansion of our brake product range and the introduction of the new polymer brake, which were announced during September 2015 has resulted in a \$222k increase in Research and Development costs compared to Quarter 1 FY15.

Interest Payments

Interest payments have reduced by 31% (\$43k) for the comparative Quarter 1 FY15 versus Quarter 1 FY16, as a result of debt reduction during FY15.

Cash flows relating to investing activities

Cash flows from investing activities improved from a net outflow of \$48k in Quarter 1 FY15 to a net inflow of \$31k in Quarter 1 FY16 due to the vehicle purchased in FY15 being disposed in FY16.

+ See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

ADVANCED BRAKING TECHNOLOGY LTD

ABN

66 099 107 623

Quarter ended ("current quarter")

30 SEPTEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	1,041	1,041
1.2 Payments for		
(a) staff costs	(614)	(614)
(b) advertising and marketing	(10)	(10)
(c) research and development	(331)	(331)
(d) leased assets	(36)	(36)
(e) other working capital	(1,122)	(1,122)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(95)	(95)
1.6 Income taxes paid	-	-
1.7 Other – Grants and R&D tax incentive	40	40
Net operating cash flows	(1,126)	(1,126)

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Quarterly report for entities
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	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,126)	(1,126)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	31	31
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	31	31
1.14 Total operating and investing cash flows	(1,095)	(1,095)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – Payment for Cost of share issue	(5)	(5)
Net financing cash flows	(5)	(5)
Net increase (decrease) in cash held	(1,100)	(1,100)
1.21 Cash at beginning of quarter/year to date	1,509	1,509
1.22 Exchange rate adjustments	-	-
1.23 Cash at end of quarter	409	409

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2(a)	49
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	-	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	61	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	155	333
4.2 Deposits at call	204	1,126
4.3 Bank overdraft	-	-
4.4 Other - term deposit	50	50
Total: cash at end of quarter (item 1.23)	409	1,509

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
 (Company secretary)

Date: 30 October 2015

Print name: Neville Walker

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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