



Company Presentation

October 2010

**Manufacturer and designer of
the world's most efficient and
cost effective superchargers**



Company

- **Listed** company – ASX:ATJ
- \$11 million market cap (pre rights announcement)
- **Long-term shareholders** – top 20 shareholders, including directors, control 76%
- Directors own 48% and have invested \$18m

Product

- Most efficient & cost effective **supercharger -patent protected**
- **R&D complete**
- **Established supplier** in the aftermarket sales
- Developing supercharger systems to sell product
- **Supplying 1st OEMs** – S&S Cycles, DeLorean

Market

- **Growth market** – reduction in fuel consumption / emissions and growing middle classes in India and China
- **OEMs in China and India to supply the mass market**
- After market – power and torque increase – discretionary spend, high margin
- OEM engine downsizing – reduces fuel consumption and CO2 production – low margin, high volume

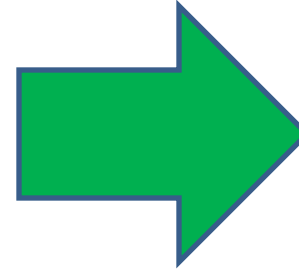
Funding

- Currently under going a **\$6.8m rights issue** from which there is expected to be a shortfall – 1 for 1 at 3 cents, plus a free 1 for 4 option (8 Cents, 30 June 2012 expiry) [shares traded at 5 cents pre announcement of the rights issue]

**Supercharger
system
development**



**Global
sales**



**After sales
market**



**Small volume
OEMs**



**Large volume
OEMs**



**Preferred
global
supplier**



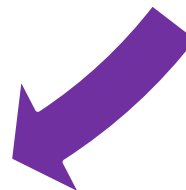
**Model
selection**



**World
leading
patent**



**Product
development**



Range development



Proof of concept



Small OEMs



Mass market



Specialty markets



Swap-outs



Achieved and under continued development

In process

In process

The ATG advantage

In an automotive world moving to downsized, boosted engines

Superchargers have distinct advantages over turbochargers

ATG have the world's most efficient supercharger which is cost effective

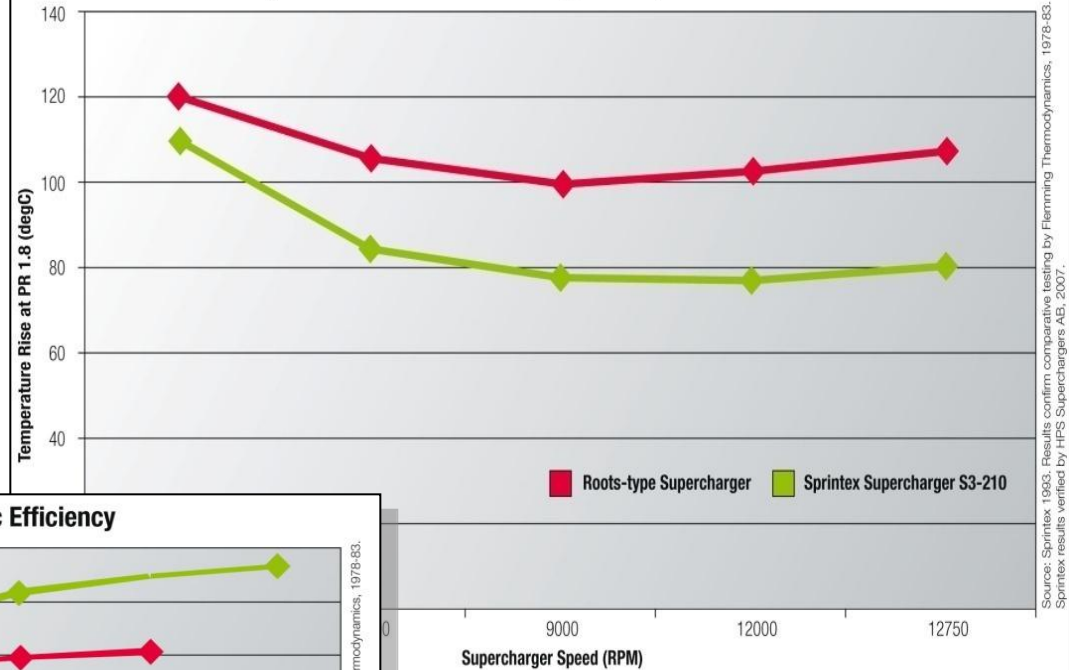
Sprintex superchargers reduce fuel consumption and CO₂ emissions

Sprintex superchargers generate less heat, removing the need for intercoolers

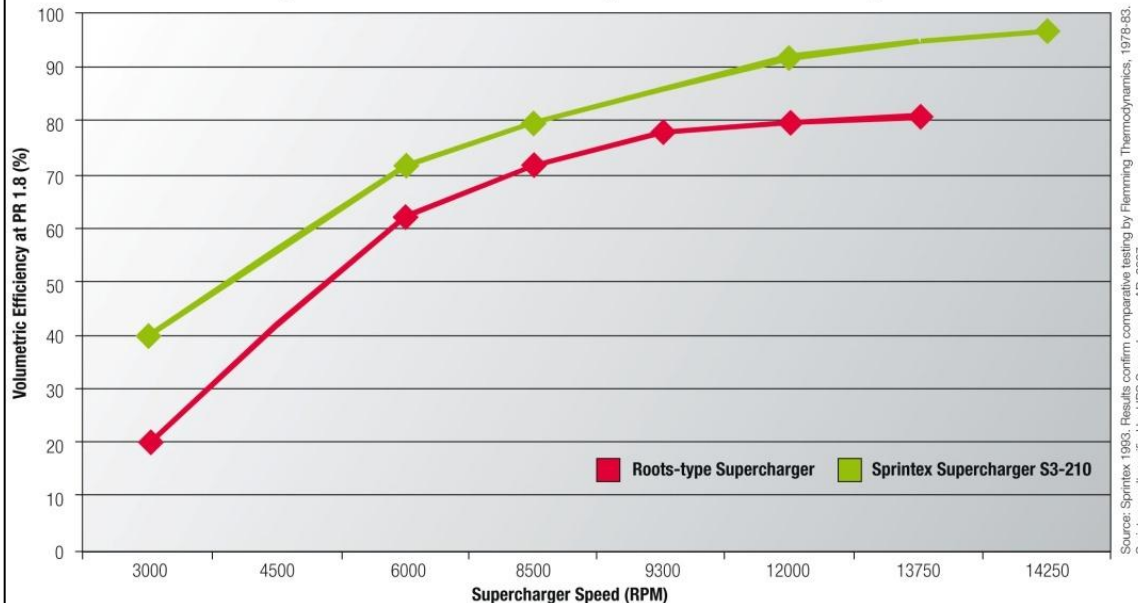
Why a Sprintex supercharger?

Operates at a lower temperature than competitors' superchargers

Sprintex Performance Advantage – Temperature Control



Sprintex Performance Advantage – Volumetric Efficiency



Higher efficiency means more power and lower emissions

Automotive compressor market forecast to grow 70% from 2009 to 2014 – 21 million units to 36 million units (source: Jeff Daniels of About Automotive), & currently superchargers account for 10% of this number

Why?

- Limits on emissions forcing the use of smaller engines
- Performance – as demonstrated by the success of our after market sales in discretionary sectors such as 4WD, performance cars and motor cycles



Competition

The single largest player is Eaton, a NYSE listed company with a ~\$10 billion market cap

Eaton have stated that they will increase their supercharger production by 80% from late 2008

In a large, growing market dominated by 1 company, we have a viable alternative due to our patented design making the Sprintex supercharger highly efficient

Perth facility – R&D, design, aftermarket manufacturing



Management team

- **Managing Director** – successful entrepreneur experienced in growing businesses
- **CFO** – Chartered Accountant with over 20 years experience
- **GM – Operations** – extensive experience in logistics
- **Business Development and Technical Support Manager** - engineer with over 20 years international automotive experience
- **Engineering and Production Manager** – automotive engineer with majors

Dealers

China

- China Charger

USA

- Patrick Racing
- Boostec US

Australia

- Tweakit Performance

Bullet

- Performance Products Pty Ltd

- Team Mitsubishi Ralliart

V & A

- Mechanical
- 4 Wheel Drive

USA

- 4 Way Service Centre

- On-Track 4WD Centre

- Hume Off-Road Centre

- FNB 4WD

Supplies

Japan

- Casuno

New Zealand

- Performance Cycle Wholesale Ltd

Europe

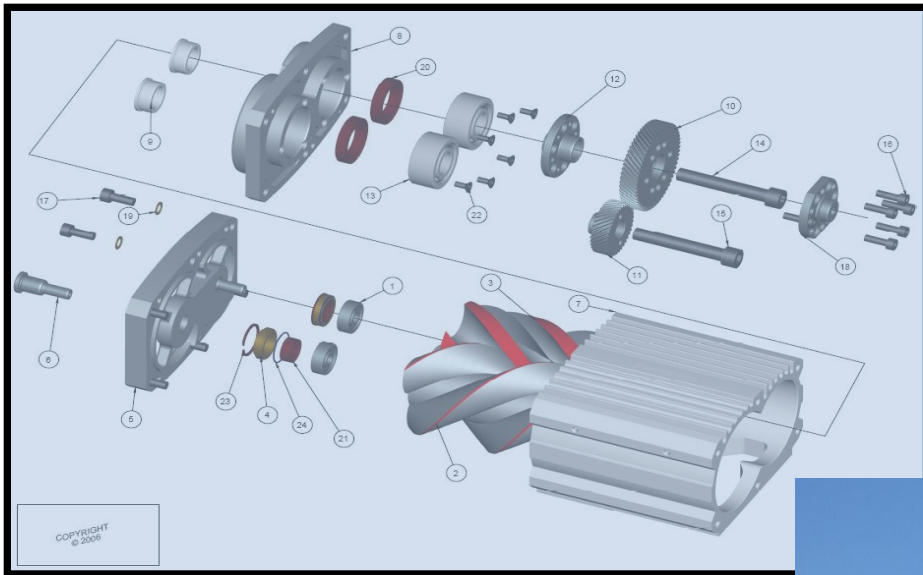
- Zodiac International b.v

Maerz

- Motorradhandel GmbH

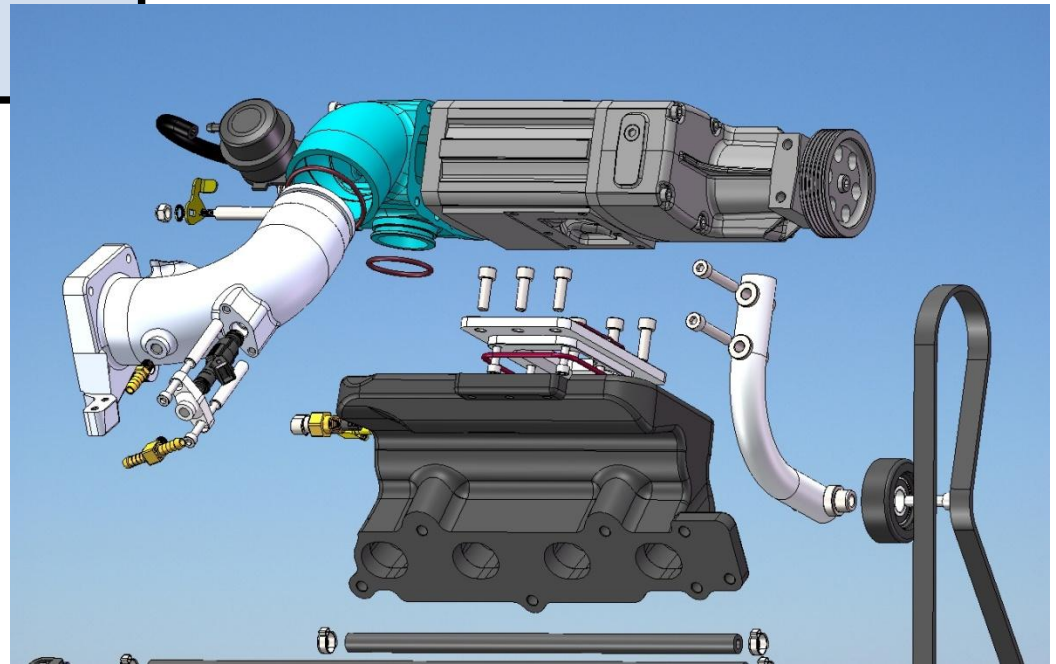
- Strada AG

Our product and its installation

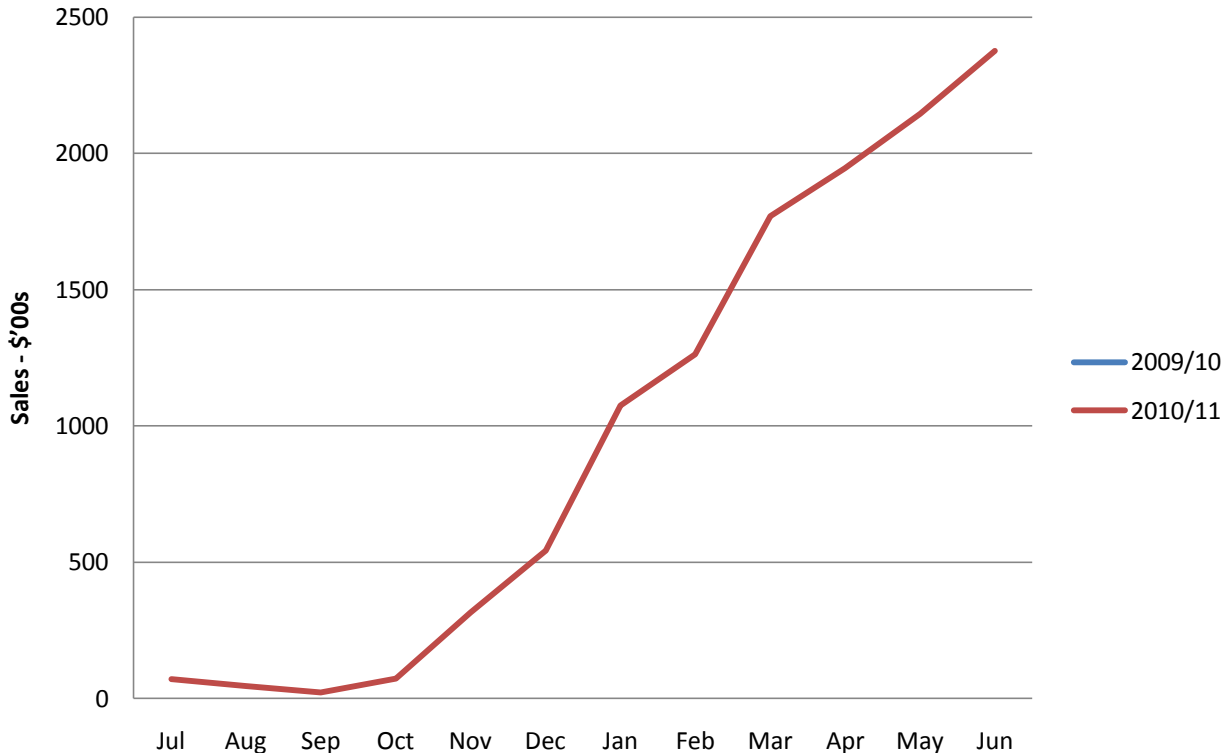


Inside our supercharger

Installed on a vehicle via a supercharger system



Sales Values by Month



Sales expected to be driven by new product releases

- Oct 10 – Landcruiser 80/100
- Nov 10 – Jazz, Focus, Swift
- Dec 10 – Jeep
- Jan 11 – BMW Mini Cooper S
- Feb 11 - Toyota 4L V6,
- Mar 11 – JK Wrangler
- Apr 11 – Toyota Reiz

- Break-even is forecast in Mar 2011 with monthly sales volumes of 600
- The uptick in sales volumes is in line with the new model / kit development plan
- Our key markets are China and the US, with Australia as our testing ground

A global product needs global distribution

- Dealers in Australia, China, Europe and the US

4 dealers in these territories estimated total supercharger sales of 29,260 units pa

- ATG has budgeted only a portion of these, progressively introduced

Sales projections by only 4 dealers exceed ATG's forecasts and the capacity of the present facility. Combined with the existence of other dealers and potential dealers, ATG urgently need to move to mass production, which will have the additional benefit of also improving margins.

Financial projections

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of systems	108	205	355	395	520	545	595	645
Number of superchargers	-	-	50	75	125	150	175	175
Sales revenue	314,760	541,900	1,075,425	1,262,225	1,769,225	1,944,725	2,145,975	2,376,225
Cost of sales - materials	- 252,905	- 435,155	- 831,940	- 971,315	-1,222,065	-1,305,190	- 1,442,490	-1,595,815
Gross profit	61,855	106,745	243,485	290,910	547,160	639,535	703,485	780,410
Direct labour and overheads	- 97,757	- 97,757	- 97,757	- 97,757	- 97,757	- 97,757	- 97,757	- 97,757
Selling, general and administrative expenses	- 352,927	- 352,927	- 361,927	- 361,927	- 361,927	- 361,927	- 361,927	- 361,927
EBITDA	- 388,829	- 343,939	- 216,199	- 168,774	87,476	179,851	243,801	320,726

- Structured development of supercharger systems is forecast to bring the Company to profitability in March 2011
- Facility has further capacity, to approximately 1,200 units per month

Focus:

- Careful selection of high volume models
 - History of modifications through choice or necessity
 - Rapid prototyping
 - Established dealer distribution network
- Toyota Land Cruiser Series 80 - popular off-road vehicle, highly modified, global
 - Suzuki Swift: 90,000 sold annually in China, highly customised
 - Honda Fit: 110,000 sold pa in China, history of modifications
 - New Mini: over 800,000 sold globally (US focused), failing superchargers in need of swap out
 - Toyota Reiz: 90,000 annual sales, 460,000 vehicles in China, the most commonly customised vehicle in China
 - Jeep Cherokee: over 5m globally, 2m in the US alone, staple vehicle of the off-road fraternity
 - Toyota 4 litre V6: over 500,000 produced pa, models such as the Prado, FJ Cruiser and Hilux

- **A small penetration is all we need to fully utilise our Perth R&D, prototyping and low volume production facility**
- **Development of supercharger systems strengthens positioning with OEMs while delivering cash flows and a proven product**

Use of rights issue funds

\$'000s	Purpose
5,188	Working capital, including inventory build and completion of prototype supercharger systems, funding of marketing programmes to take product to market, G&A until the Company achieves break even
1,235	Advances against rights issue
200	Supercharger testing facility automation and dyno facility upgrade to enable more credible and reliable performance testing of superchargers in line with industry standards and additional manufacturing equipment
246	Fund raising costs
6,800	Total

This presentation may contain forward looking statements that are subject to risk factors. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Persons proposing to invest in **Automotive Technology Group** should first undertake their own analysis and obtain independent advice.

A key factor is raising sufficient capital to fund expansion.

All reference to dollars, cents or \$ in this presentation are to Australia currency, unless otherwise stated.

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