

Year ended 30 June 2011 Results Presentation



Disclaimer

This presentation includes statements looking-forward that involve risks and uncertainties. These statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Form 20-F filings with the US Securities and Exchange Commission. Orbital makes no undertaking to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this release.

Key Messages

- Strategy – Leading supplier of Engine Management Systems (EMS), focusing on alternative fuels.
- Assumption – Crude oil price will rise.
- Improving market place for Orbital and Synerject's products.
- \$1.8 million profit for the year.
- \$2.5 million improvement in underlying profit.
- Synerject revenue increased by 34% to US\$121million for the year.
- Ford EcoLPi Falcon launched with Orbital Autogas Systems (OAGS) Liquid LPG system.
- Acquired the business of Sprint Gas, one of the largest distributors in the Australian LPG Aftermarket.
- \$3.8 million improvement in operating cashflow.
- Strong balance sheet.

Corporate Snapshot

- Headquarters Perth; Facilities in Perth, Sydney and Melbourne; Offices in USA and China.
- ASX: "OEC"
- NYSE Amex: "OBT"
- Market capitalisation approximately \$17 million (25th August 2011).
- Pro-rata consolidated Revenue \$65m (30th June 2011).

Contents

- *Vision* pg 5
- *What we do – by Business Segment* pg 6
- *Markets and market drivers* pg 7
- *2011 Highlights* pg 10
- *Financial summary* pg 11
- *Synerject* pg 12
- *Alternative fuels* pg 15
- *Consulting services* pg 18
- *Intellectual property* pg 19
- *Cashflow/Capital management – sale of property* pg 20
- *Balance Sheet* pg 21
- *Key messages and outlook* pg 22

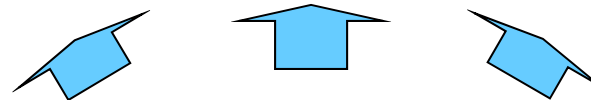
Orbital's Vision

“Leader in Specialised Engine and Vehicle Systems”

Small Engines ↔ Transport ↔ Mining



Diesel Kerosene Gasoline Alcohol LPG CNG/LNG HCNG Hydrogen











FlexDI - Alternative Fuels

Integration, Development
and Application Expertise

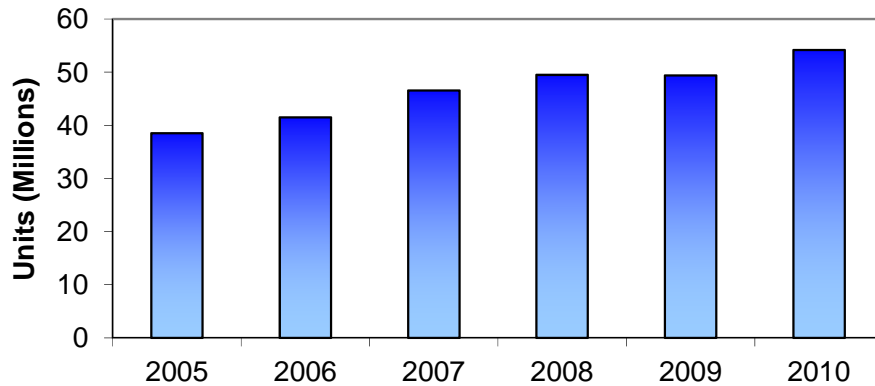
Engineering Services

Orbital Today

Business Unit				
Sector	Automotive (LPG), HD Trucks (NG)	Non Auto EMS global supplier	EMS (Auto, non- Auto), R&D	Non Auto EMS
Applications				
Business Unit Summary	<ul style="list-style-type: none"> • LPG Supply <ul style="list-style-type: none"> - Ford - HSV - Aftermarket • LNG Systems for Heavy Duty Trucks • R&D CNG and DI Gaseous 	<ul style="list-style-type: none"> • Supply of DI and PI Engine Management Systems to Global Non Auto market 	<ul style="list-style-type: none"> • Services to the global engine and vehicle OEM's, Gov'ts • R&D • Application support for FlexDI and Alt. Fuel products 	<ul style="list-style-type: none"> • Royalties and licence fees

Orbital's Potential Markets

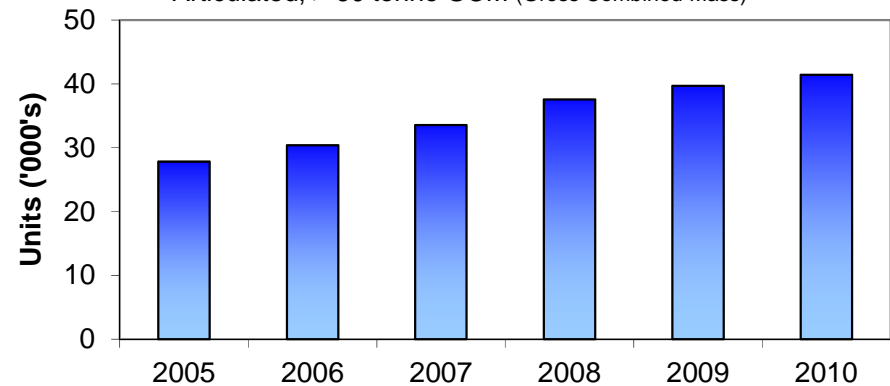
Global Motorcycle Market



Source: Yamaha Fact Reports <http://www.yamaha-motor.co.jp/global/ir/material/index.html>

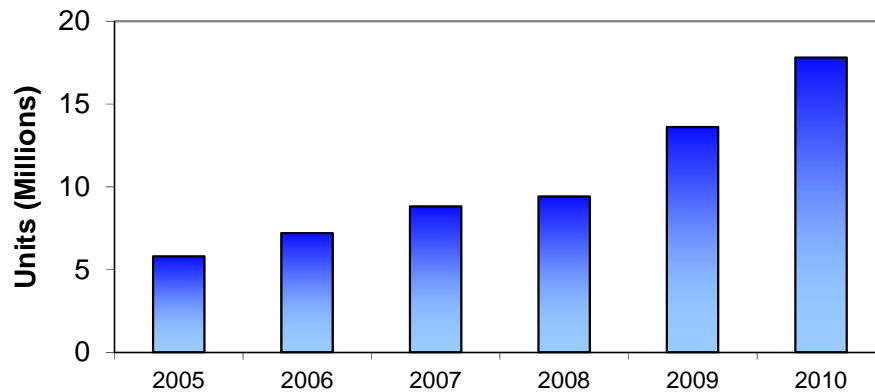
Aust. HD Truck Fleet*

* Articulated, > 60 tonne GCM (Gross Combined Mass)



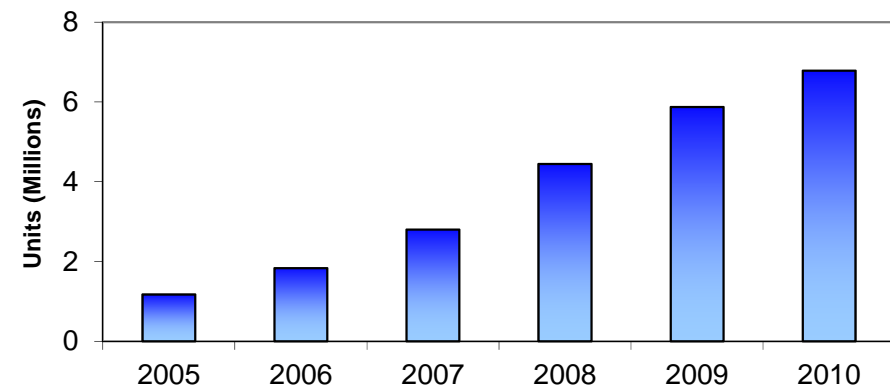
Source: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/9309.0>

China Vehicle Sales



Source: china auto industry association

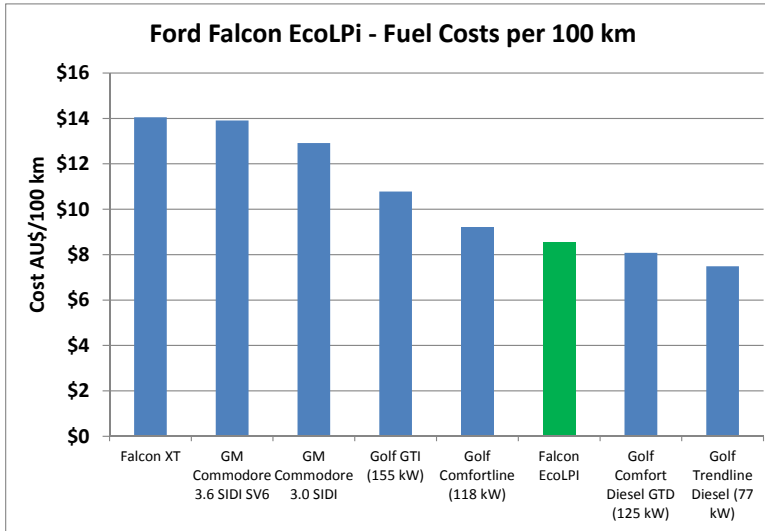
Asia-Pacific NG Car Fleet



Source: IANGV

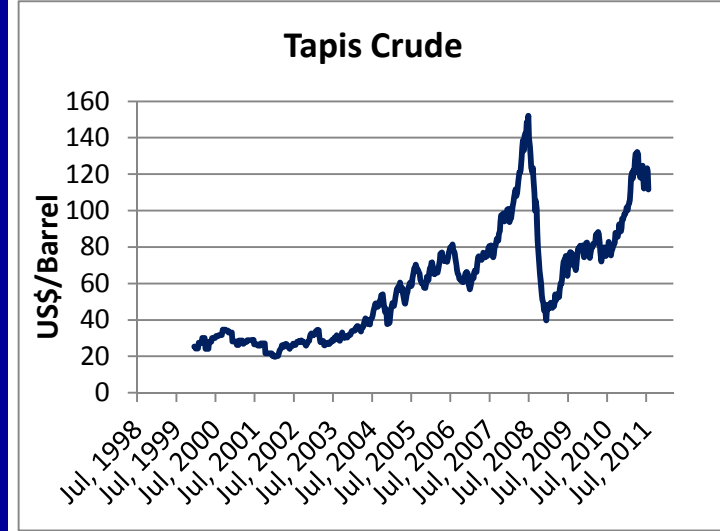
Market Drivers

Fuel Costs to Customer



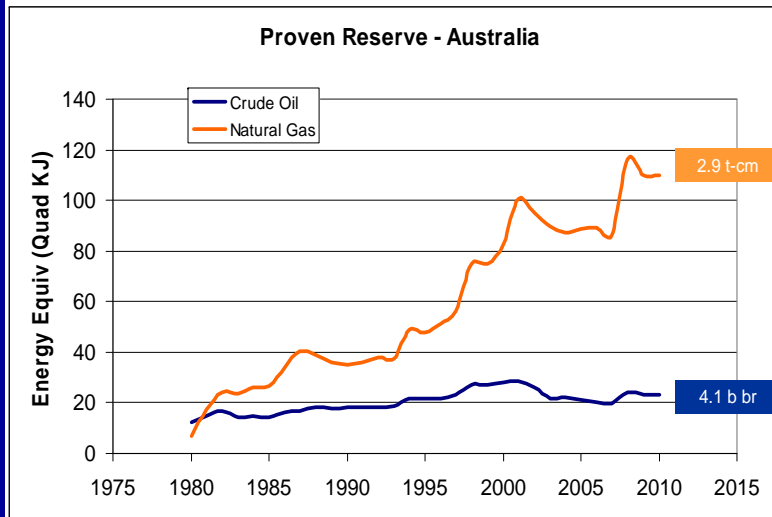
Source: <http://www.greenvehicleguide.gov.au/GVPublicUI/home.aspx>

Crude Oil Cost



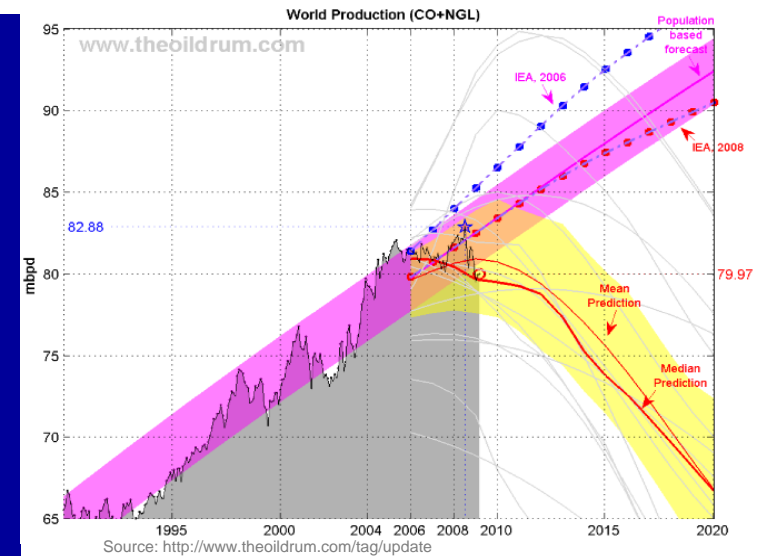
Source: <http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WEPCTAPIS&f=W>

Proven Fuel Reserves Australia



Source: BP Statistical Review of World Energy June 2010

Peak Oil



Source: <http://www.theoilrum.com/tag/update>

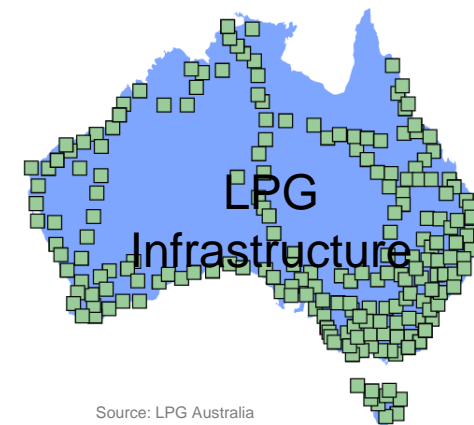
Changing Attitude to Alternative Fuels

- Fuel/Crude Oil price drives market
- Fuel Security
- Government policy changes
 - Alternative Fuels – lower CO2
- LPG infrastructure
- LNG infrastructure in development



	CO2 savings
Automotive Liquid LPG	Up to 14%
Automotive CNG	Up to 20 to 25%
Truck LNG	Up to 15% available

Source: Orbital data



2011 – Highlights

- Statutory net profit after tax of \$1.76 million compared to a profit of \$4.52 million last year.
- Underlying profit after tax of \$0.16 million compared to a loss of \$2.31 million last year.
- Synerject increased revenue to US\$120.83 million (+34%) and profit after tax to US\$6.50 million (+37%).
- Orbital Autogas Systems (OAGS) launched “Liquid” LPG injection systems on the Ford EcoLPi Falcon and continued development of aftermarket kits.
- Holden Special Vehicles (HSV) announced the introduction of the OAGS “Liquid” LPG system on its prestigious high performance vehicles. This includes HSV’s top of the line model “Grange”.
- Orbital successfully delivered industry benchmark results utilising FlexDI™ on Changan demonstrator engines and vehicle, meeting stringent Chinese fuel consumption targets.
- Orbital acquired the business of Sprint Gas, one of the largest distributors in the Australian LPG aftermarket, for an initial investment of \$2.00 million.
- Orbital completed the sale of land and buildings in Perth for \$8.65 million. Orbital will lease the facilities for 10 years, with 2 further 5 year options if required. The proceeds have been used to acquire Sprint Gas and will be utilised to support further strategic growth plans of the company.
- The strong Australian dollar adversely impacted the result by approximately \$0.54 million compared to the prior year.

Financial Summary - Year ended 30 June 2011

		June 2011 \$'000	June 2010 \$'000
Alternative Fuels	Revenue	5,847	6,203
	Contribution	(757)	(1,727)
Consulting Services	Revenue	9,492	9,621
	Contribution	161	1,031
Licences and Royalties	Revenue	1,081	1,199
	Contribution	610	732
Total	Revenue	16,420	17,023
	Contribution	14	36
Synerject			
	June 2011 US\$m	June 2010 US\$m	
USGAAP Revenue (100%)	120.8	90.4	
	equity accounted profit	3,233	1,874
Unallocated other expenses	(2,809)	(3,488)	
Unallocated other income	959	644	
Foreign exchange gain/(loss)	79	(97)	
Finance costs (net)	(353)	(513)	
Research and development	(1,158)	(1,152)	
Business development costs *	(205)	(595)	
Gain on restructure of loan *	0	7,695	
Gain on sale of property *	4,237	0	
Write off capitalised development costs *	(1,065)	0	
Provision for slow moving inventory *	(942)	0	
Termination costs *	(417)	(276)	
Profit before tax	1,573	4,128	
Taxation	190	388	
Profit after tax	1,763	4,516	
Underlying Profit/(Loss) (excl one off items *)	155	(2,308)	

Key Points

- \$1.76m statutory profit.
- \$2.47m improvement in underlying result compared to the prior year.
- Synerject revenue up 34% to US\$120.83m.
- Synerject NPAT up 37% to US\$6.50 million
- Overhead expenses managed closely achieving a range of savings.
- \$4.2 million net profit on sale of property
- \$2.6 million total 'one-off costs' including write off previously capitalised development costs for liquid aftermarket kits and slow moving inventory.
- Gap in Ford EGas (LPG) business prior to launch of the next generation EcoLPi Ford Falcon.
- Targeted R&D expenditure.

Synerject – Non-Auto EMS Supplier

42:58 joint venture of Orbital and Continental Automotive

- Largest global EMS supplier in non auto market. 13th year of operation
- Headquarters in Virginia, USA; Facilities in USA, China, France, Offices in Italy, Taiwan
- US\$120.8m revenue in FY11, US\$90.4m in FY10.

Performance Recreational



Scoters



Motorcycle



Lawn & Garden



Products



SYNERJECT

Synerject – Non-Auto EMS Supplier

Key Points

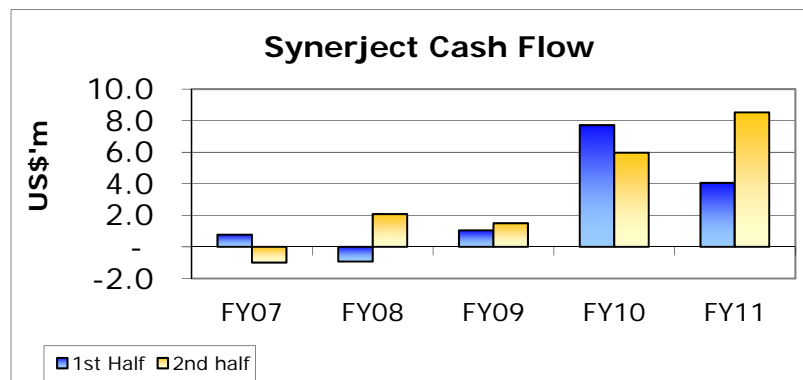
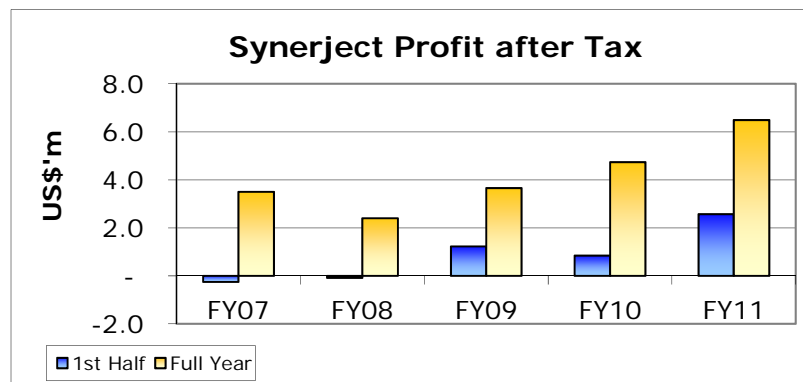
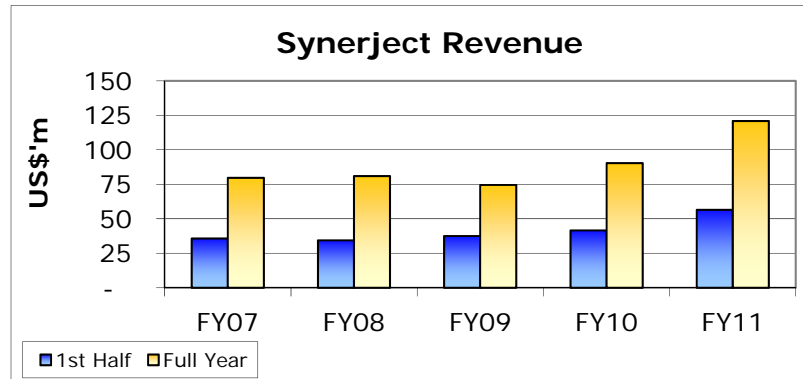
- Synerject increased revenue by 34% to US\$120.8 million, with a corresponding increase in profit after tax.
- Synerject's markets are still challenged by global economic uncertainty however new product launches and growth in high end markets such as snowmobiles and high performance motorcycles provided growth.
- Synerject also introduced new product into the high volume utility and small engine market.
- Taiwan, with its motorcycle in-field conformity emission requirements, calling for the use of EMS, continues to be a strong and growing market for Synerject.
- introduced efficiencies and improved EBIT margins.
- Synerject generated operating cash flow after capital expenditure of US\$8.5 million including the funding required to support increased working capital.

Synerject - 100% (USGAAP)	June 2011	June 2010
	US\$'000	US\$'000
Revenue	120,834	90,375
Profit after tax	6,500	4,744
Operating cashflow, including capex	8,517	5,957
	A\$'000	A\$'000
Orbital Equity accounted contribution	3,233	1,874

- The equity accounted result improved by \$1.5 million notwithstanding the stronger Australian dollar compared to the US dollar (impact \$0.42 million).
- At 30 June 2011 Synerject had net cash on hand of US\$2.3 million.
- Dividends to Orbital during the year of \$1.21 million an increase of 78%.

SYNERJECT

Synerject – Non-Auto EMS Supplier



Key Points

- 34% sales growth, notwithstanding that many of Synerject's markets are still challenged by the aftermath of the global financial crisis.
- Introduced efficiencies and improved EBIT margins.
- 37% increase in NPAT
- 43% increase in cashflow
- Regular dividends to parents.

Outlook

- Well positioned in all Synerject's markets. The North American and Taiwanese markets are stable and/or growing providing an excellent foundation for expansion.
- New Products.

SYNERJECT

Alternative Fuels

Alternative Fuels – Market Driven by cost, CO₂ reduction and Fuel Security

- OAGS – Develops and Supplies Liquid LPG systems to the auto industry
- OCS - Develops and Supplies Dual Fuel LNG Systems for truck industry; Engine System Development for Ethanol and Natural Gas
- Sprint Gas Australia (SGA) – Imports, assembles and distributes automotive LPG conversion kits in the Australian aftermarket.

LPG OE Auto



LPG Aftermarket



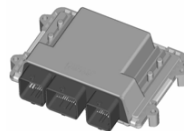
LNG Truck



Ethanol/CNG



Products



Alternative Fuels

Key Points

- Orbital Autogas Systems (OAGS) has developed and supplies “Liquid” LPG injection systems to Ford Australia, Holden Special Vehicles (HSV) and to the aftermarket.
- OAGS aftermarket system is branded “Liquid” denoting liquid versus vapour injection and is considered latest ‘benchmark’ performance. OAGS also supplies the previous generation “vapouriser” LPG systems for aftermarket applications.
- Orbital acquired Sprint Gas Australia in May 2011 (see next slide).
- Revenue is approximately 6% lower than last year due to Ford finishing production of the previous generation LPG systems at the end of September 2010, partially offset by increased aftermarket kit sales and SGA acquisition.
- Gross margins improved due to the stronger Australian dollar compared to the Euro and a decrease in overhead expenses resulted in an overall improvement in contribution of \$970k.
- HSV announced use of the OAGS system late last year for its performance vehicles and these new “Liquid” LPG injection models have been released for sale in Australia.

	June 2011 \$'000	June 2010 \$'000
Revenue	5,847	6,203
Contribution	(757)	(1,727)
Write off capitalised development costs	(1,065)	-
Provision for slow moving inventory	(942)	-
Segment Result	(2,764)	(1,727)

Outlook

- The next generation EcoLPi Ford Falcon equipped with Orbital’s Liquid LPG systems has recently been launched and is receiving excellent media coverage and positive feedback from the market.
- The LPG aftermarket market has continued to contract and is currently at record low levels.
- SGA will contribute a full year’s earnings in FY2012.



Alternative Fuels – Sprint Gas Australia (SGA)

Key Points

- Orbital acquired 55% of LPG fuel systems aftermarket distributor, SGA in May 2011.
- A\$2.2M initial investment by Orbital, including \$0.2m loan.
- Targeted earnings per share positive in first full year.
- Synergies with Orbital's recently developed Liquid LPG aftermarket business.

Sprint Gas:

- Imports, assembles and distributes automotive LPG and CNG conversion kits in the Australian LPG aftermarket.
- Is one of the largest distributors in the Australian LPG aftermarket with sales of approximately \$7m in the year ended 30 June 2011.
- Distributes OMVL SpA, AEB Srl, Tomasetto Achille Srl product, all manufactured in Italy, and Linh Gas Cylinders from Thailand.
- Has distribution centres in Victoria, Queensland, Western Australia and South Australia; and
- Has over 30 years' experience in the LPG systems supply business.

Sprint Gas	May 2011
Fair value at acquisition	\$'000
Cash	420
Receivables	1,319
Inventory	1,968
Current Assets	3,707
Plant and Equipment	468
Intangibles and Goodwill	1,373
Deferred Tax Assets	242
Non Current Assets	2,083
Total Assets	5,790
Trade creditors and provisions	1,102
Total Liabilities	1,102
Net Assets	4,688
Cash paid	2,000
Contingent Consideration	2,688
	4,688

- The Sprint Gas business was founded in 1969 by the Boemo family who continue to own 45% of the business as a co-investor with Orbital, with appropriate put and call options between the shareholders.
- Orbital consolidates 100% Sprint Gas



Orbital Consulting Services (OCS)

Key Points

- Revenue for the year was marginally lower than last year.
- The strong Australian dollar has increased the cost of OCS services to overseas customers and margins are under pressure.
- Mitchell Corporation LNG engine management systems (EMS) development program progressed
 - Nine 'pilot' fleet prime movers have been converted
 - The natural gas substitution rates are on target, journey times for the trucks have decreased and fuel cost savings have been achieved.
- The Changan program, applying Orbital's FlexDI™ system to a Changan vehicle has been successfully completed meeting 20% fuel reduction target.
- A significant portion of work undertaken in this period was the development of heavy fuel EMS systems for Unmanned Aircraft Systems (UAS's).
- Orbital's heavy duty engine testing facility, completed in 2009 is in strong demand.

	June 2011 \$'000	June 2010 \$'000
Revenue	9,492	9,621
Contribution	161	1,031

Outlook

- At 30 June 2011, the order book stood at \$4.6 million (30 June 2010: \$3.4 million).
- The OCS business acts as an 'incubator' for EMS opportunities and recent developments in the UAS and transport (LNG) sectors may lead to niche system supply businesses.

Intellectual Property (IP)

Key Points

- Orbital earns license fees and royalties from EMS utilising its FlexDI™ systems and technology.
- The royalty bearing products today are in the marine, recreational and scooter/motorcycle markets.
- Royalty earning volumes increased marginally however marine and recreational, key markets for Orbital systems, remain subdued due to the continuation of the tough US economic conditions.
- Revenue decreased year on year due to the strengthening Australian Dollar (impact \$125k).

	June 2011 \$'000	June 2010 \$'000
Revenue	1,081	1,199
Contribution	610	732

Outlook

- The look-ahead in this market remains conservative.



Cashflow and Capital Management

Cash Flow	June 2011 \$'000	June 2010 \$'000
Operating cash flow	(1,792)	(5,049)
Synerject dividend	1,208	677
	(584)	(4,372)
Sale of Balcatta property	8,557	0
Acquisition of Sprint Gas	(1,780)	0
Other Capex and Development costs	(1,074)	(2,478)
Financing cash flow	(1,848)	336
Movement in Cash/Term Deposits	3,271	(6,514)

Sale and leaseback of Perth Engineering facility

- Completed February 2011.
- Sale Price – \$8.65 million (before costs)
- Lease Term – 10 years (plus two 5 year options).
- Rental - \$745k per year (subject to fixed increases of 3% per year and market value reviews on exercise of the options).
- Profit on sale – Approximately \$4.2 million.

Key points

- \$3.8 million improvement in operating cashflow (including Synerject dividend).
- Sprint Gas investment in May 2011 (\$2.0 million).
- Decreased Capex and capitalised development costs.
- During the year Orbital repaid \$1.8 million trade facility (2010: \$0.3 million drawdown).
- Cash and term deposit at 30 June 2011 \$6.9 million (30 June 2010: \$3.6 million).

Balance Sheet

	June 2011 \$'000	June 2010 \$'000
Cash and Term Deposits	6,874	3,608
Receivables	6,841	5,084
Inventory	4,388	3,722
Current Assets	18,103	12,414
Synerject Investment	11,406	11,534
PP&E	4,134	7,911
Intangibles and Goodwill	2,173	1,525
Deferred Tax Assets	4,958	5,215
Non Current Assets	22,671	26,185
Total Assets	40,774	38,599
Trade creditors and provisions	7,989	5,724
Deferred Revenue	316	316
Government Grants	1,874	2,099
Interest bearing Loans	648	2,056
Contingent Consideration	2,688	-
Non-interest bearing Loans	7,777	7,604
Total Liabilities	21,292	17,799
Net Assets/Shareholders Equity	19,482	20,800
Net tangible assets per share (cents)	35.7	39.99

Key points

- Land and Buildings sold in February 2011 for \$8.65 million.
- Minimal interest bearing debt.
- West Australian Government Loan
 - Restructured February 2010
 - Term – 2010 to 2025
 - Repayments – Commenced May 2010 at \$0.2 million per annum
 - Repayments - Increasing annually to a maximum of \$2.1 million per annum in 2023
 - Interest free.
- Deferred revenue and Government Grants amortised to revenue over the next 8 years.
- Strong balance sheet – NTA 35.7 cps.

Key Messages and Outlook

- The strategy to invest in specialist EMS, and particularly alternative fuel applications, is supported by the long term pressure on crude oil price.
- Improving market place for Orbital's and Synerject's products.
- OAGS will see a significant increase in revenue next financial year when it experiences a full year of supply of the new LPG system for the Ford EcoLPi Falcon which is receiving excellent media coverage and positive feedback from the market.
- The launch of the "Liquid" injection LPG product on the HSV line of vehicles enhances OAGS's position in the market.
- Synerject investment in new product development will underpin growth in future years.
- Sprint Gas will contribute full year's earnings in FY2012.
- OAGS has developed approximately 50 liquid LPG aftermarket kits which will also be distributed through Sprint Gas's distribution channels.
- The OCS business acts as an 'incubator' for EMS opportunities and recent developments in the UAS and transport (LNG) sectors may lead to niche system supply businesses.
- Orbital will assess acquisition opportunities as they arise and direct R&D investment in alternative fuel applications.
- Orbital has a strong balance sheet to take up growth opportunities as they arise.

Thank You

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