



Orbital Corporation Ltd

23rd Annual General Meeting



Agenda

- Introduction by Chairman
- Chief Executive Officer's Address
- Formal Business
- Questions and Answers



Chairman's Address



Financial Summary

FY11 Financial summary:

A\$'000

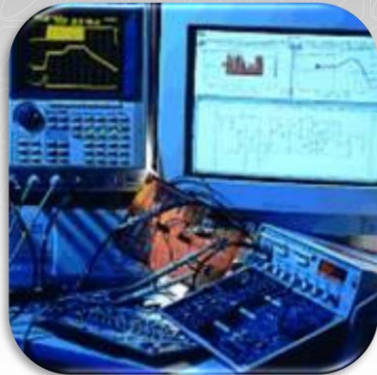
		FY11	FY10
Alternative Fuels	Revenue	5,847	6,203
	Contribution	(757)	(1,727)
Consulting Services	Revenue	9,492	9,621
	Contribution	161	1,031
Licences and royalties	Revenue	1,081	1,199
	Contribution	610	732
Total Revenue		16,420	17,023
Total Contribution		14	36
Synerject - equity accounted profit		3,233	1,874
Other unallocated income		959	644
Other unallocated expenses		(4,305)	(5,013)
Gain on sale of property		4,237	-
Government grant on restructure of loan		-	7,695
Write-off capitalised development costs		(1,065)	
Provision for slow moving inventory		(942)	
Business development costs		(205)	(595)
Finance costs (net)		(353)	(513)
Profit before tax		1,573	4,128
Taxation		190	388
Statutory Profit after tax		1,763	4,516
Underlying Profit		155	(2,308)

Cash Flow

Cash Flow	FY11	FY10
A\$'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)



CEO's Address



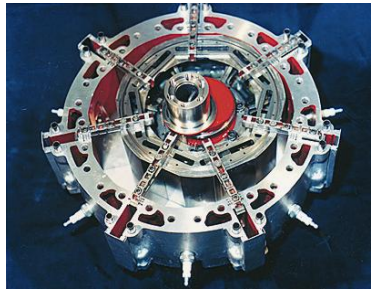
Orbital - The Original Concept...Derivatives

The Origins

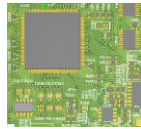
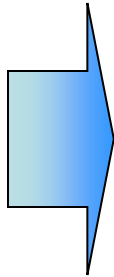
Skills

Today's Products

Future Products



Orbital Engine
(circa 1970 to 1982)



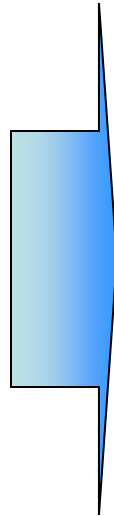
Engine
Management
Systems



Fuel Systems



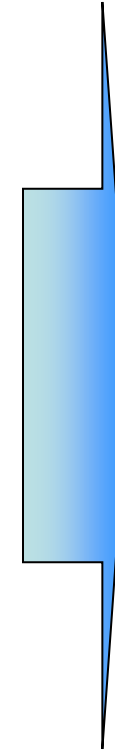
Combustion
Systems



FLEXDI
ONE ENGINE - ANY FUEL



LIQID
LPG injection



Alternative Fuel
Systems for:



Orbital's Vision

“ **Leader in Specialised Engine and Vehicle Systems”**”

Small Engines



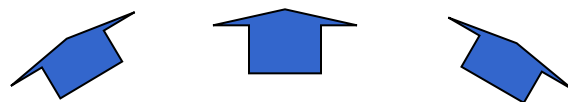
Transport



Mining

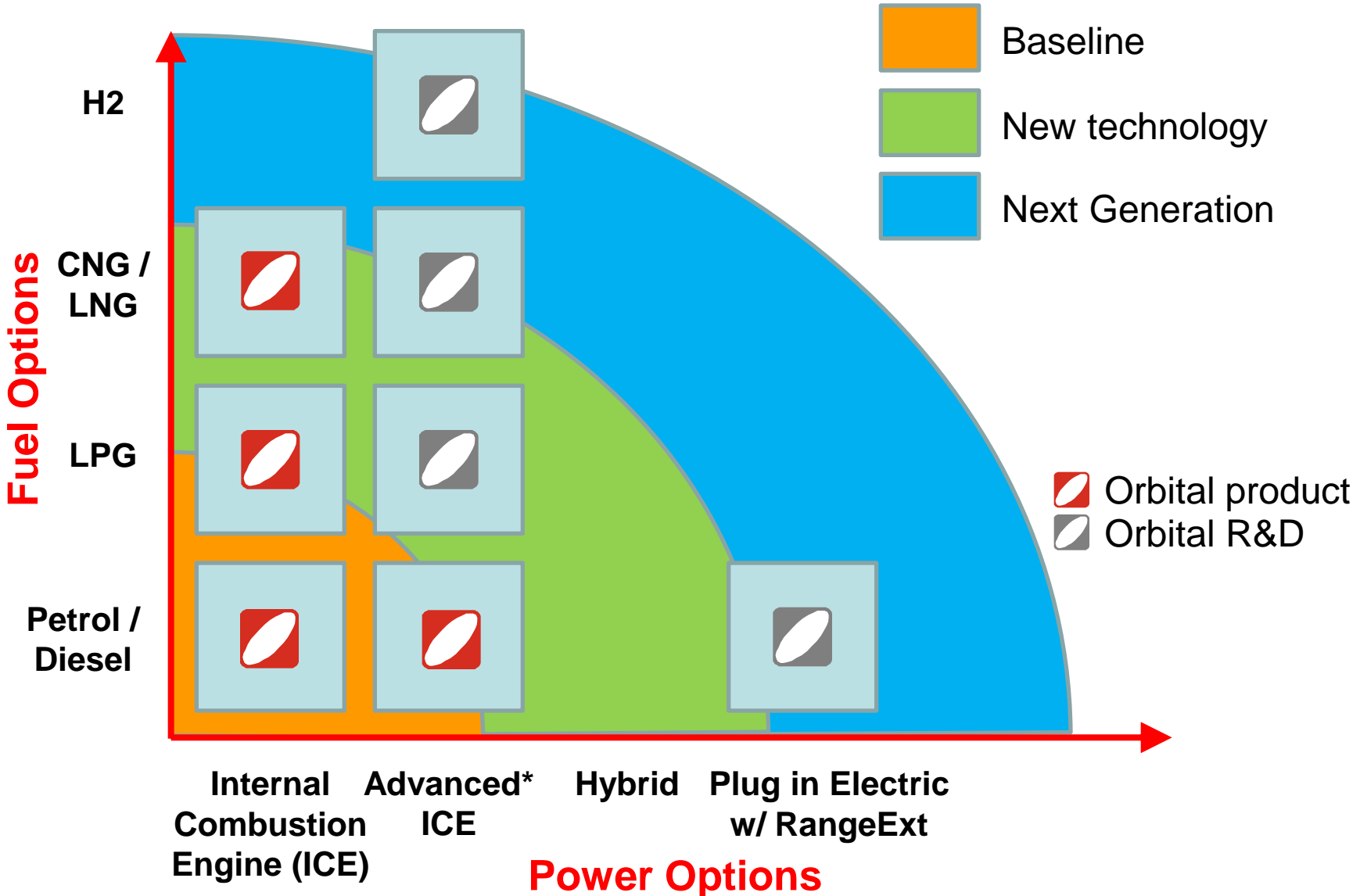


Diesel Kerosene Gasoline Alcohol LPG CNG/LNG HCNG Hydrogen



Alternative Fuels & Engineering

Global Engine Roadmap - Technology Options



Year in Brief – Key Points

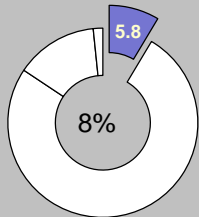
- PROFIT - Full Year underlying profit
- GROWTH - Synerject growth - US\$120.8 million Revenue in FY 2011
- EFFICIENCY - Continuous improvement – Efficiency gains
- CASH - Sale of Land and Buildings
- FORD - Launch of Ford “EcoLPi” Falcon vehicles
- ALTERNATIVE FUELS - Actively pursuing Business Strategy
 - *Global Alternative Fuels market continues to grow*
 - *Cultivating business alignments in the industry*
 - *Continuing customer development*
- SPRINT GAS - Purchase of Sprint Gas Australia
- NYSE AMEX Listing
- AVIATION - UAS (Unmanned Aircraft Systems) niche market



- Alternative Fuels generated revenue of \$5.8m compared with \$6.2m in the previous year

- Key Activities:

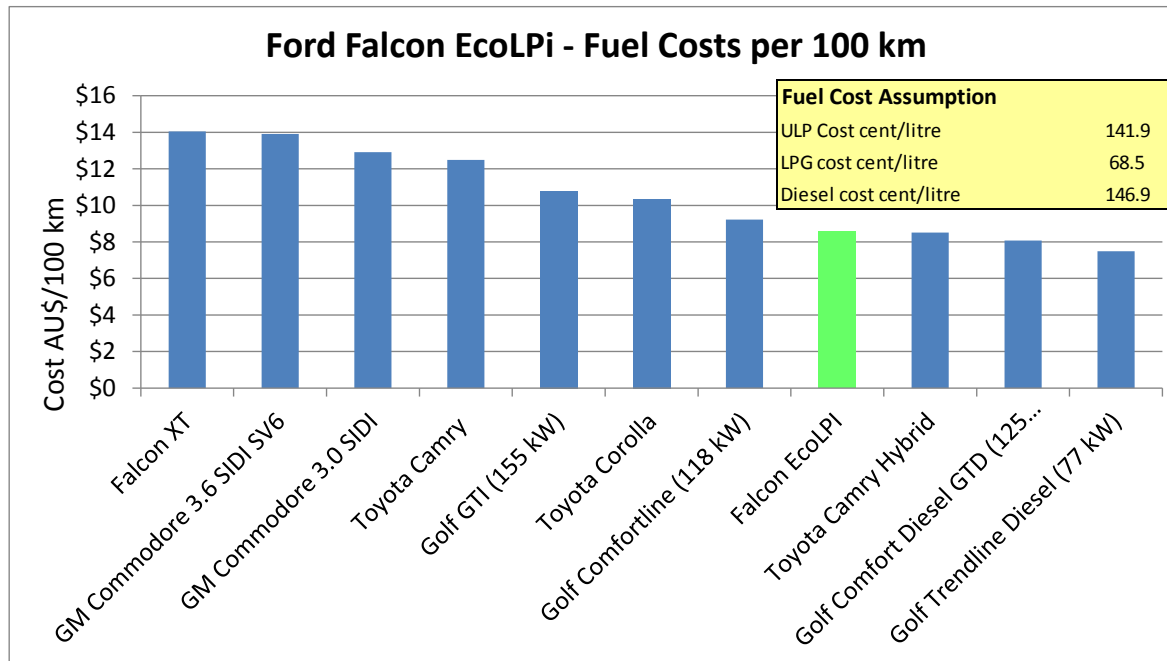
- Ford release of EcoLPi Ford Falcon vehicles using Orbital’s Liquid LPG
- Acquisition of Sprint Gas Australia
- Developed Liquid LPG aftermarket kits for 50 popular vehicle models



\$'m sales

Pro-rata Consolidated Sales

Ford "EcoLPi" – Liquid LPG



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

LPG Vehicle Scheme - \$2,000 rebate on OE LPG *

Source: <http://www.ausindustry.gov.au/Energyandfuels/LPGVehicleScheme/Pages/home.aspx>

Liquid LPG ; CO2 improvement

- 17% vs previous Ford EGAS BA Falcon
- 14% vs current model ULP XT Falcon

	Power (kW)	Torque (Nm)
EcoLPi Falcon XT	198	409
Falcon XT (91 RON ULP)	195	391
Falcon EGAS	156	371

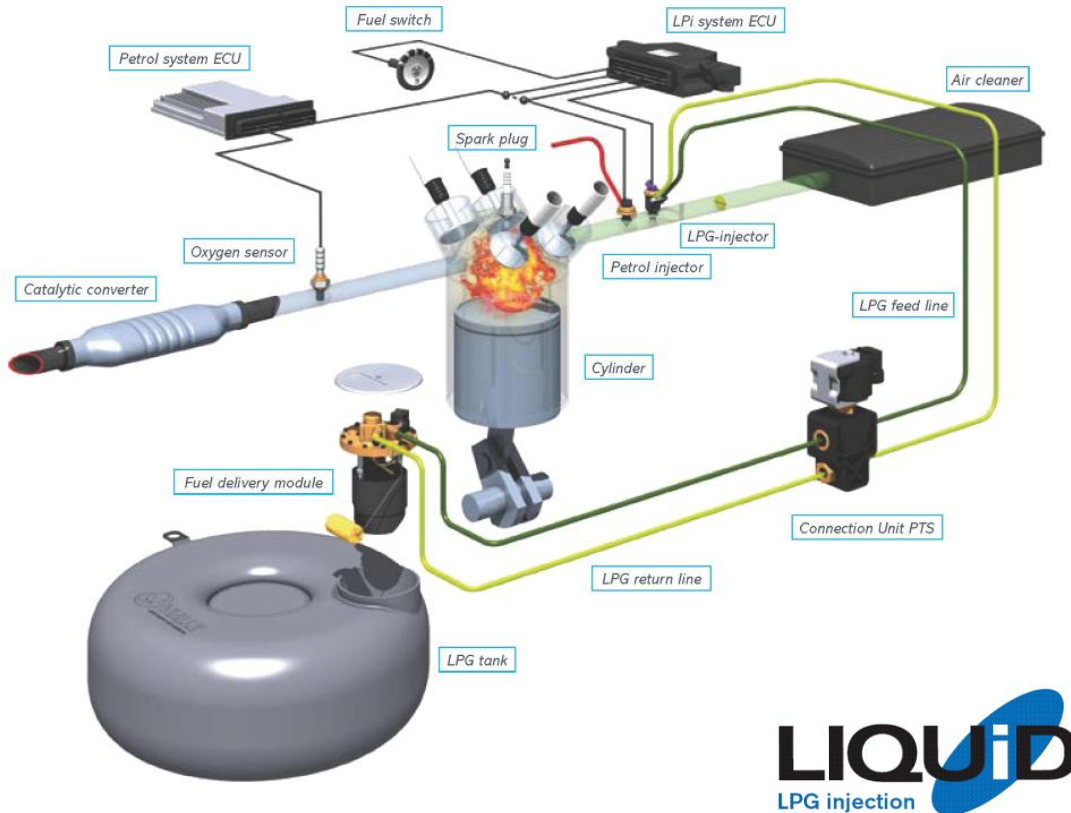
Source: <http://www.goauto.com.au/mellor/mellor.nsf/story2/35AB46AFF4F41910CA2578D200188ED4>

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

Liquid LPG Applications



Product covers OE, After-OE and Aftermarket applications – Same base technology



OE



Dedicated

After OE



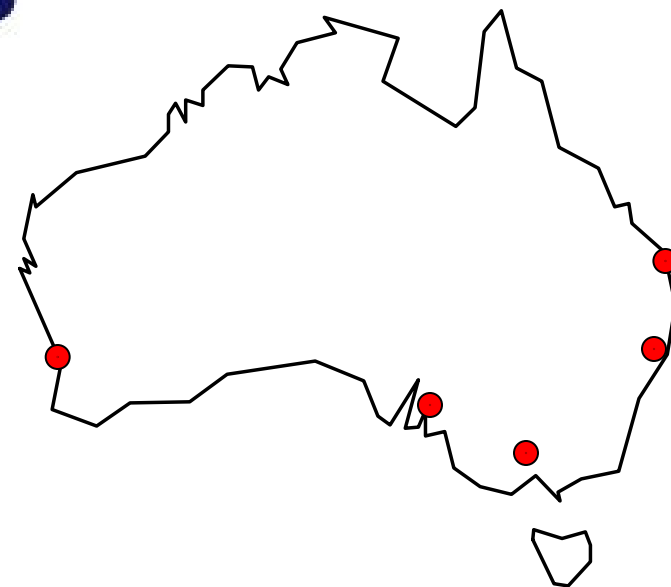
Bi-Fuel

Aftermarket



Bi-Fuel

Sprint Gas Australia (SGA)

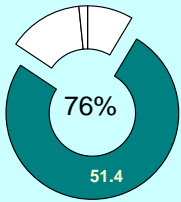


● Sprint Gas
Distribution Centres

- Acquired 55% share on 28th May 2011 for \$2m with option to acquire 100% over time
- Full year contribution in FY12
- LPG conversion kits and components in the Australian LPG aftermarket
- One of the largest distributors in the Australian LPG aftermarket with sales of more than \$7m in the year ended 30 June 2011
- 30 years' experience in the LPG systems supply business
- Strategic Fit – Liquid LPG Sales channel

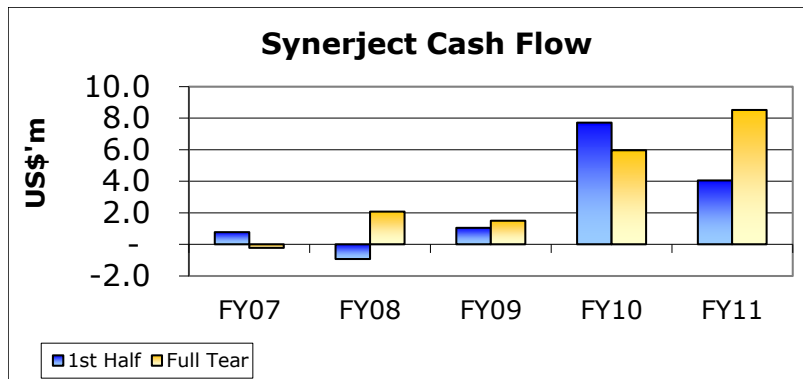
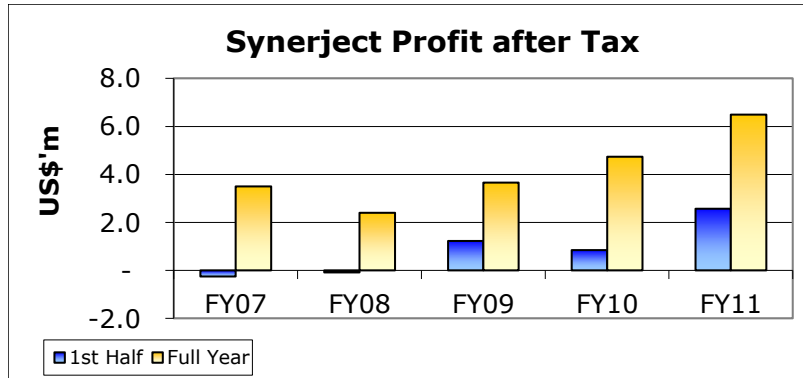
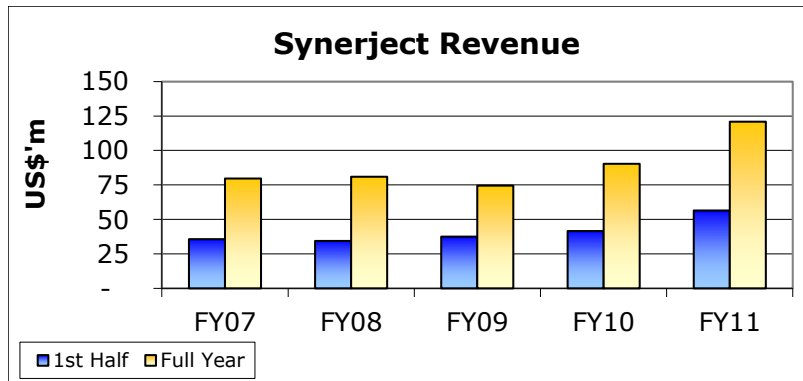


- Revenue of US\$120.8m compared to US\$90.4m in the previous year
- Largest independent Engine Management System (EMS) supplier to global non-auto market
 - Born in Balcatta
 - Model for Growth
- New products launched, supporting growth
- Taiwan strong market for Synerject driven by the stringent emission standards.

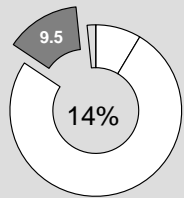


Orbital Share of Synerject Sales \$'m

Pro-rata Consolidated Sales



- 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 returns to parents



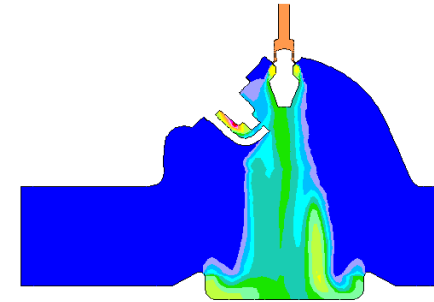
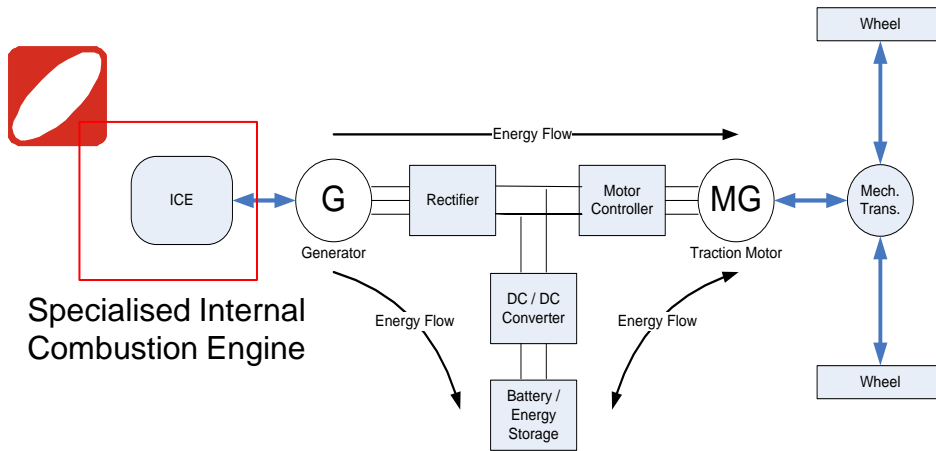
\$'m sales

Pro-rata Consolidated Sales



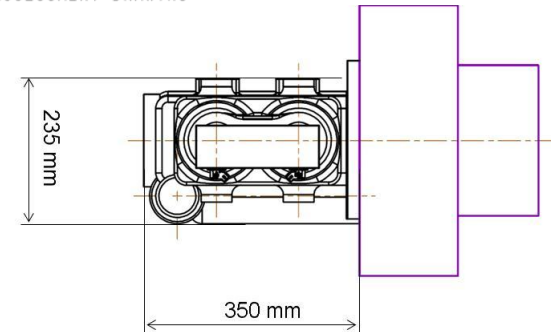
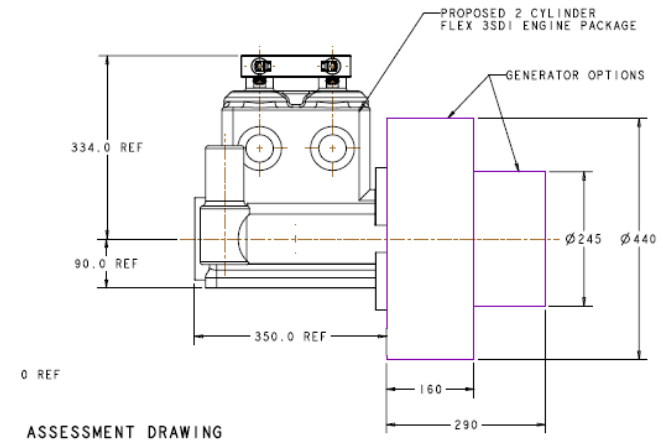
- Revenue of \$9.5m, compared to \$9.6m in previous year
- Key Activities:
 - Mitchell Corp (now Toll Resources) Dual Fuel LNG Program
 - UAS (Unmanned Aircraft Systems) FlexDI™ engine development
 - Changan FlexDI™ demonstrator vehicle program achieved benchmark fuel economy
 - Support for Liquid LPG OE and aftermarket product development and application
 - Continued high demand for Orbital’s Heavy Duty Test Facility
 - R&D and Engineering Services for the Orbital Group

R&D: Range Extender for Electric Vehicle



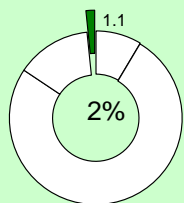
Concept:

- Small FlexDI™ engine to extend range of plug-in Electric Vehicle
- Engine <25kW
- Engine optimised at operating point for fuel consumption and emissions





- Revenue \$1.1m compared to \$1.2m in previous year
- North American marine market stabilising, however still well down on pre global financial crisis market and reliant on discretionary income



\$'m sales

Pro-rata Consolidated Sales

Outlook

- Existing Businesses
 - Automotive LPG
 - Ford success
 - Integration of Sprint Gas
 - LNG Heavy Duty
 - Toll Resources Fleet Test
 - UAS
 - Engineering programs in place
- New Business Generation
 - Partnership discussions in Alternative Fuel EMS
 - India EMS
 - China EMS



Delivering on the Strategy

- Markets
- Products
- Skill base and facilities
- Partners or acquisitions (speed to market)
- Funding



Formal Business



Item 2 – Financial Reports

- To receive and consider the financial statements for the year ending 30 June 2011 together with the Director's Report and the Auditor's Report

Item 3 – Remuneration Report

- That the Remuneration Report for the financial year ended 30 June 2011 is adopted

Item 4 – Re-election of Director

- That Dr M T Jones who retires by rotation in accordance with Article 9.3 of the Company's Constitution and, being eligible, offers himself for re-election, be elected as a Director of the Company

Item 5 – Long Term Share Plan – T. Stinson

- That approval is given for all purposes (including ASX Listing Rule 10.14 and exception 9 to ASX Listing Rule 7.2) for the issue of up to 866,250 fully paid ordinary shares in the Company, directly or indirectly, to Mr T D Stinson under the Company's Executive Long Term Share Plan.



Questions



Thank you
