



ORBITAL
CORPORATION LIMITED



25th Annual General Meeting

Agenda

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



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Chairman's Address

Chairman's Highlights

- Consolidated revenue increased by 19% to \$26.699 million
- The financial performance of the Company has significantly improved from a loss of \$3.053 million last year to a statutory net profit of \$0.364 million this year
- On an operating basis, we made an underlying profit after tax of \$1.370 million compared to a loss after tax of \$3.332 million last year
- Synerject increased revenue to US\$137.287 million (+8%) and profit after tax to US\$8.275 million. (+3%).
- Orbital won and fulfilled two significant production orders from AAI for heavy fuel engines using Orbital's FlexDI™ engine management system for use in SUAS's by the US military



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CEO's Address

Key Deliverables Over the Past Year 2013/14

Activities in FY13

Strategy Implementation

- Transitioning from IP/Consulting to sales company
- India JV
- Cash Position



Results

- “Systems Sales” up 67%
- Reducing reliance on Consulting Services revenue
- India Engineering JV MOU with UCAL
- Increase cash with sale of 12% of Synerject

Systems Businesses

- LPG Products
- UAS Programs
- Synerject
- LNG



- LPG businesses holding their own in tough market, increasing market share
- AAI engine supply, FlexDI™ EMS¹ supply, major UAS² production development program initiated
- Synerject 8% Sales growth in FY2013
- Domestic LNG Systems market yet to eventuate

Engineering Businesses

- Consulting Services
- IP (Intellectual Property)



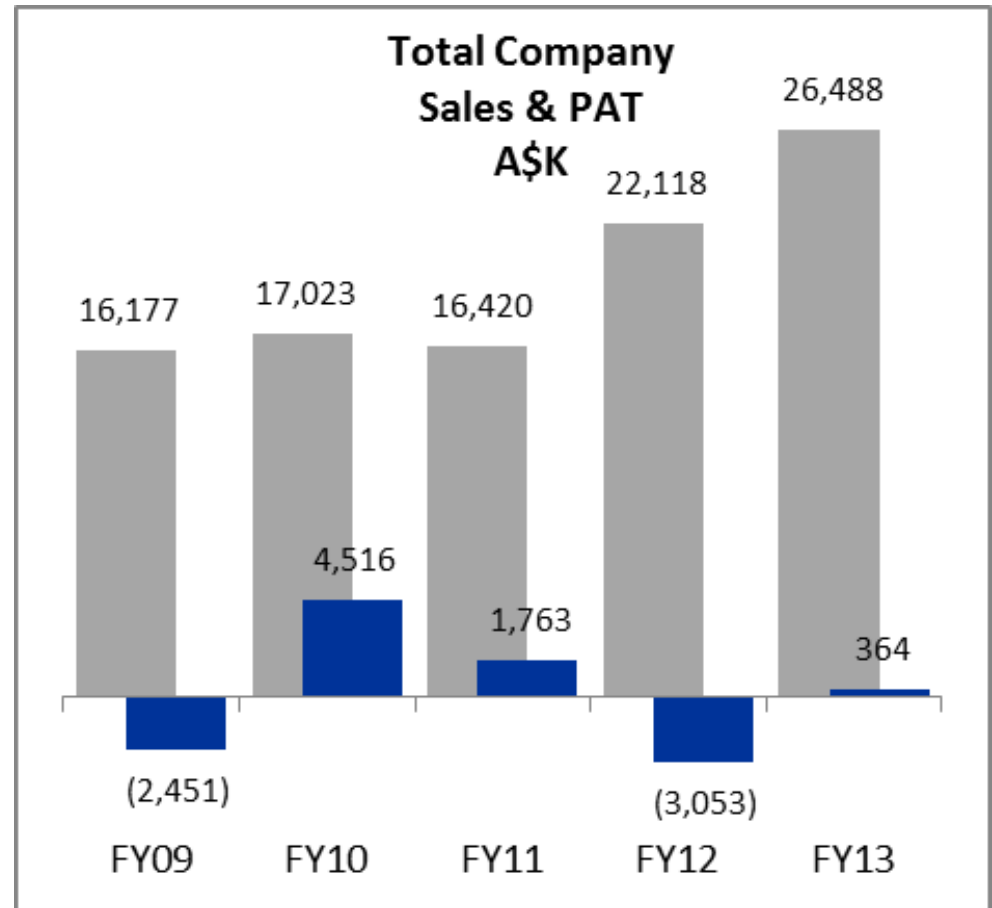
- Majority of engineering supporting UAS and product development
- Reduced Consulting income (8% of group revenue)
- Engineering Group downsized
- IP revenue steady; patents applied for UAS/LNG

Revenue

\$26.488 million

↑ 19% on FY12

↑ 64% on FY09



**HIGHEST TOP LINE REVENUE
NUMBER IN 5 YEARS**

Shift in Revenue Mix

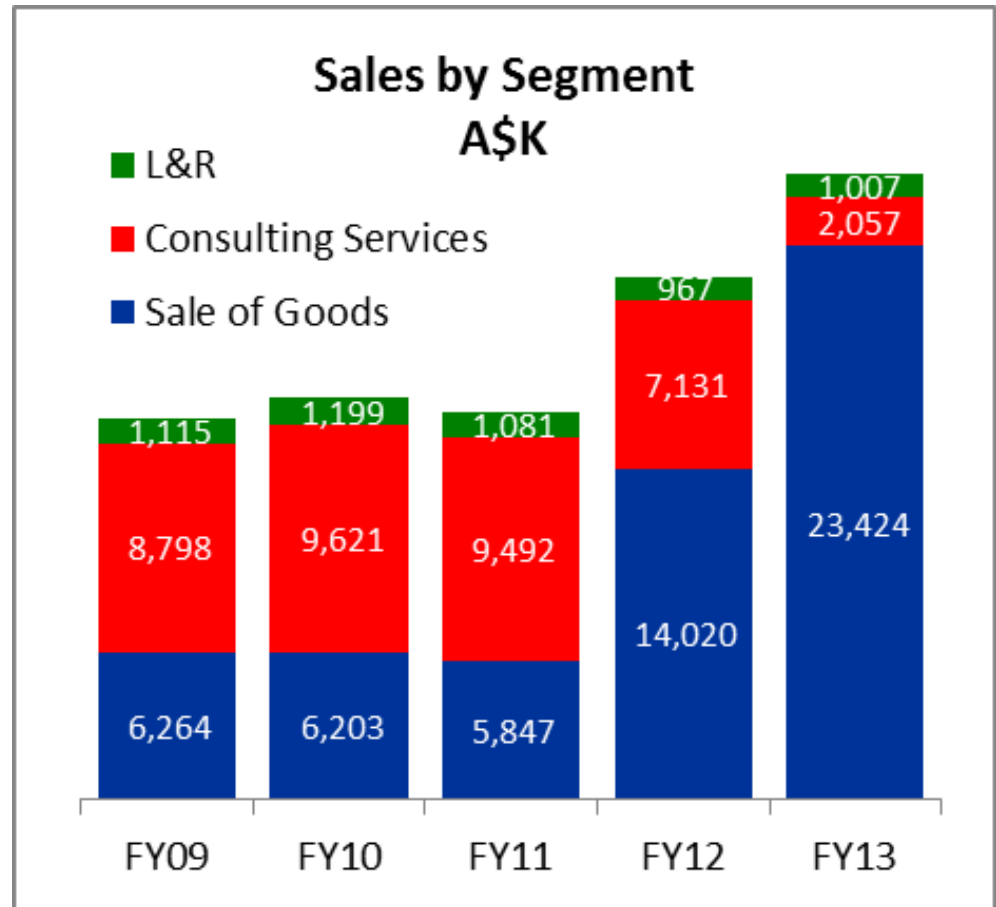
Sale of Goods:
\$23.424 million

↑ **67%** on FY12





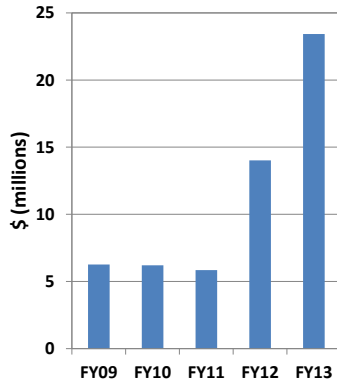
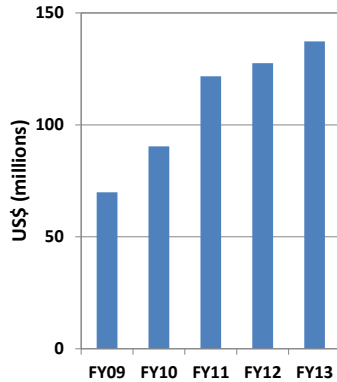
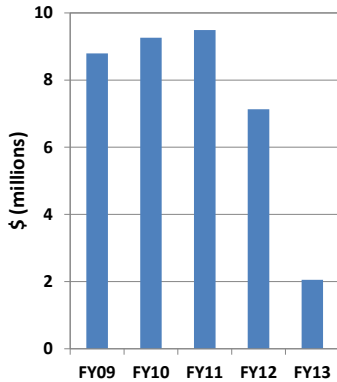
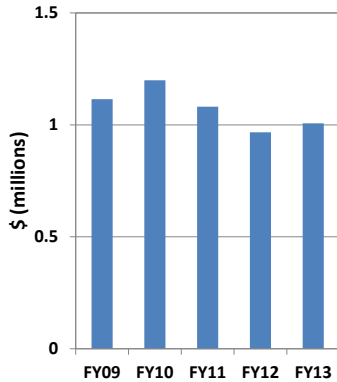
↑ **274%** on FY09

39% of Revenue in FY09

88% of Revenue in FY13



Orbital Businesses

Business Unit	System Sales	Synerject JV	Consulting Services	License & Royalty																																																
Sector	Liquid LPG; Distribution; UAS	Non Auto EMS global supplier	EMS (Auto, non- Auto), R&D	Non Auto EMS																																																
Applications																																																				
Revenue	<p>System Sales Revenue</p>  <table border="1"> <caption>System Sales Revenue (\$ millions)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>FY09</td> <td>6.0</td> </tr> <tr> <td>FY10</td> <td>6.0</td> </tr> <tr> <td>FY11</td> <td>5.5</td> </tr> <tr> <td>FY12</td> <td>14.0</td> </tr> <tr> <td>FY13</td> <td>23.0</td> </tr> </tbody> </table>	Fiscal Year	Revenue	FY09	6.0	FY10	6.0	FY11	5.5	FY12	14.0	FY13	23.0	<p>Synerject Revenue</p>  <table border="1"> <caption>Synerject Revenue (US\$ millions)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>FY09</td> <td>70</td> </tr> <tr> <td>FY10</td> <td>90</td> </tr> <tr> <td>FY11</td> <td>120</td> </tr> <tr> <td>FY12</td> <td>130</td> </tr> <tr> <td>FY13</td> <td>140</td> </tr> </tbody> </table>	Fiscal Year	Revenue	FY09	70	FY10	90	FY11	120	FY12	130	FY13	140	<p>Consulting Services Revenue</p>  <table border="1"> <caption>Consulting Services Revenue (\$ millions)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>FY09</td> <td>8.5</td> </tr> <tr> <td>FY10</td> <td>9.0</td> </tr> <tr> <td>FY11</td> <td>9.5</td> </tr> <tr> <td>FY12</td> <td>7.0</td> </tr> <tr> <td>FY13</td> <td>2.0</td> </tr> </tbody> </table>	Fiscal Year	Revenue	FY09	8.5	FY10	9.0	FY11	9.5	FY12	7.0	FY13	2.0	<p>IP Revenue</p>  <table border="1"> <caption>IP Revenue (\$ millions)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>FY09</td> <td>1.1</td> </tr> <tr> <td>FY10</td> <td>1.2</td> </tr> <tr> <td>FY11</td> <td>1.1</td> </tr> <tr> <td>FY12</td> <td>0.95</td> </tr> <tr> <td>FY13</td> <td>1.0</td> </tr> </tbody> </table>	Fiscal Year	Revenue	FY09	1.1	FY10	1.2	FY11	1.1	FY12	0.95	FY13	1.0
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Increased Spectrum of Specialised Services

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Fuel Additives and Alternate Fuels Testing

- Additive, fuel quality and load effects on HD Engine emissions
- On-Road Heavy Duty LNO Application
- CAT truck achieves ACR 80-03 with minimal change to on-road FC
- Fuel Additive Testing
- Fuel Injector / Injector Control
- Fuel System Maintenance and Performance
- Fuel System Reliability and Durability
- Fuel System Design
- Fuel System Troubleshooting
- Fuel System Optimization
- Fuel System Simulation
- Fuel System Modeling
- Fuel System Analysis
- Fuel System Development
- Fuel System Testing
- Fuel System Validation
- Fuel System Certification
- Fuel System Compliance
- Fuel System Improvement
- Fuel System Innovation
- Fuel System Research
- Fuel System Development
- Fuel System Testing
- Fuel System Validation
- Fuel System Certification
- Fuel System Compliance
- Fuel System Improvement
- Fuel System Innovation
- Fuel System Research

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Fuel, Oil and Additive Testing Services

Science plus Engineering = Product

Fuel additives for motor oils have been used for years and continuing for heavy motor, combustion engines and exhaust after-treatment for particulate reduction.

Fuels are not just developed in a science lab, they have to be proven on the engine that will use them.

Don't rely on the results from an automotive engine tested in Europe, prove that the chemistry works for your equipment in your environment.

Fuel and CO2 Emissions Durability

The Engineering behind the Testing of Fuels & Oils

For over a decade Orbital has been providing independent testing of fuels, fuel alternatives, and fuel additives to government, OEMs, fuel majors and distributors, independent developers, and large scale users.

Orbital's engine testing capacity is diverse and the most comprehensive in Australia with the ability to test anything from a small utility engine to 16L capacity including the popular 600kW engine is widely acknowledged as a robust version of the large 600kW used in many large applications.

Testing, marine, oil and gas, mobile power-generation, all sectors supported. If we can't test it here, we can't use it on you.

Benefits of Testing with Orbital

- Independent testing facility
- Accredited to ISO9001 and Federal approved for both light and heavy duty
- Located in Perth (Western Australia) close to sea
- Cost effective from 30L to 5L
- Fuel efficiency
- Fuel alternatives
- Engine experience from 30cc to 16L

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Tyre Pressure Monitoring System

Tyre costs impacting your business?

Tyre Pressure Monitoring for Low-Loader and Multi-Combination Vehicles

The benefits of Tyre Pressure Monitoring have been well shown in the automotive industry for many years. These same benefits are now available to operators of vehicles with a large number of tyres such as low-loader and multi-combination trailer applications.

Continuous monitoring of up to 100 tyres per vehicle, the Orbital Tyre Pressure Monitoring System provides a powerful, yet simple to use tool to reduce your tyre costs and increase your tyre production.

- Clear Display
- Real Time Pressure & Temperature
- Intuitive Touch Screen
- Continuous Data Recording
- Audible and Visual Alarms
- Low / High Pressure
- High Temperature

Benefits of Correct Tyre Pressures

- Maximize fuel efficiency
- Maximize tyre life
- Minimize risk of tyre related incidents
- Reduced equipment downtime
- Reduced emissions
- Increased vehicle productivity

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Proven UAV Heavy Fuel Engine Technology

FlexDI™ - Our Track Record

- 2005-2007: FLEXTDI
- 2007-2008: FLEXTDI
- 2008-2009: FLEXTDI
- 2009-2010: FLEXTDI
- 2010-2011: FLEXTDI
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- 2097-2098: FLEXTDI
- 2098-2099: FLEXTDI
- 2099-2100: FLEXTDI

FlexDI™ has Superior Fuel Consumption

Orbital to supply FLEXTDI engines to AU...

REP-BACK 3 to 250+ hp Heavy Fuel Engines

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Advanced R&D - Direct Injection CNG

Using Natural Gas: Challenges and Solution

An issue associated with CNG is the higher engine full load performance due to the lower density of the gas compared to diesel. To ensure gas engine full load torque, the engine must be designed to produce higher torque than diesel engines.

Direct injection of the fuel after inlet valve closure improves the performance of natural gas engines due to improved volumetric efficiency, but into the injection line.

Performance Fuel and CO2

SAE2011-01-0923 - Renault Paper

Power (Turbo) 110 kW (150 hp) capacity - 10% improves volumetric efficiency

Compression efficiency higher than gasoline engine

Or Renault meeting over 100000 km, 27% reduction in CO2 is 100% better than diesel

DI CNG Injector and System Supplied by Orbital

Benefits of R&D with Orbital

- Access to prototyping and production injection manufacturing capabilities through 20 independent testing / development facility
- Accredited to ISO9001 and Federal approved for both light and heavy duty
- Fuel efficiency
- Engine experience from 30cc to 16L

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Fuel Quality Assurance Services

Why is having clean fuel supply important?

For your engine to operate at its optimum performance and efficiency, particulate and water contamination must be minimized to its absolute limits. Equipment fuel systems are not designed to remove high levels of contamination. To ensure clean fuel is delivered to the engine, fuel alternatives should be managed and monitored throughout the supply chain. Contaminated fuel can be removed through rigorous testing and cleaning services.

Delivery Storage Supply

What is Acceptable Fuel Cleanliness?

Clean fuel cleanliness is defined as the number and size of particles in the fuel. The international standard ISO 4406 uses a logarithmic to quantify contamination levels to justify use in modern fuels - the higher the numbers, the higher the contamination.

As engine fuel injection technology progresses, so does the requirement for cleaner fuel. Fuel will be demanded only at ISO 2000-17 engine.

For electronically controlled unit injectors (EUI), the equipment OEMs usually require a cleanliness level of ISO 2000-17.

High pressure common rail (CR) engines require significantly improved fuel cleanliness. CR diesels require the acceptable limit for CR which is a more severe fuel cleanliness as low as ISO 1000-16.

Benefits of Clean Fuel

- Improved diesel engine performance
- Reduced equipment downtime
- Fuel efficiency
- Increased vehicle productivity

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Ethanol Injection / Combustion Systems

E100 as a Substitute for Gasoline

E100 operates well at gasoline HOT operating areas. Same torque with lower boost pressure, no knock and:

- Higher fuel efficiency
- Lower engine CO2 emissions
- Higher torque
- Higher compression ratio
- Stronger cast and steel engine parts, avoid gasoline engine operating returns due to many to knock inhibition at lower engine speeds and a small gas temperature limitation at higher engine speeds (high boost return) and very low lambda

Performance Fuel and CO2 Emissions

Examples of Orbital's Ethanol Application

Fuel	E100	E85	E85 and different water contents
Engine	Multi-cylinder engine 4 cyl, 4.8 litre turbocharged	Multi-cylinder engine 8 cyl, 34 litre turbocharged	Single cylinder research engine (RCE), 80cc, 80cc Supercharged
CR	14:1	12:1	13-17:1
Injection system	Air Assisted Direct Injection	Variable Injection	Air Assisted DI + HVO

Benefits of R&D with Orbital

- Access to prototyping and production injection manufacturing capabilities through 20 independent testing / development facility
- Accredited to ISO9001 and Federal approved for both light and heavy duty
- Fuel efficiency
- Engine experience from 30cc to 16L

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Embedded Electronic Control

From this...

Cost Size Performance Reliability

Embedded Control, Calibration and Monitoring Systems

- More compact, with internal integration options
- Optimized design
- Optimized size and weight
- Lower piece cost per unit
- Intelligent display and user access options
- Access security
- Smart data analysis
- Key system indicators reported

Benefits of R&D with Orbital

- Data Acquisition
- Machine Monitoring
- Fuel Flow Analysis
- System Integration
- Simulation

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2013 - Positives and Negatives

- Positives

- Positive turn around in underlying profit
- Positive turn around in cash position vs FY12
- Underlying profit of \$1.4m; cash \$6.9 million (30th June)
- System sales revenue increased 67% to \$23.4m
- Synerject JV continues to grow and is profitable
- New business streams – UAS engines and EMS products
- MOU for India Engineering JV

- Negatives

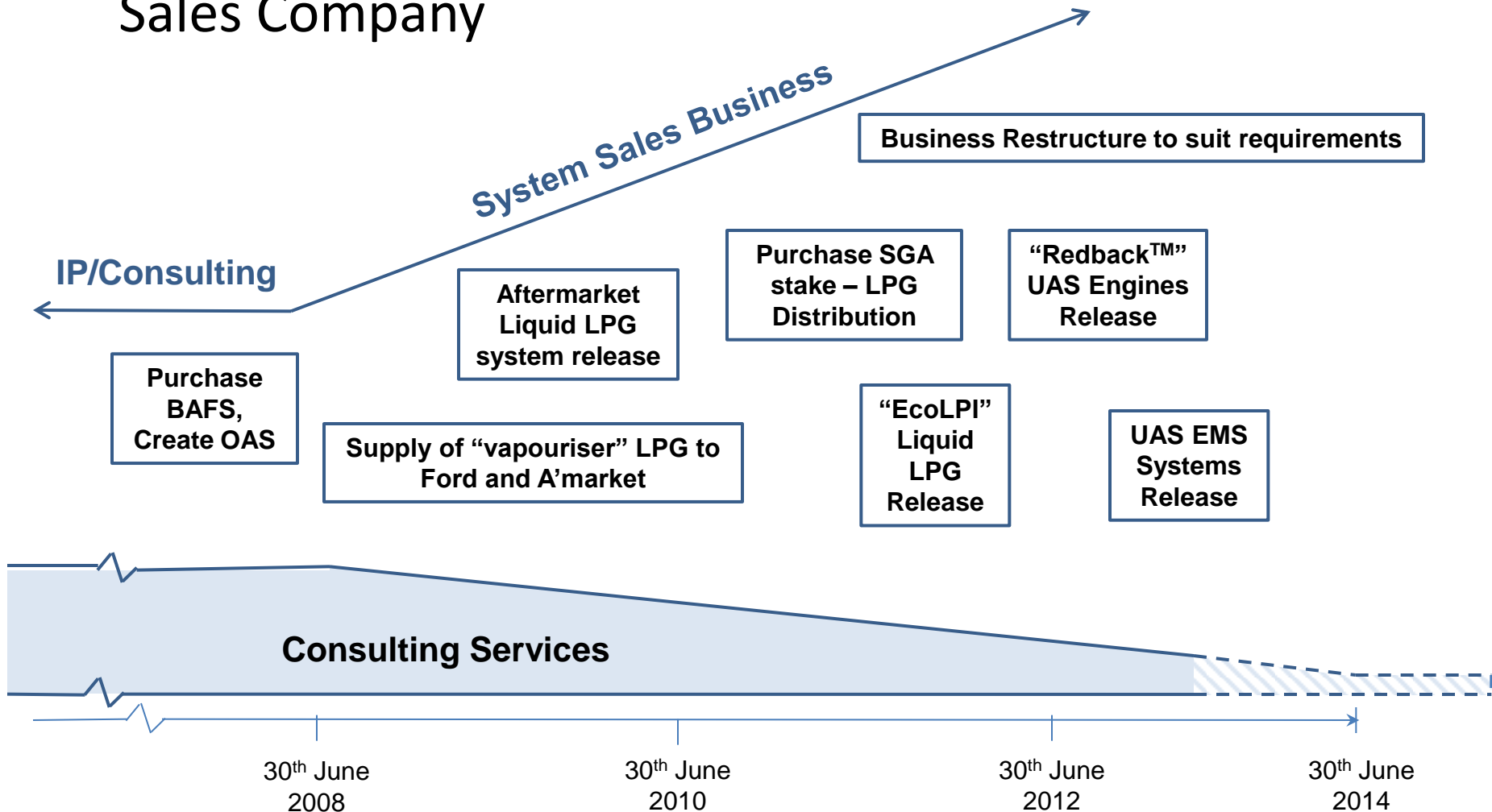
- Consulting Engineering Segment losses
- Market forces result in LPG market contraction
- Slow progress entering Resource Sector
- LNG Truck Systems - slow take-up

Strategy Overview and Implementation

- Transitioning to product/systems
- Engineering focused on new product development
- Organic growth in systems and components sales
- Growth by acquisition/partnership/merger
- Continue to follow the Synerject model

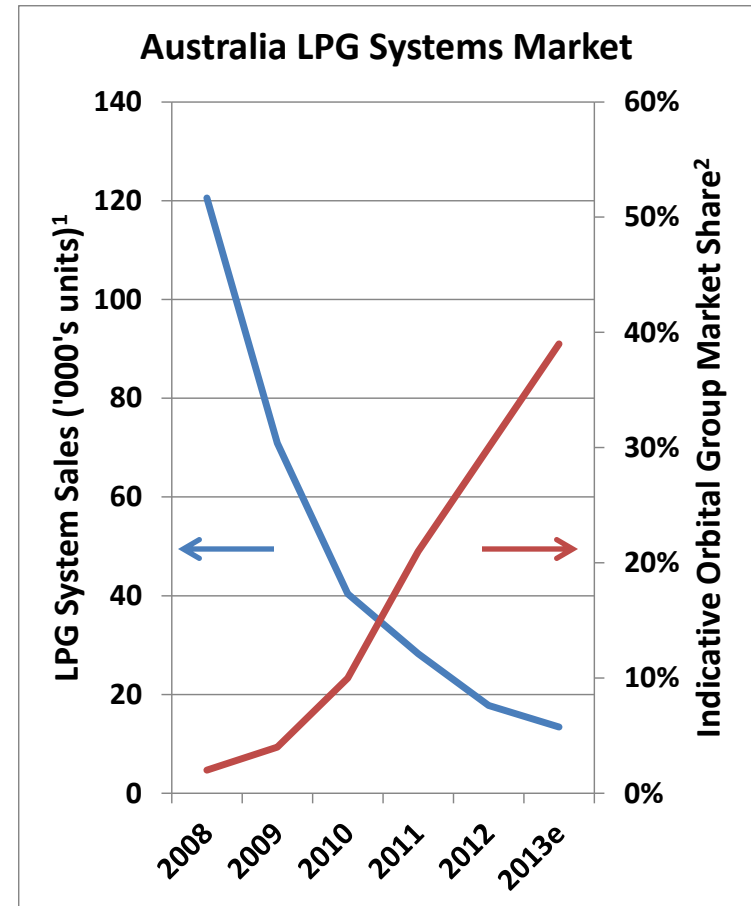
Strategy – Steps to date, and future planning

- Transitioning from IP/Consulting Company to System Sales Company



Outlook: LPG Systems

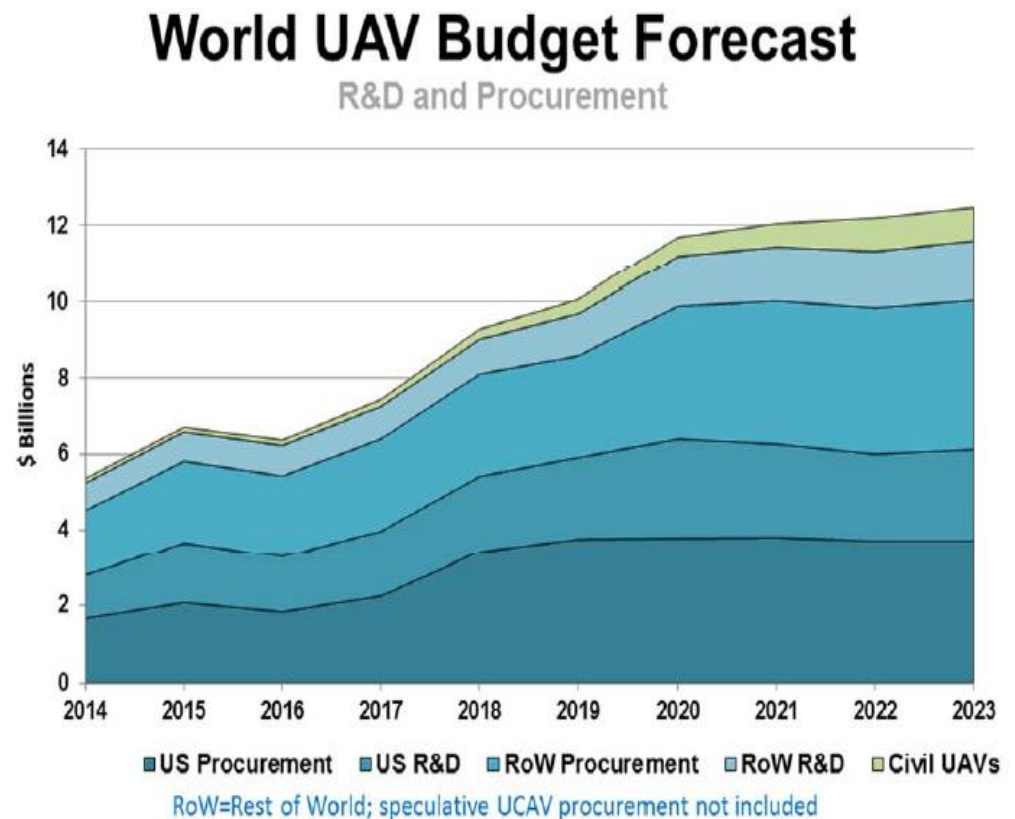
- Target continued increase in LPG systems market share
- Remain profitable – match operational costs to market demand
- Well positioned for LPG market up-swing
- Good base to support natural gas systems business expansion in Australia
- Expand product offering to:
 - CNG applications
 - LNG applications



1 Ref Gas Energy Australia. FY13e is Orbital estimate
2 Orbital calculated information

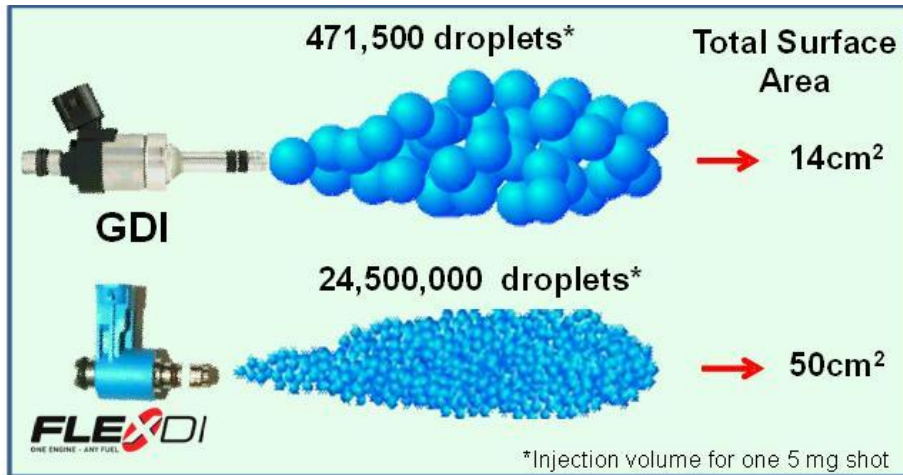
UAS Market (Unmanned Aircraft Systems):

- Current UAS R&D and procurement market is around US\$5.2b¹
- Projected to Reach US\$11.6b by end of next decade¹
- Orbital's Market is "SUAS" (Small UAS):
 - new engine systems
 - replacement of existing engines
 - EMS
- Potential to expand into next larger category UAS's



¹ World Unmanned Aerial Vehicle Systems – Market Profile and Forecast 2013 Edition. Teal Group Corporation

Why Orbital for UAS ? Flex DI™

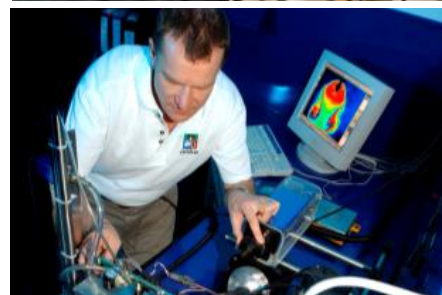
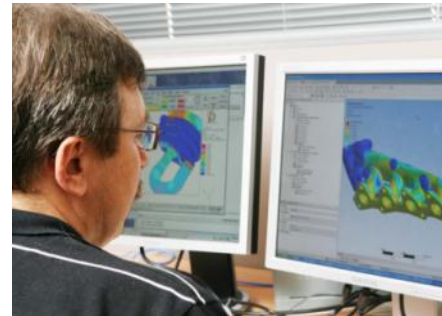


• Orbital's "FlexDI™"

- Direct Injection
- Best Tech for Heavy Fuel
- Reliable Proven Technology
- Cost Effective

• Orbital Know-How

- 2-stroke engine experts
- 35 years experience
- EMS expertise
- Capable of clean sheet designs
- Commercialization track record



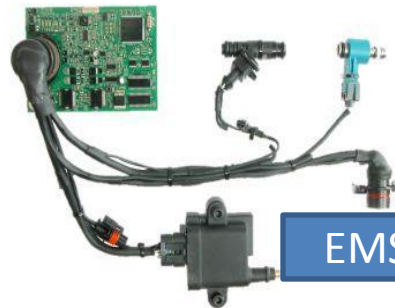
Orbital's UAS Products and Services

What do we offer to the UAS market?

- Heavy Fuel Engines and Engine Management Systems
- Consulting Engineering Services to UAS OE's



SUAS Engines

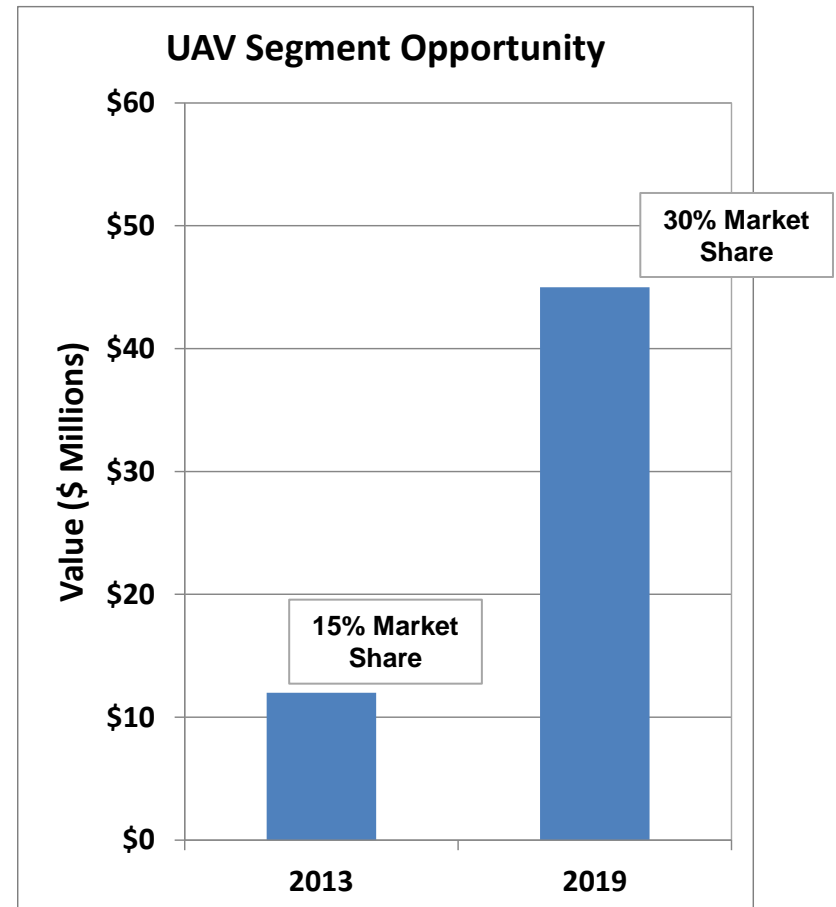
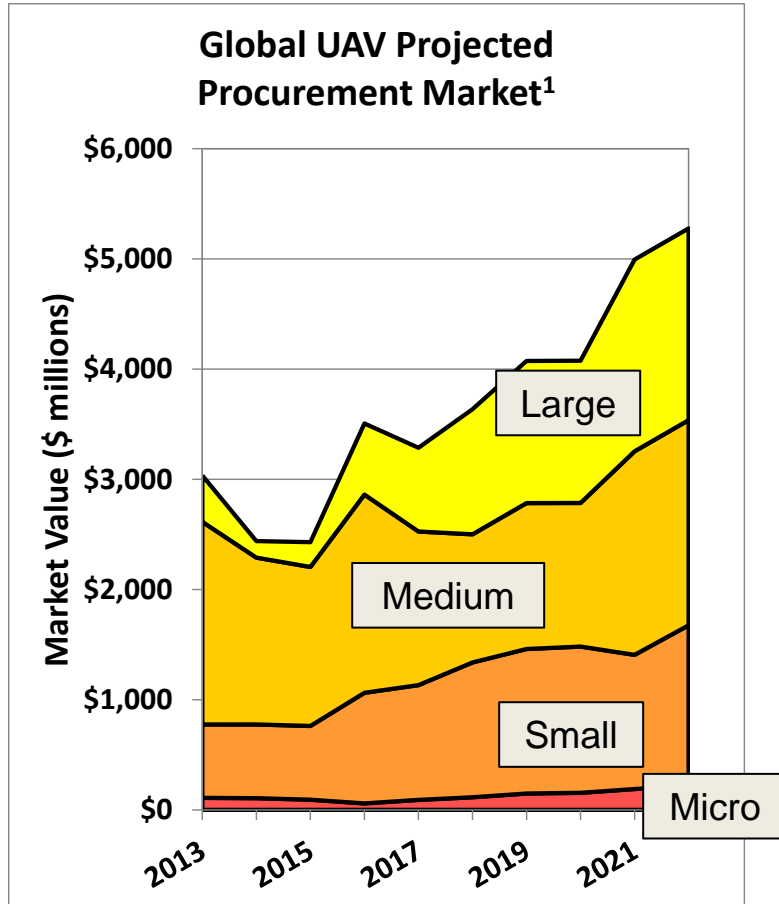


EMS Systems

Orbital's Unique Offering

- Satisfies "One Fuel" policy
- Unassisted cold start capability
- Improved Range
- Superior fuel economy
- 2-Stroke Engine Experts

Outlook: UAV Engines and EMS



¹ World Unmanned Aerial Vehicle Systems – Market Profile and Forecast 2013 Edition. Teal Group Corporation

Outlook – Overview

- Revenue Growth
 - Potential new revenue streams
 - UAS Market – new markets / new customers
 - India JV – EMS and Engineering Services
 - Grow existing revenue streams
 - Liquid LPG systems – Continue to increase market share
 - UAS EMS – New Products
 - Sprint Gas - LPG/CNG distribution businesses
- Financial
 - Targeting Profit in FY14
 - Continue to manage costs across group
 - R&D targeted at highest potential revenue streams





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Formal Business

Item 2 – Financial Reports

- *To receive and consider the financial statements for the year ending 30 June 2013 together with the directors' report and the auditor's report.*

Resolution 1 – Remuneration Report

- *That the Remuneration Report for the year ended 30 June 2013 be adopted by the Company.*

Resolution 2 – Re-election of Director

- *That Dr V Braach-Maksvytis who retires by rotation in accordance with article 9.3 of the Company's constitution and, being eligible, offers herself for re-election, be elected as a director of the Company.*

Resolution 3 – Long Term Share Plan – T. Stinson

- *That, in accordance with Listing Rule 10.14 and for all other purposes, approval is given for the issue of up to 1,165,000 fully paid ordinary shares in the Company, directly or indirectly, to Mr T D Stinson under the Company's Executive Long Term Share Plan.*

Resolution 4 – Approval of 10% Placement Facility

- *That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.*



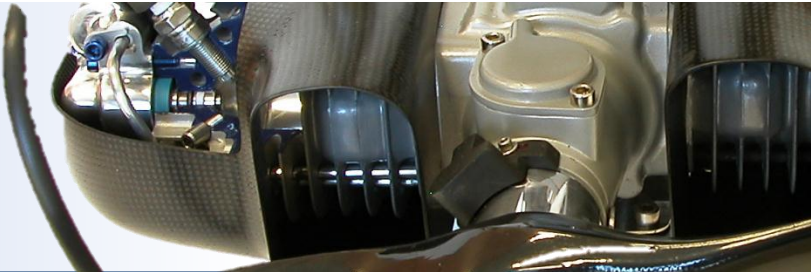
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Questions



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Poll



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Thank You