

AFT Investors' Presentation

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By Stone Wang, Chairman & CEO

AFT CORPORATION LTD. (ASX:AFT) A.C.N. 004 701 062

- 1. Business Review**
- 2. Current Conditions**
- 3. Strategic Plans**
- 4. Summary**

- In 2011, AFT increase sales by over 20% from the previous year to more than \$17 million, net profit of \$970,000 as a result of continued growth in the first half year for demand for the solar PV distributed and sold by AFT's Artemis Building Systems (ABS).
- The closure of the solar feed-in-tariff in NSW and other states meant that the company experienced a slow down in the second half of the year.
- As costs of solar panels continue to decrease, we can anticipate a future where a vibrant photovoltaic business sector thrives without government support. However the transition to that future is going to be turbulent with tough trading conditions and more industry shake-outs likely.

AFT Corporation Ltd Financial Brief – Consolidated

	Unaudited	Unaudited	Audited	Audited	Audited	Budgeted
	Q1 2011	Q1 2012	2009	2010	2011	2012
Revenue (A\$, 000)	5,411	550	7,391	14,210	17,505	10,575
Net profit (A\$, 000)	408	(46)	(429)	1,004	970	(604)

Notes:

- 1) The above figures are based on the current market conditions.
- 2) The above figures are based on the Australian operations only and do not incorporate the potential income from overseas.

Trading conditions have become more difficult due to the following:

- The closure of solar feed-in-tariffs in NSW and other states has had a negative impact on the solar distribution business.
- Governments are winding back support for domestic solar PV
- Relative lack of scale in the Australian market.

Australian market conditions – our estimates of current trading conditions based upon our market experience

	2010	2011	Forecast - next 24 months
Average purchase price	\$2.20-2.50/W	\$0.90-1.00/W	\$0.80-1.20/W
Volume - Residential	380 MW	250 MW	Slow growth
Volume - Commercial	5MW	8-10 MW	Strong growth
Feed In Tariff (NSW)	\$0.20-0.60/KW	\$0.06/KW	\$0.06/KW
1.5 KW System Government Assistance	\$2,325	\$1,550	\$1,550

The company's strategic plan for the next 12-18 months is to build revenue through the expansion into the following markets:

- **LED lighting - commercial:**
 - Increasing market penetration in the commercial sectors through packaged solutions.
- **Solar Leasing - commercial:**
 - Focus on commercial projects, this includes the rural market due to higher electricity prices in these regions.
 - Initial objective is to prove the concept by completing a number of projects in 2012. AFT will finance these projects from working capital.
 - Second phase will involve exploring capital raising opportunities for expansion.
- **Joint Venture in China:**
 - Chinese renewable energy market still strong
 - AFT is using its expertise, infrastructure, and relationships to expand into the growing markets in China and Asia.

- AFT looks forward to a smooth year of consolidation and new developments following up by strong growth in the coming years:
 - By focusing on the growth of the new business models and minimizing operating costs in 2012; and aiming for profitability in 2013.
 - We are continually looking for opportunities to expand the company through new market possibilities and business models.
- Thank you for your support !

