



Adacel Technologies Limited
ABN 15 079 672 281
Suite 1, 342 South Road
Hampton East, Victoria 3188 Australia
T. +61 3 8530 7777
F. +61 3 9555 0068
www.adacel.com

Adacel Technologies Limited (ASX: ADA)

ASX & Media Release

Confirms FY2017 Earnings Guidance and Orders Update

Melbourne, February 16, 2017 – Adacel Technologies Limited (ASX: ADA) (**Adacel** or the **Company**) is pleased to confirm its earnings guidance for the 2017 financial year with profit before tax anticipated to be more than 10% higher than 2016. Dividends for the 2017 financial year will be at least equivalent to those declared during 2016.

In relation to the first half (**H1**) of the 2017 financial year, based on preliminary, unaudited results, it is anticipated that profit before tax will be in the range of A\$4.0-4.3 million compared to A\$6.3 million for H1 2016. The movement between H1 2016 and H1 2017 is consistent with the comments at the Company's Annual General Meeting in November 2016 and previous disclosures that H1 2016 was boosted by the early receipt of a number of program awards.

In relation to its activities since the commencement of the 2017 financial year, the Company is pleased to advise that new orders representing a total value in excess of A\$23 million (US\$17 million) have been secured. A large proportion of these orders were secured late in the calendar year and therefore, did not make a contribution to earnings in the first half however, when added to the Company's strong opening order book at the commencement of the 2017 financial year, it supports the Company's full year financial expectations.

A number of these awards have multi-year terms and include:

- The United States Naval Air Warfare Center Training Systems Division for the provision of Air Traffic Navigation, Integration and Coordination System (ATNAVICS) Training Simulators;
- Leidos Holdings, formerly part of the Lockheed Martin Corporation, for enhancements to the ATOP Program for the FAA;
- SAIC for continuing monthly awards for controller training services in 23 of the FAA's Air Traffic Control (ATC) facilities;
- Colombian Air Force for an ATC tower simulator system and support contract;
- Direction de la Technique et de L'Innovation – DSN France for the provision of services for the French Guiana system;
- University of Oklahoma for the provision of on-going support services;
- NavPortugal for the provision of a multi-year air traffic management field support services;

- United States Air Force for the continued provision of support services;
- Air Navigation Services Aruba (ANSA) for the provision of a portable ATC tower simulator;
- Hungaro Control for the provision of ATC simulator visual technology upgrades;
- Leonardo, formerly Alenia Aermacchi, for the provision of the Adacel's Voice Activated Cockpit product and services for the M346 advanced jet trainer; and
- Aeroporti di Roma (Rome) in Italy for the delivery of driver trainer simulators.

In addition, there are a number of other orders where the Company has been advised of award however, final documentation has not been completed.

Adacel Chairman, Peter Landos said, "Our objective to maintain our strategic growth plan whilst delivering further earnings growth remains on track as we continue to extend and expand the commercial relationships we have with our key civil and military partners".

Adacel's Appendix 4D and Half Year Report for the six-month period ended 31 December 2016 is expected to be released on or around 21 February 2017.

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About Adacel

Adacel is a leading developer of advanced simulation and training solutions, speech recognition applications and operational air traffic management systems. Adacel is particularly well known for innovations within the ATC simulation and speech recognition fields. The Company's products are widely used throughout North America, Europe, the Middle East and the Asia Pacific region. Adacel is listed on the ASX and further information on the Company can be found on its website at www.adacel.com.

For further information, contact:

Peter Landos
Chairman
+61 (0) 3 9921 7116
peter.landos@thorney.com.au

Sophie Karzis
Company Secretary
+61 (0) 3 9286 7501
sk@ccounsel.com.au