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ASX & Media Release Adacel Technologies Limited (ASX: ADA)

Melbourne, 29 October 2015

Adacel Upgrades FY2016 Guidance Profit before tax to increase 50% over FY2015

As a result of a stronger than expected first quarter operating performance, the Board of Adacel Technologies Limited (**Adacel** or the **Company**) is pleased to upgrade its previous profit before tax guidance for FY2016.

The Board now expects that profit before tax for FY2016 will be approximately 50% higher than FY2015. This compares to the previous guidance, issued at the time of release of the Company's Appendix 4E in August 2015, which indicated that the FY2016 profit before tax would be at least 25% higher than FY2015.

There are a number of factors which have influenced this revised forecast, including:

- Strong operating performance for the first three months of FY2016;
- Receipt of a number of orders from existing customers earlier than originally forecast;
- Higher average gross margins due to the mix of programs delivered in the first quarter of FY2016;
- Translation effect of a lower average AUD vs USD foreign exchange rate compared to that originally budgeted.

Adacel's Chairman, Peter Landos said, "We have been particularly encouraged by the operating performance of the business for the first three months of the 2016 financial year. We are excited about the outlook for the balance of 2016 and beyond, the rising number of new opportunities which have emerged and the expansion of relationships with our existing customer base. We remain committed to delivering our shareholders consistent earnings and further dividends".

The Company's Annual General Meeting is scheduled for Friday 20 November 2015 at 11.00am at the offices of Ashurst Australia, Level 26, 181 William Street, Melbourne.

The Board will provide further updates to shareholders at the Annual General Meeting.

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About Adacel

Adacel Technologies Limited 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.

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