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ADACEL TECHNOLOGIES LIMITED

(ASX: ADA)

ASX Announcement

5 February 2010

Negative Foreign Currency Translation Affects First Half Performance

Adacel Technologies Limited (Adacel or the Company) expects to announce its half year results on 19 February 2010.

Despite continued strong success with new and repeat orders, the translation effect of an adverse movement in foreign currency has had a significant impact on the Company's results for the half year ended 31 December 2009 as compared to the prior corresponding period. At the operational level, performance was impacted by a delay in receiving a number of high-margin orders (in excess of A \$2.0 million of revenue) from the first half to the second half. Other less significant factors affecting the Company's operating performance included additional one-off costs associated with the establishment of new markets in Eastern Europe. As a consequence, operating performance for the half year ended 31 December 2009 will fall below that of the prior corresponding period.

The Directors expect that the Company will report a net loss after tax of approximately \$1.5 million for the 31 December 2009 half-year period compared to a net profit after tax of \$3.6 million for the previous corresponding period. It should be noted that the negative effect of foreign currency in the result for the December 2009 half year is a loss of approximately A\$1.0 million as compared to a gain of A\$2.4 million in the prior corresponding period (representing a negative swing of approximately A\$3.4 million).

The Company continues to maintain a strong balance sheet with surplus cash and no debt.

The Board remains confident that, given the size of the Company's order book as at 31 December 2009, the securing of orders which were deferred from the first half and operating margins returning to historical levels, the Company will restore its profitability in the second half and achieve a profit for the full year.

Adacel Technologies Limited

On behalf of the Board

Sophie Karzis

Company Secretary