
Adacel Technologies Limited
Annual General Meeting
15 November 2013

**Chief Executive Officer's
presentation to Shareholders**





ADACEL: 2013 and forward

Seth P. Brown
Chief Executive Officer



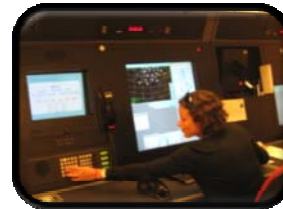
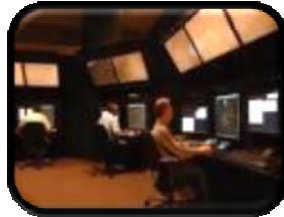
Adacel: what do we do?

Three core business areas :

Air traffic control simulation & Training Services (50-60%)



Air Traffic Management Systems & Services (25-35%)



Operational Voice & Security Simulation (5-15%)



FY 2013: some comments

- 2012 had some high margin one-off awards which boosted the earnings.
- As a Company, disappointed we could not match 2012 earnings in 2013.
- That being said we met our FY 2013 strategic plan orders and cash targets . We fell short on revenue and profit targets due to award timing.
- 2013 will be a foundation year for future growth.
- Cash flow in 2013 used to pay inaugural dividend, continue share buy back, acquire strategic ATM intellectual property from CAE and fund expanded R&D program to invest in our core technologies.
- R&D: US\$1.6m, expanding to US\$2.0m in FY2014, split 60:40 between product initiatives/enhancements and maintenance/updates.



FY 2014 Business Developments Initiatives and Programs

Air Traffic Control Simulation & Training Services

- US Army award: formally announced earlier this week
- USAF support contract renewal – well placed and confident of multi-year renewal
- FAA support contract extension – June 30 , 2014
- FAA award of small footprint ATC
- ENAV and other non-US business to expands
- Angola award – formally announced earlier this week-our entry to the African markets
- A number of other proposals submitted in competitive processes



FY 2014 Business Initiatives and Programs

Air Traffic Management Systems

- Teaming arrangement with Lockheed Martin on *OneSky* system – bid lodged recently offering *OneSky* as new ATM system for Australian civil and military airspace
- FAA Multi-year renewal (ATOP) with Lockheed Martin
- NavPort teaming – Avinor , Angola ATC
- US Next Gen
- PNG ATM proposal – our first as a prime contractor – bid process entering final stages
- Russia
- General “Pac Rim” ATM growth opportunities



FY 2014 Business Developments

Speech Recognition & Security Simulation

- Awarded next level of funding for integration of speech into Boeing Apache helicopter program
- Advanced discussions with Sandia National Labs
- Continue to pursue Alenia – Aermacchi M346 options



CEO immediate priorities

- Continue to broaden business partnerships across all markets
- Continue international business focus as new growth engine
- Maintain and develop strong US contribution from key partners
- Maintain disciplined program management philosophy
- Strategic plan evolution with changing markets
- Nurture strategic innovation

Outlook

- Overall trading in line with internal budgets in Q1
- Activity and order pipeline has profitability weighted to H2
- Trading conditions always challenged by budget constraints, especially in USA, and timing and decision-making in bid processes
- Well positioned to maintain a strong balance sheet to support future potential dividends and investment for future growth

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