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ASX Release

Adacel Technologies Limited (ASX: ADA)

Melbourne, 16 November 2012

2012 Annual General Meeting

CHAIRMAN'S ADDRESS

Adacel has delivered a satisfactory result for the 2012 financial year with revenue of \$38.56 million (compared to \$37.26 million in the 2011 financial year), and earnings before tax of \$4.62 million (compared to a loss of \$3.08 million in the 2011 financial year).

These 2012 results reflect the continued focus by the Company on its core technologies, expansion within existing markets and the fostering of closer relationships with its key customers.

The Company's strong balance sheet provides a robust foundation for the continued execution of this strategy. The Company enjoyed a net cash position at the end of the financial year of \$5.75 million, with no draw down on debt facilities.

Following a series of management changes toward the end of the 2011 financial year, the Board was keen to ensure that management was focusing on the key products, markets and opportunities of the business. The new executive team of Seth Brown in the role of Chief Executive Officer and Gary Pearson as Chief Operating Officer, (both of whom have been with the Company for some years), executed this strategy and have delivered this result in 2012.

The Company witnessed consistent performance across its businesses. Additionally, the results were boosted by a number of high margin contracts.

The Air Traffic Management business continued its consistent performance, principally from renewals under the Advanced Technologies and Oceanic Procedures program for the US Federal Aviation Administration, a five year extension of the NavPortugal support contract and a new order from French Guiana.

The International Air Traffic Control Simulation business improved from the previous period to deliver a better result, due predominantly to contract wins in the Ukraine and Italy.

The US Air Traffic Control Simulation business also made a profitable contribution to the business, primarily by leveraging and strengthening its strategic relationships with the US Federal Aviation Administration and US Air Force. This outcome was encouraging in light of US Government-imposed budgetary constraints.

The Company's Speech Recognition business enjoyed the benefits of order growth in voice activated cockpit control programs with Lockheed Martin's Joint Strike Fighter, accompanying other contract awards.

Further acceptance of Adacel's Security Simulation products resulted in new business with Sandia National Labs in the US.

During 2012, the Company committed considerable R&D funds to the on-going commercialisation of Intelligent Communications Environment, which we refer to as ICE. This product has received strong market acceptance with a number of profitable contracts secured during 2012.

In summary, your Directors are pleased with the 2012 financial results and we are cautiously optimistic that the Company will continue to be profitable in the current financial year, which has begun well, despite the on-going challenges we face in the present global economic environment and the difficult political situation in the USA.

It has been a privilege to serve as the Chairman of this Company. As you probably all know it is my wish to step down from this role at the end of this meeting.

I was appointed Chairman in 2003 and during that time I have seen the Company face many challenges, and have overseen a number of changes, including the establishment of our global headquarters in Orlando, the closure of a number of non-performing businesses and driving a focus on the Company's core technologies and key Australian and international partners. I feel I am stepping down as Chairman at an appropriate time, and hand over this role to Mr Peter Landos at a time when the Company has reported a pleasing profit result in 2012, has a robust balance sheet and a positive outlook for the future. I will be remaining on the Board as a Non-Executive Director, and will be pleased to support Mr Landos as Chairman. As many of you may know Peter has been a senior executive at Thorney Investments, our major shareholder, for 12 years and has been a Director of the Company since February 2009. He was previously an alternate director for Mr Alex Waislitz between August 2003 and February 2009. I am looking forward to Mr Landos' continued contribution to the Company and I hope you will join me in congratulating him and wishing him well as I hand over the Chairman reigns to him.

-End

Adacel Technologies Limited

Sophie Karzis
Company Secretary

About Adacel

Adacel Technologies Limited is a leading developer of advanced simulation and control systems for aviation and defence. Since its establishment in 1987, Adacel has built an international reputation for its products and services through a commitment to technological leadership and customer support. From advanced simulation to air traffic management and voice recognition systems, training and professional services, Adacel's products can be found in more than 30 countries. Adacel is listed on the ASX and further information on the Company can be found on its website at www.adacel.com.