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ASX Release

Adacel Technologies Limited (ASX: ADA)

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UPDATE ON GROUP OPERATING PERFORMANCE FOR YEAR ENDING 30 JUNE 2011

On 25 February 2011, the Company provided some outlook comments for the remainder of the financial year ending 30 June 2011. The Company stated that it was cautiously optimistic on the future and that, given the size of the Company's order book and continued strong operating margins, it expected to achieve a profit for the full year.

Disappointingly, the activity levels in the Company's key markets have continued to be slow due to factors outside of the Company's control. These factors largely relate to on-going delays in the receipt of orders and deferral of tenders in other significant programs, partly due to the ongoing effects of the global financial crisis.

As a number of key programs are with US based civil and defence organisations, the delays in finalising the US budgeting process have had a negative effect on the Company's operations. The flow-on effect of the strong Australian dollar has also adversely affected the results. The Company has sought to reduce its cost base across the organisation in order to mitigate the effects of this environment.

As a result of these factors the Board anticipates a potential pre-tax loss for the year of up to A\$3 million. The full year audit is not yet completed and the Company expects to announce its audited results in August.

The Company's balance sheet remains in a robust position with estimated positive cash inflow for the year expected of over A\$4 million. The Company anticipates being in a debt free position as at 30 June 2011.

Adacel Technologies Limited

Julian Beale
Chairman

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.