



FUTURE FIBRE TECHNOLOGIES

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FFT FY2017 GUIDANCE AND OUTLOOK

Future Fibre Technologies Limited (**ASX:FFT**) ("**FFT**" or the "**Company**") provides the following financial guidance in respect to its 2017 financial year ending 30 June 2017, along with an outlook statement.

The following information is provided subject to the statements in the Notes below.

For the full year ending 30 June 2017 (FY2017) (All in AUD):

- In line with its global growth strategy, FFT continues to make investments in new sales resources, entering new geographic markets, and an expansion of its IP and product portfolio.
- Direct sales headcount now stands at 17 and total employment has increased to 64.
- FFT is currently forecasting revenues of between \$18 million and \$23 million for FY2017, a material increase over the full year ending 30 June 2016 (FY2016) revenues of \$15.5 million.
- Sales revenues of approximately \$5.5 million were generated within the first half of FY2017 in line with the immediate prior half year (H2 FY2016: \$5.7 million).
- \$3.0 million of the forecast revenues have been recently received and are held as orders in hand that will be booked as revenue upon shipment.
- Further FY2017 revenues of approximately \$11 million are expected to be generated from customers which are at advanced stages of the business development and the procurement cycle. (see Note 2 below).
- Total expenses (including cost of goods & services) for the first half of FY2017 are expected to be approximately \$10.6 million. Of these, employment costs are expected to be approximately 50%.
- Total expenses for FY2017 are expected to be in the range of \$24 million to \$26 million.
- The Company currently expects that there will be a small improvement in net income for FY2017 when compared with FY2016.

As at 31 December 2016, FFT had \$9.7 million cash at bank, and no debt. In addition, FFT holds inventories of controllers, fibre optic cable and associated components to service forecast customer demand during the third quarter of the current financial year. These inventories are valued at approximately \$3.2 million as at 31 December 2016.

The Company's strategy remains unchanged. FFT continues to focus on providing exceptional intrusion detection solutions and related services to our customers. We are expanding our business by growing our direct presence and distribution channels globally. Our investments to further advance our security solutions through market-leading new products continues and will increase sales into existing and new markets, further diversifying our revenues.

The Company will release its ASX Appendix 4D and Report for the Half-Year Ended 31 December 2016 on or before 28 February 2017.

Note 1

The FY2017 financial information provided above is preliminary in nature, and subject to internal finalisation and auditor review.

Forward Looking Statements

Information in this release is for general information purposes only. Certain statements in this document regarding the Company's financial position, business strategy and objectives, contain forward-looking statements (rather than being based on historical or current facts) and as such, are not able to be verified.

All forward-looking statements are based on the current views of the Company's management as well as reasonable assumptions made by, and information currently available to the Company's management. Forward-looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid. If assumptions are invalid this is likely to have an impact on the accuracy of the statement itself.

All data presented in this document reflects the current views of the Company with respect to future events. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. Forward looking statements are also subject to external matters outside the control of the Company. To the maximum extent permitted by law, the Company, its officers, employees and agents do not assume any obligation to release any updates or revisions to the information (including any forward looking statements) in this presentation to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this presentation or its content.

Note 2

Whilst these revenues are currently expected to be available, until such time as binding orders are received, they remain uncertain.

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About FFT

FFT is a leading developer and manufacturer of fibre optic intrusion detection security systems. Deployed by some of the most security conscious industrial, military and government organisations in the world, FFT's advanced security systems:

- detect and locate **perimeter** intrusions;
- identify third-party interference on oil and gas **pipelines**; and
- protect sensitive **data network** communications cables.

With hundreds of installations in more than 60 countries, FFT has established a solid reputation for delivering highly intelligent, reliable, and award winning intrusion detection solutions. www.fftsecurity.com

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