

Monday 31 July 2017

## FFT Appendix 4C – Operating cash neutral with reduced investing cash flows

- Net cash investing activities reduced by \$1.0M on previous quarter to approx. \$0.5M
- Net cash for operating activities now neutral, a \$1.1m improvement on previous quarter.
- Cash position of \$7.0M with no debt

Future Fibre Technologies Limited (ASX: FFT), a global leader in fibre optic intrusion detection systems, today released its Appendix 4C for the quarter and year ended 30 June 2017.

FFT Chief Executive Rob Broomfield said: “With reduced cash investments and net cash from operating activities neutral for the quarter – a \$1.1M improvement, we are making positive progress against the operational cost initiatives outlined in the earlier *FY2017 Update and Revised Guidance*. As reflected by recent contract announcements, FFT continues to receive high level enquiries regarding our broad range of perimeter security solutions – with particular interest from the transport, utility and government sectors.”

FFT finished the quarter with \$7.0M cash at bank to finance growth and working capital requirements. Gross forecast cash outflows are expected to be around \$4.0M for next quarter. This excludes cash inflows from customer payments and government grant proceeds.

### About FFT

FFT is a leading developer and manufacturer of fibre optic perimeter 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 over 1,000 systems installed 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](http://www.fftsecurity.com)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Future Fibre Technologies Limited

**ABN**

67 064 089 318

**Quarter ended ("current quarter")**

30 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,564	12,281
1.2 Payments for		
(a) research and development	(40)	(497)
(b) product manufacturing and operating costs	(911)	(6,112)
(c) advertising and marketing	(47)	(380)
(d) leased assets	-	-
(e) staff costs	(2,158)	(7,985)
(f) administration and corporate costs	(268)	(1,676)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	173
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	845	1,462
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>18</b>	<b>(2,749)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(193)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(555)	(2,493)
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	4	4
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(554)</b>	<b>(2,682)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	300
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2)	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(2)</b>	<b>292</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	7,468	12,119
4.2	Net cash from / (used in) operating activities (item 1.9 above)	18	(2,749)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(554)	(2,682)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	292

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	101	51
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>7,031</b>	<b>7,031</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,434	1,592
5.2	Call deposits	5,597	5,876
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,031</b>	<b>7,468</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

(174)

-

Directors fees and salaries.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1      Loan facilities	-	-
8.2      Credit standby arrangements	1,000	-
8.3      Other (please specify)	-	-
8.4      Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

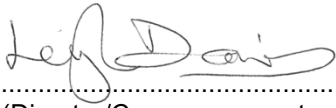
Secured Business overdraft facility with Westpac Banking Corporation. Interest rate is variable with the lenders base business lending rate.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1      Research and development	(15)
9.2      Product manufacturing and operating costs	(1,150)
9.3      Advertising and marketing	(75)
9.4      Leased assets	-
9.5      Staff costs	(2,100)
9.6      Administration and corporate costs	(335)
9.7      Other (provide details if material)	(325)
<b>9.8      Total estimated cash outflows</b>	<b>(4,000)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1      Name of entity		
10.2      Place of incorporation or registration		
10.3      Consideration for acquisition or disposal		
10.4      Total net assets		
10.5      Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: .....31/07/2017.....  
(Director/Company secretary)

Print name: ..Leigh Davis.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.