

29 November 2016

ASX Announcement

Trading Update

Commentary

- **EBITDA for the first half of FY17 is expected to be between \$6.0m and \$6.8m** (\$0.8m H1 FY16).
- The New Zealand operations have been disrupted due to the recent earthquake near Wellington with an estimated impact of \$0.4m EBITDA in the half.
- Net debt is tracking in line with management expectations. Working capital movements will see an increase in net debt for the half year period and a reduction at the full year in line with historic cyclic trends.
- Sales results have been encouraging with first quarter sales exceeding target combined with a strong pipeline heading into H2.
- **EBITDA in the second half remains on track to be stronger than the first half** (in line with historic cyclical trends).

Outlook

- Digital transformation continues to drive the adoption of modern technology & the proliferation of data within our clients. We are confident that our strategy and services align strongly to these growth trends positioning Empired to secure market share.
- We will continue to invest in IP based solutions and platforms including cloud and mobile solutions ensuring competitive differentiation and margin expansion as these solutions scale.
- Strategic IP based initiatives continue to gain traction with Cohesion recently securing an additional 1,500 users across NZ government. This brings total users of Cohesion to approximately 8,500.
- The sales pipeline is strong and we continue to expect pleasing top line growth and EBITDA margin expansion in FY17 and beyond.

Commenting on the current performance and outlook Mr Baskerville said:

"We remain acutely aware of the impact our integration and restructuring activities in H1 FY16 had on shareholder value however we are pleased with the positive impact these initiatives are having on operational performance."

"Today's business world is being rapidly influenced through the adoption of technology, we are confident that our strategy is sound and we are excited by the outstanding growth opportunity this presents."

"Management are highly focused on continuing to drive organisational maturity which will underpin accelerated growth, margin expansion and consistent quality. We are confident that this combined with strong financial management will result in enhanced shareholder value in the near term."

"We sincerely thank our staff who underpin our success and have rallied together to deliver a strong H2 FY16 result, backed up with an expected record H1 FY17 result."

"We thank all of our stakeholders for their ongoing commitment and support and look forward to delivering a solid full year result."

For more information, please contact:

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About Empired Limited

Empired Limited is an international IT Services Provider with a broad range of capabilities and a reputation for delivering enterprise class IT services and solutions. Established in 1999, Empired is a publicly listed company (ASX: EPD) formed in Western Australia.

With a team of over 900 people located throughout Australia, New Zealand, North America and Asia, Empired has built a reputation for service excellence and is a leading provider of business technology solutions to both government and private sectors. We work with clients, leveraging technology solutions to deliver their organisations improved efficiency, productivity and competitive advantage.

Empired provides a broad range of services enabling 'end-to-end' advice and solutions assisting our clients through their digital transformation journey and ensuring robust ongoing lifecycle management.

Our flexible service delivery approach and "can do" attitude has enabled Empired to secure clients that range from medium size entities through to some of the world's largest long standing enterprise's accounts with services delivered across Australia, New Zealand, South East Asia and beyond.

Important notice re forward looking statements

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.