



ASX Announcement

4th May 2015

FY15 Update and FY16 Outlook

Inabox Group Limited ("Inabox", ASX: IAB) provides the following guidance for FY15, update on the integration of Anittel and outlook for FY16.

Profitability for the second half of FY15 is expected to be below the corresponding previous half for the following reasons:

- 2H15 results will include approximately \$0.6m of one-off acquisition and redundancy costs. These relate to the purchase and integration of Anittel and the recently announced restructure of Inabox Group; and
- higher interest (asset finance), depreciation and amortisation charges, relating to the Anittel business and our growing Cisco HCS platform which now supplies over 10,000 services to Tasmanian Government departments under a long-term supply agreement.

Cost Savings on Track

As announced in April, the integration of Anittel and restructuring of Inabox Group is expected to result in annualised cost savings of around \$3m. Inabox will reinvest around \$1m of these annual savings to support new sales and growth initiatives, including adding new sales staff. The integration and restructuring initiatives are expected to significantly increase profitability in FY16.

Outlook For FY16

Inabox is pleased with the continued growth of its next generation voice and data services. The Enablement business also continues to grow strongly and now supports over 30,000 services in operation (up from around 10,000 in May 2014).

The integration and restructure of Anittel is proceeding well and Inabox expects it to break-even on an EBITDA run rate basis before the end of June 2015. Anittel's turnaround is supported by growth in the HCS business and new sales initiatives and labour productivity gains in the IT services business.

Growth in these businesses combined with \$2m of annualised cost savings, are expected to result in EBITDA of at least \$5m for FY16.

2H15 Guidance

Guidance for the second-half of FY15 and a comparison with the second-half of FY14 are provided in the table below:

\$000	2H15	2H14
EBITDA	796	1,270
Underlying EBITDA*	1,332	1,570
Net Profit (Loss) After Tax	(977)	629
Underlying Net Profit (Loss) After Tax*	(441)	839

Guidance for the full FY15 year and a comparison with FY14 are provided in the table below:

\$000	FY15	FY14
EBITDA	1,870	2,400
Underlying EBITDA*	2,718	2,700
Net Profit (Loss) After Tax	(580)	1,100
Underlying Net Profit After Tax*	190	1,310

** Underlying figures exclude one-off acquisition and redundancy costs.*

As audit for the period has not been completed, these expected earnings are subject to further review.

Inabox's second-half results include a full 6 months of trading results for the Anittel business acquired on 1st January 2015.

About Inabox Group Limited

Inabox supplies wholesale telecommunications (fixed, mobile, data) and cloud products and associated services, including billing and technical and customer support, to retail service providers around Australia through wholesale brands, Telcoinabox, iVox and Neural Networks. Inabox also enables mass-market consumer brands to enter the telecommunications market by leveraging its network and systems capabilities. Inabox now owns IT software and services company, Anittel.

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