

16 September 2015

Lodged by ASX Online

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/ Madam,

Please find attached TZ Limited's FY2015 preliminary results presentation which will be the subject of analyst briefings in the coming weeks.

For more information please contact:

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About TZ Limited

TZ Limited is a technology company that is listed on the Australian Stock Exchange. TZ is the leader in SMARt Device™ technology combining state-of-the-art SMA actuated intelligent fastening and locking devices with TZ remote software control. TZ's systems deliver asset level protection and compelling solutions for security, monitoring and control applications across a number of market segments. The Company currently supplies market leading solutions to major corporations worldwide to the Data Centre industry and in the Automated Parcel Locker and E-Commerce market.

For additional information on TZ Limited, please visit www.tz.net.



TZ LIMITED

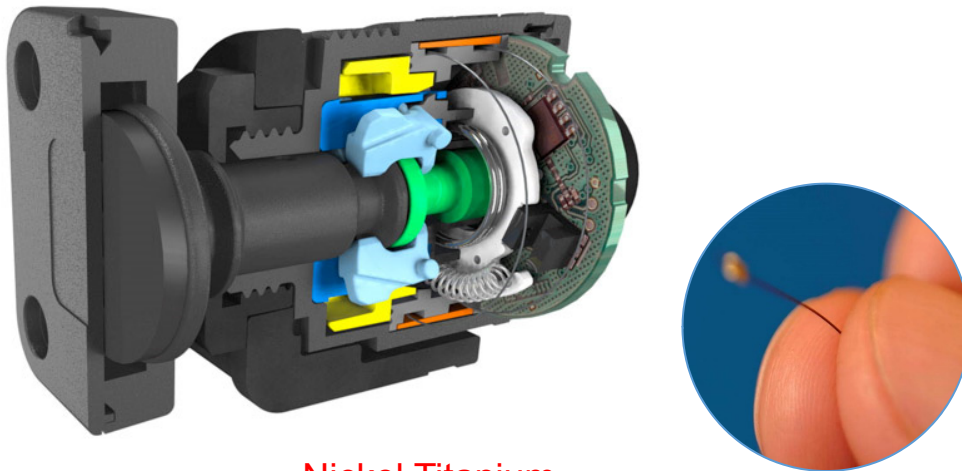
FY 2015 Preliminary Results Briefing

16th September 2015



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Our Technology ...



Nickel Titanium
Shape Memory Alloy (SMA)

TZ is the leader in SMARt Device™ technology combining state-of-the-art SMA actuated intelligent fastening and locking devices with TZ remote software control

TZ Smart Devices

Shape Memory Alloy Actuated Locking Devices

Supports Electronic Trends:

- Embedded logic controller
- Smaller – 1/10th volume of Solenoids
- Lighter – 1/100th weight of Solenoids
- More Efficient, Less Power Hungry

Highlights:

- NASA Tech Brief – Product of the Year 2005.
- Digital Locking Device with embedded microchip
- Integrated sensing and switching – IOT functionality
- Only SMA actuated locking device in the world ...
Lighter, Smaller, Smarter



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Our Business ...

infrastructure protection

→ Data Centre Rack Security

market size: ~ 25M installed base
+ 2M new cabinets per year

addressable opportunity: > US\$120M (estimated)

packaged asset delivery

→ Intelligent Lockers

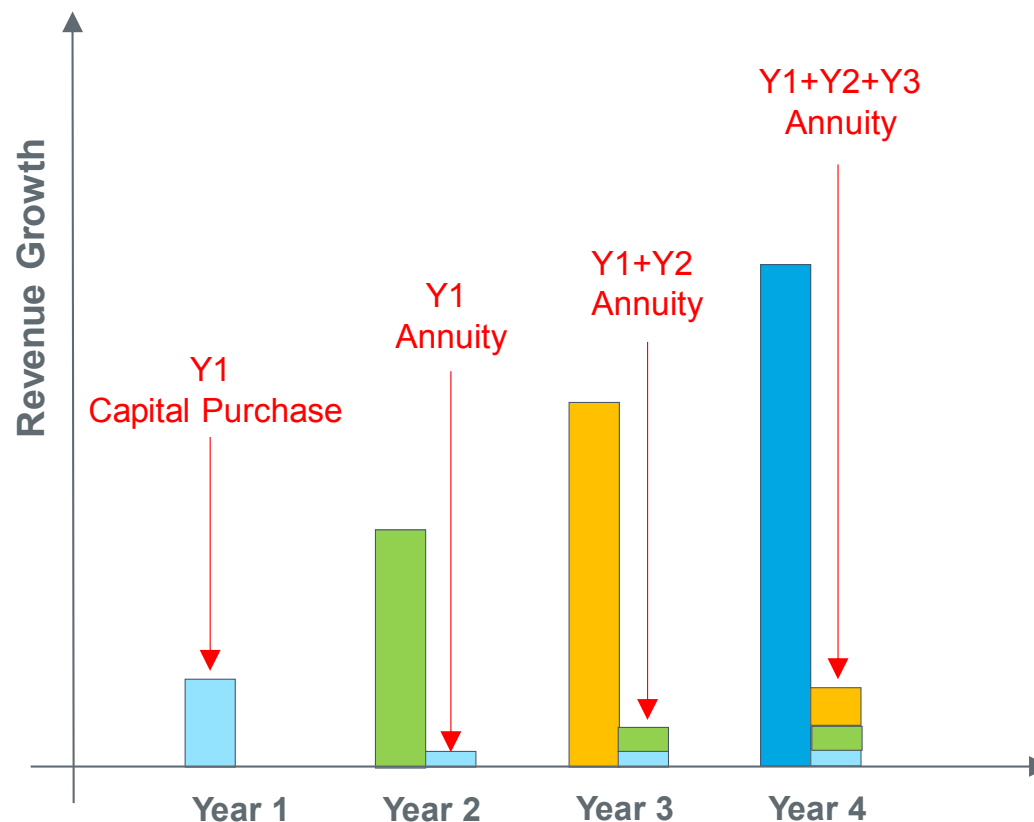
corporate lockers: > 250,000 Locker Units per year
postal lockers > 5,000 Locker Banks per year

addressable opportunity: Global, Large > US\$500M

Revenue Model

once off	once off	annuity	service fee
hardware sale	+ software license	+ software maintenance	+ support services

Strong Annuity Revenues



Annuity = SW Maintenance + Service / Support Fees
= Target 10% of previous year's sales value (cumulative)



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Summary



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Strong business performance:

- Revenue growth of 79%;
- EBITDA improvement of 22%;
- 45% improvement in net loss.



Established business with large blue chip corporate client base will support on-going growth to 2017 and beyond.



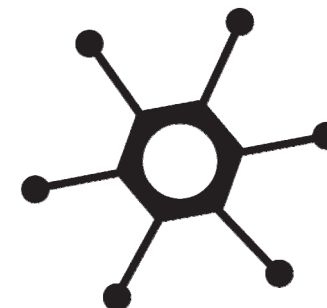
Strategically coupled with client's business due to tight software integration means substantial captive customer base.



Annuity revenue business developing from installed base. Software and service maintenance program formally launched to all customers.



Expenses up only 14% with resource investment mainly in west-to-east coast US sales and service infrastructure.



Rapidly developing opportunities for broad based distribution and product licensing underway.



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Financial Performance



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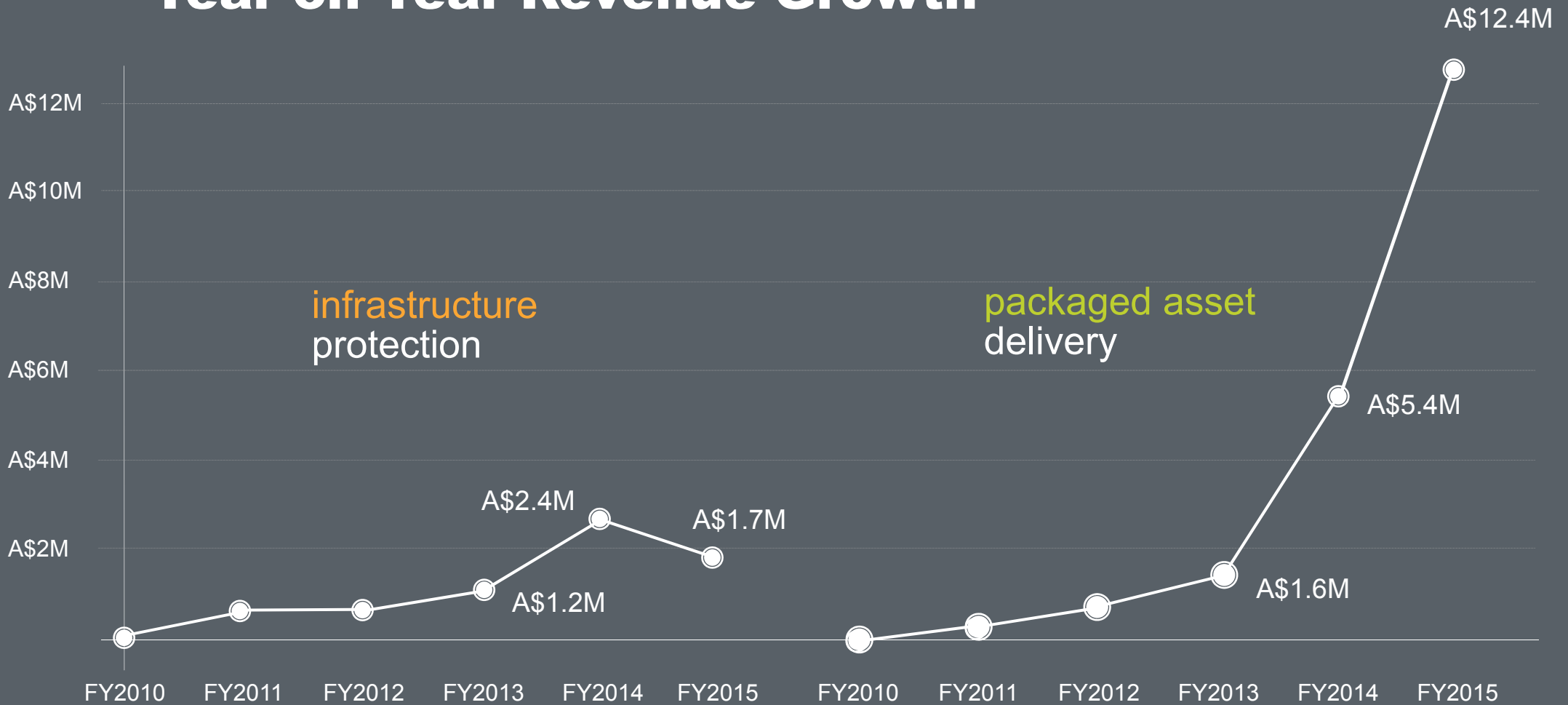
Financial Performance

	2015 Preliminary	2014 Audited	Change %
REVENUE	A\$15.2M	A8.5M	79% ↑
GROSS MARGIN	44%	49%	10% ↓
EBITDA	(A\$4.4M)	(A\$5.7M)	22% ↑
NPAT	(A\$6.4M)	(A\$11.8M)	45% ↑
EPS (cents)	(1.6)	(4.4)	64% ↑



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Year-on-Year Revenue Growth



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Sales by Business Unit

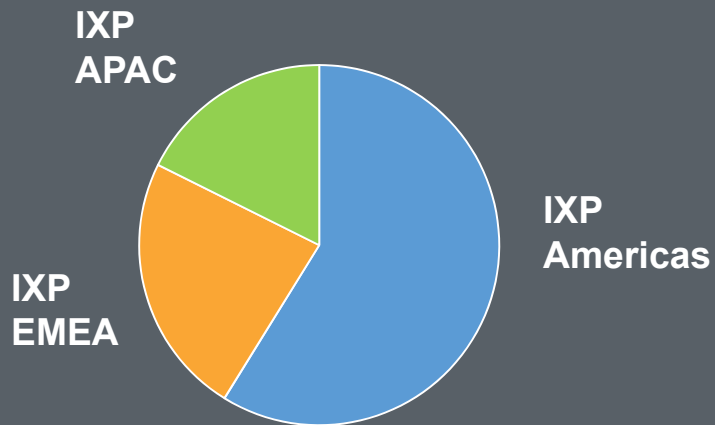
	2015 Preliminary	2014 Audited	Change %
IXP REVENUE	A\$1.7M	A\$2.4M	28% ↓
PAD REVENUE	A\$12.4M	A\$5.4M	130% ↑
INFINITY REVENUE	A\$0.7M	A\$0.7M	No Change
TOTAL BACKLOG	A\$5.5M	A\$3.3M	67% ↑
TOTAL	A\$20.3M	A\$11.8M	72% ↑



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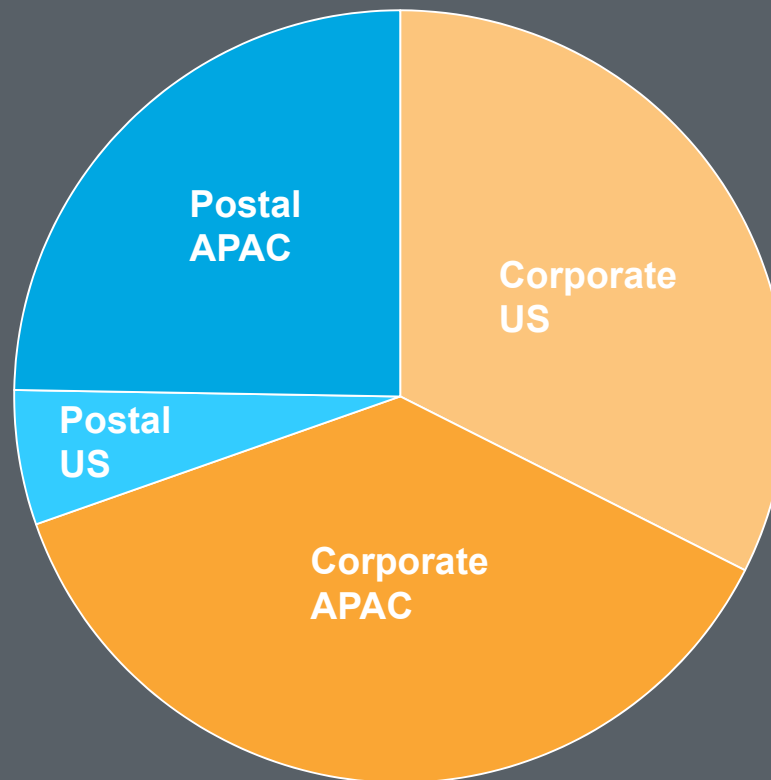
infrastructure
protection

A\$1.7M



packaged asset
delivery

A\$12.4M



Strong sales growth in all
geographies and across all
sectors



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Operating Expenditure

	2015	2014	Change %
OPERATING REVENUE	A\$15.20M	A\$8.48M	79% ↑
GROSS MARGIN	44%	49%	10% ↓
EMPLOYEE BENEFITS EXPENSE	A\$6.98M	A\$5.69M	23% ↑
OCCUPANCY EXPENSE	A\$0.36M	A\$0.31M	14% ↑
COMMUNICATIONS EXPENSE	A\$0.24M	A\$0.11M	126% ↑
PROFESSIONAL/CORPORATE EXPENSE	A\$1.16M	A\$1.52M	24% ↓
TRAVEL AND ACCOMMODATION	A\$0.98M	A\$0.85M	16% ↑
OTHER EXPENSES	A\$1.46M	A\$1.34M	8% ↑
TOTAL EXPENSES	A\$11.18M	A\$9.83M	14% ↑



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Highlights



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ACCOUNTABLE MAIL LOCKERS

- Over 200 Locker Banks now sold into the corporate sector in the US.
- Customer list represents the world's largest software, technology and financial services corporations.
- With many of these customers expanding their operations, building new facilities and/or relocating to new office premises, the outlook for sustained growth remains extremely positive.
- Growth is underpinned by strong recurring sales to installed base and expanding pipeline of new corporate clients embracing new mail management programs.



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CORPORATE DAY LOCKERS

- TZ's Day Locker grew from scratch to greater than A\$4M over the year on the back of sales to Westpac, KPMG and another major banking group.
- On-going Day Locker sales to these customers, in line with their progressive office establishment plans, will drive revenue growth for our Australian business in the coming 12 to 24 months. KPMG is scheduled for major installs in Sydney and Melbourne starting later this calendar year
- There is a strong backlog building and growing pipeline as new corporate clients consider their work practice programs.
- Day Locker now being actively promoted to US corporate client base with strong levels of interest.



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RESIDENTIAL LOCKERS

- US Residential Locker sales grew from 6% to 15% of overall Locker sales volume.
- Despite significant competition, TZ is continuing to win business to the high end residential sector.
- TZ is currently the supplier of choice for a number of major property management companies who have an aggregated total of over US\$10B of properties under management.
- This sector should continue to grow strongly as Lockers become a standard utility for high density housing.
- The current accounts have a portfolio of hundreds of properties and are primed for Locker deployments over the next 24 months.



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EDUCATIONAL SECTOR

- TZ continues to win tender based business in the Higher Education sector with its highly differentiated offering.
- Vanderbilt University represents the latest deployment and will serve as a very strong reference customer to support TZ's penetration into this segment.
- TZ is currently participating on a number of tenders and has been engaged directly by several universities to discuss possible integrated solutions.
- This sector is potentially very significant given the 4,000 plus colleges and universities across the US. Although this business is highly seasonal, the sector should represent a strong growth opportunity in the US as Lockers become a standard for University mail management systems.



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POSTAL AND LOGISTICS

- SingPost continues to aggressively expand their network within Singapore and now regionally. Purchase orders have been received that take the Singapore Post POPStation Network from 100 to 150.
- The recent sale of the ADAM Parcel Locker assets to Couriers Please is the first step towards a broader collaborative initiative and deployment plan for the Australian market.
- Pos Malaysia's deployment has commenced with the installation of the first two Locker Banks. We should see an acceleration of the program now that the back-end infrastructure is established.
- Discussions still continue with Pos Italiane and the US logistics organisation on their future plans.
- TZ is still actively participating on invitation only tenders – currently there are four in progress.



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IXP BUSINESS

- 28% down on last year but fall due to timing of sales rather than market demand.
- Number of new project wins in Defence, Financial Services and Healthcare segments.
- Established multinational technology OEM partners starting to expand their deployments across multiple geographies.
- Substantial projects are in the pipeline with a number of new data centres anticipated in 2016.
- SwingHandle demand growing with production underway in earnest. New orders and new customers anticipated in Q2 2016.
- IXP Business should see on-going steady growth across all regions underpinning a strong 2016.

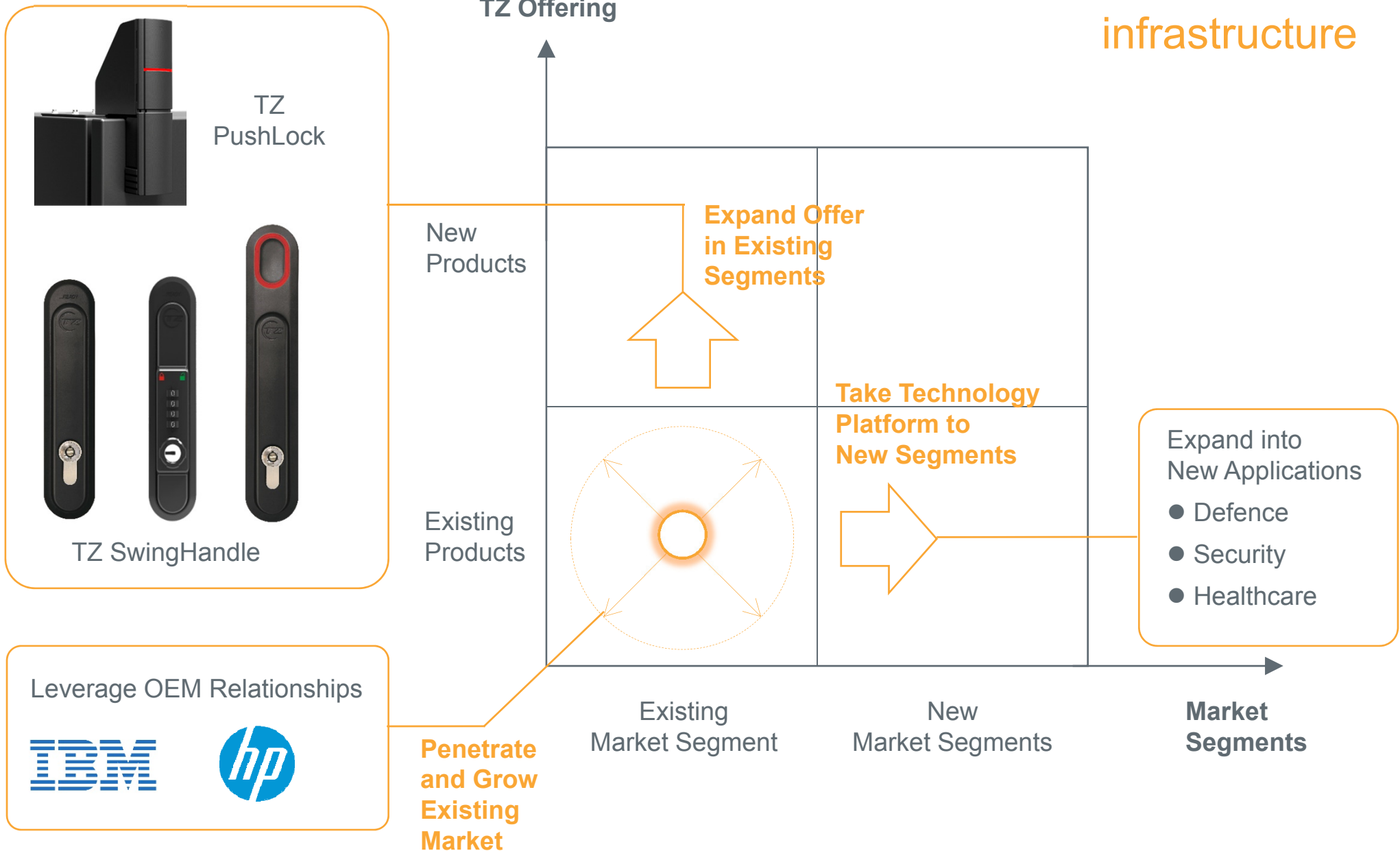


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Go Forward Strategy



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TZ Offering



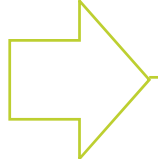
Gen 2 Parcel Locker

Expand opportunity pool and improve margin potential in Postal sector through new Locker offering

Expand Offer in Existing Segments



Expand Offer to New Geographies



Grow into new geographies where TZ does not have a presence through licensing

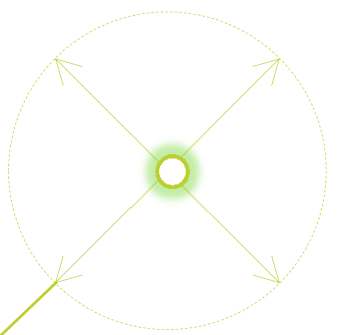
New Products

Existing Products

Existing Geographies

New Geographies

Geographic Expansion



Accelerate growth through channel partners ...



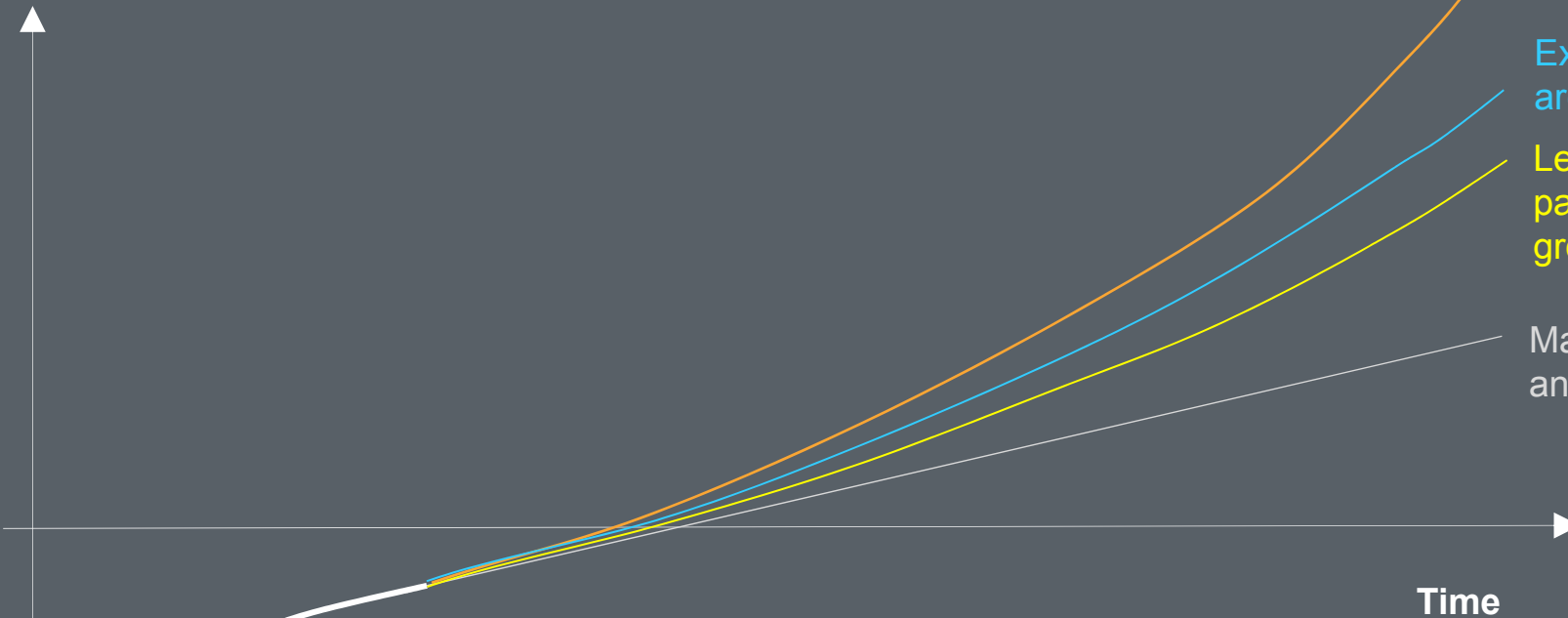
Penetrate and Grow Existing Market



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Improving Performance

Profitability



Accelerate adoption through licensing strategy

Expand into new application areas on existing platform

Leverage scale of channel partners to cost effectively grow market

Manufacturing Transition and Organizational Refinement

Time



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5 — Outlook



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Outlook ...

- FY16 underpinned by continued sales momentum from previous year.
- US business momentum extremely strong – over 100 new opportunities lodged in the last 60 days with potential of A\$6.9M. Over the same period, over A\$1.8M in new sales quotations / new proposals were submitted.
- APAC business momentum also extremely strong – Current backlog of purchase orders, contracts under negotiation and high probability business sitting at >A\$8.5M.
- Currently in the process of finalising a number of strategic partnerships which will shore up exclusive supply relationships and underpin future business growth potential
- Currently participating on four major postal tenders across Europe, the Middle East and the Americas.



COMPLETE PRODUCTION TRANSITION

- Transition to Asian manufacturing remains the number one priority for the Company.
- We have experienced delays in completion of the transition program.
- This has meant ...
 - We have been unable to realise margin gains that were anticipated through the lower cost production base
 - Increased manufacturing costs due to ramping of US manufacturing capacity to keep up with production demand
- Production issues have now been resolved and we are confident of seeing the anticipated efficiencies start to come through in early 2016.





INVESTMENT IN NEW PRODUCTS

- The Company continues to invest heavily in its core technologies, for its PAD and to a lesser extent, its IXP solutions.
- Development costs exceeded A\$1.6M for the full year.
- Development programs underpin the Company's go forward strategy and include:
 - Development of more cost effective, proprietary metal and MDF Parcel Locker designs to reduce dependency on any one Locker manufacturer;
 - Significant software upgrades to the US PAD product suite to support segment differentiation in the Accountable Mail, Residential and Educational Locker segments; and
 - Investment in new smartphone technologies to support TZ's position as a differentiated technology provider.



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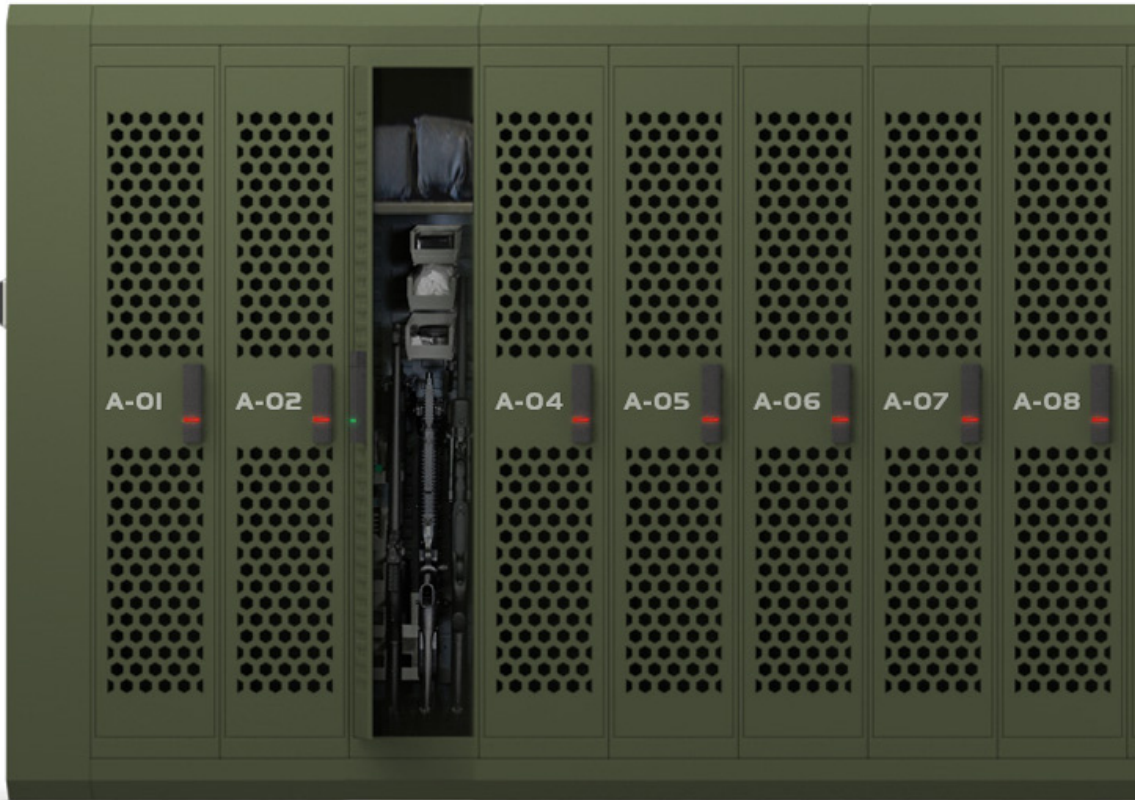


ACCELERATING GROWTH VIA PARTNERS:

- Leverage the Company's strong leadership position particularly in the PAD business to develop broad based distribution and licensing opportunities.
- The Company is currently in negotiation with a number of major market players and multinationals that will:
 - Significantly expand the breadth of TZ's customer engagements through their organizational scale, geographic spread and established customer base.
 - Lead to licensing and partnership opportunities in geographies where the Company does not currently have a presence such as South America, South Africa, India and other emerging markets.
 - Provide possible liquidity strategies that enable TZ to significantly leverage its technology and gain through the market power of partners.



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EXPANSION INTO NEW SECTORS

- The Company is looking to grow its current offerings into new and attractive market segments where the existing TZ technology platform can be leveraged:
- In particular, the Company is exploring potential product extensions into secure access control in the:
 - Defence and Law Enforcement through new channel relationships such as SpaceSaver
 - Access Control in the Security sector through the established Security Integrator channels
 - Access Control in the Healthcare sector due to increasing HIPAA compliance requirements



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