

Monday 31 October 2016

Appendix 4C – FFT continues progress of long term growth strategy

- Expansion plans continue with appointment of Sales Manager in Poland
- Cash position of \$10.9 million 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 September 2016.

FFT Chief Executive Rob Broomfield said: *“During the quarter we were pleased with our progress towards our long term growth plans. Mark Horton is making good progress with the implementation of FFT’s sales strategy, and I’m pleased to announce further expansion of our sales team across Europe from earlier this month.”*

“We finished the quarter with \$10.9m cash at bank to finance our growth and working capital requirements. We were pleased that the operating cash flows for the quarter were in line with our expectations.”

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 55 countries, FFT has established a solid reputation for delivering highly intelligent, reliable, and award winning intrusion detection solutions. 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 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,579	3,579
1.2 Payments for		
(a) research and development	(188)	(188)
(b) product manufacturing and operating costs	(776)	(776)
(c) advertising and marketing	(87)	(87)
(d) leased assets	-	-
(e) staff costs	(2,529)	(2,529)
(f) administration and corporate costs	(515)	(515)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	55	55
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	615	615
1.8 Other (provide details if material)	(1,093)	(1,093)
1.9 Net cash from / (used in) operating activities	(939)	(939)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(133)	(133)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(112)	(112)
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(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	Net cash from / (used in) investing activities	(245)	(245)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2)	(2)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(2)	(2)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,119	12,119
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(939)	(939)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(245)	(245)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(54)	(54)
4.6	Cash and cash equivalents at end of quarter	10,879	10,879

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	1,895	2,681
5.2	Call deposits	8,984	9,438
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,879	12,119

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**

(183)

-

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. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

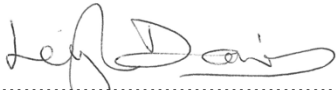
Secured Business overdraft facility with Westpac Banking Corporation. Interest rate is variable with the lenders base business lending rate.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(450)
9.2 Product manufacturing and operating costs	(2,500)
9.3 Advertising and marketing	(150)
9.4 Leased assets	-
9.5 Staff costs	(2,600)
9.6 Administration and corporate costs	(500)
9.7 Other (provide details if material)	(1,000)
9.8 Total estimated cash outflows	(7,200)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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:31/10/2016.....
(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.