

15 July 2016

ASX ANNOUNCEMENT

SENETAS CORPORATION LIMITED: MARKET UPDATE

The Board of Senetas Corporation Limited (ASX:SEN) (Senetas / the Company) provides the following market guidance in relation to its financial results for the year ended 30 June 2016 (FY2016) following confirmation of the June 2016 sales results from the Company's major distribution partner, Gemalto.

The Company now expects to make a Net Profit Before Tax (NPBT) of between \$6,800,000 and \$7,100,000 for the financial year ended 30 June 2016. This result is significantly higher than the \$5m NPBT guidance Senetas provided with the release of its 2016 half year results on 29 February 2016 and was assisted in particular by stronger than expected sales in the month of June.

The expected 2016 full year NPBT is a record for the Company and a significant improvement on the prior year given that the 2016 result includes a \$1.6 million increase in R & D expenditure during the 2016 financial year, as was forecast at the Company's 2015 full year profit announcement. The strong result for the six months to 30 June 2016 also reflects better progress on the integration of Senetas' former global distributor SafeNet with Gemalto and the growing market awareness of the need for high assurance encryption hardware to protect data in transit.

Progress on the Company's development of new products and growth initiatives continues as planned. The new 100Gbps high assurance encryptor is due to commence customer testing in August and the certification process has commenced. Its market release remains on track for the end of the calendar year.

A more detailed update on Company initiatives and further information in relation to the financial results for the full year ended 30 June 2016 will be released with the Appendix 4E, Full Year Report and announcement on or around 26 August 2016.





ABOUT SENETAS CORPORATION LIMITED

Senetas is a leading developer and manufacturer of high assurance encryption hardware; dedicated to protection of network-transmitted data without compromising network performance. Senetas CN encryptors are distributed globally.

While the serious security risks to network data have been underestimated; Senetas encryptors have protected much of the world's most sensitive information for 20 years.

Senetas encryptors provide best-of-breed authenticated encryption. They are multi-certified by the world's leading independent international testing authorities such as FIPS and Common Criteria, making them suitable for government and defence use.

Senetas encryptors protect: Cloud and Data Centre services and traffic; CCTV networks; critical industrial and infrastructure control systems (SCADA); and all topologies of multi-site networks. Their best practice Encryption Key Management makes Senetas encryptors ideal to protect government information and secrets; commercial intellectual property and business secrets; defence and military information; Big Data and banking transactions.

Senetas designs, develops and manufactures in Australia. Our encryptors have leading performance benefits and are trusted to protect network transmitted data in more than 30 countries.

Our customers include global market leaders, governments, Cloud, Data Centre and networks service providers, such as US defence forces and global commercial and industrial organisations.

www.senetas.com

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