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## **ASX Release**

### **Adacel Technologies Limited (ASX: ADA)**

**Melbourne, Wednesday 17 August 2011**

#### **Consolidated Balance Sheet Adjustment**

The Company advises that as a result of a re-evaluation of the application of certain Australian accounting standards, and updated advice from our auditor, it is now required to restate its prior period consolidated balance sheet.

During the course of the finalisation of the 2011 financial statements, it has been determined that the Company must now record a liability associated with the receipt in 2004 to 2008 by the Company's Canadian subsidiary of two separate Canadian government grants.

Under those arrangements the Company was obliged to pay to the government future royalties based on a percentage of the Company's future revenue. When the government grants were received, they were recorded as revenue without any associated liability to reflect the future royalty payments.

The Company is now required to restate its prior period consolidated balance sheet to record a liability of approximately \$2.5 million to \$3.5 million for the year ended 30 June 2009. As a consequence the consolidated balance sheet at 30 June 2010 will be restated to reflect the closing liability at that date of \$3 million to \$4 million. The 2011 financial statements will also reflect the closing balance of the liability.

The Company's 2011 earnings guidance remains unchanged.

#### **Adacel Technologies Limited**

Sophie Karzis  
Company Secretary

#### ***About Adacel***

Adacel Technologies Limited is a leading developer of advanced simulation and control systems for aviation and defence. Since its establishment in 1987, Adacel has built an international reputation for its products and services through a commitment to technological leadership and customer support. From advanced simulation to air traffic management and voice recognition systems, training and professional services, Adacel's products can be found in more than 30 countries. Adacel is listed on the ASX and further information on the Company can be found on its website at [www.adacel.com](http://www.adacel.com).