



ASX ANNOUNCEMENT

31 August 2018

FULL YEAR FINANCIAL RESULTS

Revenue up \$7 million and net profit up \$5 million on 2017

Orbital Corporation Ltd ('Orbital UAV', 'the Company') today publishes its unaudited full year financial results for the year ended 30 June 2018.

The Company has reported positive financial results for FY18 with revenue from continuing operations up by more than \$7 million to \$21,000,000 (2017: \$13,661,000). Net profit after tax from continuing operations was up more than \$5 million to \$1,746,000 (2017: loss of \$3,869,000).

Orbital UAV maintains a strong balance sheet with cash and receivables of \$24,178,000 (2017: \$26,008,000) and net current assets of \$20,882,000 (2017: \$19,892,000).

The successful divestment of the Company's interest in REMSAFE for an unconditional cash payment of \$2.2 million in December 2017 signalled a commitment to the Unmanned Aerial Vehicle (UAV) sector (see ASX announcement dated 18 December 2017). The sale diverted previously allocated REMSAFE working capital towards near term UAV priorities, including Orbital UAV's new operational facility in the USA, and accelerated research and development activities.

Today's unaudited financial results updates the preliminary results published in early July (see ASX announcement dated 12 July 2018). The Company's FY18 Annual Report and full audited accounts are expected to be published on 28 September 2018 with revenue guidance for FY19 shortly afterwards.

"This positive set of results is the result of our redefined strategic focus on the tactical UAV market. We have delivered a profit due to the hard work of a highly skilled team. That team has the capability to meet our technical and commercial commitments and generate increasing revenue and profits in the years to come," said CEO and Managing Director, Mr Todd Alder.

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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). Our design thinking and patented technology enable us to meet the long endurance and high reliability requirements of the UAV market. We have offices in Australia and the United States to serve our prestigious client base.

Forward-looking statements

This release includes forward-looking statements that involve risks and uncertainties. These forward-looking statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Annual Reports. Orbital makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.