



ASX Announcement

10 February 2015

Inabox Group expected half-year earnings

Inabox Group Limited ("Inabox", ASX: IAB) is currently preparing its half-year report and provides guidance of its expected financial results for the six months ended 31 December 2014.

Expected Results

The expected net profit before tax for Inabox for the half-year to 31 December 2014 is in the range of \$550,000 to \$580,000 (\$360,000 to \$380,000 after tax). As audit for the period has not been completed, these expected earnings are subject to further review.

Comparative net profit before tax for the six months ended 31 December 2013 was \$708,336 (NPAT: \$471,344).

Acquisitions

The expected half year earnings include a number of non-recurring costs related to the acquisitions of the businesses of Neural Networks Data Services Pty Limited ("Neural Networks") and Anittel Group Limited ("Anittel").

Neural Networks' performance for the half-year has exceeded expectations and Inabox's present expectation is that the full year earn out is now likely to be \$220,000 before tax. As a result, the half-year report will include a reduction in profit before tax of approximately \$40,000.

Costs relating to Anittel incurred in the half prior to completion of the acquisition on 1 January 2015 amounted to approximately \$180,000 before tax. Further acquisition costs of approximately \$260,000 are expected to be incurred in the second half.

In addition to the above non-recurring costs, a number of carrier-originated back-billing adjustments have been received from network suppliers in the last week which may also have a negative impact on earnings for the half-year to 31 December 2014. The possible impact of these has been included in the guidance provided above, pending further investigation.

Underlying Earnings

The underlying expected pre-tax earnings result (excluding the above non-recurring costs) for the half-year is expected to be in the range of \$770,000 to \$800,000. Inabox is pleased that this represents an increase in underlying earnings of around 10% over the previous comparative period.

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About Inabox Group Limited

Inabox supplies wholesale telecommunications (fixed, mobile, data) and cloud products and associated services, including billing and technical and customer support, to retail service providers around Australia through wholesale brands, Telcoinabox, iVox and Neural Networks. Inabox also enables mass-market consumer brands to enter the telecommunications market by leveraging its network and systems capabilities. Inabox now owns IT software and services company, Anittel.

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