



FUTURE FIBRE
TECHNOLOGIES

Replacement Prospectus

For the offer of 30,000,000
fully paid ordinary Shares in
Future Fibre Technologies Limited
(ACN 064 089 318) at an
offer price of \$0.70 each
to raise \$21,000,000.

The Offer is fully underwritten.



KTM CAPITAL

Corporate Directory

Future Fibre Technologies Limited

Board

Arlene Tansey – Chairman
(Non-executive)
Rob Broomfield
(Executive and CEO)
Dr Fred Davis
(Executive and COO)
Mark Stevens
(Non-executive)
Terence Winters
(Non-executive)

Company Secretary

Leigh Davis

Registered Office

10 Hartnett Close
Mulgrave VIC 3170
Telephone: +61 3 9590 3100
Facsimile: +61 3 9560 8000
<http://www.fftsecurity.com>

Advisers and Share Registry

Underwriter

KTM Capital Pty Limited
ACN 086 281 950
Level 2
16 O'Connell Street
Sydney NSW 2000

Investigating Accountant

Pitcher Partners Corporate Pty Ltd
ACN 082 323 868
Level 19
15 William Street
Melbourne VIC 3000

Auditor

Pitcher Partners
ABN 27 975 255 196
Level 19
15 William Street
Melbourne VIC 3000

Australian Solicitors

Watson Mangioni Lawyers Pty Limited
ACN 120 091 394
Level 13
50 Carrington Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
ACN 003 209 836
Level 7
207 Kent Street
Sydney NSW 2000

Telephone: 1300 737 760 (Australia)
Telephone: +61 2 9290 9600 (International)
Facsimile: +61 2 9279 0664 (International)

Important Notices

About this Prospectus

This replacement prospectus is dated 16 April 2015 and was lodged with the Australian Securities & Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 16 April 2015 (**Prospectus**). None of ASIC, ASX, nor any of their respective officers take any responsibility for this Prospectus.

This Prospectus is issued by Future Fibre Technologies Limited (ACN 064 089 318) (**FFT**). It is an invitation to you to apply for Shares at an issue price of \$0.70 per Share (**Offer**). FFT is seeking to raise \$21,000,000.

This replacement prospectus replaces the prospectus dated 2 April 2015 and lodged with ASIC on that date (**Original Prospectus**). The replacement differs from the Original Prospectus. The differences between this prospectus and the Original Prospectus include: (a) including additional risk factors with respect to the forecast financial information; (b) limiting the forecast financial information to the FY15 financial year; and (c) providing clarification in relation to FFT's customers in Section 4.5.

In connection with the Offer, KTM Capital Pty Limited (ACN 086 281 950) (**KTM**) will be issued KTM Options pursuant to the Underwriting Agreement. See Section 10 for a summary of the terms of the Underwriting Agreement.

This Prospectus is important and should be read in its entirety. You should consider obtaining professional advice.

Defined terms

Defined terms and abbreviations used in this Prospectus are set out in the Glossary in Section 12.

Exposure period

The Corporations Act prohibits FFT from processing Applications for Shares in the seven-day period after the date of lodgement of the Prospectus. This period may be extended by ASIC by a further seven days. This period is the exposure period to enable the Prospectus to be examined by market participants prior to the raising of funds. Applications received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the exposure period.

Expiry date

No securities will be issued under this Prospectus after the expiry date, which is 13 months after the date of this Prospectus.

ASX listing

FFT will apply for admission to the Official List of ASX and for the quotation of its Shares within seven days after the date of this Prospectus.

If FFT is admitted and the Shares are quoted on ASX, this should not be taken as an indication of the merits of FFT or the Shares.

FFT does not intend to issue any Shares pursuant to this Prospectus unless and until permission has been granted for the Shares to be quoted on ASX on terms acceptable to FFT. If permission is granted, quotation of Shares will commence as soon as practicable after holding statements are dispatched.

If permission is not granted for the Shares to be quoted before the end of three months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received pursuant to this Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

Investment decision

The information in this Prospectus is not financial product advice.

You should seek your own financial advice. The Offer in this Prospectus does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in full before deciding to invest in FFT. In particular, in considering the prospects of FFT, you should consider the risk factors that could affect the financial performance of FFT in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Disclaimer and authorisation

No person named in this Prospectus, nor any other person guarantees the performance of FFT or the repayment of capital or any return on investment made under this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus.

Except as required by law, FFT does not intend to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

FFT and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Forward-looking statements

This Prospectus contains forward looking statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Forward-looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results or events to differ materially from the expectations described in such forward looking statements. While FFT believes that the expectations reflected in the forward looking statements in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in Section 6, as well as other matters not known to FFT or not currently considered material by FFT, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward-looking statement contained in this Prospectus is qualified by this cautionary statement.

Obtaining a copy of this Prospectus

A paper copy of this Prospectus is available free of charge to any person within Australia by calling KTM on +61 2 9235 9985 between 9:00am and 5:00pm (AEST).

This Prospectus is also available to Australian investors in electronic form at the Offer website, <http://www.fftshareoffer.com>. Persons who access the electronic version of the Prospectus should ensure they download and read the entire Prospectus.

Applications for Shares may only be made on the Application Form attached to or accompanying the Prospectus.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, the Prospectus in its paper copy form or the complete and unaltered electronic version of the Prospectus.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws.

United States - This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**), and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act is available.

Hong Kong - This Prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the **Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the

distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) are a 'professional investor' as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore - This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of FFT's Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the Shares) are in Singapore, you (and any such person):

- are an 'institutional investor' or a 'relevant person' (as such terms are defined in the SFA)
- will acquire the Shares in accordance with applicable provisions of the SFA
- acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

Photographs and diagrams

Photographs and diagrams in this Prospectus that do not have accompanying descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown are owned by FFT. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Privacy

By completing an Application Form, you are providing personal information to FFT and the Share Registry, which is contracted by FFT to manage Applications. FFT and the Share Registry on its behalf, collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Once you become a Shareholder, the Corporations Act, ASX

Settlement Operating Rules and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in FFT's Register. In accordance with the requirements of the Corporations Act and ASX Settlement Operating Rules, information on the Register will be accessible by members of the public. The information must continue to be included in the Register if you cease to be a Shareholder.

If you do not provide all the information requested, your Application Form may not be able to be processed.

Other matters

Unless otherwise stated, all references to '\$', dollars and cents are to Australian currency.

Unless otherwise stated or implied, references to dates or years are calendar year references.

Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Enquiries

Investors with questions regarding the terms of the Offer or on how to complete the Application Form or if you require additional copies of the Prospectus you should contact KTM on +61 2 9235 9985.

If you are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser. It is important you read this Prospectus in its entirety and seek professional advice where necessary.



Sistemas de Seg. Industrial A Instalaciones Estratégicas, S.A. DE C.V. (SSIIE), is a Mexican company whose core business is the development, installation and marketing of preventive safety systems using distributed fiber optic, for purposes of monitoring in real time and permanently from pipelines and commercial industrial facilities, ports, sensors and private, and facilities 'offshore'.

SSIIE is exclusive authorized distributor for Mexico and Latin America Future Fibre Technologies Pty Ltd. dealer (FFT) and is responsible for marketing and install the patented technology of preventive monitoring based on fiber optic sensor element developed by FFT.

FFT's high performance long distance pipeline protection solution - FFT Secure pipe was the first fibre optic pipeline security system installed in Mexico, and is now protecting 200km of highly sensitive pipelines. The simple system installation, reliability and maintenance free operation delivers the lowest Total Cost of Ownership (TCO) of any pipeline TPI detection solution in the market.

Carlos Cuellar, SSIIE General Manager

Chairman's Letter

Dear Investor,

On behalf of the Board, it is with great pleasure that we present you with the opportunity to participate in the ownership and future of Future Fibre Technologies Limited (FFT).

FFT is a leading developer and manufacturer of fence-mounted fibre optic perimeter intrusion detection and 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 communications cables.

Over the last decade, FFT has grown to become the technology provider of choice for perimeter protection applications and is a leading global supplier of fence mounted perimeter security. With hundreds of installations in more than 55 countries, FFT has established a solid reputation for delivering highly intelligent, reliable, and award winning intrusion detection solutions for the protection of critical sites and infrastructures.

In recent years, FFT has achieved consistent and sustained growth with 2015 financial year revenue forecast to increase by 34.5% on the previous period.

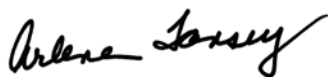
Under this Prospectus, FFT is offering 30 million Shares at \$0.70 per Share to raise \$21 million. The issue of Shares under this Prospectus is fully underwritten.

An investment in FFT is subject to risks. Detailed information about these risks is set out in Section 6 of this Prospectus. The occurrence of any of these risks may adversely impact FFT's financial performance, position and prospects and the value of your investment. We encourage you to read the Prospectus carefully and in its entirety, particularly the section on risks.

FFT remains focused on its long-term goals and intends to continue reinvesting strategically to achieve growth. After the successful completion of the Offer, FFT is expected to have sufficient funds to achieve its forecasts, fund current growth plans and achieve its business objectives.

On behalf of the Board, we look forward to welcoming you as a Shareholder in FFT.

Yours sincerely,



Arlene Tansey

Chairman



CEO's Letter

Dear Investor,

For more than a decade, FFT has been developing and manufacturing fibre optic based intrusion detection technology that is today used by some of the most security conscious organisations in the world. With systems installed in more than 55 countries, FFT is currently recognised as a market leader for fence mounted sensors and has received numerous awards - both in Australia and the United States.

Our goal is to be the global leader in fibre optic solutions for security and safety. Our strategy is to expand into new and larger markets. Specifically, this means applying our technology to broader perimeter applications and building a strong presence in the pipeline and data network intrusion markets.

Security concerns

FFT recognises that security and safety concerns remain prevalent for individuals, companies and governments round the world. These concerns relate to a number of different matters including terrorism, personal safety, physical theft, and data security/theft. Our products are focused on addressing a number of these concerns.

Broader perimeter applications

In recent years, FFT's fibre optic products have started to take market share from other perimeter technologies including copper, seismic and electric shock. FFT has secured 4% of the global "perimeter security" market which comprises buried (seismic and volumetric), embedded (taut wire, smart bars and electric shock) and fence mounted (fibre optic and copper) technologies. This market was estimated to be worth \$273 million in 2014.

Increasing our share of the larger "perimeter security" market is a key part of the company's growth strategy. Our long-term plan includes displacing legacy and alternative technologies in this larger market.

Growing demand for pipeline protection

Demand for oil and gas pipeline intrusion detection systems is increasing with the growth in security threats and product losses. The global pipeline safety market is expected to reach \$6.73 billion in 2018 – up from an estimated \$4.35 billion in 2013.

Pipeline operators commonly adopt fibre optic based intrusion detection solutions as the fibre is often already in place – having been buried with the pipe during installation for control purposes. With FFT Secure Pipe and FFT Aura LR systems installed to protect pipelines in Latin America, North America, Africa, China, India and Australia, our long-term plan includes actively seeking to secure a larger share of this market.

Data network opportunities

Governments and blue chip organisations are turning to technology solutions to combat data theft. One method of data theft involves the direct tapping of the fibre optic data cable itself. Data can be tapped at multiple points, including within the physical facility and also by accessing the private or public links between facilities.

FFT has recently expanded its product set to address data theft detection with a solution that uses the fibre optic data cable to detect third party interference. FFT has developed a pipeline of short-term sales opportunities in this security market including recent sales to government agencies. Worldwide spending on information security reached \$71.1 billion last year, with data loss prevention the fastest growing segment. FFT is actively seeking to secure a larger share of this market.

Strong growth

FFT's proven intrusion detection technology combined with new and emerging market applications for its core technology present significant opportunities for the company to grow revenue and profits. Following the successful completion of the Offer, FFT will have the capital needed to take advantage of the opportunities outlined above.

Risks

An investment in FFT is subject to risks. Detailed information about these risks is set out in Section 6 of this Prospectus. The occurrence of any of these risks may adversely impact FFT's financial performance, position and prospects and the value of your investment. We encourage you to read the Prospectus carefully and in its entirety, particularly the section on risks.

Yours sincerely,



Rob Broomfield

Chief Executive Officer

Key Offer Information

Key Offer Dates

Lodgment of Replacement Prospectus with ASIC	16 April 2015
End of exposure period	16 April 2015
Offer opening date	17 April 2015
Offer closing date	30 April 2015
Allotment of Shares	5 May 2015
Send holding statements for Shares	7 May 2015
Trading of Shares expected to commence on ASX	11 May 2015

Note: This timetable is indicative only. Unless otherwise stated all times are stated in AEST. FFT reserves the right to vary the dates and times of the Offer, including to close the Offer early or to accept late Applications, either generally or in particular cases, without notifying any recipient of this Prospectus or Applicants.

Key Offer statistics

Offer price	\$0.70
Minimum subscription amount	\$2,100
Total number of Shares available under the Offer	30,000,000
Total number of Shares on issue following the Offer	120,624,000
Total number of Options on issue following the Offer	14,134,440
Amount to be raised under the Offer	\$21,000,000
Indicative market capitalisation (based on an Application Price of \$0.70 per share) ⁽¹⁾	\$84,436,800

(1) This is likely to vary from time to time once the Company is listed.

Summary financial information

Summary financial information for the past four years and prospective financial information for FY2015 is set out in the table below. See Section 7 for more details on the financial information.

A\$'000 (thousand)	Actual FY2012	Actual FY2013	Actual FY2014	Actual HY2015	Forecast FY2015
Revenue	11,295	12,118	13,170	5,773	17,720
Gross Profit	6,816	8,276	9,627	3,368	10,839
EBITDA	(746)	1,481	2,005	(240)	2,337
EBIT	(1,162)	1,048	1,609	(453)	1,927
Profit Before Tax	(1,127)	1,012	1,630	(451)	1,942
Profit After Tax	(1,087)	1,009	1,630	(451)	1,942
Price Earnings Ratio	-	-	-	-	43.5
Earnings per Share (cents-undiluted)	-	-	-	-	2.0

Key investment highlights

Below is a summary of the key highlights of the Offer. This is a summary only and should be read in light of the other information in this Prospectus, particularly the risks that are set out in Section 6.

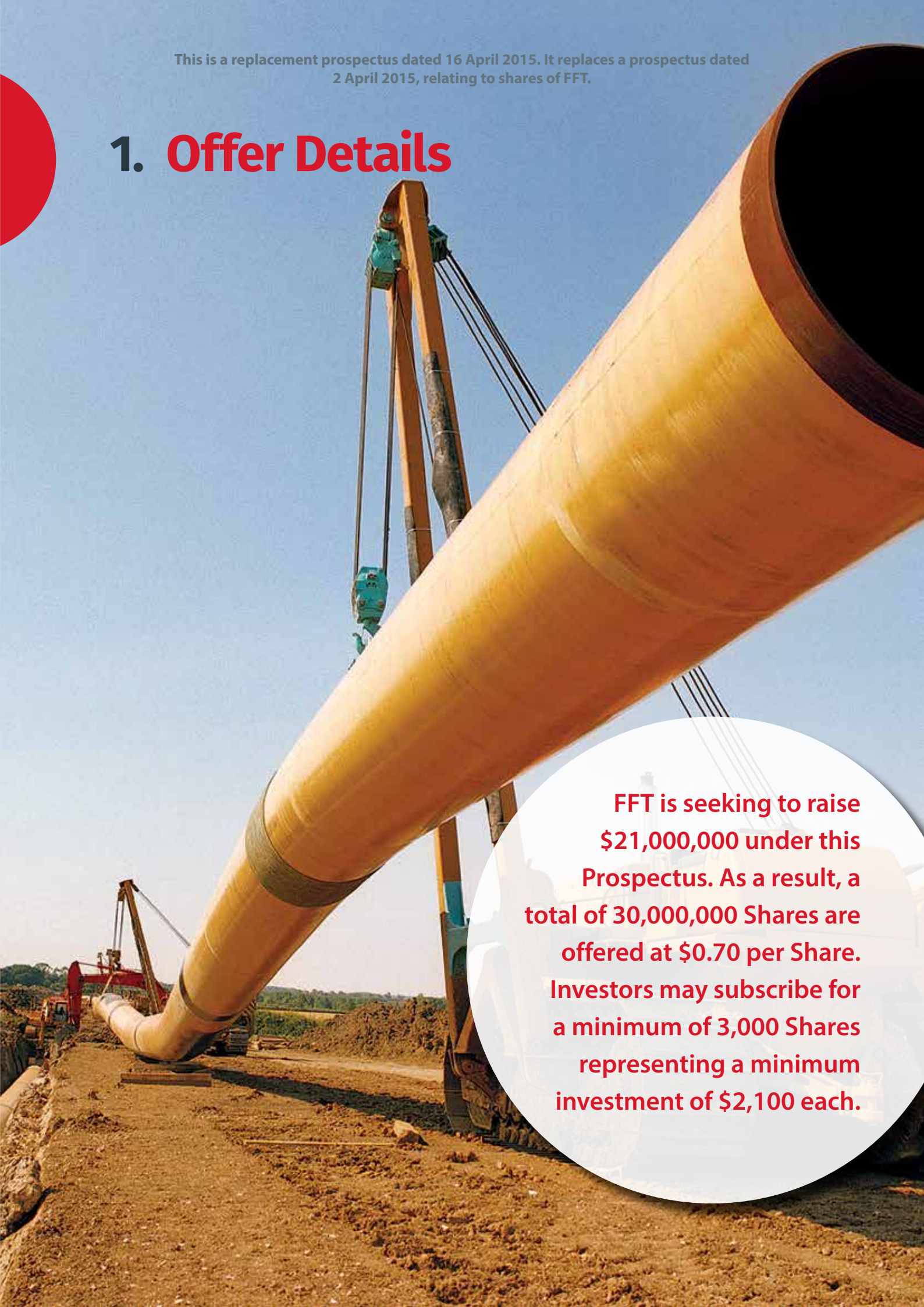
What is FFT?	FFT is a global leader in fibre optic perimeter intrusion detection systems, with a history of delivering highly intelligent, reliable, and award winning intrusion detection systems for the protection of critical sites and infrastructures.	Section 4
What is the technology?	Intrusion detection solutions for perimeter, pipeline and data network applications.	Section 4.2
What are FFT's key strengths?	FFT's intrusion detection systems: • deliver high reliability with low maintenance • operate over long distances (up to 80km of sensor cable with a single system) • accurately pinpoint the location of an event or intrusion • deliver high probability of detection • offer a low nuisance alarm rate • integrate into third-party Physical Security Information Management (PSIM) software and sensors, and • are supported by a network of global offices.	Section 4.4
What are the key investments risks?	• Competition - increased competition could result in margin reductions, underutilisation of employees, reduced operating margins and loss of market share. • Failure to attract and retain skilled staff • Failure to manage future growth • Business contracts risk - there may be difficulties in enforcing contracts in jurisdictions other than Australia. • Cancellation or delay of an infrastructure project - the cancellation or delay of a project where FFT has been specified as the security system provider could have adverse implications on FFT's expected revenue. • Exchange rates - fluctuations in prevailing exchange rates affect FFT's profitability and financial position. • Intellectual property stolen - there are risks associated with theft or misuse of the IP. • Global nature - government policies and procedures regulating security solutions approvals and certification may change over time. • Liquidity and realisation risk - there may be relatively few potential buyers or sellers at any given time. • Supply chain disruption risk - the global supply of components has limitations and demand for these components is growing.	Section 6
Directors and Key Personnel	Arlene Tansey – Chairman Rob Broomfield – Executive Director and CEO Fred Davis – Executive Director and COO Mark Stevens – Non-Executive Director Terence Winters – Non-Executive Director Leigh Davis – CFO and Company Secretary	Section 9

Interests, key benefits and related party transactions	Name	Renumeration	STI	Retirement	Section 9.2
	Rob Broomfield	\$269,217	\$115,200	\$18,783	
	Fred Davis	\$241,217	\$64,000	\$18,783	
	Arlene Tansey	\$36,000	-	\$3,420	
	Terence Winters	\$24,000	-	\$2,280	
	Mark Stevens	\$24,000	-	\$2,280	
	Leigh Davis	\$200,000	\$50,000	\$18,783	

Key terms and effect of the Offer

Summary of the Offer	FFT is seeking to raise \$21 million through the Offer of 30 million fully paid ordinary shares at an offer price of \$0.70 per share.				Section 1.1
Use of funds	FFT will use the funds raised to pay the costs of the offer and the balance to strengthen its balance sheet and provide some working capital.				Section 1.3
Director participation in the Offer	An entity associated with Arlene Tansey will subscribe for 300,000 Shares under the Offer.				Section 9.2
Major shareholders before and after completion of the Offer (being those with more than 5%)	Holder	No. of Shares	% of Shares after the completion of the Offer	% of Shares on a fully diluted basis after the completion of the Offer	Section 1.6
	Al Alhia Holding Company	27,000,000	22.4%	20.0%	
	Pierce Group Asia	19,229,940	15.9%	14.3%	
	Plexis Holdings Limited	12,978,420	10.8%	9.6%	
	Seafirst Australia Pty Ltd	8,517,540	7.1%	6.3%	
Issue of KTM Options	3,400,000 options with an exercise price of \$0.875 exercisable at any time before the third anniversary of listing. The options (and any Shares issued on exercise) are subject to voluntary escrow period of 12 months from listing.				Section 10.3

1. Offer Details

A large yellow pipe is being lifted by a crane at a construction site. The pipe is the central focus, extending from the bottom left towards the top right. The crane's arm and cables are visible, supporting the pipe. The background shows a clear blue sky and some distant construction equipment. The ground is dirt and gravel.

FFT is seeking to raise \$21,000,000 under this Prospectus. As a result, a total of 30,000,000 Shares are offered at \$0.70 per Share. Investors may subscribe for a minimum of 3,000 Shares representing a minimum investment of \$2,100 each.

1. Offer Details

1.1 Description of Offer

FFT is seeking to raise \$21,000,000 under this Prospectus. As a result, a total of 30,000,000 Shares are offered at \$0.70 per Share. Investors may subscribe for a minimum of 3,000 Shares representing a minimum investment of \$2,100 each.

The Shares are the same class and rank equally in all respects with the existing share capital of FFT. See Section 11.2 for a summary of the rights and liabilities attaching to the Shares.

FFT reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

Applications for Shares must be made on the Application Form attached to this Prospectus and must be received by FFT on or before 5:00p.m. (AEST) on the Closing Date.

1.2 Underwritten

This Offer is fully underwritten.

In connection with the Offer, KTM will be issued the KTM Options pursuant to the Underwriting Agreement. See Section 10.3 for a summary of the terms of the Underwriting Agreement.

1.3 Purpose of the Offer and use of funds

The principal purpose of the Offer is to increase FFT's ability to scale its global sales and support teams, continue developing and investing in intellectual property and technology, increase financial flexibility, increase visibility in the marketplace and create a public market for its Shares.

The funds received pursuant to this Offer are expected to be used as follows.

Use of Funds	Approximate Amount	Approximate Percentage
Strengthen FFT's balance sheet	\$12,511,000	59.6%
Working capital purposes	\$5,000,000	23.8%
Continued investment in intellectual property and technology (research and development activities)	\$2,000,000	9.5%
Costs of the Offer	\$1,489,000 (exclusive of GST)	7.1%
Total	\$21,000,000	100%

See Section 11.7 for a breakdown of the costs of the Offer.

Funds for working capital purposes as and where needed. Working capital would include expenditure on inventory and expanding FFT's sales force and opening new sales and support offices. Additional working capital expenditure needs will be assessed on a regular basis moving forward.

Funds for continued investment in intellectual property and technology (research and development activities) will be invested as and when deemed necessary.

A large proportion of the funds raised will be used to strengthen FFT's balance sheet, confirming its strong financial standing. It is expected that a stronger balance sheet will enable FFT to pursue:

- larger scale projects and projects in new geographical regions (that it has not previously been able to pursue). For example, the terms and conditions of certain projects may require FFT to demonstrate a strong balance sheet, hold certain minimum levels of cash reserves, or to obtain bank guarantees or other securities that presently exceed FFT's financial capacity; and
- some sales opportunities that may have terms or conditions that necessitate FFT to have significantly more working capital available than FFT presently maintains.

1.4 Capital structure

The Table below sets out the capital structure before and after completion of the Offer.

Amount raised	\$21,000,000
Number of Shares on issue before the Offer	90,624,000
Total number of Options on issue immediately before the Offer	10,734,440
Total number of Shares available under the Offer	30,000,000
Total number of Shares on issue immediately after the Offer (non diluted)	120,624,000
Total number of Shares on issue immediately after the Offer (fully diluted)	134,758,440
Percentage of Shares held by Directors and Key Personnel after the Offer (on a fully diluted basis)	6.3%
Total number of Options on issue immediately after the Offer	14,134,440
Indicative market capitalisation (based on Application Price of \$0.70 per share) ⁽¹⁾	\$84,436,800

(1) This is likely to vary from time to time once the Company is listed.

1.5 Options on issue

The Company currently has 10,734,440 Options on issue.

See Section 11.3 for a summary of the terms and conditions under which Options are issued.

1.6 Escrow arrangements

The Directors do not anticipate that ASX will classify any Share or Options as restricted securities. Accordingly, no ASX-imposed escrow will apply to Shares or Options.

The Shareholders in the table below have entered into a voluntary escrow arrangement under which they have undertaken to FFT not to dispose of any interest in, or to grant any security over, any of the Shares they hold a relevant interest in (comprising Shares and Options) and representing the total number of securities that all of the below mentioned parties will hold on completion of the Offer.

Holder	No. of Shares subject to escrow	% of Shares after the completion of the Offer	% of fully diluted escrowed securities after the completion of the Offer
Al Alhia Holding Company	27,000,000	22.4%	20.0%
Pierce Group Asia	19,229,940	15.9%	14.3%
Plexis Holdings Limited	12,978,420	10.8%	9.6%
Seafirst Australia Pty Ltd	8,517,540	7.1%	6.3%
CPHIC Investments Pty Ltd	5,488,830	4.6%	4.1%
Cheryl Lee Tapanes	3,932,130	3.3%	2.9%
Seafirst Nominees Pty Ltd	3,584,040	3.0%	2.7%
Peter Julian Vines & Elizabeth Mary Vines	1,033,320	0.9%	0.8%
Avalon Amber Pty Ltd	1,008,240	0.8%	0.7%
Terence Ronald Winters & Merylyn Ann Winters	877,380	0.7%	0.7%
John Damien Vines & Lynette Susan Vines	808,890	0.7%	0.6%
John Allan Smith	720,000	0.6%	0.5%
Francesca Sellman	336,090	0.3%	0.2%
Terence Edwin Smith	180,000	0.19%	0.1%
Total	85,694,820	71.2%	63.5%

The Option holders in the table below have entered into a voluntary escrow arrangement under which they have undertaken to FFT not to dispose of any interest in, or to grant any security over, any of the Options they hold a relevant interest in and representing the total number of securities that all of the below mentioned parties will hold on completion of the Offer.

Holder	No. of Options subject to escrow
Arlene Tansey	250,000
Fred Davis	1,200,000
Leigh Davis	900,000
Mark Stevens	200,000
Rob Broomfield	4,500,000
Terence Winters	200,000
Employees of FFT	1,710,000
Total Options	8,960,000

Of the Options listed above, 3,300,000 have an exercise price of \$0.23, 2,660,000 have an exercise price of \$0.35, 1,500,000 have an exercise price of \$0.20, 750,000 have an exercise price of \$0.25 and 750,000 have an exercise price of \$0.33. In addition, the KTM Options will be subject to escrow and have an exercise price of \$0.875.

These escrow restrictions detailed in the table above will terminate on the first anniversary of the date of admission of FFT to the Official List. However, these restrictions may be released early to enable a Shareholder to accept an offer under a takeover bid in relation to their Shares (including any Shares which are issued on exercise of an Option), provided holders of not less than 50% of the Shares not subject to the restrictions then on issue have accepted the takeover bid or to enable the Shares of a Shareholder to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

The execution of escrow agreements may give FFT a 'relevant interest' in these Shares (or Shares issued on exercise of the Options) for the purposes of the Corporations Act. FFT has applied to ASIC for a declaration modifying Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described above will not give rise to a relevant interest for the Company in respect of the escrowed Shares (including any Shares which are issued on exercise of an Option) for the purposes of the takeovers provisions in Chapter 6.

1.7 Who can apply under the Offer

Australia

Persons who are residents of Australia may apply for Shares under the Offer.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance, nor has it been authorised by the SFO. No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made

under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you, by making an Application for Shares, represent and warrant that you (and any such person) are a 'professional investor' as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of FFT's Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in Section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the Shares) are in Singapore, by making an Application for Shares represent and warrant that you (and any such person):

- are an 'institutional investor' or a 'relevant person' (as such terms are defined in the SFA)
- will acquire the Shares in accordance with applicable provisions of the SFA
- acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act is available.

1.8 ASX listing, issue and allotment of Shares

Within seven days after the date of this Prospectus, application will be made to the ASX for the admission of FFT to the Official List and for quotation of all Shares. No application will be made for quotation of Options. The fact that the ASX may admit FFT to the Official List is not to be taken as an indication of the merits of FFT or the Shares.

If ASX does not give permission for admission to the Official List or for quotation of the Shares within three months after the date of this Prospectus (or a later date permitted by ASIC), no Shares will be issued. In that circumstance, all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the Corporations Act.

No securities will be issued on the basis of this Prospectus after the expiry date, being the date which is 13 months after the date of this Prospectus.

Investors who trade Shares before they receive their holding statements do so at their own risk. FFT disclaims all liability in tort (including negligence), statute or otherwise to persons who trade Shares before receiving their holding statements.

1.9 Withdrawal

FFT may withdraw this Prospectus or the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the Corporations Act.

1.10 How to apply under the Offer

An Application for Shares under the Offer can only be made by completing and lodging the Application Form attached at the back of this Prospectus. Detailed instructions on completing the Application Form can be found on the back of the form.

Applications and Application Monies for Shares under the Offer received after 5:00p.m. (AEST) on the Closing Date will not be accepted and will be returned.

The Directors may close the Offer at any time prior to the Closing Date without prior notice or extend the period of the Offer in accordance with the Corporations Act.

Applications must be accompanied by payment. You must pay by cheque in Australian dollars or by BPay only. Your cheque must be made payable to **'Future Fibre Technologies Limited – Share Offer Account'** and crossed 'Not Negotiable'.

Payment by BPAY

You may apply for Shares online and pay your Application Monies by BPAY.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at <http://www.fftshareoffer.com> and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility

to ensure that payments are received by 5.00 p.m. (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

FFT accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Completed Application Forms, together with Application Monies, should be sent to the following address:

Mailing address:

Future Fibre Technologies Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Future Fibre Technologies Limited
C/-Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

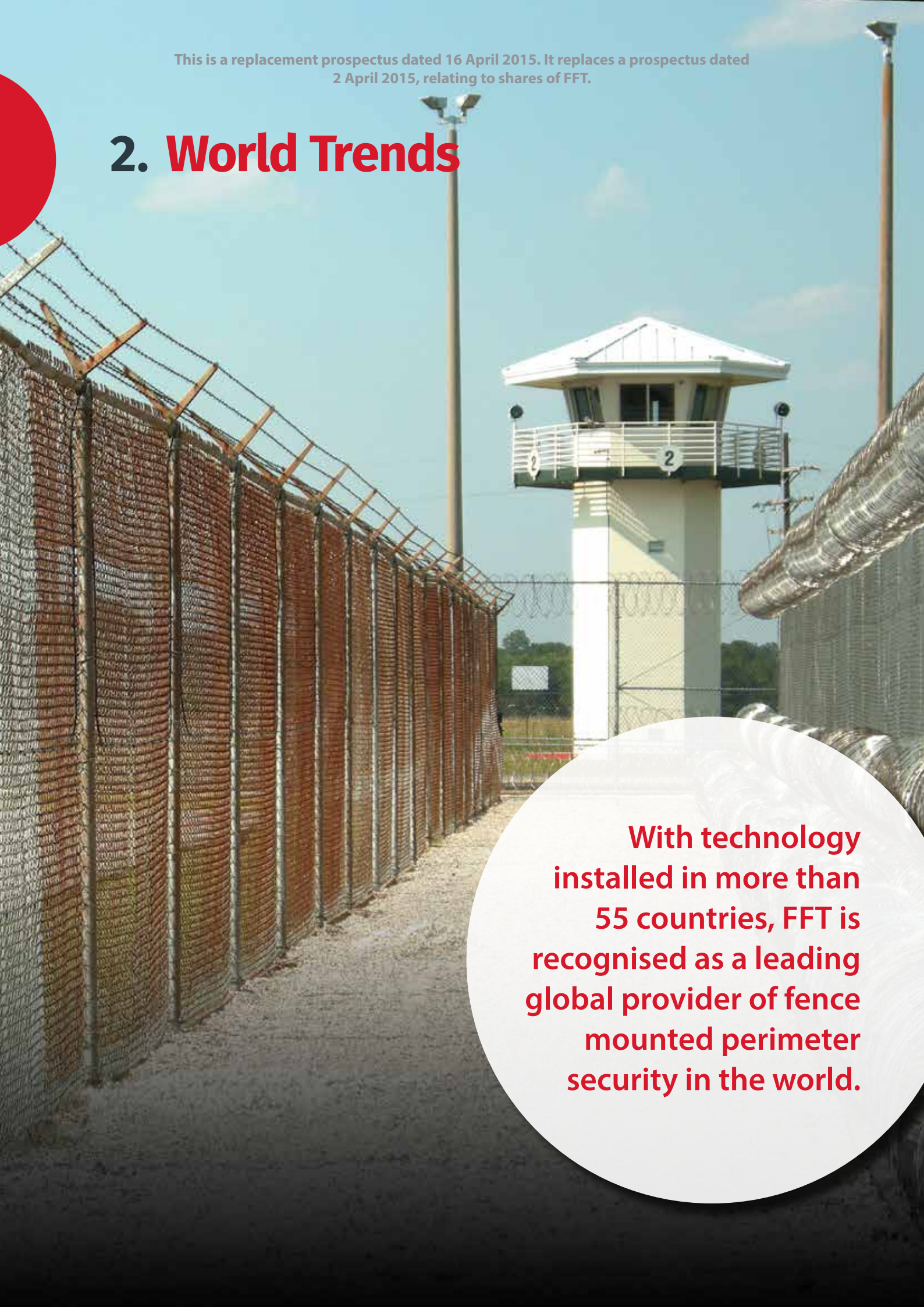
1.11 Application monies held on trust

Application Monies received under the Offer will be held in a special purpose account until Shares are issued to successful Applicants. Applicants whose Applications are not accepted, or who are allocated fewer Shares than the amount applied for, will be refunded all or part of their Application Monies (whichever is applicable). Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will become an asset of FFT.

1.12 Enquiries

If you require assistance to complete the Application Form, you should contact KTM on +61 2 9235 9985 between 9:00am to 5:00pm (AEST) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether the acquisition of Shares is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

2. World Trends



With technology installed in more than 55 countries, FFT is recognised as a leading global provider of fence mounted perimeter security in the world.

2. World Trends

Future Fibre Technologies (FFT) is a leading developer and manufacturer of fence-mounted fibre optic perimeter intrusion detection and security systems, with technology installed in more than 55 countries. Deployed by some of the most security conscious industrial, military and government organisations in the world, FFT's advanced security systems are designed to detect and locate perimeter intrusions, as well as identify third-party interference on oil and gas pipelines and sensitive data communication cables.

Growing global unrest

Social and political instability, and the ongoing threat of terrorist attacks, are expected to continue to drive funding, legislation and regulation regarding security at critical national infrastructure facilities including power stations, data centres and transportation hubs. The growing trend of civil unrest and protests around the world is also expected to increase demand for advanced intrusion detection security solutions.

Escalating government security mandates and operational legislation

While nuclear power plants and other critical infrastructure sites typically have perimeter intrusion detection security in place, infrastructure such as airports, chemical facilities, and borders have been slower to adopt perimeter intrusion detection. Government legislation will continue to drive growth in these areas as sites are identified and mandated as either high risk or critical national infrastructure – requiring enhanced levels of security. There is also a growing compliance requirement in many countries regarding operational safety and security to protect the environment or community from third-party accidental damage to facilities.

Terrorist attacks rose 43% worldwide in 2013 with the threat of terrorism continuing to evolve rapidly.¹

The electronic perimeter security market continues to experience strong growth as a result of retrofit and new construction of critical infrastructure.

¹ Whilst changes to security arrangements and increased legislative or commercial requirements for security protection in relation to actual or perceived threats present an opportunity to FFT, there can be no guarantee that FFT will take advantage of any such changes or opportunities.

This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.

Pasadena Refining System, Inc. (PRSI) is a subsidiary of Petrobras Americas Inc, refining and marketing petroleum products, including petrochemical feedstock with a related crude oil capacity of just over 100,000 barrels per day. PRSI is located on the Houston Ship Channel.

Our long-term experience with FFT Secure Fence system has been excellent. The FFT perimeter intrusion detection system that we have is highly reliable given its market leading ARaD advanced signal processing that minimizes nuisance alarms. The simple deployment of our FFT PIDS solution along with FFT's central alarms monitoring system allowed us the ability to maintain more visibility on unauthorized intrusions and pin-point such intrusions anywhere along the sensor cable on the perimeter fence, as well as providing our security staff with a simple to understand and central alarm monitoring system to allow the necessary security responses when needed which is very important to us when it comes to keeping our people and community as a whole safe and secure from threats.

**Eric Finck, Security Supervisor, FSO,
Pasadena Refining System, Inc.**

Managing risks to business continuity

Corporations are proactively identifying threats and implementing comprehensive risk management programs to protect their employees and physical assets (as well as the interests of their stakeholders and investors) and to ensure business continuity from deliberate or accidental damage. This extends to the theft of data and assets. Utilities and petrochemical facilities in particular are adopting perimeter, pipeline and network data security solutions to ensure that critical infrastructure is secure and the public is protected from loss of services or damage.

Intrusion technology innovation

The advent of new cost effective, high performance perimeter fibre intrusion detection technologies is supporting industry growth. With the increased reliability, accuracy and affordability of the security solutions on offer comes increasing demand for system and infrastructure upgrades. Globally, sales of fence mounted fibre optic intrusion detection systems are estimated to grow at twice the rate of traditional copper-based micro-phononic systems. Some of the unique characteristics of fibre optic

technology mean that it can also displace other acoustic and seismic sensors used in a number of security applications. While large and remote sites such as airports, military bases and country borders were previously thought to be too expensive to protect, decrease in the total cost of purchase, installation, commissioning and operating are now making installation of intrusion technology more economically viable.

The risk environment affecting critical infrastructure is complex and uncertain with threats, vulnerabilities, and consequences all evolving over the last 10 years.

The world market for fence mounted fibre optic intrusion detection systems is forecast to grow at more than twice the rate of traditional copper-based micro-phononic systems.¹

Security-related initiatives around the world

The United States Department of Homeland Security (DHS) has implemented risk-based performance standards for the nation's chemical facilities with the introduction of the Chemical Facility Anti-Terrorism Standards (CFATS) program.¹

The Centre for the Protection of National Infrastructure (CPNI) in the United Kingdom has been established to provide protective security advice. CPNI is responsible for testing perimeter and network security products.¹

The Trusted Information Sharing Network for Critical Infrastructure Resilience in Australia provides an environment where business and government can share vital information on security issues relevant to the protection of critical infrastructure.¹

¹ Whilst changes to security arrangements and increased legislative or commercial requirements for security protection in relation to actual or perceived threats present an opportunity to FFT, there can be no guarantee that FFT will take advantage of any such changes or opportunities.

This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.

3. Intrusion Detection Market Overview

FFT develops and manufactures optical fibre intrusion detection and security systems for perimeter, oil and gas pipeline and data communication network applications.

3. Intrusion Detection Market Overview

FFT develops and manufactures optical fibre intrusion detection and security systems for perimeter, oil and gas pipeline and data communication network applications. Recognised as a leading provider of fence mounted perimeter security, FFT plans to expand into adjacent perimeter applications and continue to increase its share of the growing pipeline and data network markets.

3.1 Perimeter

The threat of intrusion remains a significant concern for critical infrastructure and major facilities around the world. As many large perimeters are often too large for effective coverage by conventional security patrols – advanced perimeter intrusion detection systems are becoming a viable solution.

PIDS are based on the core principle of establishing a steady background state and continuously monitoring to detect any change (above or below a predetermined set of thresholds) that indicates that an intrusion has occurred.

In recent years, there has been a steady move towards developing more sensitive PIDS – leading to a higher probability of intruder detection. But with increased sensitivity often comes an increase in the risk of nuisance alarms. Nuisance alarms are typically caused by environmental conditions such as wind, rain, passing traffic and lightning.

Frequent nuisance alarms are:

- inconvenient
- expensive to respond to, and
- can reduce operator confidence in the effectiveness of the system.

Traditional methods used to reduce the sensitivity of detection systems to minimise nuisance alarms. However, this can also reduce the probability of detection during adverse weather conditions.

The perimeter protection of individual facilities is most effective when designed to suit the unique requirements of each site - with infrastructure layout, local weather conditions, fence type and the level of threat all considerations. Often the final intrusion detection solution will comprise several complementary technologies that together form “layers” of protection.

The role of any perimeter security system – the perimeter fence, together with the PIDS and the response mechanism – is to act as the first level of site protection. This defines the boundary of the site – providing both early warning of intrusion attempts, as well as deterring, delaying, detecting and documenting any breach of the protected area.

The world market for PIDS is expected to continue to grow with increased efforts to combat security threats and protect major facilities. It is also expected that intrusion detection technology will continue to evolve – with advances likely to be focused on alarm and signal processing as manufacturers continue to pursue improved system performance, flexibility and reliability.

FFT estimates that the world market for perimeter security sensors was worth \$273 million in 2104 and is forecast to grow to \$326 million in 2017 - representing an increase of 19.8%.²

² These figures are provided as background information only. They do not represent an accessible market for FFT. FFT makes no representation or warranty about its future ability to win any portion of this market.

Fence-mounted fibre optic sensors

Optic fibre continues to be the fastest growing product segment for fence-mounted perimeter security because of the cost and ability to cover long distances without having to place electronics on the fence.

Fibre optic sensing systems are becoming well established due to their reliability and performance. Readily available and highly tunable to compensate for environmental conditions, the sensors require no field power, are impervious to lightening, electromagnetic and radiofrequency interference, and can be used over long distances. Fibre optic sensors use light travelling down a glass fibre - rather than electronic signals down wires for transmission and detection - and can be easily incorporated into existing perimeter fences.

3.2 Pipeline

With security threats seemingly becoming more common, many governments are focusing on formulating and implementing strategies to keep pipelines safer. Oil theft is a growing global problem with major oil producing countries losing millions of dollars in revenues and taxes as crude oil is stolen through illegal pipeline tapping. Illegal tapping can also lead to significant environmental damage from product leaks and in some cases loss of life through fire and explosions.

In Mexico alone, pipeline theft averages between 5,000 to 10,000 barrels per day – and is predicted to grow by 30% per annum. Mexico's state-owned oil company Pemex recently acknowledged that pipeline theft was so significant that it was causing oil shortages in some states. Thieves drilled around 2,500 illegal taps in the first nine months of 2014 and stole more than \$1 billion in fuel. Pipeline theft has also been reported in China, Nigeria, Indonesia, Iraq, Turkey, Russia and the United Kingdom.

Gas pipeline operators are also facing increased operational challenges with large high-pressure pipelines situated near urban areas and construction activity - increasing the risk of damage and loss of life from third-party interference.

Although a number of technologies are available to help identify potential leaks or loss of product, most solutions do not accurately provide a precise location over long

distance pipelines, or early warning associated with digging activity that often precedes the tapping process.

The demand for pipeline intrusion detection system is increasing in-line with growing security threats and product losses. Pipeline operators are commonly adopting fibre optic based solutions for long distance sensing capability, early warning signaling, precise location information, and the ability to add complementary fibre optic capabilities to acoustics - such as temperature sensing - to help verify leaks.

The global pipeline safety market is estimated to be \$4.35 billion in 2013 and is expected to grow to \$6.73 billion in 2018 - representing an increase of 54.7%.²

FFT has provided FFT Secure Pipe and FFT Aura LR systems to protect pipelines in Latin America, North America, Africa, China, India and Australia.

² These figures are provided as background information only. They do not represent an accessible market for FFT. FFT makes no representation or warranty about its future ability to win any portion of this market.

3.3 Data Network

With cyber security a growing global concern, governments and organisations are increasingly using technology to protect their data from theft. One method of data theft involves the direct tapping of fibre optic data cables.

Data can be tapped at multiple points, including within the physical facility controlled by the company or agency, and the private or public links between facilities. Even with a secure facility there are typically multiple vulnerable points such as data terminals, switchgear rooms and the fibre optic cable used in the local area network (LAN).

To add to the risk of data theft, internal LAN's are usually un-encrypted - making it easier to use stolen data. This risk extends to cables outside the building or facility that pass data through to additional secure locations. These cables may be under the management of a third party data network provider and extend to shared data centers and Internet data providers.

Techniques used to steal data include:

- active network taps (that are inserted directly into the data flow to form part of the network), or
- passive network taps (that use tools to physically tap into fibre optic data cables).

Both of these methods are easily obtained and create no interruption of the data flow. By introducing a micro bend in the fibre, the photons of light carrying the data can be read by a photo-detector and recorded for later analysis.

Sensitive data networks for government, military and commercial organisations have typically used encryption to protect the data from theft, especially when the fibre optic cable carrying the data cannot be physical secured. However, encryption can reduce data flow speed and the carrying capacity of the cable, which can lead to reduced or restricted cable carry capability. Encryption may also require additional overhead expenditure related to the employment of security key management.

In addition to encryption, there are technologies that monitor the power levels of the optical signal arriving at the receiving facility and identify fluctuations that might be associated with tapping of the fibre. However, these systems require the addition of devices that are directly monitoring the data stream and can then be used to siphon data to a third party.

Fibre optic data network providers use technology to determine degradation of fibre optic cables but these systems will not provide any advanced warning of intrusion activity that might damage their cables. Many providers are looking at solutions that will provide suitable advanced warning to enable re-routing of data or other response activity.

Worldwide spending on information security will reach \$71.1 billion in 2014, an increase of 7.9% over 2013, with the data loss prevention segment recording the fastest growth by 18.9%.²

To protect highly classified or top secret data, the United States Department of Defense has adopted Protective Distribution Systems (PDS) based on physical hardened conduits and data switch devices. This same approach is being adopted by other countries to manage sensitive military and government data, which is leading to the replacement of hardened conduits with fibre optic sensing systems to provide advanced warning of attempted tapping. FFT data network security solutions support and are compliant with PDS architecture.

² These figures are provided as background information only. They do not represent an accessible market for FFT. FFT makes no representation or warranty about its future ability to win any portion of this market.

4. Company Overview



FFT technology is used by the airport, government, military, defence, oil and gas industries, as well as in a broad range of commercial organisations.

4. Company Overview

FFT is a global leader in fibre optic perimeter intrusion detection systems, with a history of delivering highly intelligent, reliable, and award winning intrusion detection systems for the protection of critical sites and infrastructure. Established in 1994, FFT has grown to become the technology of choice for many perimeter protection applications. With hundreds of installations in more than 55 countries, FFT has developed intrusion detection solutions for perimeter, pipeline and data network applications. FFT technology is used by the airport, government, military, defence, oil and gas industries, as well as in a broad range of commercial organisations.

4.1 The evolution of FFT

1994	FFT is established as a R&D company to develop fibre optic sensing systems.
2000 - 2003	First installation of early generation network security product at an Australian bank. First fence security systems installed on Australian government sites. First commercial installations of 1st Generation FFT advanced perimeter security systems in Australia and South East Asia. First pipeline installation.
2004	First US military installation. 100th FFT product distributed.
2005 - 2008	Release of 3rd Generation locating systems with location accuracy to within 25m. Advanced classification algorithms developed to minimise environmental nuisance alarms. High-level software integration tools for third-party PSIM integration developed. Release of multi language support.
2009 - 2011	FFT Secure Zone released. FFT Secure Zone awarded Government Security News Best Perimeter Detection Product (excluding video) (2009). FFT awarded Victorian Medium Manufacturing Exporter of the Year (2009) (2010). FFT awarded Australian Small to Medium Manufacturing Exporter of the Year (2010). FFT awarded Prime Minister's Exporter of the Year (2010). FFT Secure Fence awarded Government Security News (USA) Best Perimeter Protection Product (excluding video) (2010). 400th FFT product distributed.
2012 - 2014	FFT Aura released for advanced buried application and high resilience perimeter applications. FFT ranked number one for global market-share for Perimeter Security Fence Mounted - 2010, 2012 and 2013. FFT Secure Point released for small site applications. FFT awarded Victorian Manufacturer of the Year (Medium) (2014). FFT inducted in the Victorian Manufacturing Hall of Fame (2014). Release of 5th Generation locating system with locating accuracy to within 10m. FFT systems installed in 55 countries globally. More than 700 FFT products shipped.

4.2 FFT Intrusion Detection Systems

Over the last decade, FFT has developed a number of platform technologies and associated products designed to detect and locate perimeter, pipeline and data network disturbances accurately and efficiently.

Recognised in 2013 as a leading provider of fence mounted perimeter security, FFT intrusion detection systems provide enhanced signal processing and event discrimination while offering strong integration capabilities to third-party security platforms. With patented advanced signal processing to minimise nuisance alarms, FFT's range of highly scalable fibre optic intrusion detection products are suitable for sites of all sizes. Below is an overview of current FFT products:

FFT Secure Point

Dual zone-based product sensitive enough to work on almost all fence types. Also suitable for network and buried applications. Zone length of up to 1600m and the controller can be fence mounted or remotely located up to 10km from the perimeter. Simplified installation and set-up make the platform suitable for distribution channels, while custom embedded integration capabilities make it suitable for Original Equipment Manufacturers (OEMs).

FFT Secure Zone

Multi zone-based product with a typical zone length of 200m and eight or 16 zones per controller. The fibre optic cable can be divided into monitoring and non-monitoring sections, allowing for an inactive lead-in cable and no power or electronics in the field. Multiple perimeter security systems can be networked to secure more complex sites.

FFT Secure Fence

Fence mounted product that detects and locates intrusions on a variety of fence types. Monitoring up to 40km of sensing cable and able to locate an intrusion to within 10m on high quality perimeter fences. The fibre optic cable can be divided into monitoring and non-monitoring sections, allowing for an inactive lead-in cable and for the electronics to be housed in a remote secure location with no power required on the perimeter.

FFT Secure Link

Data network product that detects and locates attempted illegal data tapping and interference on sensitive communications lines. Provides advanced warning, and locates a threat to within 10m on the monitored network.

FFT Secure Pipe

Pipeline security product that detects and locates attempted third party interference and illegal tapping activities on oil and gas pipelines in real-time. Each system can monitor 40km of fibre and can be networked to cover thousands of kilometres. Provides advanced warning and locates a threat to within 150m.

FFT Aura SR

Perimeter protection product sensitive enough to work on almost all fence types, as well as covertly buried in the ground for walking intruder detection. Can also be applied to detect intrusions along buried assets such as pipeline and network data cable infrastructure. Protects up to 18km of fibre per security system and locates a threat to within 6m.

FFT Aura LR

Pipeline security product that can monitor up to 40km of fibre and locates a threat to within ten meters. Detects and locates intrusions and third party interference on buried pipelines, in real-time, before pipeline damage occurs. Can also be applied to quality fences and network data cables.

FFT Product Application Matrix

	FFT Secure Point	FFT Secure Zone	FFT Secure Fence 408	FFT Secure Fence	FFT Secure Pipe	FFT Secure Link	FFT Aura
PRIMARY APPLICATION	Small perimeters (<1000m), sliding gates, block valves, field mounted or remote controller options.	Small to medium length perimeter fences requiring a centrally installed multi-zone controller	Medium sized or remote perimeters requiring a sensitive zone based solution with lead-in cable up to 40km	Medium to large perimeter fences requiring a centrally installed controller, location of intrusions & few nuisance alarms	Protection of buried pipelines against third part interference (TPI) or illegal tapping of contents	Protection of fibre optic data communications networks against physical intrusion	Medium sites requiring buried intrusion detection, high sensitivity or cut immunity on fences
PERIMETER	●	●	●	●			●
PIPELINE					●		●
DATA NETWORK	●	●				●	●

“Our technology partnership with Future Fibre Technologies allows us the opportunity to better service our shared customers and offer them advanced business solutions to meet their physical security needs. FFT’s Central Alarm Monitoring System (FFT CAMS) seamless integration with G4S Technology’s Symmetry™ access control system gives end-users a powerful perimeter intrusion detection solution with the ability to monitor all access and perimeter alarms through a single interface. Security staff can pinpoint alarm locations and quickly address situations as needed.

David Ella, Vice President, Product Marketing, G4S Technology Ltd.

G4S Technology’s Symmetry™ Security Management Solutions can be found in a wide spectrum of markets: government, commercial, education, transportation, healthcare, utilities and banking.

Headquartered in Torrance, California with sales and support located throughout the Americas, EMEA and APAC, G4S Technology provides customers with industry leading security solutions. G4S Technology is part of G4S plc, the largest global integrated security company. As G4S Technology looks to the future, the next generation of products will bring the core aspects of security to evolve beyond integrated solutions – Symmetry.



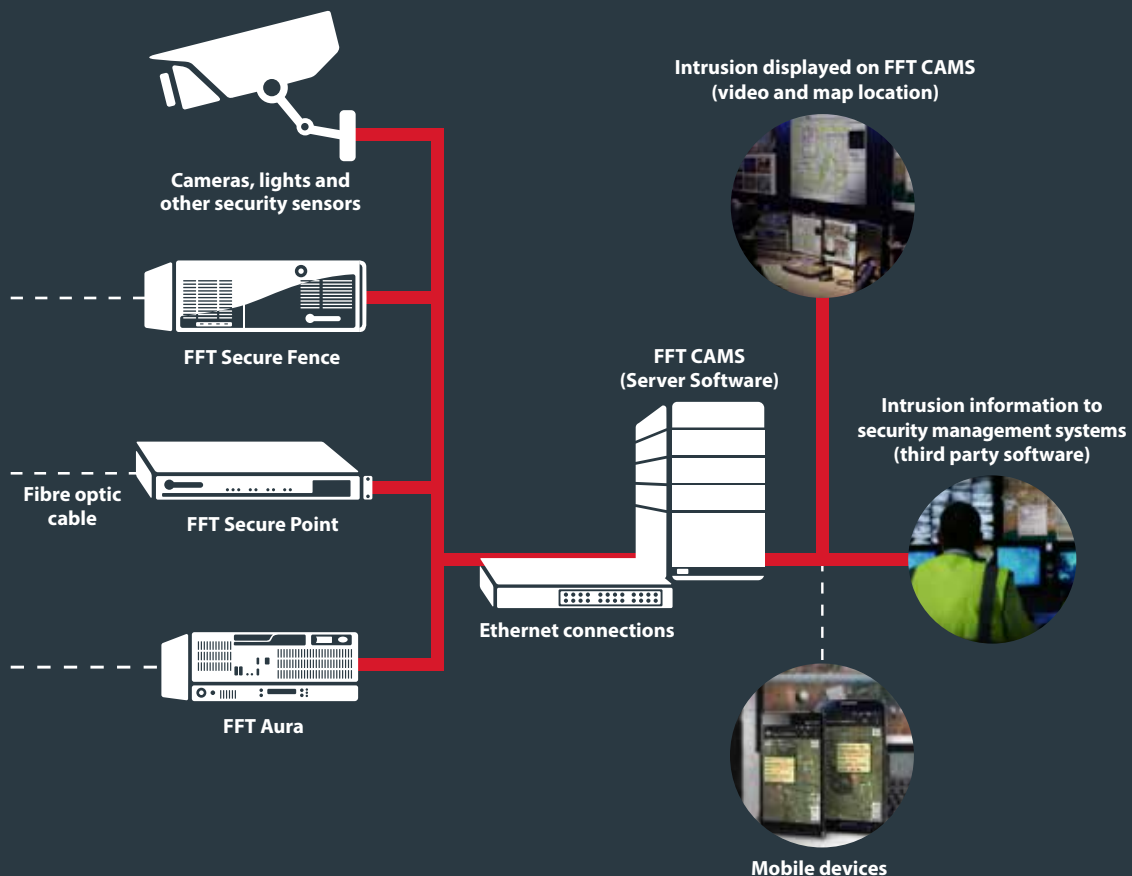
FFT Central Alarm Management Software (FFT CAMS) has been developed by FFT to support its product range and is a key component of the company's fibre optic security detection technology.

Designed to display, monitor, and control alarm signals from individual or multiple FFT products on a single site or group of sites, FFT CAMS integrates all site information into a simple to understand Graphical User Interface (GUI).

FFT CAMS provides security staff with multi-lingual alarm monitoring that:

- displays alarms and controls zones on the site map
- interfaces to network management systems and mobile devices
- logs alarms and operator responses
- delivers advanced client/server architecture with redundancy, and
- provides GPS (Global Position System) intrusion information.

FFT CAMS also allows high-level interfaces to commercial Physical Security Information Management (PSIM) software and is able to control a wide variety of devices and software.

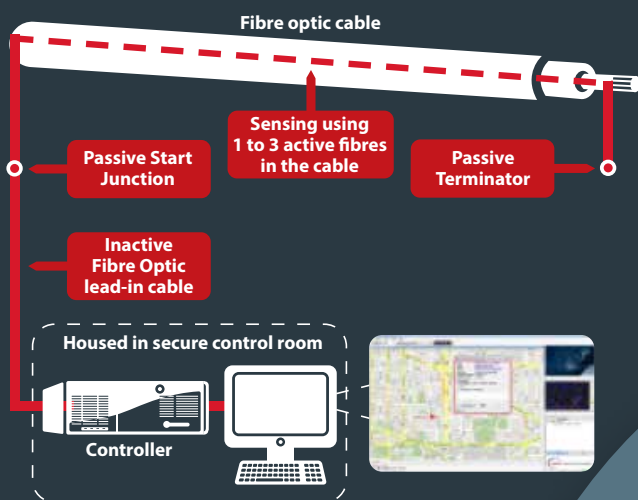


4.3 How it works

FFT intrusion detection systems use a combination of passive fibre optics, active electronics and advanced software to detect perimeter, pipeline and data network intrusions.

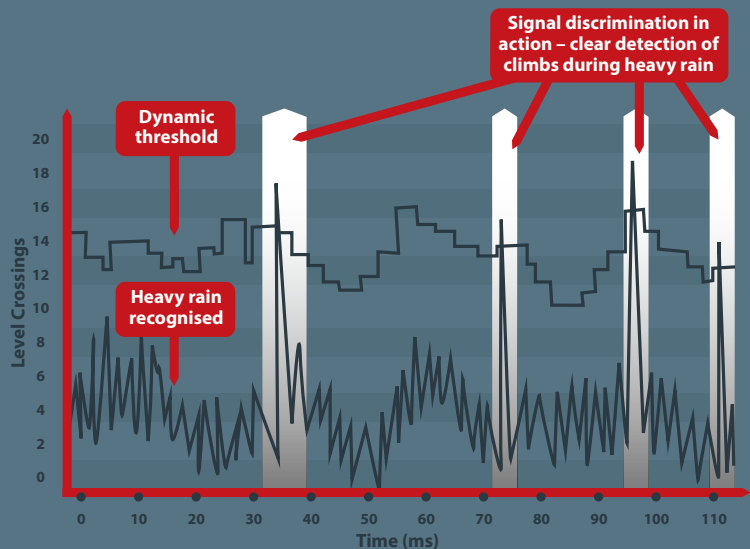
Laser Fibre Optic Sensing

Laser light is sent down optical fibres attached to the infrastructure being protected and is analysed by an FFT controller for any change in signal consistent with an intrusion.



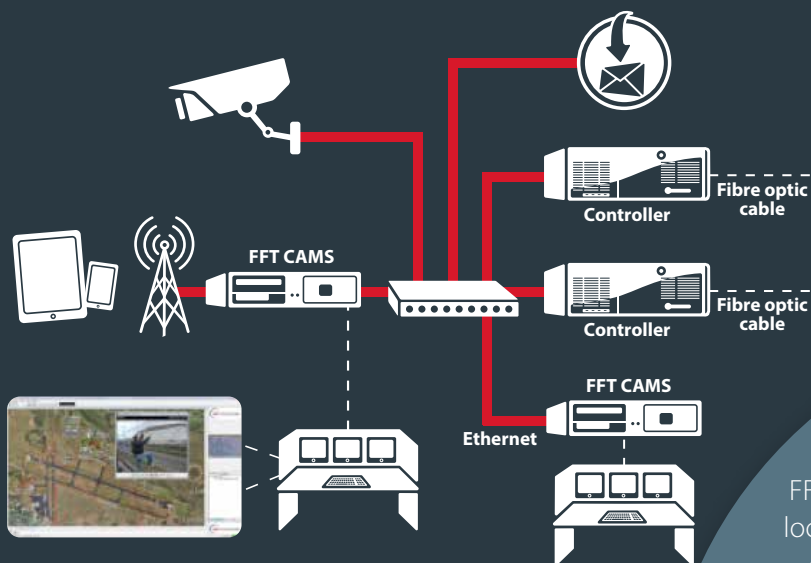
Analysis

The controller "listens" for changes in sensing fibre signals caused by an intrusion. The controller applies sophisticated algorithms (such as dynamic thresholds) to discriminate between an intrusion and background activity such as heavy rain.



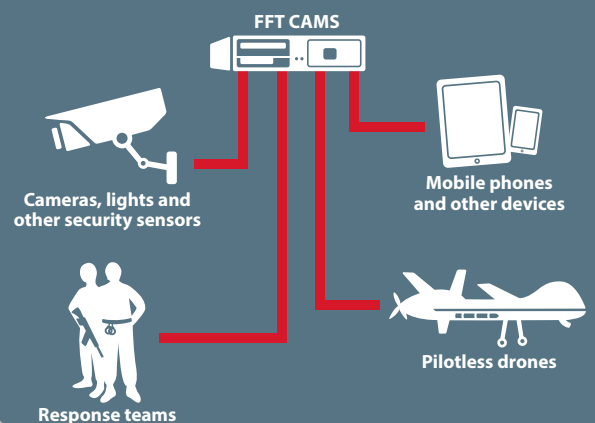
Communication

When an intrusion is detected, the controller sends details of the intrusion type and location to the FFT CAMS software. FFT CAMS records the event information to a secure database and converts the location on the fibre to Graphical Information System (GIS) coordinates for the physical site. Local security staff are automatically notified of the intrusion for verification.



Verification and Response

FFT CAMS instructs video surveillance to pan to the location of the intrusion. Local operational protocols can also be programmed into FFT CAMS to alert additional management via email and smart phones.



4.4 Strengths of FFT Security Systems



This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.

“We deployed FFT PIDS solutions at a large number of government facilities as part of a multi-year nationwide program and every aspect of FFT’s performance was outstanding. The integration with the video management system was seamless and our customer is delighted with the system.”

Thomas D. Crowley, CPP, PMP, Program Manager, Tyco Integrated Security

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Global Support

To support pre and post sales activities, FFT operates regional offices in the United States, Middle East, United Kingdom, Europe and India - with a total of 46 staff including those based at it's global headquarters in Australia. The function of these offices is to inform end-users, security consultants and System Integrators about the benefits of FFT technology and support the specification of the FFT systems in tenders.

FFT also operates demonstration centres with a variety of fence types in Australia, the United Kingdom and Europe, while specific customer installations are available for demonstration purposes in the USA and India.

Each office has full time sales and technical support staff. FFT regularly undertakes a range of sales activities including sales seminars, demonstrations and trials, site surveys, trade shows and developing commercial and technical proposals. Regional offices also provide post-sales support, such as commissioning and maintenance services, total life support and upgrades.

4.5 FFT Customers

FFT technology is used by security conscious industrial, military and government organisations around the globe. Installed in more than 55 countries, FFT system end-users include: government, military, security agencies; oil and gas, and transportation industries (airports, rail and ports); and high security sites such as correctional facilities and borders.

FFT primarily sells its products directly to system integrators. System integrators are parties that specialise in bringing together technology component subsystems into a whole and ensuring that those subsystems function together (**System Integrator**). The System Integrator may do this as part of a tender or contract or in conjunction with its other operations.

System Integrators who may have a contractual arrangement with the End User which requires them to arrange for installation of FFT's security solutions which may, at times, form part of a larger project or may specify FFT's products as part of a tender for installation or larger construction projects. Where the System Integrator is the successful party to any such tender (or procurement process) it will generally purchase FFT's product shortly before it is required for installation. Timing of the purchase will depend on a number of variables including size, site infrastructure works and the timetable for completion of the project.

FFT also has products suitable for smaller sites and designed to be sold through distributors.

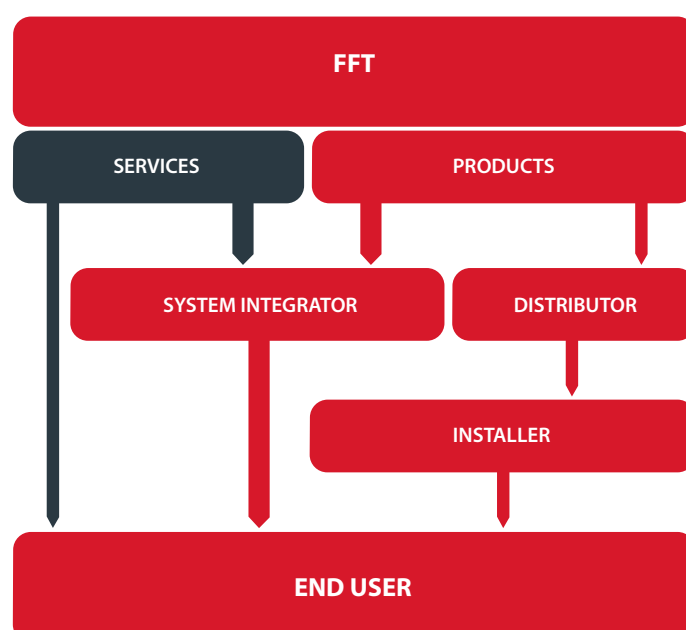
FFT may, when requested by a Customer, sell products or services to that Customer, and this usually consists of post installation services.

FFT services are typically sold to System Integrators, but certain post installation services may be sold direct to End Users.

FFT also educates key influencers in the specification and design of security solutions. These influencers include:

- design consultants that generate system specific requirements for the Customers and End Users
- lead System Integrators that have the authority to determine the specified security system, and
- End Users – some of which may choose to standardise the technology/supplier they use for their facilities regionally or globally.

The graphic below shows the various ways FFT currently sells its products and services.



4.6 Customer benefits

Low total cost of ownership

FFT products require no electronics in the field or any additional power or communication to the perimeter. With the cable simply attached to the fence, there is no need for cable trenching and infrastructure, resulting in a lower implementation cost. Maintenance costs are also reduced as all the electronics (the processor) is kept in a secure location – removing the need to replace field-based electronics due to vandalism, weather or lightning damage.

High reliability

The reliability of FFT products is enhanced by having all electrical operating components located housed in a secure location. For example, FFT Secure Fence electronics have an industry-leading mean time between failures (MTBF) in excess of 100,000 hours. MTBF is the predicted elapsed time between inherent failures of a system during operation. The FFT field deployed sensor, being the passive fibre optic cable, also has exceptional reliability with some FFT installations in continuous operation for more than 12 years.

Low nuisance alarm rates

Key to the success of any security system is retaining the confidence of operations staff. They need to be confident that they are not regularly responding to nuisance alarms - caused by environmental issues or activity in the proximity of the asset being protected. FFT can deliver systems with a low rate of nuisance alarms in some of the most challenging environments around the world. This capability is built on a platform of patented software, operational techniques and internal trade secrets.

All FFT products come pre-configured to operate effectively on a range of fence styles and applications and can be tailored by FFT to meet specific site conditions - further reducing the instance of nuisance alarms. FFT routinely works closely with end-users and System Integrators to ensure optimal performance for the life of each installation. This support can be delivered by remote Internet login and monitoring, or through offline analysis of site-specific signals collected and recorded over a period of time.

Global support

A high performance security solution requires quality design input throughout its development. FFT Customers benefit from local technical support provided by regional offices. This support includes specification development, detailed design, site surveys, integration, installation, commissioning and post installation maintenance. FFT commonly engages directly with End Users, specifiers/consultants and System Integrators to educate them about the full capabilities and benefits of the system. FFT can also provide ongoing training, services and support. The location of FFT global offices is an important factor in providing timely response support.

High-level integration

Through FFT CAMS and associated software development kits, FFT is able to provide seamless high level integration into the growing range of leading physical security information management systems used to manage all aspect of site security, including sensors, video and access control. Integration can be system and site specific, or encompass multi-site and long linear assets that incorporate multiple FFT systems covering both small and large sites into one highly integrated security system.

4.7 Competition

FFT competes with other fibre optic-based intrusion detection providers as well as some non-fibre intrusion detection systems. Non-fibre based intrusion detection systems include copper cable technologies, buried volumetric detection systems and, to a limited degree, infrared and video based intrusion detection systems.

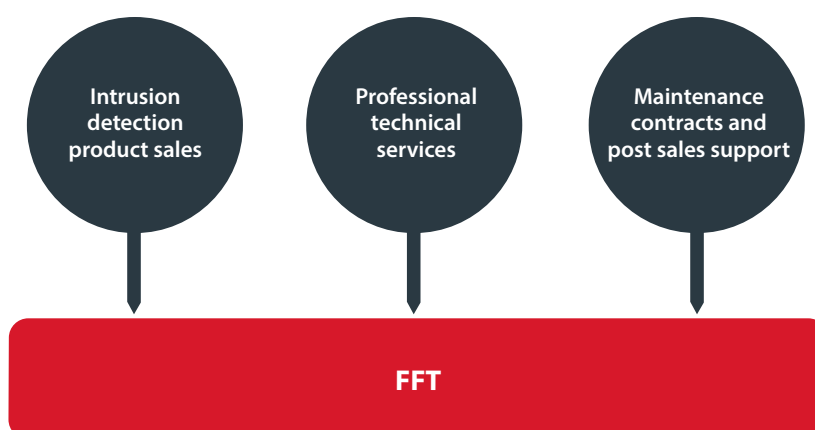
Fence fibre optic intrusion detection systems are produced by companies including Optex/FiberSensys (USA), Optellios (USA), CRH/Geoquip (UK), Remsdaq (UK) and some smaller country based manufacturers.

While there is little publicly available information in relation to the pipeline and data network markets, FFT understands that buried fibre optic solutions are supplied by OptaSense (UK), and a number of smaller regionally focused companies. Data Network security systems are produced by companies including Network Integrity Systems (USA) and Lynx Photonics (Israel).



4.8 Revenue

FFT currently has three separate revenue streams.



The sale of FFT intrusion detection products

FFT generates revenue from the sale of propriety fibre optic based intrusion detection products to System Integrators around the world. These System Integrators then install and integrate FFT products with other security system components to create a complete security solution.

In addition, to its own proprietary hardware and software products, FFT also sells third-party equipment - typically fibre optic cable, approved cable ties (for attaching the fibre optic cable to the fence), proprietary termination components, fibre optic patch panels, waterproof enclosures for protection fibre optic terminations, service pits and lids.

In the previous 3 financial years, the majority of FFT's revenue has been from product sales.

The provision of professional technical services

FFT generates revenue from the supply of services, which includes installation, and commissioning support, customer funded application tests, funded research and development, paid design and documentation services, custom software integration, Factory Acceptance Testing (FAT) and Site Acceptance Testing (SAT).

Annual maintenance contracts and post-sales technical support

Additional revenues are derived from maintenance support (on-call or scheduled annual maintenance), extended warranties, and software upgrade installation and support.

Geographical sources

The majority of FFT's revenue for the prior 3 financial years came from the Americas and the Middle East. In accordance with FFT's growth strategy set out in Section 5, FFT's current intention is to diversify its revenue sources to other geographical regions.

5. Growth Strategy

A photograph of an industrial refinery at night, featuring several tall distillation columns and a complex network of pipes and structural steel, illuminated by numerous bright lights against a dark blue sky. A large white circle is overlaid on the right side of the image, containing text.

**FFT'S objective is
to be the global
leader in fibre
optic solutions for
security and safety.**

5. Growth Strategy

FFT's objective is to be the global leader in fibre optic solutions for security and safety. Having established a leadership position in fence mounted perimeter security, FFT's long term growth strategy is designed to secure a dominant role in other application markets.

FFT intends to grow in a number of ways including as set out below:

Global expansion

Having established sales and support offices across the USA and the Middle East, FFT's recent focus has been on its presence in Europe and India. FFT intends to continue expansion in these markets and to establish a presence in additional regions. Priority locations for new FFT offices are expected to include Abu Dhabi, West India, North Asia and Latin America. FFT also intends to increase its demonstration and training centers. While already producing support materials in a number of languages, FFT intends to focus on multi language marketing and technical documentation as well as enhancing the website. FFT intends to also actively seek and obtain relevant local certification to enhance access to the global security market.

New distribution and OEM programs

FFT intends to develop simplified, high performance solutions to generate revenue from distribution and OEM channels. The initial focus is expected to be FFT Secure Point as well as simplified installation requirements and installer training material delivered through web-based training videos. This approach is expected to position FFT to enter a new market and generate revenue from distributors with significant territorial coverage and deal with a large number of Security Installers.

OEM programs are expected to target integrating and co-branding FFT intrusion detection capabilities with existing well known global security providers. OEM agreements are expected to complement the Distribution program, but with co-branded solutions that will leverage the OEMS existing market presence and partners with a lower cost of sales than traditional FFT solutions.

Solution expansion and enhancement

Building on its range of fibre optic intrusion detection solutions, FFT intends to continue to develop its existing platform products, and develop and integrate new leading fibre optic sensing technologies, and associated software classification techniques.

Enhanced integration

FFT CAMS provides an easy to use graphical user interface. As many End Users having a preferred PSIM system to monitor elements of their security infrastructure, FFT has developed Software Development Kits (SDK) to enable easy and rapid integration with each End User's chosen PSIM system. FFT can also work to integrate complementary sensing technologies directly into FFT CAMS to allow the integration of additional technologies such as fibre optic based leak detection solutions. If requested, FFT will also explore opportunities to customise and license its CAMS product to operate as the OEM front end for other sensor manufacturers.

Recurring revenue and software licenses

FFT intends to expand its services offering to include Annual Maintenance Contracts (AMC), which are expected to cover annual site visits and inspections, 24 hours phone support, and extended warranty programs. FFT is also developing annual license fee programs offering a range of services and upgrade options and an upgrade/trade-in program to provide a cost effective refurbishment path for FFT system that are coming to end of life.



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FFT's objective is to be the global leader in fibre optic solutions for security and safety. Having established a leadership position in fence mounted perimeter security, FFT's long term growth strategy is designed to secure a dominant role in other application markets.

Growth through acquisition

FFT has an established range of fibre optic security solutions to address the needs of complementary and adjacent perimeter intrusion applications including buried, acoustic and smart fence. FFT intends to consider the acquisition of technologies consistent with its overall growth strategy and actively pursue opportunities to expand its range of fibre optic solutions increase its accessible market and create a more comprehensive product and solution offering.

Expansion into adjacent applications

FFT plans to expand into adjacent applications for sensitive fibre optic based sensors including condition monitoring for transport applications such as road and rail sensing, traffic damage to bridges and leak detection for pipelines. It is expected that solutions for these markets will be addressed with FFT's current solutions or in partnership with complementary fibre optic technologies.

Quality of service

FFT intends to continue to grow its international sales and support offices by appointing or engaging skilled staff to support consultants, End Users and integrators during the full life cycle of projects. FFT is seeking to further enhance its Customer sales and technical support processes to ensure all Customers receive ongoing support during pre and post sales engagement and that these quality services are delivered in a timely and consistent manner globally.



6. Risk Factors and Considerations

This Section describes the areas which FFT believes are the major risks associated with an investment in FFT.

6. Risk Factors and Investor Considerations

6.1 Overview

There are a number of risks, some specific to FFT and some of a general nature, which may either individually or in combination materially and adversely affect the future operating and financial performance of FFT, its investment returns and the value of the Shares. Many of these risks are outside the control of FFT.

There can be no guarantee that FFT will achieve its objectives or that any forward looking statements or forecasts will eventuate. This Section describes the areas which FFT believes are the major risks associated with an investment in FFT. This is not an exhaustive list and should be considered in conjunction with other information disclosed in this Prospectus. You should have regard to your own investment objectives and financial circumstances, and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.

6.2 Risks specific to the business

Competition

There are other companies that sell security intrusion detection solutions for perimeters, pipeline and networks applications, some based on fibre-optics and some based on different technologies. There are other large organisations that provide complex security solutions that have developed in-house perimeter intrusion detection solutions.

The convergence of IT and security has, and is expected to continue to rapidly evolve, with new entrants and large players releasing new offerings in specific areas (for example, video analytics), that are adjacent to, or may influence End User's adoption of technology solutions.

FFT expects to face competition from such organisations, some of which will have greater financial, technical and marketing resources. Increased competition could result in margin reductions, underutilisation of employees, reduced operating margins and loss of market share. Any of these occurrences could materially adversely affect FFT's business, operating results and financial condition.

While FFT is aware of companies offering perimeter intrusion detection solutions, there is little public information available about potential competitors the emerging pipeline and data network markets.

Need to attract and retain skilled staff

FFT's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that FFT will be successful in attracting and retaining such personnel. A failure to do so may have a material adverse effect on the operations and profitability of FFT's business.

Management of future growth

FFT aims to increase the number of its employees and offices and the scope of its supporting infrastructure. This growth is likely to result in new and increased responsibilities for management and could place a significant strain on FFT's management.

FFT will be required to continue to implement and improve its systems in a timely manner in order to accommodate the increased number of transactions and Customers and the increased size of its operations. A failure to do so may adversely affect FFT's revenue and profitability. Failure to expand into the pipeline and data network markets as planned could also impact FFT's future growth.

Business contracts risk

There are a number of existing contracts which are material to FFT's business (see Section 10). Further contracts will likely be entered into by FFT which will also be material to FFT's business.

Many of these contracts are, or will be, governed by laws other than laws of Australia. There may be difficulties in enforcing contracts in jurisdictions other than Australia. Apart from the usual uncertainties and costs of litigation, there may be regulatory or practical considerations which frustrate the enforceability, or enforcement, of such contracts against foreign or foreign-owned counterparties. These matters may have a significant adverse effect on FFT's ability to enforce its contracts and may have a significant adverse effect more generally on FFT's business and profitability.

Apart from that, FFT is exposed to the potential of third-party insolvency. If a third-party with whom FFT has dealings becomes insolvent, this may also have a significant adverse effect on FFT and on its business and profitability. It should be noted that foreign insolvency laws are not necessarily similar to Australian insolvency laws.

Cancellation or delay of an infrastructure project

As detailed in Section 4.5, FFT's products are often specified by System Integrators as part of a tender in large construction or installation projects. The cancellation or delay of a project where FFT has been specified as the security system provider could have adverse implications on FFT's expected revenue. This risk is mitigated by the fact that the cancellation of a project would free up financial resources necessary to pursue other sales opportunities for other projects.

Exchange rates

FFT operates internationally and in several currencies. Accordingly, fluctuations in prevailing exchange rates affect FFT's profitability and financial position.

Currently, most of FFT's revenues are in US dollars and the majority of its costs are in Australian dollars. However, the mix of currencies in which FFT pays its costs and earns its revenues is changing over time. As that mix changes, there may be a greater impact on profitability in Australian dollar terms.

FFT's financial statements are prepared and presented in Australian dollars, and any appreciation in the Australian dollar against other currencies in which FFT transacts may adversely impact its financial performance and position.

Intellectual property stolen

FFT has patents and trademarks protecting some of its intellectual property. Know-how contained in confidential documentation and software source code associated with FFT intellectual property may be appropriated by a third party to the detriment of FFT which could materially impact on its business. FFT's confidential engineering documentation and proprietary source codes used in the FFT products are protected by restricted access of internal networks and hard copy documentation. External access to electronic documentation and source code is restricted by controlled passwords and firewalls. All

network data is protected from loss by secure backup processes and remote secure storage. There are risks associated with theft or misuse of the source codes.

Global nature

FFT has supplied products to End Users in, and provides products and services to companies, in multiple jurisdictions across the world. FFT primarily sells through System Integrators, while also providing its own commissioning services into many of these jurisdictions. Changes in local policies, regulations and legislations can affect FFT in ways that are hard to predict.

Government policies and procedures regulating security solutions approvals and certification may change over time resulting in local laws and practices that are time consuming and resource-intensive to comply with, or which are unclear. Required approvals may be difficult to obtain. Some of the jurisdictions in which FFT operates in the future may experience sudden civil unrest or major political change.

FFT's operations may be adversely affected by the risks associated with operating in such jurisdictions, which may impact on its ability to grow the business in overseas markets.

As a supplier of a security solution that is subject to oversight and approval by Australian Defence Export control, FFT can be restricted in the countries and companies that it can sell to, and these restrictions may vary with time and impact FFT's market access.

More generally, FFT will have to adapt to local business and contract customs in jurisdictions where it currently operates and where it plans to operate. This may result in FFT operating on less profitable terms than it has operated on historically, or ceasing to operate in such jurisdictions, which may adversely affect FFT's results or operations.

Liquidity and realisation risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the shareholders set out in the table in Section 1.6 holding approximately 71.2% of the Shares after completion of the Offer, these Shares being subject to escrow and trading restrictions, only 28.8% of the Shares will be able to be freely traded at completion of the Offer. With this limited free float,

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FFT sources a number of key technology components such as laser and optical devices, and some complete products that make up its total solution.

there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares.

Further, there is a risk that once the Shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell-down by the holders of those Shares. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

Supply chain disruption risk

FFT sources a number of key technology components such as laser and optical devices, and some complete products that make up its total solution. These devices are manufactured by third parties, which also manufacture devices for other companies (including on-sellers and distributors, and may also sell those products) through their own direct channels. These devices contain electronic components that are used in other devices manufactured for other businesses that have more purchasing power than FFT.

The global supply of these components has limitations and demand for these components is growing.

If other companies were to order more of these components than can be manufactured in a timely fashion then this may disrupt or delay device orders made by FFT. FFT may not be able to satisfy requests by End Users or System Integrators for more devices.

This would likely have a material adverse effect on FFT's ability to generate revenue. If disruptions were prolonged, they could have a material adverse effect on FFT's ability to continue to grow its business.



6.3 General risks

Force majeure risks

Force majeure is a term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war and strikes. FFT does not have insurance for all force majeure risks, some of which are, in any event, uninsurable. To the extent that any such risks occur, there may be an adverse effect on the operations and profitability of FFT's business.

Potential acquisitions

As part of its business strategy, FFT may make acquisitions of or significant investments in, complementary technologies, companies, services, and/or products. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short-term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

Further funding requirements

Although the Directors believe that, on completion of the Offer, FFT will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the Existing Shareholders of FFT.

Long-term investments

Investors are strongly advised to regard an investment in FFT as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. FFT cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

6.4 Risks associated with holding Shares

Investment risk

There are several types of investment risk that may affect an investment in FFT, including a decline in the market price of the Shares (the initial capital value may decrease, especially if investing for the short term), the amount received as income may vary over time or the value of an investment may not keep pace with inflation. This includes the possibility that FFT may not be able to achieve the medium to long-term capital growth objectives.

Economic conditions

The operating and financial performance of FFT is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on FFT's business or financial situation.

Government

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.

7. Financial Information

Under the terms of the Offer, FFT is offering to issue 30,000,000 Shares to raise \$21,000,000.

7. Financial Information

7.1 Introduction

The financial information for FFT contained in Section 7 includes:

Statutory historical financial information for FFT being the:

- Statutory historical consolidated statement of comprehensive income for the years ended 30 June 2012 ("FY2012"), 30 June 2013 ("FY2013"), and 30 June 2014 ("FY2014") and statutory historical consolidated statement of comprehensive income for the 6 months ended 31 December 2014 ("HY2015") (**Historical Results**)
 - statutory historical consolidated statement of cash flows for FY2012, FY2013, FY2014 and HY2015 (**Historical Cash Flows**)
 - statutory historical consolidated statement of financial position as at 31 December 2014 (**Historical Balance Sheet**)
- (the **Historical Financial Information**).

Pro forma historical financial information for FFT being the pro forma historical consolidated statement of financial position as at 31 December 2014 (**Pro Forma Historical Balance Sheet**)

Forecast financial information for FFT being the forecast consolidated statement of comprehensive income for FY2015 (**Forecast Results**)

The Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

Also summarised in this Section 7 are:

- the basis of preparation and presentation of the Financial Information (see Sections 7.4, 7.5 and 7.6)
- the Company's best estimate general and specific assumptions underlying the Forecast Financial Information (see Sections 7.4, 7.5 and 7.6) and key sensitivities in respect of the Forecast Financial Information (see Section 7.15)
- FFT's proposed dividend policy (see Section 7.16).

All amounts disclosed in the tables in this Section 7 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$1,000.

FFT's financial year ends on 30 June. References to financial year 2014 or FY2014, for example, refer to its financial year ended June 30 2014.

7.2 Overview

Under the terms of the Offer, FFT is offering to issue 30,000,000 Shares to raise \$21,000,000. See Key Offer Information and Section 1 for further details of the Offer.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Historical Financial Information unless otherwise noted.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

FFT's key accounting policies have been consistently applied throughout the periods presented and are set out in Section 7.17.

The information in this Section 7 should be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

7.3 Preparation of Historical and Pro Forma Historical Financial Information

The Historical Financial Information has been extracted from FFT's audited consolidated financial statements for FY2012, FY2013, FY2014 and reviewed consolidated financial statements for HY2015.

The FY2012, FY2013 and FY2014 statutory financial statements of FFT were audited by its external auditor at the time, BDO – East Coast Partnership, which issued

an unqualified audit opinion for FY2012. For FY2013, FFT's external auditor issued a qualified audit opinion. The qualification related to FFT recognising income and a debtor for an amount of \$1,024,269 in relation to a supply agreement. The auditor believed that at the time there was insufficient evidence to support that the income was virtually certain and therefore in accordance with the requirements of AASB137 the amount should not have been recognised as income and should have been disclosed as a contingent asset. For FY2014 the external auditor obtained sufficient additional evidence on this matter to issue an unqualified opinion.

The half year ended 31 December 2014 financial statements were subject to review by Pitcher Partners, who issued an unqualified review conclusion.

The Historical Financial Information is summarised in Tables 1 and 2 in Section 7.8 and Tables 3 in Section 7.9 and Table 4 in Section 7.14.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. It has been derived from the Historical Financial Information, with pro forma adjustments being made to reflect FFT's capital structure that will be in place following completion of the Offer.

The Historical and Pro Forma Historical Financial Information included in this Prospectus has been reviewed by Pitcher Partners Corporate but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (see Section 8). See Table 3 in Section 7.9 for a reconciliation between the Historical Balance Sheet and Pro Forma Historical Balance Sheet.

Investors should note that past results are not a guarantee of future performance.

7.4 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus.

The Forecast Financial Information has been prepared by FFT based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Sections 7.5 and 7.6.

The Forecast Financial Information is subject to the risks set out in Section 6. The inclusion of these assumptions and risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by Pitcher Partners Corporate but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (see Section 8).

FFT believes the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on FFT's actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of FFT, the Directors and management, and are not reliably predictable. Accordingly, FFT, the Directors, nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The Forecast Financial Information should be read in conjunction with the general assumptions in Section 7.5, the specific assumptions in Section 7.6, the sensitivity analysis in Section 7.15, the risk factors in Section 6 and other information in this Prospectus.

FFT has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

7.5 General assumptions

In preparing the Forecast Financial Information, the following general assumptions relating to the forecast period have been adopted by FFT:

- no material change in the competitive operating environment in which FFT operates
- no significant deviation from current market expectations of global or local economic conditions in the geographic locations that FFT's current, or prospective, Customers operate
- no material changes in Commonwealth, State or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure of FFT during the forecast period
- no material changes in applicable Australian Accounting Standards or other mandatory professional reporting requirements or the Corporations Act, which have a material effect on FFT's financial performance, financial position, accounting policies, financial reporting or disclosure during the forecast period
- no material loss of material contracts or Customers
- no material cash flow or income statement or financial position impact in relation to contingent liabilities or legal claims will arise or be settled to the detriment of FFT
- retention of key personnel and FFT maintains its ability to recruit and retain the personnel required to support future growth
- no material restructuring, disruption to the continuity of FFT's operations or other material changes in its business
- no material acquisitions or divestments
- no material changes to FFT's operating model or capital structure other than as set out in, or contemplated by, this Prospectus
- no material amendment to any material agreement or arrangement relating to FFT's businesses
- none of the key risks set out in Section 6 occur, or if they do, none of them has a material adverse impact on the operations of FFT
- the Offer proceeds are received in accordance with the timetable and terms detailed in Key Offer Information and Section 1 of the Prospectus and are underwritten.

7.6 Forecasts and associated assumptions

Revenue

Revenue is forecast to grow by 34.5%, from \$13.170 million in FY2014 to \$17.720 million in FY2015. The weaker Australian dollar in comparison to FY2014 is expected to be a contributing factor to this growth with underlying US dollar sales growing by 16.4% from US\$12.057 million in FY2014 to US\$14.031 million in FY2015.

Forecast revenue, and the associated cost of sales, assume successful execution of FFT's global business plan with the expansion of its sales team and business activities to meet forecast Customer demand. In prior periods FFT has seen a significant number of opportunities globally that it has been unable to pursue due to limited human and financial resources. With increasing cash reserves FFT has progressively grown revenues and opportunities and following the capital raising expects to be able to service larger scale projects and other major projects that require a greater working capital capacity and stronger balance sheet. In the past the FFT's growth had been significantly constrained by its existing capital structure.

Both FFT and its Customers are required to perform various obligations under their contractual arrangements, and timing of execution of those obligations can be subject to a number of factors outside the control of FFT meaning that actual results may differ from the forecast results. Refer to Section 4.5 for an explanation of FFT's current service delivery model and relationship between FFT and the users of its products.

There are also a number of other factors which may impact on FFT's ability to achieve forecast revenue including:

- the forecast revenues are based on projects where FFT knows its products and/or services have been specified as part of the project and the project is reasonably expected to proceed within the forecast period (as confirmed with the relevant System Integrator or End User). Other opportunities and Customer re-orders for additional FFT products

that may arise from time to time, have not been included in forecast revenues (unless there is a high degree of certainty that the sale will proceed). Forecast revenues are based on a conservative assessment of project delivery expectations. FFT's success in converting and delivering on these opportunities in the forecast period is subject to a number of factors including some which are outside of FFT's control. For example, until any project is started there is always some uncertainty as to whether it will proceed at all or there is always a risk that the project may be delayed or its execution could be extended

- in recent years FFT has focused its attention on progressively expanding its sales and marketing capabilities in a focused attempt to build a robust pipeline of sales opportunities. The forecast revenues are based upon actual sales opportunities already identified (as detailed above). It is expected that the capital raising will assist FFT to continue to expand this pipeline of opportunities within existing and new geographical regions (to meet both existing demand and to identify new Customer opportunities). The forecast revenues do not include any additional revenue that may be the result of this proposed expanded pipeline of opportunities
- in recent years FFT has also focused its attention on expanding its product portfolio, (particularly over the last 12 months). In pursuing this goal FFT has sought to ensure that, where possible, FFT's products provide complete solutions. (some of these changes include expanding 3rd party integration, increasing the product sensing distance for zone based systems and ongoing improvements to classification algorithms). The forecast revenues reflect FFT's view that these efforts have been, at least in part, successful. FFT's ability to continue to successfully expand recurring revenue streams, licensing income, and technical support services warranty income as well as its portfolio of PID solutions offered will be important to its ongoing growth. If FFT fails to continue to successfully expand its portfolio of products this is likely to have a detrimental effect on its future revenue, and
- industry profile is extremely important. FFT is continuing to seek to build its industry profile through the work it does with influencers and End

Users (refer to section 4.5 for further details). FFT expects that it will need to continue to increase awareness of its solutions in the security market in order to attract new project opportunities. The success to date of such profile building activities in recent years is reflected in the forecast revenues.

Gross profit

Gross profit is forecast to grow 13%, from \$9.627 million in FY2014 to \$10.839 million in FY2015 consistent with forecast sales growth. Gross profit margin over the same period is forecast to decline slightly from 73% in FY2014 to 61% in FY2015 consistent with the forecast product and service sales mix.

Operating expenses

Total operating expenses are forecast to grow 15%, from \$7.376 million in FY2014 to \$8.502 million in FY2015, reflecting new employees, marketing and occupancy costs associated with opening new offices and expanding existing offices globally to increase FFT's sales, marketing and global customer support functions. FY2015 operating expenses also includes \$0.327 million in one time costs associated with the issue of Options to directors and key employees.

EBITDA and EBIT

EBITDA is forecast to grow 17%, from \$2.005 million in FY2014 to \$2.337 million in FY2015.

EBIT is forecast to grow 20%, from \$1.609 million in FY2014 to \$1.927 million in FY2015.

Change in working capital

Working capital requirements are expected to increase in line with forecast sales growth in FY2015.

Capital expenditure

Capital expenditure in FY2015 is expected to be driven by incremental costs associated with opening new offices and expanding existing offices such as purchasing computers, printers and mobile phones for new employees. These costs are forecast at \$0.381 million in FY2015.

Capitalised intangible assets

FFT intends to continue developing its solutions in intrusion detection security and forecasts spending an amount of \$0.026 million during FY2015 to secure and register patents for this purpose.

Foreign exchange rates

FFT receives the majority of its revenue in USD. For the purpose of the FY2015, FFT has assumed an exchange rate of \$1 = US\$0.78. This exchange rate is approximately the same as spot rates at the time of preparation of the forecasts and is consistent with longer term historical exchange rates observed between AUD/USD.

7.7 Explanation of certain non-IFRS financial measures

FFT uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These are known as non-IFRS financial measures and the principal ones used in this Prospectus are as follows:

- EBITDA is earnings before interest, taxation, depreciation and amortisation
- EBIT is earnings before interest and taxation.

These measures are reconciled to NPAT in Table 1.

FFT believes that these measures provide useful information about the financial performance of FFT, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way FFT calculated these measures may differ from similarly titled measures used by other companies. Investors should therefore not place undue reliance on these non-IFRS financial measures.

7.8 Historical and Forecast Results

Set out in the table below are the Historical and Forecast Results for FFT. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

Table 1: Historical and Forecast Results

A\$'000 (thousand)	Actual FY2012	Actual FY2013	Actual FY2014	Actual HY2015 ⁽¹⁾	Forecast FY2015
Revenue	11,295	12,118	13,170	5,773	17,720
Cost of goods sold	(4,479)	(3,842)	(3,543)	(2,405)	(6,881)
Gross Profit	6,816	8,276	9,627	3,368	10,839
FX gains/ (losses)	159	245	(246)	404	-
Operating Expenses	(7,721)	(7,040)	(7,376)	(4,012)	(8,502)
EBITDA	(746)	1,481	2,005	(240)	2,337
Depreciation/Amortisation	(416)	(433)	(396)	(213)	(410)
EBIT	(1,162)	1,048	1,609	(453)	1,927
Interest Paid	(12)	(1)	-	(2)	-
Interest Received	47	30	18	4	15
Profit/(Loss) of disposal of fixed assets	-	(65)	3	-	-
Profit/(Loss) Before Tax	(1,127)	1,012	1,630	(451)	1,942
Income Tax credit/(expense)	40	(3)	-	-	-
Profit/(Loss) After Tax (NPAT)	(1,087)	1,009	1,630	(451)	1,942

(1) Revenue and orders in hand for HY2015 totalled \$9.269 million. This amount includes recognised revenue as above and a further \$3.496 million of unfulfilled orders on hand at 31 December 2014 for projects expected to complete during FY2015.

Table 2: Key operating metrics (A\$000)

%	Actual FY2012	Actual FY2013	Actual FY2014	Actual HY2015	Forecast FY2015
Revenue Growth %	5.0%	7.3%	8.7%	N/A*	34.5%
Operating Expenses (% of Revenue)	68%	58%	56%	70%	48%
EBITDA (% of Revenue)	(6.60%)	12.22%	15.22%	(4.16%)	13.19%
EBIT (% of Revenue)	(10.28%)	8.65%	12.22%	(7.85%)	10.87%
Profit After Tax Growth %	52.4%	192.8%	61.5%	N/A*	19.1%
P/E ratio (undiluted)	-	-	-	-	43.5%

*N/A=Not available due to comparative information not disclosed

7.9 Pro Forma Historical Balance Sheet

Table 3 sets out the adjustments that have been made to the audited Historical Balance Sheet as at 31 December 2014 to prepare the Pro Forma Historical Balance Sheet for FFT. These adjustments reflect certain pro forma adjustments including the impact of the operating and capital structure that will be in place following completion of the Offer as if it had occurred or were in place as at 31 December 2014.

Table 3: Pro Forma Historical Consolidated Statement of Financial Position as at 31 December 2014

A\$'000 (thousand)	Actual 31 Dec 2014 ⁽¹⁾	Pro forma Adjustments ⁽²⁾	Pro forma 31 Dec 2014 ⁽³⁾
Current Assets:			
Cash and cash equivalents	1,739	19,590	21,329
Trade and other receivables	4,486	5	4,491
Inventories	1,613	-	1,613
Other current assets	174	-	174
Current tax assets	211	-	211
Total current assets	8,223	19,595	27,818
Non-current assets:			
Plant and equipment	857	-	857
Intangibles	1,393	-	1,393
Total non-current assets	2,250	-	2,250
Total assets	10,473	19,595	30,068
Current liabilities:			
Trade and other payables	1,575	-	1,575
Provisions	824	-	824
Interest Bearing debt	550	-	550
Total current liabilities	2,949	-	2,949
Non-current liabilities:			
Provisions	6	-	6
Interest bearing liabilities	164	-	164
Total non-current liabilities	170	-	170
Total liabilities	3,119	-	3,119
Net assets	7,354	19,595	26,949
Equity:			
Issued capital	24,277	19,595	43,872
Accumulated losses	(16,923)	-	(16,923)
Total equity	7,354	19,595	26,949

Notes:

- (1) Column 1 represents the consolidated statement of financial position of FFT as at 31 December 2014.
- (2) Column 2 represents the pro forma adjustments required to reflect the conduct of the Offer as described in Section 7.10.
- (3) Column 3 represents the pro forma consolidated statement of financial position of FFT after the conduct of the Offer and related transactions disclosed in the Prospectus.

Asset backing

Based on the Pro forma Consolidated Statement of Financial Position above FFT's pro forma net tangible asset backing per Share will be 19 cents fully diluted (21 cents per Share undiluted) on completion of the Offer and related transactions as disclosed in this Prospectus.

7.10 Pro forma adjustments to the Consolidated Statement of Financial Position

The pro forma adjustments made to the Historic Balance Sheet of FFT as at 31 December 2014 (being the most recently audited statement of financial position date) reflect the following events and assumptions:

- issued capital has been adjusted by \$21 million to reflect the gross proceeds from the Offer
- Offer costs are estimated at \$1.489 million
- issued capital has been adjusted by \$1.405 million, which is the capitalised amount of these costs. Associated with these costs however is a tax benefit of the cash component \$0.423 million which has not been recognised as a deferred tax asset.

7.11 Commentary on major items included in Consolidated Statement of Financial Position as at 31 December 2014 and management discussion and analysis of historical results

The key items included in the Consolidated Statement of Financial Position as at 31 December 2014 are:

- receivables due on ordinary commercial terms and substantially relate to funds receivable from Customers
- intangible assets comprise FFT's own developed intellectual property
- FFT has commercial line of credit facility with Westpac Banking Corporation for a line of credit of \$1.0m. The facility is currently un-utilised. At

completion of the Offer, FFT does not anticipate any changes to its financing arrangements or financial indebtedness

- provisions including employee entitlements of \$0.796 million.

For FFT's financial year ended 30 June 2014 revenues from outside Australia constituted approximately 93% of its total revenues. At present, all of FFT's revenues from international sales are invoiced from and collected by its Australian entity and recognised as a component of income before taxes in Australia as opposed to a foreign jurisdiction.

Finally, FFT believes the benefits of Customer success and resulting positive Customer references are amplified for companies with an industry-specific focus. FFT believes these factors have contributed to its rapid growth and early profitability.

For FY2012, FY2013 and FY2014 FFT's revenues were \$11.295 million, \$12.118 million and \$13.170 million, respectively, representing year-over-year growth of more than 7% from 2013 to 2014.

FFT has improved its net result from a loss of \$1.087 million in 2012 to a profit of \$1.009 million and \$1.630 million for FY2013 and FY2014, respectively.

For the half year ended 31 December 2014, FFT has experienced sales in line with the comparable period of the prior year. It has recorded a net loss of \$0.451 million for HY2015 as a number of projects anticipated to complete prior to 31 December 2014 remained incomplete. As at 31 December 2014 FFT had \$3.496 million of Customer orders in hand that it was working to fulfil.

To date, FFT has funded its business primarily with proceeds of capital raising via the issue of share capital and cash flows from operations, and it plans to continue to invest in the development of its solutions, infrastructure and sales and marketing to drive long-term growth and Customer success.

7.12 Key factors affecting FFT's performance

Investment in growth

FFT has commenced its investment and intends to continue to invest aggressively in expanding the breadth and depth of its Perimeter Intrusion Detection Solutions (PIDS) and sales focused resources.

FFT expects to invest in research and development to expand existing and build new solutions; sales and marketing to promote its solutions to new and existing Customers and in existing and expanded geographies.

FFT will also invest in professional services to ensure the success of its Customers' implementations of FFT's solutions; and other operational and administrative functions to support its expected growth and transition to a public company. FFT expects that its headcount will increase as a result of these investments. FFT expects its total operating expenses to increase over time, and, in some cases, have short-term negative impacts on its net income margin.

7.13 Discussion and analysis of historical results of operations

Below is a summary of the main factors which affected FFT's operations and financial performance in FY2012, FY2013, FY2014 and HY2015. FFT anticipates that these factors may continue to affect operating and financial performance in future periods.

The general factors described below are a summary only and do not represent all factors that affected FFT's financial performance or all factors that are expected to affect operating and financial performance in future periods. The information in this Section should be read in conjunction with the risk factors set out in Section 6 and other information contained in this Prospectus.

Market Conditions

The Company's financial performance is impacted by the general market conditions and their subsequent impact on business and government spending. Market conditions including consumer confidence, business confidence, commodity prices including oil and gas prices and levels of terrorism and security concerns all contribute to an environment that impacts the financial performance of FFT.

REVENUES

Sales Revenue

Sales Revenue is significantly affected by quantum, scale and timing of projects to build or upgrade secure facilities and infrastructure. Sales revenues are recognised when products and services are delivered. FFT makes a significant portion of its sales in US dollars

and thus movements in the AUD/USD exchange rate may have an impact on FFT's sales revenues and gross profits. Sales revenues from FY2012 to FY2013 and FY2014 experienced modest growth of between 4% - 5% as FFT had limited sales resources available to address the opportunities available in the global market. Australian dollar equivalent sales were also impacted by an appreciating Australian dollar versus the US dollar.

Other income (expense), net

Other income (expense), net consists primarily of R&D grant concession income and transaction gains or losses on foreign currency transactions.

Historically FFT has received income from Australian Government grants and incentives related to it undertaking research and development activities. FFT expects it will continue to be eligible to receive these grants in future years, however from FY2016 onwards it believes that such grants and incentives are likely to be received as a tax offset rather than income.

OPERATING EXPENSES

Operating expenses consists mainly of sales and marketing activities, and general and administrative costs.

Operating costs reduced nearly 9% between FY2012 and FY2013 from \$7.721 million to \$7.040 million and increased by around 5% in FY2014 to be \$7.376 million. This was achieved through rigorous management of all operational costs across the business to minimise working capital requirements and allow opportunity for growth.

Sales and marketing

Sales and marketing expenses consist primarily of employment-related expenses, sales commissions, Customer-focused events and travel-related expenses. Sales commissions and other incremental costs to acquire contracts are expensed as incurred. These expenses are partly fixed and partly variable.

General and administrative

General and administrative expenses consist of employment related expenses for finance and accounting, legal, human resources and management information systems personnel, legal costs, professional fees and other corporate expenses.

EBITDA and EBIT

EBITDA and EBIT improved from losses in FY2012 to profits in FY2013 through a combination of lower operating expenses and improved gross margins. Whilst operating expenses increased slightly in FY2014, this was more than offset by continued improvements in gross margin, with EBITDA improving 35% and EBIT 54% in comparison to the FY2013 year.

7.14 Consolidated Statements of Cash Flow

Set out in the table below are the summarised historical consolidated statements of cash flows for FFT for FY2012, FY2013, FY2014 and the half year ended 31 December 2014. This information should be read in conjunction with information provided elsewhere in the Prospectus.

Table 4: Consolidated Statements of Cash Flow

A\$'000 (thousand)	Actual FY2012	Actual FY2013	Actual FY2014	Actual HY2015
Cash flows from operating activities:				
Receipts from customers (inclusive of GST)	13,019	10,626	10,720	6,035
Payments to suppliers and employees	(13,108)	(10,378)	(11,226)	(5,425)
Interest received	47	30	12	4
Interest paid and finance costs	(12)	-	-	(45)
Income tax refunded	31	107	374	-
Net cash flows provided by/(used in) operating activities	(23)	385	(120)	569
Cash flows from investing activities:				
Purchase of property, plant and equipment	(142)	(30)	(188)	(371)
Proceeds from disposal of property, plant and equipment	-	61	7	-
Security deposits and bank guarantees	(2)	410	(15)	-
Expenditure on Patents and Trade Marks	(177)	(42)	(36)	(8)
Net cash flows provided by/(used in) investing activities	(321)	399	(232)	(379)
Cash flows from financing activities:				
Proceeds from borrowings	24	-	44	195
Proceeds from related party borrowings	-	-	-	475
Payment of finance charges	(4)	(9)	(15)	-
Net cash flows provided by/(used in) financing activities	20	(9)	29	670
Net increase/(decrease) in cash and cash equivalents	(324)	775	(323)	860
Cash and cash equivalents at beginning of period	751	427	1,202	879
Cash and cash equivalents at end of period	427	1,202	879	1,739

7.15 Sensitivity analysis

The Forecast Financial Information included in Section 7 is based on a number of estimates and assumptions as described in Sections 7.4, 7.5 and 7.6. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of FFT, the Directors and management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below in Table 5 is a summary of the sensitivity of the Pro Forma Forecast Results to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purposes of this analysis, each sensitivity is presented in terms of the impact of each on FY2015 pro forma forecast EBIT is set out below.

Table 5: NPAT sensitivity to key factors of FFT's operations

Key assumption category	Type of variation	Potential impact on FY2015 EBIT in \$000's
Revenue growth ⁽¹⁾	1% more / (less)	Increases / (reduces) by \$104
Gross profit margin	1% more / (less)	Increases / (reduces) by \$173
Operating expenses	1% more / (less)	(Reduces) / increases by \$82
AUD/USD exchange rate	1% more / (less)	Increases / (reduces) by \$63

Note: (1) The revenue growth rate reflects the forecast speed at which a customer will commence implementation and usage of the FFT Platform. If it is slower or faster than FFT has forecast, the positive or (negative) change to its revenue could be material.

In the event that one or more downside sensitivities were to occur, there are a number of actions that FFT could take to mitigate the impact on EBIT. These have not been reflected in the sensitivities in Table 7.

Table 6 demonstrates the potential impact on revenue that may arise from variations to the Key Best Estimate Assumptions (either positive or negative).

Table 6: Revenue sensitivity to key factors of FFT's operations

Key assumption category	Type of variation	Potential impact on FY2015 Revenue in \$000's
AUD/USD exchange rate	1% more / (less) (Where more is a higher USD/lower AUD and less is a lower USD/higher AUD)	Increases / (reduces) by \$171

Care should be taken in interpreting each sensitivity. The estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the Pro Forma Forecast Results. In practice, changes in assumptions may offset each other or be additive, and it is likely that management would respond to any adverse change in one item to seek to minimise the net effect on FFT's NPAT and cash flow.

7.16 Dividend policy

FFT has not forecast a dividend payment for the forecast period. The Directors cannot and do not give any assurances as to the extent, timing, level of franking or payment of any dividends in any future period as all of the foregoing are dependent upon a number of factors including the level of future earnings, the amount of tax paid, the financial position of FFT, future operating conditions and future cash requirements to fund growth.

7.17 Key accounting policies and material accounting matters

Set out below are a number of significant accounting policies and other material accounting matters that have been used in the preparation of the financial information in Sections 7.8 and 7.14.

(a) Basis of preparation of the financial report

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Compliance with IFRS

The consolidated financial statements of PP Focus Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Going concern

The financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity (the group), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments

are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and amortised from the date that control ceases.

(d) Critical accounting estimates and judgements

The Company evaluates estimates and judgments incorporated into the prospectus based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(e) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to FFT and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered to be passed to the buyer at the time of delivery of the goods to the customer.

Long term projects

Where the project outcome can be reliably measured, control of the right to be compensated for work done and the stage of completion can be reliably measured. Stage of completion measured by reference to actual costs incurred to date as a percentage of total estimated costs.

Grants and incentives

Government grants and incentives are recognised when there is reasonable assurance that the entity

will comply with the conditions attached to them and the grants will be received.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that is intended to compensate.

Interest revenue

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of GST.

(g) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to apply those temporary differences and losses against.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured

products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(j) Intangibles

The intangible assets are recognised at cost or fair value at the date of acquisition. The balances are reviewed annually and any balances representing probable future benefits that are no longer anticipated are written off.

Intellectual property

Intangible assets relating to FFT's intellectual property, are initially recorded at cost, and is amortised over the period of the expected benefits (10 years).

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are amortised only when each of the following specific criteria has been satisfied:

- technical feasibility of completing development of the software for sale
- availability of adequate technical, financial and other resources to complete development of the software
- reliable measurement of expenditure attributable to the product during its development
- high probability of the software being used by current or new Customers.

Capitalised development costs have a finite life and are amortised on a systematic basis over the period beginning in the year following capitalisation and cease at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Costs capitalised include direct payroll and payroll related costs of employees' time spent on the software development projects.

The estimated useful life and total economic benefit for each asset are reviewed at least annually. During the year, the expected pattern of consumption of future economic benefits has been assessed and the carrying amount of the asset will be amortised based on a straight line basis over the remaining useful life of 10 years. Amortisation expense is included in 'Depreciation and Amortisation Expenses' of the Statement of Comprehensive Income.

(k) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation and amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(l) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Depreciation is calculated on a diminishing basis over the estimated useful life of the asset as follows:

Property, plant & equipment	Rate of Depreciation (years)
Office furniture and equipment	10
Motor vehicles	4.4
Computer equipment	2 - 7
Plant and equipment	2 - 10
Demonstration equipment	2.5 - 5

(m) Financial instruments

Classification

The group classifies its financial assets into the following categories: financial assets at fair value through profit and loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties, including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Finance leases

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

(o) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that outflow can be reliably measured.

(p) Employee benefits

Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates, which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long-term employee benefit obligations

Provision is made for long service leave, including on-costs arising from service rendered by employees to balance date.

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Share-based payments

The group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(q) Borrowing costs

Borrowing costs can include interest amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred.

(r) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the reporting date.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.

8. Investigating Accountant's Report

Pitcher Partners Corporate has prepared the Investigating Accountant's Report included in this Prospectus and has also performed work in relation to the due diligence enquiries on financial matters.



PITCHER PARTNERS
CORPORATE PTY LTD

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15 William Street
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Tel: +61 3 8610 5000
fax: +61 3 8610 5999

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partners@pitcher.com.au

Ref: MWP:jc

16 April 2015

The Directors
Future Fibre Technologies Limited
10 Hartnett Close
MULGRAVE VIC 3170

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON FUTURE FIBRE TECHNOLOGIES LIMITED'S (ACN 064 089 318) HISTORICAL, PRO FORMA HISTORICAL AND FORECAST FINANCIAL INFORMATION.

This Investigating Accountants' Report has been prepared at the request of the Directors of Future Fibre Technologies Limited ("the Company" or "FFT") for inclusion in a Prospectus to be dated 16 April 2015 in connection with the initial public offering of 30 million Shares at an offer price of \$0.70 per Share to raise \$21 million.

Pitcher Partners Corporate Pty Ltd ("Pitcher Partners Corporate") has been requested to prepare a report covering the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information described below and set out in the Prospectus.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary in the Prospectus.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Service License (AFSL) under the *Corporations Act 2001*. Pitcher Partners Corporate holds the appropriate AFSL under the *Corporations Act 2001*.

Background

FFT from its head office in Melbourne, develops and manufactures optical fibre intrusion detection and security systems for perimeter oil and gas pipeline and data communication network applications globally.

The principal purposes of this offering is to increase FFT's ability to scale its global sales and support teams, continue developing and investing in intellectual property, increase financial flexibility, increase visibility in the marketplace and create a public market for its Shares.

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate to review the following Historical Financial Information of FFT included in the Prospectus:

- the statutory historical consolidated statement of comprehensive income for the 3 years ended 30 June 2014 and 6 months ended 31 December 2014 (Historical Results);
- the statutory historical consolidated statement of cash flows for the 3 years ended 30 June 2014 and 6 months ended 31 December 2014 (Historical Cash Flows); and
- the statutory historical consolidated statement of financial position as at 31 December 2014 (Historical Balance Sheet).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the audited financial reports of FFT for the 3 years ended 30 June 2014 (which were audited by BDO- East Coast Partnership (BDO) in accordance with the Australian Auditing Standards) and 6 months ended 31 December 2014 (which were reviewed by Pitcher Partners in accordance with the Australian Auditing Standards). Unmodified audit and review opinions were issued on each of the financial reports with the exception of the year ended 30 June 2013 on which BDO issued a qualified audit opinion. The qualification related to the company recognising income and a debtor for an amount of \$1,024,269 in relation to a supply agreement. The auditor believed that at the time there was insufficient evidence that income was virtually certain and therefore in accordance with the requirements of AASB137 the amount should not have been recognised as income and should have been disclosed as a contingent asset. The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Pitcher Partners Corporate to review the Pro Forma Historical Financial Information. The Pro Forma Historical Financial Information has been derived from the Historical Balance Sheet as at 31 December 2014 of FFT, after adjusting for the effects of pro forma adjustments described in Section 7 of the Prospectus (the Pro Forma Historical Balance Sheet). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the transactions to which the pro forma adjustments relate, as described in Section 7 of the Prospectus, as if those transactions had occurred as at the date of the Pro Forma Historical Balance Sheet. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, or cash flows.

Forecast Financial Information

You have requested Pitcher Partners Corporate to prepare a report covering the Forecast Financial Information. The Forecast Financial Information set out in Section 7 of the Prospectus comprises:

- the forecast consolidated statement of comprehensive income of FFT for the year ending 30 June 2015 (Forecast Results); and
- best estimate assumptions underlying the Forecast Financial Information.

The Company is responsible for the preparation and presentation of the forecast, including the best-estimate assumptions, which include the pro forma transactions, on which they are based. The forecast has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecast to which it relates for any purposes other than for which it was prepared.

Our review of the best-estimate assumptions underlying the Company's forecast was conducted in accordance with the Australian Auditing and Assurance Standard ASAE 3450 "Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of the Company and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best-estimate assumptions do not provide a reasonable basis for the preparation of the forecast and whether, in all material respects, the forecast is properly prepared on the basis of the best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Company disclosed in the Key Accounting Policies and Material Accounting Matters note of Section 7 of the Prospectus so as to present a view of the Company which is consistent with our understanding of the Company's past, current and future operations.

The forecast has been prepared by the Company to provide investors with a guide to the Company's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgment involved in the preparation of forecasts. Actual results may vary materially from the forecast and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 6 of the Prospectus and sensitivity analysis set out in Section 7 of the Prospectus.

Our review of the forecast information that is based on best-estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecast Financial Information included in Section 7 of the Prospectus.

Directors' responsibility

The directors of FFT are responsible for the preparation and presentation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information and the best-estimate assumptions included in the Forecast Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error. The forecast has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report or on the forecast to which it relates for any purposes other than for which it was prepared.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Auditing Standards.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 7 of the Prospectus, and comprising:

- the Historical Results for the 3 years ended 30 June 2014 and 6 months ended 31 December 2014;
- the Historical Cash Flows for the 4 years ended 30 June 2014 and 6 months ended 31 December 2014; and
- the Historical Balance Sheet as at 31 December 2014;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the Pro Forma Historical Balance Sheet as at 31 December 2014 is not presented fairly in all material respects, in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Forecast Financial Information

Based on our review of the Forecast Financial Information, which is not an audit, and based on an investigation of the reasonableness of the Company's best-estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

- the Company's best-estimate assumptions set out in Section 7 of the Prospectus do not provide reasonable grounds for the preparation of the forecast;
- the forecast is not properly compiled on the basis of the Company's best-estimate assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in the Key Accounting Policies and Material Accounting Matters note of Section 7 of the Prospectus; and
- that the forecast itself is unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Company. If events do not occur as assumed, actual results and distributions achieved by the Company may vary significantly from the forecast. Accordingly, we do not confirm or guarantee the achievement of the forecast, as future events, by their very nature, are not capable of independent substantiation.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 7 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for another purpose.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Liability

Pitcher Partners Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included. The liability of Pitcher Partners Corporate is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate makes no representation regarding, and has no liability for, any other statement or other material in, or any omissions from, the Prospectus.

Independence and Disclosure of Interest

Pitcher Partners Corporate and Pitcher Partners do not have any interest in the outcome of this Offer other than the preparation of this report, the provision of financial due diligence and other advisory services in relation to the Offer and acting as auditor of the Company, for which normal professional fees will be received.

Financial Services Guide

Our Financial Services Guide has been included at the end of this report to assist retail investors in their use of any general financial product advice that may be in our report.

Yours faithfully

PITCHER PARTNERS CORPORATE PTY LTD



M W PRINGLE

Executive Director and Representative



Pitcher Partners Corporate Pty Ltd
ACN: 082 323 868
AFSL: 229841

Level 19
15 William Street
MELBOURNE VIC 3000
Tel: +61 (0) 3 8610 5000

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by FFT to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +61 (0) 3 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service Limited ("FOSL"). FOSL provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOSL at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

9. Directors, Key Personnel, Interests and Benefits



Oil

The FFT Board currently comprises five members, three Non-Executive Directors and two Executive Directors.

9. Directors, Key Personnel, Interests and Benefits

9.1 Board of Directors

The FFT Board currently comprises five members, three Non-Executive Directors and two Executive Directors.

The Board considers an independent director to be a Non-Executive Director who is not a member of FFT's management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that director's judgment. FFT considers Arlene Tansey, Mark Stevens and Terence Winters to be independent, giving the Board a majority of independent Directors.

Arlene Tansey – Chairman



Arlene is currently Chairman of Urbanise.com Limited and a Director of Adelaide Brighton Limited, Primary Health Care Limited, Infrastructure NSW, Lend Lease Investment Management and the Australian Research Alliance for Children & Youth. She is a member of the advisory boards of Serco Asia Pacific and a Director of Hunter Phillip Japan Pty Limited. Before becoming a Non-Executive Director, Arlene worked in commercial and investment banking in Australia and in investment banking and law in the United States. She holds a Juris Doctor from the University of Southern California Law Centre and an MBA from New York University. She is a member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors. Arlene is originally from New York and has lived and worked in the United States, South America and Europe. She has lived in Australia for the past 20 years and is an Australian citizen. She is married with two daughters.

Rob Broomfield – Chief Executive Officer



Rob is an experienced business executive with more than 20 years of management experience including the past 18 years in senior positions within companies operating in the security industry. Prior to joining FFT, he was with Vision Systems Limited, where he served as the General Manager of Asia Pacific for their Fire and Security systems. In addition to his international sales and marketing success, Rob has extensive experience in operations management, including product engineering, procurement, manufacturing and operations. He has previously had 10 years experience with IBM in Australia and the United States. Rob is currently chairman of Maxsec Ltd holds no other positions on boards of other Australian listed companies.

Dr Fred Davis – Chief Operating Officer



Fred is an experienced leader manager of technology innovation businesses having worked for the last 19 years in senior management positions. Prior to joining FFT, Fred led Business and New Product Development for Universal Biosensors Inc., and was CEO and Business Unit Director for Invetech Pty Ltd, a leading contract product development and manufacturing firm that played a pivotal role in the success of ASX listed Vision Systems Limited. Fred's specialist experience includes strategic management, business development, and advanced technology development and manufacturing.

Mark Stevens – Non-Executive Director



With more than 25 years of experience in senior management roles with multi-national corporations, Mark is a seasoned executive with broad experience in sales and general management in the Telecom and IT sector. Mark has a successful track record of developing and growing profitable businesses in Asia, Americas and Australia/New Zealand. Mark has held senior positions with Nortel Networks Inc., Aircom International Limited, ECI Telecom Ltd and is currently VP Asia at Transmode AB.

Terence (Terry) Winters – Non-Executive Director



Terry serves as Chairman and Non-Executive Director on the Boards of a number of Charities and Public and Private Companies in Australia and the US. Terry is widely recognised throughout the Information Technology and Communications (ITC) industries and within Government in Australia for his leading role as an advocate of deregulation and industry restructuring and for his vision and leadership that led to the formation and development of Optus Communications Pty Ltd (Australia's second telecommunications carrier) in the period 1989 to 1992. Terry also founded Link Telecommunications Pty Ltd. and worked in a number of senior executive roles for Motorola in Australasia and the US. Terry is currently Chairman of Seeing Machines Limited, a Director of Redflex Holdings Limited and is a Fellow of the Australian Institute of Company Directors.

Key Personnel

Leigh Davis - Chief Financial Officer/Company Secretary



Leigh Davis is a CPA with more than 20 years finance and accounting experience across a range of industries including energy, technology and telecommunications. Leigh has served as Chief Financial Officer and Company Secretary of both ASX listed and unlisted companies, and has previously held Commercial Finance and Corporate Reporting roles in Australia, the United Kingdom and Europe for NYSE, NASDAQ and FTSE listed companies. Leigh holds a Bachelor of Business (Accounting) degree and a MBA from London Business School. He is also a graduate of the Australian Institute of Company Directors.

Rob Broomfield (see above)

Fred Davis (see above)

9.2 Interests and benefits

(a) Remuneration and interests of Directors and Key Personnel

Under the Constitution of FFT, the Directors (other than any managing director or a Director who is a salaried officer) may be paid such remuneration determined from time to time by FFT at a general meeting. The current aggregate remuneration must not exceed \$250,000. The Directors may divide the remuneration among themselves in any proportion they determine (see table below).

The remuneration payable by FFT to the Directors must not be increased without the prior approval of Shareholders at a general meeting.

The Directors may be reimbursed for all travelling and other expenses they incur in attending Directors' meetings, any committee of the Directors or any general meetings of FFT or otherwise in connection with FFT's business. A Director may also be paid such special or additional remuneration as the Directors decide, if the Director performs extra services or makes any special exertions for the benefit of FFT.

The remuneration of the Directors and Key Personnel are set out below.

Name	Remuneration	STI	Retirement
Executive Directors			
Rob Broomfield	\$269,217	\$115,200	\$18,783
Fred Davis	\$241,217	\$64,000	\$18,783
Non-Executive Directors			
Arlene Tansey	\$36,000	-	\$3,420
Terence Winters	\$24,000	-	\$2,280
Mark Stevens	\$24,000	-	\$2,280
Key Personnel			
Leigh Davis	\$200,000	\$50,000	\$18,783

(b) Employment arrangements with Non-Executive Directors

Each Director is subject to re-election on retirement at any Annual General Meeting of FFT at which they are required to retire by rotation.

This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.

A large yellow crane is lifting a massive, dark-colored pipe into a deep trench. The pipe is being hoisted by several thick cables. In the background, other construction equipment, including excavators, are visible on a dirt road. The site is arid with hills in the distance under a clear blue sky. A large white circle with a dark blue border is overlaid on the bottom right of the image, containing text.

The main policies and practices adopted by FFT, which will take effect from listing on ASX, have been lodged with ASIC and are incorporated by reference in the Prospectus.

(c) Directors/Key Personnel interest in Shares and Options

The table below sets out the Shares and Options currently held by the Directors and Key Personnel (or by their associates) and the percentage of Shares they will hold after completion of the Offer on both a non diluted and fully diluted basis.

Name	Shares held after the Offer	Percentage of Shares after the Offer (non diluted)	Options currently held	Percentage of Shares after the Offer (fully diluted)
Executive Director				
Rob Broomfield	-	0.0%	4,500,000	3.3%
Fred Davis	-	0.0%	1,200,000	0.9%
Non-Executive Director				
Arlene Tansey	300,000	0.2%	250,000	0.4%
Terence Winters	877,380	0.7%	200,000	0.8%
Mark Stevens	-	0.0%	200,000	0.1%
Key Personnel				
Leigh Davis	-	0.0%	900,000	0.7%

(d) Related party transactions

The Directors are entitled to receive the following benefits:

- (i) the Directors have the right to receive the fees and benefits set out in this Section.
- (ii) FFT has agreed to provide an indemnity to the Directors in limited circumstances. See Section (e) for details.

Except as set out in this Prospectus there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are or were, interests of a Director in the promotion of FFT or in any property proposed to be acquired by FFT in connection with its formation or promotion.

Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him or her to become or qualify him or her as a Director or otherwise for services rendered by him or her in connection with the promotion or formation of FFT.

(e) Director Protection Deeds

FFT has agreed to provide access to board papers and minutes to current and former Directors of the Company while they are Directors and for a period of seven years from when they cease to be Directors.

FFT has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities, which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of the Company. The Company has also agreed to maintain in favour of each Director a directors' and officers' policy of insurance for the period that he or she is a Director and for a period of seven years after the officer ceases to be a Director.

(f) Participation in the Offer

An entity associated with Arlene Tansey will subscribe for 300,000 Shares under the Offer.

No other Directors are participating in the Offer.

9.3 Corporate Governance

The Board has created a framework for managing FFT including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the business and which are designed to promote the responsible management and conduct of FFT. The main policies and practices adopted by FFT, which will take effect from listing on ASX, have been lodged with ASIC and are incorporated by reference in the Prospectus. Copies of all documents incorporated by reference can be obtained, upon request and free of charge during the Offer Period, from the registered office of FFT as described in the Corporate Directory of this Prospectus. They are also available on FFT's website.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. While the recommendations are guidelines only, FFT must provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where FFT does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. The Board has adopted corporate governance policies and practices, which are in accordance with the ASX Corporate Governance Principles and Recommendations.

A summary of FFT's corporate governance policies and committees is set out below.

(i) Board Policy

The Board Policy provides a framework for the effective operation of the Board and management.

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Committee and the Remuneration and Nomination Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of FFT, relevant legislative and other requirements and the skills and experience of individual Directors.

Under the Board's Policy, Board committee performance evaluations will occur regularly.

Audit and Risk Committee

This committee must have at least three members, a majority of whom must be independent and a majority whom must be Non-Executive Directors. Arlene Tansey, Terence Winters and Mark Stevens will be the members of this committee. Mark Stevens will act as Chair of the committee.

Remuneration and Nomination Committee

This committee must have a majority of independent Directors (including the Chair). Arlene Tansey, Terence Winters and Mark Stevens will be the members of this committee. Terence Winters will act as Chair of the committee.

(ii) Diversity Policy

FFT values a strong and diverse workforce and is committed to developing measurable objectives to achieve diversity in its workplace. FFT has a diversity policy which aligns FFT's management systems with the commitment to develop a culture and business model that values and aims to achieve diversity in its workforce.

(iii) Continuous Disclosure Policy

FFT will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, FFT will be required to disclose to the ASX any information concerning FFT which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. FFT has adopted a policy to take effect from listing on the ASX which establishes procedures which are aimed at ensuring that Directors and management fulfil their obligations in relation to the timely disclosure of material price sensitive information.

(iv) Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct, to take effect from listing on the ASX, to be followed by all employees and officers.

The code of conduct sets out FFT's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, financial integrity, and conflicts of interest.

(v) Share Trading Policy

FFT has adopted a written policy to take effect from listing on the ASX for dealing in Shares, which is intended to explain the prohibited type of conduct in relation to dealings in Shares under the Corporations Act and to establish a best practice procedure in relation to Directors', management's and employees' dealings in Shares. Subject to the overriding restriction that persons may not deal in Shares while they are in possession of material price sensitive information, Directors and management will only be permitted to deal in Shares during certain 'window periods', such as following the annual general meeting, the release of FFT's full and half year financial results, or the release of a disclosure document offering Shares. Outside these periods, Directors and management must receive clearance for any proposed dealing. In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

(vi) Insider Trading Policy

FFT has established the Insider Trading Policy in an effort to prevent the incidence of insider trading in Shares. This Insider Trading Policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Director, Executive and employee to comply with this Insider Trading Policy.



10. **Material Contracts**

This Section only contains a summary of the material contracts and their substantive terms. It does not fully describe all the provisions of each contract.

10. Material Contracts

There are a number of contracts which are significant or material to FFT. The main provisions of each contract are summarised below. The Directors consider that the material contracts described below are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

This Section only contains a summary of the material contracts and their substantive terms. It does not fully describe all the provisions of each contract.

10.1 Original Equipment Manufacturer (OEM) Distribution and License Agreement between FFT and Fotech Solutions Ltd

FFT has entered into an equipment manufacture agreement with Fotech Solutions Ltd (Fotech). The agreement is dated 27 January 2015 and relates to Fotech's "Helios Integrator" products, which are acoustic sensor solutions.

The agreement is governed by the laws of England and Wales.

FFT can, in relation to these products:

- purchase and distribute the products under FFT's brand;
- integrate Fotech's hardware into FFT's platforms; and
- license the software and hardware offered by Fotech (subject to agreement between the parties of a licensing contract).

(a) Term

The agreement operates from 27 January 2015 and will continue until at least 27 January 2019 after which either party can terminate the agreement by providing one year's notice.

(b) Exclusivity

Fotech appoints FFT as the exclusive worldwide distributor of certain products for security applications directly to End Users and (if Fotech gives written approval) through FFT's affiliated systems integrators, distributors, value added resellers and resellers.

FFT may lose these exclusive rights if it does not meet certain milestones. If the exclusive rights are lost, all other rights under the agreement, however, remain in full force and effect and FFT can continue on the non-exclusive terms.

(c) Integration

FFT and Fotech collaborate to integrate Fotech products with FFT CAMS (described at Section 4.2 of the Prospectus).

(d) Prices

Fotech must sell the products to FFT at the prices specified. Fotech must offer FFT pricing equal to or better than any other third party that it supplies materially similar products to.

Fotech and FFT will review price increases for the products on an annual basis.

(e) Indemnities

Fotech indemnifies FFT for damages and reasonable expenses related to any suits or claims by a third party brought against FFT alleging that any of the products, or licensed materials sold or licensed under the agreement, infringe any patent, copyright, trademark, trade secret or similar right.

The indemnity however does not extend to any products which are:

- made in whole or in part in accordance with FFT's specifications or instructions and those FFT specifications or instructions are the source of the alleged infringement;
- modified outside the specifications, or by any unauthorised party, if the alleged infringement relates to such modification; or
- combined with other products, processes or materials where the alleged infringement relates to such combination, provided that the alleged infringement claim could not be made but for the combination.

(f) Limitation of liability

Neither party is liable for consequential, indirect, special or punitive damages of any kind. The agreement limits Fotech's liability in respect of any product to 125% of the price of the relevant product order and Fotech's total aggregate liability to FFT cannot exceed £5 million.

FFT must hold product liability insurance for at least £5 million per any one claim.

(g) Termination

Events of termination include (among others):

- Either of the parties ceasing to carry on business;
- FFT being merged with or acquired by a direct competitor of Fotech;
- Breach of a material obligation;
- FFT failing to comply with Fotech's anti-bribery policy;
- Either party becoming insolvent.

(h) Change of control

On a change of control of either party, the other party may give written notice to terminate the agreement if it believes that a change of control could significantly affect the business relationship between the parties.

Listing on a stock exchange does not constitute a change of control.

10.2 Original Equipment Manufacturer (OEM) and Value Added Reseller Agreement between FFT and SFO Technologies Private Limited

FFT has entered into an Original Equipment Manufacturer (**OEM**) and Value Added Reseller Agreement with SFO Technologies Private Limited (**SFO**). The agreement is dated 12 December 2013 (and is amended by an Amendment Agreement dated on or about August 2014) and sets out the rights of the parties to jointly bid FFT's Secure Link technology, described in Section 4.2 of the Prospectus and associated software solutions (the **FFT Hardware** and **FFT Software**) by leveraging SFO's local Indian manufacturing, operational and technology capabilities for the purpose of an Indian Ministry of Defence tender (**MOD Tender**).

The agreement is governed by the laws of Victoria, Australia.

Under the agreement, FFT appoints SFO as a value added reseller of the FFT Hardware and FFT Software for the purpose of the MOD Tender.

(a) License

Under the agreement, FFT grants SFO the following rights:

- An exclusive license to manufacture the FFT Hardware for the marketing, promotion and sale of goods and services pursuant to the MOD Tender or any related tender (the **Purpose**)
- The right to brand the FFT Hardware and FFT Software and any bundled product (being a combination of **FFT Hardware** and **FFT Software**) with FFT branding
- The right to use FFT's secure link trademark within the agreed branding
- An exclusive license to distribute the FFT Software for the Purpose, within India, but only when bundled with FFT hardware
- An exclusive license to distribute any spare or replacement parts for the FFT Hardware or FFT Software within India

- The right to reproduce, abridge, condense or translate all or portions of the FFT user documentation in accordance with the agreement, and
- The right to distribute the FFT user documentation solely in conjunction with the distribution of a bundled product.

FFT's rights to distribute any of its products anywhere within India is not limited and it may also appoint any other third party to distribute the products within India, (except for supply under the MOD Tender).

SFO also has incidental rights under the agreement to use executable code for the purposes of reproducing copies of the FFT Software or for providing support as required by the agreement, and FFT will provide SFO with licence keys to unlock the FFT Software.

(b) Term

The term of the agreement is the entire period of contractual obligations under the MOD Tender.

(c) Sub-licensing

Under the agreement SFO is prohibited from giving any other reseller or dealer the right to manufacture or distribute the FFT Hardware or FFT Software, or any bundled product, unless FFT gives written consent. FFT can withhold its consent at its discretion.

(d) Specific obligations of FFT

FFT must:

- Provide SFO with reasonable required support to enable SFO to respond to the technical aspects of the MOD Tender
- Provide all reasonably required training required for SFO to successfully manufacture, test, install and integrate FFT Software with SFO software, or to commission and support the FFT Hardware or any bundled product
- Provide reasonable technical support, and
- Provide, free of cost, support to SFO to identify alternative suppliers for any obsolete parts recommended by FFT.

(e) Intellectual Property

Each party retains their existing intellectual property rights and specifically, FFT retains all intellectual property rights in the FFT Hardware, FFT Software and any bundled product. Further, any intellectual property rights that arise during the integration process are the sole property of FFT.

(f) Termination

Events of termination include:

- Either party defaulting on any of its obligations under the agreement
- Either party becoming insolvent
- Either party ceasing to carry on business, and
- Either party may terminate the agreement without cause on the expiry date of the existing Term.

(g) Non Compete

During the term of the agreement and for not less than 12 months after the agreement, SFO (or any of its affiliates) must not distribute or develop any product that is substantially competitive with the FFT Hardware, FFT Software or any bundled product.

Further, SFO must not during the term of the agreement and for not less than 18 months after the agreement distribute or develop a product that is similar with the products of FFT (not limited to those the subject of the agreement) or supply or offer to supply any other product except for the FFT hardware, software and bundled product, to any party for the purpose of supply under the MOD Tender.

(h) Liability and indemnities

Express, implied or statutory warranties or expressly excluded with respect to the condition, quality, quantity, merchantability, fitness or suitability of the FFT Software, the FFT Hardware or any bundled product or the SFO software.

Underwriting Agreement between FFT and KTM Capital Pty Limited

Under this agreement, dated 1 April 2015, KTM Capital Pty Limited (ACN 086 281 950) (**KTM**) has agreed with FFT to underwrite the Offer. The Underwriter will receive an underwriting commission equal to 4.70% of the aggregate price of all Shares issued under the Prospectus by FFT. The Underwriter will also be issued the KTM Options and receive payment from FFT of reasonable costs and expenses incurred by the Underwriter in connection with the Offer.

The KTM Options are unlisted options, each option being a right to one Share. The KTM Options have an exercise price of \$0.875 and are exercisable at any time before the third anniversary of listing. The KTM Options have an approximate value of \$79,361.

The Underwriter may terminate its obligations to satisfy a shortfall if any of the termination events specified in the agreement occur before the Offer Shares are allotted under the Offer. The termination events are qualified by a requirement that before being entitled to terminate, the Underwriter must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on FFT or the outcome of the Offer, or could give rise to a material liability of the Underwriter.

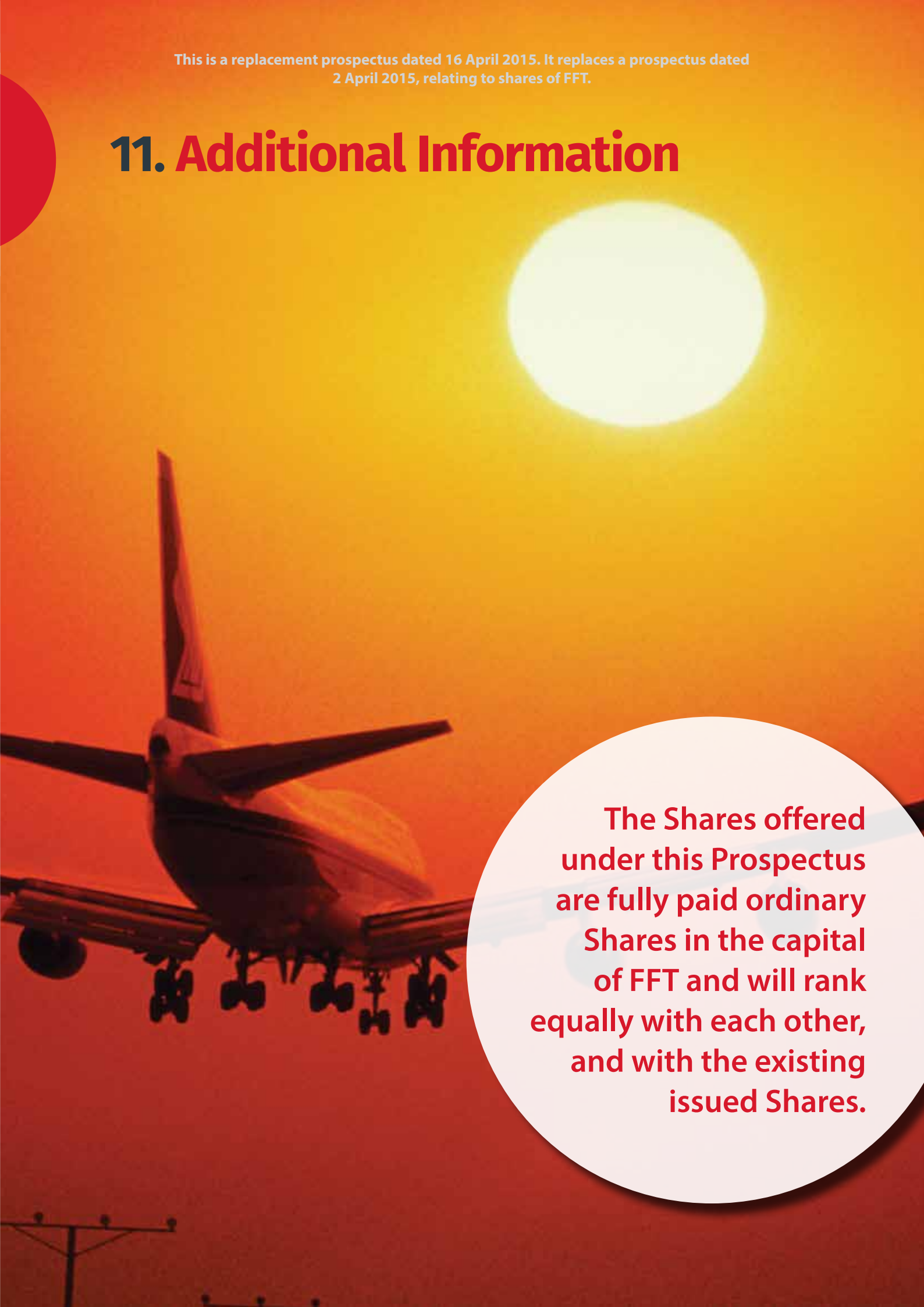
Events of termination include (among others):

- ASIC issues a stop order in relation to the Offer
- the Prospectus is defective
- a supplementary or replacement prospectus needs to be lodged with ASIC to complete the Offer without contravention of the Corporations Act
- FFT withdraws the Prospectus or the Offer
- any person (other than the Underwriter) withdraws its consent to being named in the Prospectus
- ASX refuses to quote the Shares
- an unauthorised change to FFT's capital structure takes place
- an insolvency event takes place in relation to a member of the Group
- a market fall of 10% or more in the S&P/ASX All Ordinaries Index or the S&P/ASX Small Ordinaries Index takes place and persists for at least three consecutive trading days
- an outbreak or escalation of hostilities or a state of war exists involving Australia, New Zealand, United States of America, the Commonwealth of Independent States or any of its constituent republics, Canada, Japan, Thailand, Singapore, Malaysia, Hong Kong, North Korea or the Republic of China
- any material adverse change or disruption to the financial markets of Australia, United States of America or other major international financial markets occurs
- any change occurs in national or international political, financial or economic conditions which would make it impractical, in the reasonable judgement of the Underwriter, to market the Shares or to enforce contracts to purchase the Shares or is reasonably likely to materially and adversely affect the success of the Offer
- any new law, regulation or policy which adversely affects, or is likely to adversely affect, the principal business of FFT or capital issues or stock markets generally is introduced or announced by a government or the Reserve Bank of Australia of Australia
- an adverse change takes place in relation to FFT
- FFT contravenes its constitution or the Corporations Act
- FFT breaches a material obligation under the agreement
- a director of FFT is charged with an indictable offence
- a representation or warranty given by FFT under the agreement or given to the Underwriter is untrue or incorrect in any material respect
- any of the material contracts summarised in this Section 10 are amended or terminated without the Underwriter's prior consent, and
- FFT becomes engaged in any legal proceedings.

FFT has agreed to indemnify the Underwriter, its related bodies corporate and each of their officers, employees and advisers against all losses, liabilities, claims, damages, costs and expenses incurred by them in connection with the Offer (subject to certain exemptions relating to, among other things, any fraud, wilful misconduct, recklessness or negligence by them).



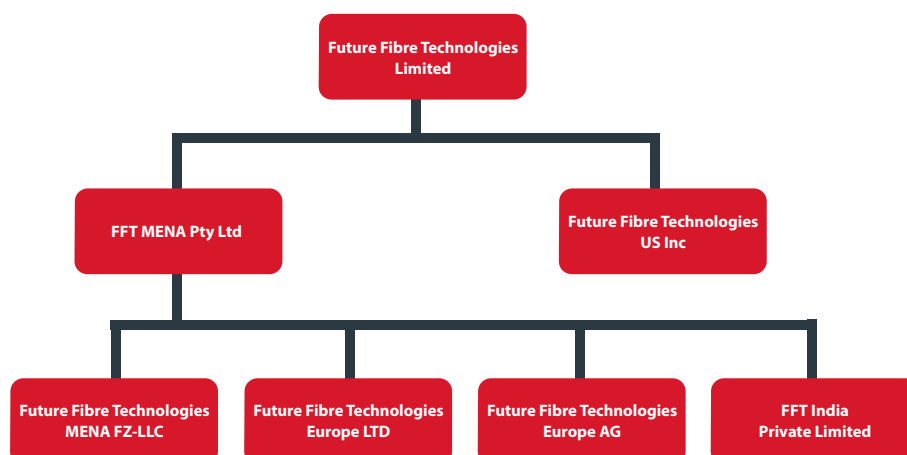
11. Additional Information



The Shares offered under this Prospectus are fully paid ordinary Shares in the capital of FFT and will rank equally with each other, and with the existing issued Shares.

11. Additional Information

11.1 Corporate history, corporate structure



11.2 Rights attaching to the Shares

The Constitution of FFT was adopted on 4 February 2015. The key rights and liabilities of the share provisions of the Constitution are set out below.

The Shares offered under this Prospectus are fully paid ordinary Shares in the capital of FFT and will rank equally with each other, and with the existing issued Shares. There will be no liability on the part of Shareholders for any calls.

Detailed provisions relating to the rights attaching to the Shares are set out in FFT's constitution and the Corporations Act. A copy of FFT's Constitution can be inspected during office hours at the registered office of FFT.

Each Share confers on its holder:

- the right to receive notice of and to attend general meetings of FFT and to receive all financial statements, notices and documents required to be sent to them under the Constitution, the Corporations Act and the Listing Rules
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none)

- the right to receive dividends, according to the amount paid up or credited as paid on the Share
- the right to receive, in kind, the whole or any part of FFT's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as 'restricted securities' and the rights of a liquidator to distribute surplus assets of FFT (with the consent of members by special resolution)
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in a general meeting by special resolution.

11.3 Terms and conditions of Options

FFT has an option plan (**Option Plan**) to assist in the attraction, motivation and retention of FFT employees and directors. The Option Plan enables FFT to grant Options to FFT employees. All employees are eligible to participate in the Option Plan after one continuous year of employment.

Each Option is a right to one Share, which may be conditional on the satisfaction of performance indicators and Company performance milestones, as determined by the Board. The Board will also determine the issue price, exercise price (which must be at least \$0.20) and any vesting conditions at the time it offers the Options.

Once an Option vests it remains exercisable for a period of five years, after which it lapses absolutely. The Options are not transferable other than to related parties.

A Share issued following the exercise of any Option will rank equally in all respects with the Shares. FFT will apply for quotation of the Shares issued on exercise. The Options are not quoted.

If an employee has their employment terminated for misconduct or breach of their employment contract the Options immediately lapse. If an employee has their employment terminated for any other reason the Options lapse three months from the date of termination and FFT will refund the issue price to the Option Holder.

Many of the current Options held by employees, were issued under the 2010 Options Plan (**2010 Option Plan**). The 2010 Option Plan is on similar terms to the Option Plan, except that:

- the issue price is equal to the last formal assessment of the value of any Shares issued by FFT in the previous 12 months
- 30% of the Options vest when the holder is employed for a year, the remaining 70% vest monthly on a pro rata basis over three years of employment. This is subject to any specific terms of issue
- if any one shareholder of FFT holds more than 60% of the fully diluted capital of FFT all Options become exercisable
- if a holder wishes to sell its Options, it must first offer them to existing Shareholders. If no Shareholder wishes to acquire the Options, FFT has the right to repurchase the Options.

All Options to be issued to employees from the date of this Prospectus will be issued under the Option Plan.

11.4 Interests of Directors, advisers and promoters

Except as set out in this Prospectus, no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director, or proposed Director to induce them to become, or to qualify as, a director of FFT; and

- none of the following persons:
 - a Director or proposed Director of FFT
 - each person named in this Prospectus as performing a function in a professional, advisory

or other capacity in connection with the preparation or distribution of this Prospectus

- a promoter of FFT
- holds or held at any time during the last two years an interest in:
 - the formation or promotion of FFT
 - property acquired or proposed to be acquired by FFT in connection with its formation or promotion or the offer of the Shares
 - the offer of the Shares
- or was paid or given or agreed to be paid any amount or benefit for services provided by such persons in connection with the formation or promotion of FFT or the offer of the Shares.

11.5 Interest of advisers and other persons

Watson Mangioni has acted as Australian legal adviser to FFT in relation to the Offer. FFT has paid or agreed to pay, approximately \$115,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Watson Mangioni in accordance with its normal time-based charges.

Pitcher Partners Corporate has acted as the Investigating Accountant on the Historical Financial Information and the Pro Forma Financial Information in relation to the Offer and has performed work in relation to its Investigating Accountant's Report in Section 8. FFT has paid, or agreed to pay, approximately \$65,000 (excluding disbursements and GST) to Pitcher Partners Corporate for the services up to the date of this Prospectus. Further amounts may be paid to Pitcher Partners Corporate under time based charges.

KTM has acted as Underwriter to FFT in relation to the Offer. FFT has paid or agreed to pay, approximately \$987,000 (excluding disbursements and GST) and issue the KTM Options to KTM for these services up until the date of this Prospectus. The KTM Options have an approximate value of \$79,361. Further amounts may be paid to KTM in accordance with its normal time-based charges.

11.6 Taxation and financial year

FFT is taxed as a public company. FFT's financial year ends on 30 June annually.

The acquisition and disposal of Shares have tax consequences, which will differ depending on the tax status (including residing for tax purposes) and individual financial affairs of each investor.

All current or potential investors in FFT are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, FFT, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

11.7 Costs of the Offer

The expenses of the Offer which are payable by FFT are estimated to be approximately \$1,489,000 (excluding GST). This includes advisory, legal, accounting, tax, listing and administration fees, share registry and other expenses.

The table below itemises the expenses of the Offer by description and provides an estimate as to the value of each.

Accounting	\$65,000
Legal	\$115,000
Printing	\$25,000
Share Registry	\$8,000
Underwriting fee	\$1,066,000
ASX	\$120,000
Other	\$90,000
Total	\$1,489,000

The amounts, and other expenses of the Offer, will be paid by FFT out of the proceeds of the Offer or out of available cash.

11.8 Legal proceedings

FFT is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had a significant effect on the financial position of FFT. As far as the Directors are aware, no such proceedings are threatened against FFT.

11.9 Consents and responsibility statements

KTM has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian underwriter to FFT in the form and context in which it is named.

KTM has only been involved in the preparation of that part of the Prospectus where they are named as underwriter to the Offer. KTM specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. KTM has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Watson Mangioni has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to FFT in the form and context in which it is named.

Watson Mangioni has only been involved in the preparation of that part of the Prospectus where they are named as the Australian legal adviser to the Offer. Watson Mangioni specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. While Watson Mangioni has provided Australian legal advice to the Directors in relation to the issue of the Prospectus and the conduct of due diligence enquiries by FFT and the Directors, Watson Mangioni has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Pitcher Partners Corporate has given, and has not withdrawn prior to the lodgement of this Prospectus and with ASIC, its written consent to being named in this Prospectus as investigating accountant in the form and context

This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.



in which it is named and the inclusion of its investigating accountant's report in the form and context in which it appears in this Prospectus.

Pitcher Partners Corporate has not been involved in the preparation of any part of this Prospectus (other than its investigating accountant's report) and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus except in its investigating accountant's report. Pitcher Partners Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents except its Investigating Accountant's Report.

Pitcher Partners has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as auditor to FFT in the form and context in which it is so named in this Prospectus.

Boardroom Pty Limited has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as share register service provider for FFT in the form and context in which it is so named.

Boardroom Pty Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus. Boardroom has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

BDO East Coast Partnership has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as auditor to FFT in the form and context in which it is so named in this Prospectus.

BDO East Coast Partnership has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus. BDO East Coast Partnership has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Thomas D Crowley of Tyco Integrated Security has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

David Ella of G4S Technology Ltd has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

Erik Finck of Pasadena Refining System, Inc has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

Carlos Cuellar of Sistemas de Seguridad Industrial a Instalaciones Estrategicas, S.A. DE C.V. has given, and has not withdrawn before lodgement of this Prospectus with ASIC, his consent to the inclusion of the statement attributed to him in the form and context in which that quote appears.

11.10 Interests of experts

Other than as set out below, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by FFT.

Pitcher Partners Corporate has prepared the Investigating Accountant's Report included in this Prospectus and has also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, FFT estimates it will pay up to \$65,000 (excluding disbursements).

11.11 Statement of Directors

The Directors report that after due inquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 7, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of FFT, other than as disclosed in this Prospectus and nothing has come to their attention to suggest FFT is not continuing to earn profit from continuing operations. Each Director has consented, and not withdrawn that consent, to the lodgement of this Prospectus with ASIC and its issue.

12. Glossary



Recognised as a leading global provider of fence mounted perimeter security in the world, FFT plans to increase its share of the growing pipeline and data network data markets.

12. Glossary

Applicant	a person who submits an Application Form under this Prospectus
Application	an application to apply for Shares under this Prospectus made on an Application Form and accompanied by the relevant Application Monies
Application Form	the application form attached to or accompanying this Prospectus under which a person applies for Shares under the Offer (and includes a copy of the application form available on the website at which the electronic Prospectus is located)
Application Monies	the Application Price multiplied by the number of Shares applied for
Application Price	\$0.70 for each Share
Associate	has the meaning given by Division 2 of the Corporations Act
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the case requires
Board	the Board of Directors of FFT
CEO	chief executive officer
CFO	chief financial officer
COO	chief operating officer
Closing Date	the date the Offer closes being, 30 April 2015, or such other date determined by FFT in accordance with the Corporations Act
Company	means FFT
Corporations Act	means the Corporations Act 2001 (Cth), as amended from time to time
Customer	means a person who purchases an FFT product including directly from FFT or from a System Integrator
Directors	the directors of FFT
End User	means a party that has an FFT product installed, including by a System Integrator
Existing Shareholders	Shareholders of FFT who are Shareholders as at the date of this Prospectus and prior to the issue of Shares under this Prospectus
FFT	Future Fibre Technologies Limited (ACN 064 089 318)
Financial Information	has the meaning given to that term in Section 7
Forecast Financial Information	has the meaning given to that term in Section 7
GST	goods and services tax
Investigating Accountant	Pitcher Partners Corporate
Key Personnel	employees identified by the Board as key employees within FFT, being Rob Broomfield, Fred Davis and Leigh Davis
KTM	KTM Capital Limited (ACN 086 281 950)
KTM Options	3,400,000 unlisted options with an exercise price of \$0.875 exercisable at any time before the 3rd anniversary of Listing. The options (and any Shares issued on exercise) are subject to voluntary escrow period of 12 months from Listing

Listing	admission of FFT to the official list of ASX and quotation of the Shares
Listing Rules	the official listing rules of ASX
NPAT	means net profit after tax
Offer	the offer of Shares under this Prospectus
Offer Period	the period from the date of this Prospectus to the Closing Date
Offer Price	\$0.70 per Share
Official List	the official list of entities that ASX has admitted to the list and not removed
Option	an unlisted option issued over a Share
Pierce Group Asia	Pierce Maxis Limited and Pierce CIM Pte Limited
Pitcher Partners	Pitcher Partners (partnership), FFT's auditor
Pitcher Partners Corporate	Pitcher Partners Corporate Pty Ltd (ACN 082 323 868), the investigating accountant
Pro forma Historical Financial Information	has the meaning given to that term in Section 7
Prospectus	this replacement prospectus dated 16 April 2015 as modified or varied by any supplementary prospectus made by FFT and lodged with the ASIC from time to time
Related Party	has the meaning given to that term in the Listing Rules
Securities	has the same meaning as in Section 92 of the Corporations Act
Share	a fully paid ordinary share in the capital of FFT
Shareholder	a registered holder of a Share
Share Registry or Boardroom	Boardroom Pty Limited (ACN 003 209 836)
Statutory Historical Financial Information	has the meaning given to that term in Section 7
System Integrator	is defined in Section 4.5
Underwriting Agreement	the agreement between KTM and FFT dated 1 April 2015, a summary of which is set out in Section 10.3
Watson Mangioni	Watson Mangioni Lawyers Pty Limited (ACN 120 091 394)

This is a replacement prospectus dated 16 April 2015. It replaces a prospectus dated 2 April 2015, relating to shares of FFT.



**Future Fibre
Technologies is a
leading developer
and manufacturer
of fence-mounted
fibre optic perimeter
intrusion detection and
security systems.**

Application Form

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

H	Contact telephone number (daytime/work/mobile)	I	Email address

Declaration

By submitting this Application Form with your Application Monies, I/we declare that I/we:

✓ have read the Prospectus in full;

✓ have received a copy of the electronic Prospectus or a print out of it;

✓ have this Application Form in accordance with the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate;

✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;

✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;

✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;

✓ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);

✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;

✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;

✓ am/are over 18 years of age;

✓ agree to be bound by the constitution of the Company;

✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;

✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and

✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A** If applying for Shares insert the **number** of Share for which you wish to subscribe at Item **A** (not less than 3,000 Shares representing a minimum investment of \$2,100.00). Multiply by A\$0.70 to calculate the total Application Monies for Shares and enter the **A\$amount** at Item **B**.

C Write your **full name**. Initials are not acceptable for first names.

D Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**

F Enter your Australian **tax file number** (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.

G Complete **cheque details** as requested. Make your cheque payable to "Future Fibre Technologies Limited – Share Offer Account". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia. **Alternatively you can apply online at www.boardroomlimited.com.au/FutureFibreGeneralOffer and pay by BPAY.**

H Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.

I Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:

Future Fibre Technologies Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

Future Fibre Technologies Limited
C/-Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

The Offer closes at 5:00 p.m. (AEST) on the Closing Date.
It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

Future Fibre Technologies Limited advises that Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus.

ACN 064 089 318

This is an Application Form to apply for Shares in Future Fibre Technologies Limited (ACN 064 089 318) (**Company**) on the terms set out in the Replacement Prospectus dated 16 April 2015 (**Prospectus**). Defined terms used in this Application Form have the same meaning as in the Prospectus. You may apply for a minimum of 3,000 Shares representing a minimum investment of \$2,100.00 This Application Form and your cheque or bank draft must be received by **5:00 p.m. (AEST) on the Closing Date.**

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in the Shares of the Company and you should read the entire Prospectus carefully before applying for Shares.

The Prospectus also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you and all relevant individuals have read the Privacy Section in the Important Notices Section of the Prospectus carefully before submitting this Application Form.

To meet the requirements of the *Corporations Act 2001* (Cth), this Application Form must not be distributed to any person unless included in, or accompanied by the Prospectus. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Prospectus. The Company will send you a free paper copy of the Prospectus and Application Form if requested during the Application Period.

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represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer.

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