

Results Presentation

August 2014

Paul Gillespie: CEO

Richard Ludbrook: CFO

Executive Summary

- Smart Parking (ASX: SPZ) is a world leader in the development and marketing of intelligent car parking solutions and parking management services
- SPZ runs two business divisions:
 - Parking Technology – established in 2003, specialises in on-street and off-street technology and data transfer for parking space availability. Offices in Auckland, Melbourne and Birmingham (UK) and employs 27 people
 - Management Services – UK based and specialises in managing car parks on behalf of retail customers, land owners and managing agents, currently operate over 1,100 car parking sites. Operational hub in Birmingham and employs 368 people.
- 2013/2014 has seen Smart Parking's technology proven through winning marquee contracts with Westminster (London), Camden (London), Bondi (Sydney) and Rotorua (New Zealand)
- Completed a capital raising of \$12.1m (net of costs) in March 2014 to accelerate growth and invest in sales & marketing, operations professionals and expand R&D capability

Agenda

- Introduction – Paul Gillespie CEO
- Financial Report – Richard Ludbrook CFO
- Operational update – Paul Gillespie CEO
 - Technology
 - Management services
- Summary

Overview & Progress

Since the half year results and the capital raising we have achieved the following:

- ✓ Implemented the 2020 Vision strategy
- ✓ New Sales People hired in tier 1 areas – UK and Australia
- ✓ New high skilled operational professionals hired in New Zealand & UK
- ✓ R&D team expanded to increase capability and maintain competitive edge
- ✓ Restructured UK & NZ and relocated the team to Birmingham and Auckland
- ✓ Increased number of trial sites and opportunities
- ✓ Increased recurring revenue by 53%
- ✓ Increased Technology pipeline in line with 2020 Vision
- ✓ Increased Services Annual Recurring Revenue (ARR) pipeline in line with 2020 Vision

August 2014 Full Year Financial Results

Group Financial Performance

(A\$000's)	2014	2013
Revenue	21,945	20,448
EBITDA	(5,496)	(4,896)
Net Profit/(Loss)	(7,026)	(7,279)

- \$1.6m of one offs:
 - An impairment reversal on receivable relating to UK acquisition of \$0.8m.
 - Gain on sale of UK car park of \$0.6m.
 - UK Parking Management results lower than expected. Prudent approach adopted with write off of \$0.9m of goodwill at the half year.
 - Restructuring/onerous leases of \$1.2m.
 - \$0.9m of other one offs

Adjustments

(\$000's)	2014	2013
Net loss for the year after tax	(7,026)	(7,279)
Exclusion of management adjustments (net of tax):		
Amortisation	878	939
One-off items:		
Impairment of goodwill	858	-
Reversal of impairment/(impairment) net asset adjustment receivable	(851)	1,332
Gain/(loss) on financial assets through profit and loss	(129)	26
Loss on disposal of fixed property, plant and equipment	30	140
Gain/(Loss) from disposal of assets classified as held for sale	(557)	101
Restructuring and other non-recurring costs	2,184	1,210
Interest expense	77	3
Tax expense	-	158
Net loss after management adjustment items	(4,536)	(3,370)

Group Financial Position

- Completed capital raising of \$12.1m (net of costs)
- Cash balances \$11.5m (excluding client cash).
- Current liabilities includes increase in client funds and restructuring/onerous lease provision.
- UK Parking Management goodwill \$1.6m (post write off).
- No debt

(\$000's)	2014	2013
Current Assets	22,270	12,244
Non Current Assets	9,380	10,532
Total Assets	31,650	22,776
Current Liabilities	12,331	9,173
Term Liabilities	23	213
Total Equity	19,296	13,390

Technology

Key achievements:

- New business wins at Westminster City Council (UK), Camden Council (UK), Bondi Beach (Aust) and Rotorua (NZ)
- Recurring revenue for the period was \$1.0m up 53% on last year.
- Operating costs up with 115% increase in sales and increased sales and marketing costs.

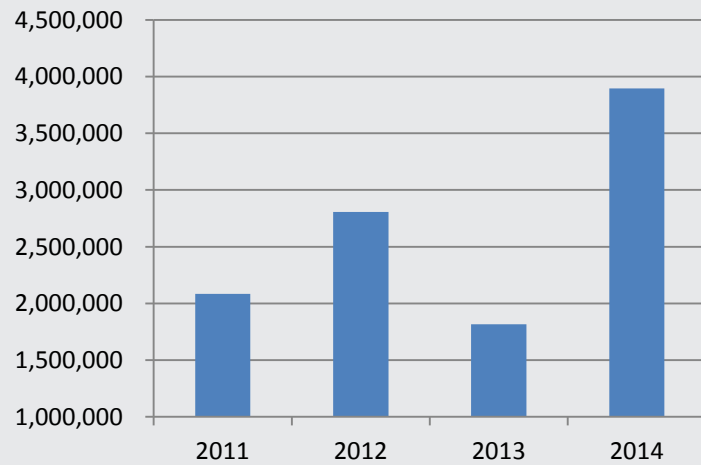
Other comments:

- Westminster revenue of \$0.3m will be included in 2015 H1.

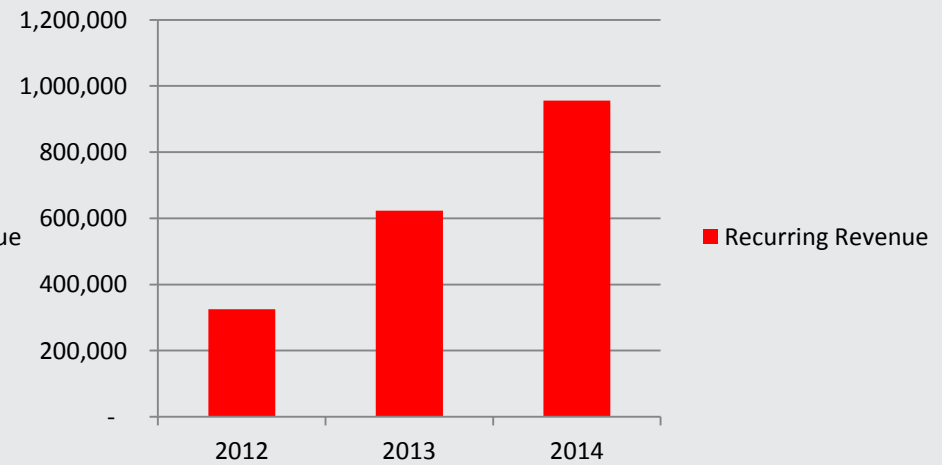
(\$000's)	2014	2013	% Change	% of Total Rev.
New Zealand	867	652	33%	22%
Australia	777	174	347%	20%
United Kingdom	1,848	596	210%	48%
South Africa	211	353	(40%)	5%
Middle East	130	13	900%	3%
Other	62	27	130%	2%
Total Revenue	3,895	1,815	115%	100%
Operating Costs	(5,527)	(3,424)	(61%)	
Management EBITDA	(1,632)	(1,609)	(1%)	

Technology

Technology Revenue



Recurring Revenue



Management Services

Key achievements:

- Added 3 new sales heads
- Created new direct marketing campaign
- Further technology roll out

Other comments:

- Reduction in management fees relates to lost business and impact of ANPR roll out.
- Marshalling was impacted by the poor weather over the Christmas period in the UK.

(\$000's)	2014	2013	% Change	% of Total Revenue
Management Fees	4,640	5,169	(10%)	23%
P&D Income	8,801	8,211	7%	44%
Civil Penalties	4,466	4,293	4%	23%
Marshalling	881	1,101	(20%)	6%
Other	1,207	443	172%	4%
Total Revenue	19,995	19,217	4%	100%
Operating Costs	(20,680)	(19,159)	(8%)	
Management EBITDA	(685)	58	(1,281%)	

Operational Update Technology



Technology

- 2020 Vision strategy for future growth implemented
- New sales people hired and put in post in the UK and Australia, both with IT and government sales experience
 - UK – Jules Hollows, from the IT industry
 - AUS – Matthew Pedron, for the IT and CCTV industry
- New Head of Operations in post
 - Larry Eade – significant experience in Business Process Outsourcing and IT Outsourcing – already had a significant impact on the business and growing recurring revenue line
- R&D team expanded and also some development outsourced to India in order to grow skill set and speed up development
- Closed the Cambridge office and relocated the sales and finance teams to Auckland

Technology

- Sales and installations:

Contract	Sensors/ Product	Date of Completion
Rotorua (NZ)	1,500	Dec 13
Bondi (AUS)	900	Feb 14
Melbourne (Aus)	173 OHI*	March 14
Sydney (Aus)	ANPR	June 14
Flinders Uni (Aus)	150 sensors & counters	December 14
Westminster (UK)	3,000	September 14

* Over Head Indicator – Off street parking guidance system

- Pipeline continuing to grow with the additional of new sales heads and increased marketing presence
- With each new installation maintenance and hosting revenue increases, up **53%** on last year
- New agreements for hosting and maintenance signed with the listed customers above and existing customers:
 - Street Parking Solutions – Cape Town
 - MIRVAC – Sydney

Technology

- Trials underway:

Contract	Sensors in trial	Potential Sensor Numbers
Birmingham (UK)	100	3,000
Hamilton (NZ)	30	3,000
Prague (CZH)	30	5,000
Dubai (UAE)	50	20,000
Camden (UK)	280	10,000
Madrid (Spain)	30	10,000
Amsterdam	100	12,000
Total trials planned	700	100,000

- Further trials under negotiation in:

- New Zealand – Auckland, Wellington, Christchurch
- Australia - Victoria, NSW, WA, SA
- UK – 3 London boroughs, Lancashire, Yorkshire, Hertfordshire, Buckinghamshire
- Europe – France, Germany, Spain
- Middle East – UAE and Saudi Arabia

Technology

Marketing:

- Continue with quarterly newsletter - Smart Thinking 7 ready for release in August
- Award winning technology with Westminster – British Parking Association Technology Award
- Attended more tradeshow in the last 12 months than ever before:
 - Smart Cities Expo – Barcelona
 - Intertraffic – Amsterdam - <http://www.youtube.com/watch?v=jb46srzN0Vc>
 - Parkex – UK
 - NZ Parking Association
 - Australian Parking forum
- Also attending:
 - WARA - Western Australia Rangers Association - Perth
 - Parking Australia (Brisbane)
- Joint marketing plan with Vodafone UK to support reseller partnership – see support documentation

Technology – Intertraffic 2014



Technology

Westminster City Council (WCC) Update:

- Phase 1 Project set for 'go-live' September 14
- Over 3,500 pieces of hardware installed on the streets of Westminster, all communicating with Smart Parking back office, Smartrep
- Phase 2 of 7,000 additional sensors due in 2015
- WCC communication to the public on 'go-live' below

FIND THE GAP



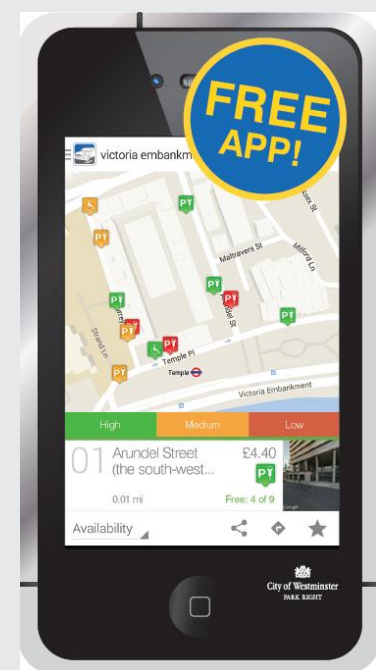
Download the **FREE ParkRight** app and find an available space in real-time.



To download, just search "**ParkRight**".
westminster.gov.uk/parkright

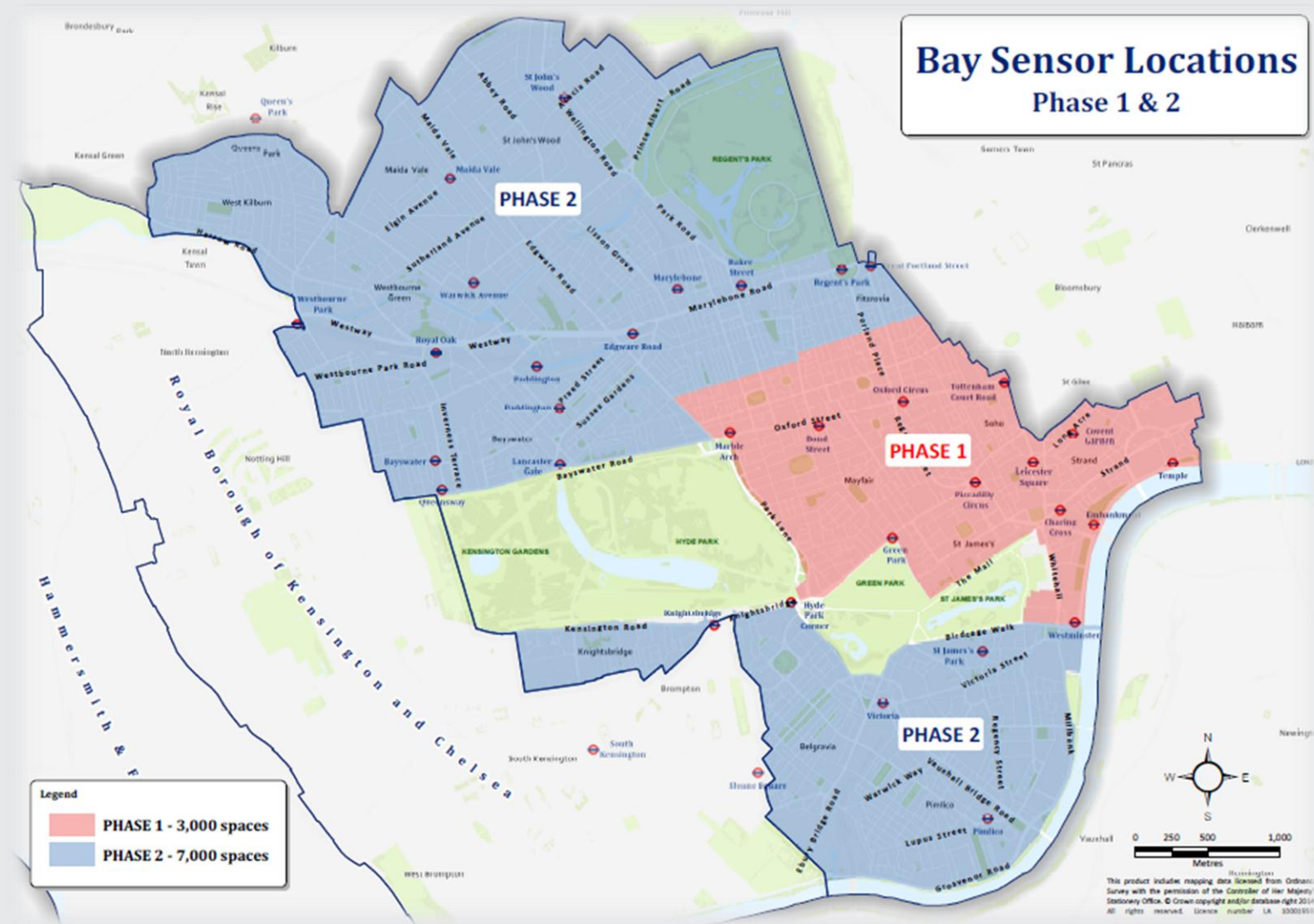


City of Westminster
PARK RIGHT

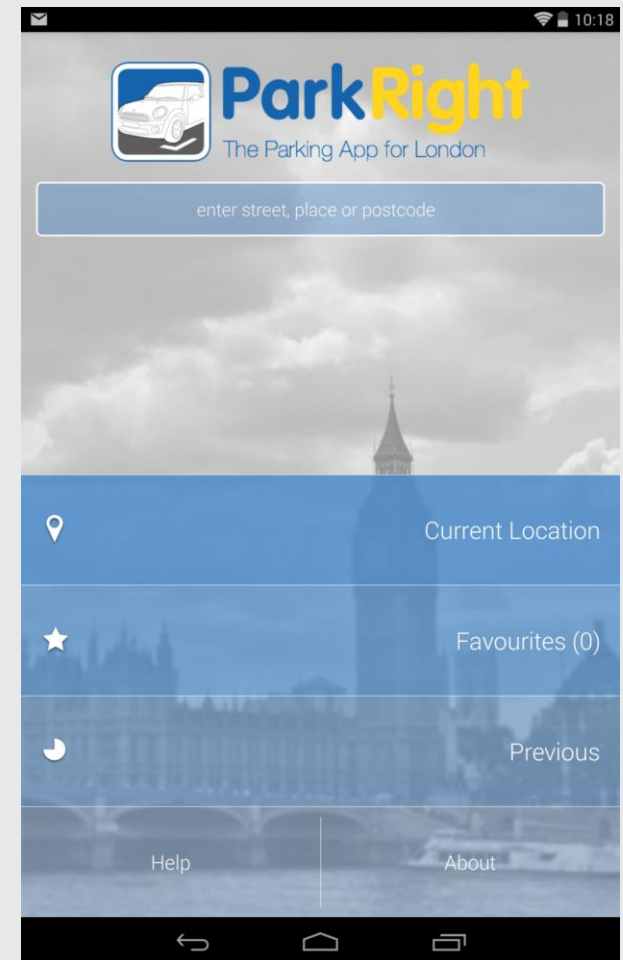


Technology

Westminster City Council phase 1 & 2 map:



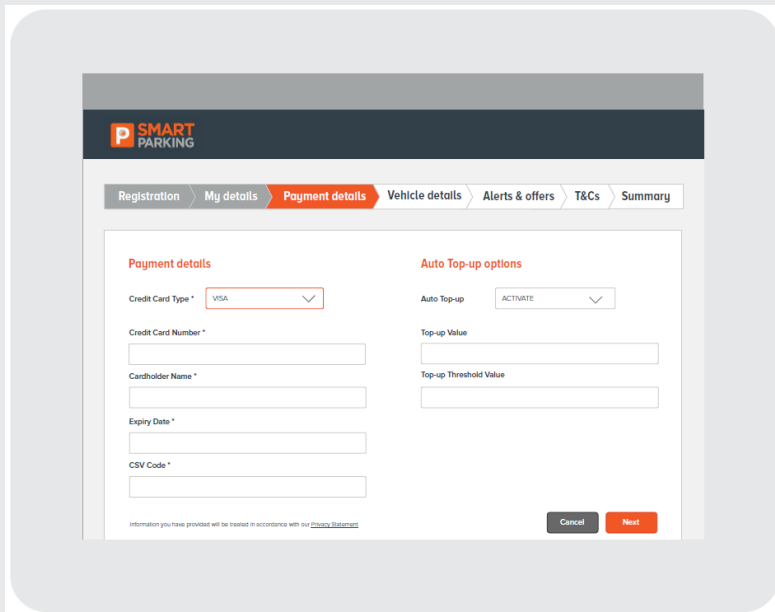
Images of Installation



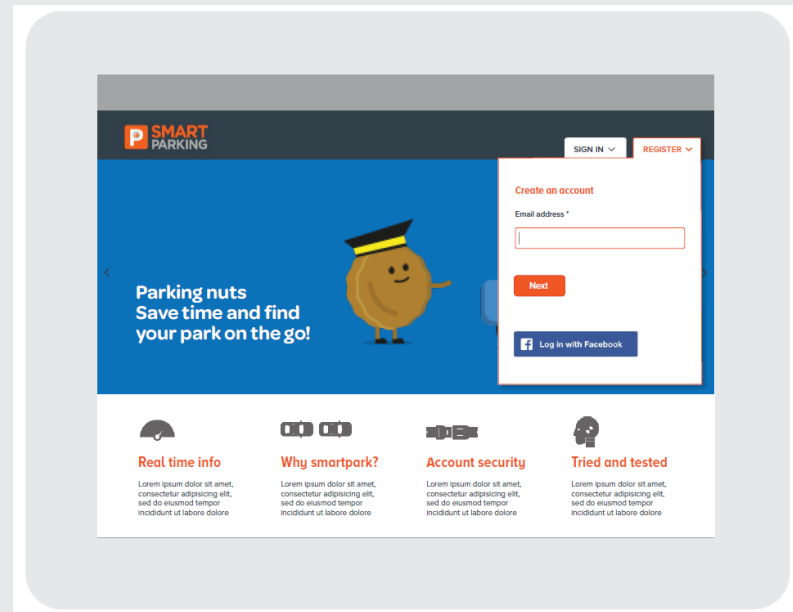
Technology

R&D:

- RFID – live trials underway in NZ, Dubai and Prague with further trials under negotiation
- Back office development continues to move forward through continuous improvement and through project work – WCC
- On-line permit portal due for launch H1 FY2015



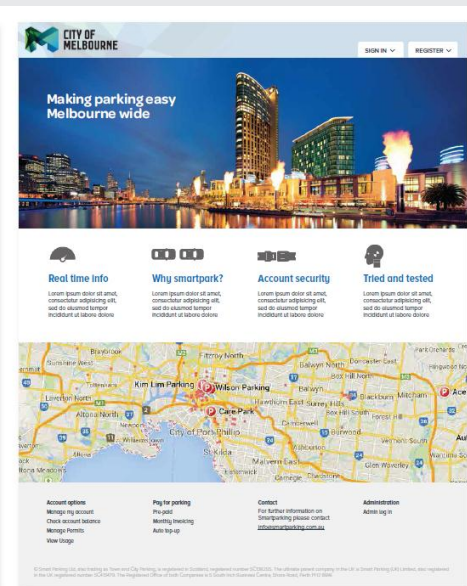
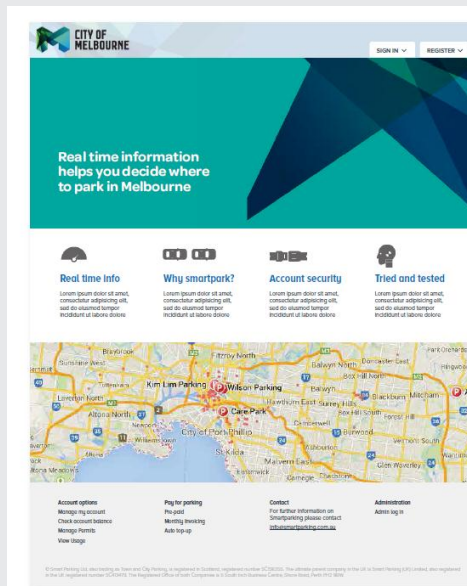
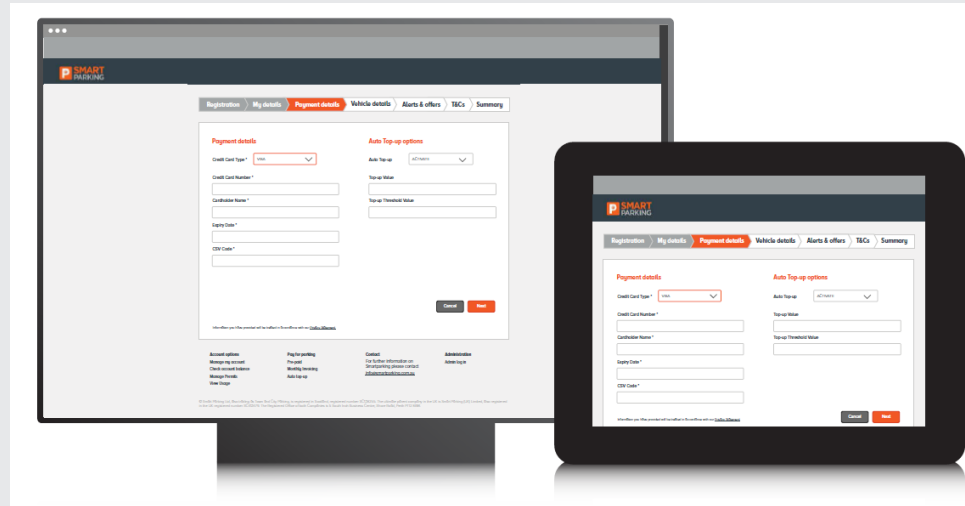
The screenshot shows the 'Payment details' step of a registration process. The top navigation bar includes 'Registration', 'My details', 'Payment details' (active), 'Vehicle details', 'Alerts & offers', 'T&Cs', and 'Summary'. The form is divided into two main sections: 'Payment details' and 'Auto Top-up options'. The 'Payment details' section includes fields for 'Credit Card Type' (set to VISA), 'Credit Card Number', 'Cardholder Name', 'Expiry Date', and 'CSV Code'. The 'Auto Top-up options' section includes fields for 'Auto Top-up' (set to ACTIVATE), 'Top-up Value', and 'Top-up Threshold Value'. At the bottom, there are 'Cancel' and 'Next' buttons. A small disclaimer at the bottom left states: 'Information you have provided will be treated in accordance with our [Privacy Statement](#)'.



The screenshot shows the 'Create an account' step of a registration process. The top navigation bar includes 'SIGN IN' and 'REGISTER' (active). The main content area features a blue background with a cartoon nut character and the text 'Parking nuts Save time and find your park on the go!'. To the right, there is a 'Create an account' section with an 'Email address' field and a 'Next' button. Below this, there is a 'Log in with Facebook' button. At the bottom, there are four columns of information: 'Real time info', 'Why smartpark?', 'Account security', and 'Tried and tested', each with a small icon and a paragraph of placeholder text.

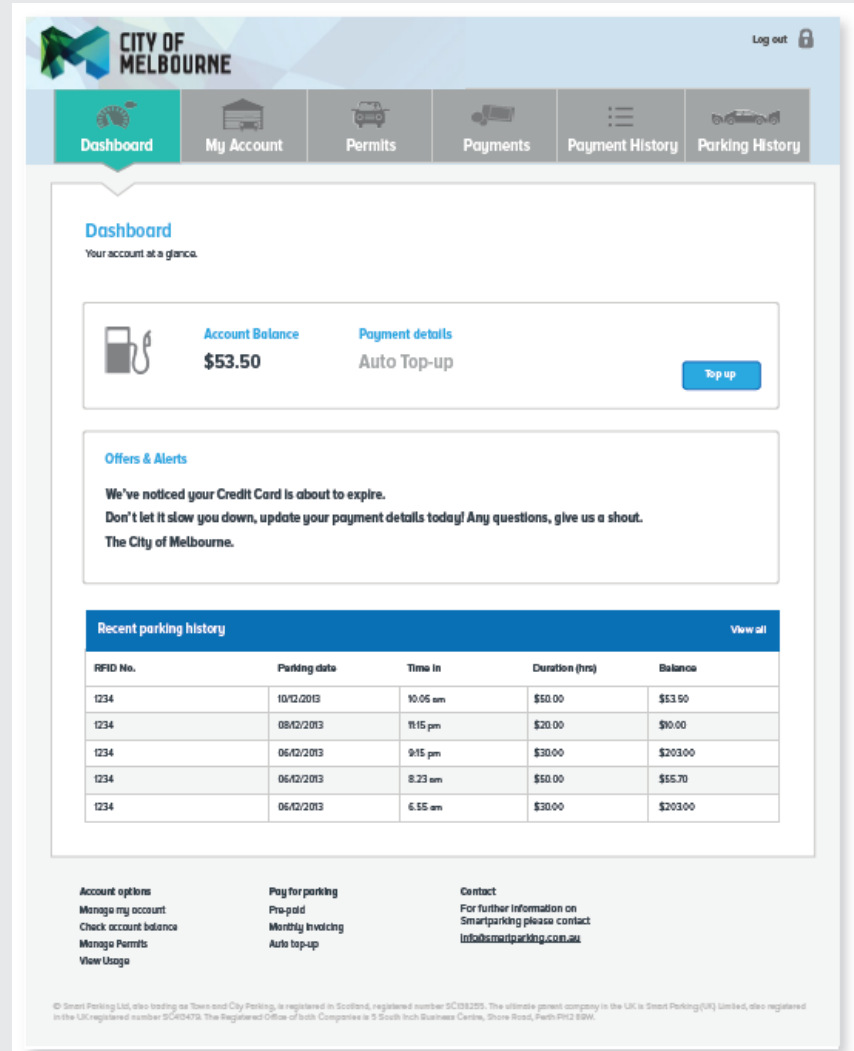
R&D – Tag Payment Portal

- Buy tags on-line and on the move
- Responsive design (Web and Tablets)
- Tag sent in the post with payment loaded ready for use
- Auto top up
- On-line, fuss free parking



R&D – Tag Payment Portal

- Centralised account management
 - Update details
 - Update payments
 - Update alerts
 - Manage RFID tags
- Parking history (web and email)
- Payment history (web and email)
- Dashboard for account summary
- Login through social media
Facebook/ LinkedIn
- Fully configurable design
- Future of parking...



The screenshot shows the 'Dashboard' of the City of Melbourne Smart Parking Tag Payment Portal. The header includes the City of Melbourne logo, a 'Log out' button, and a navigation bar with links to Dashboard, My Account, Permits, Payments, Payment History, and Parking History. The main content area is titled 'Dashboard' with the subtitle 'Your account at a glance.' It features a 'Top up' button next to the 'Account Balance' of \$53.50 and a 'Payment details' link. Below this is an 'Offers & Alerts' section with a message about a credit card expiration. The 'Recent parking history' section contains a table with columns for RFID No., Parking date, Time in, Duration (hrs), and Balance.

RFID No.	Parking date	Time in	Duration (hrs)	Balance
1234	10/12/2013	10:05 am	\$50.00	\$53.50
1234	08/12/2013	11:15 pm	\$20.00	\$10.00
1234	06/12/2013	9:15 pm	\$30.00	\$203.00
1234	06/12/2013	8:23 am	\$50.00	\$55.70
1234	06/12/2013	6:55 am	\$30.00	\$203.00

At the bottom, there are three columns of links: 'Account options' (Manage my account, Check account balance, Manage Permits, View Usage), 'Pay for parking' (Pre-paid, Monthly Invoicing, Auto top-up), and 'Contact' (For further information on Smartparking please contact info@smartparking.com.au).

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Operational Update Management Services



Management Services Update

- New Strategy implemented
- New management team installed
 - **Susan Taylor**
Formally Chief Executive Officer of VINCI Park UK and more recently worked for Westfield Shopping towns in parking strategy.
- Closed the Perth (Scotland) office and relocated finance and operational team to Birmingham
- Created a target driven environment focused on yield management, cost reduction and revenue increase – Annual Recurring Revenue (ARR) pipeline growing in all target verticals
- Number Plate Recognition camera installation continuing – further 25 site installations complete
- New business wins with Marks & Spencer & CBRE strengthen our retail and property division

Services - Key Account Update

- **Asda**

- Signed contract extension for further two years
- New commercials agreed
- New Store Programme – 9 opened already this year, another 8 due to open in H1 FY2015
- Keen to pursue further technology opportunities with us



- **Co-op**

- Tender for new contract released & submission being prepared – Current sites = 60; Proposed Sites = 200
- Retail sales team focused on delivering this contract

The **co-operative** food

- **Matalan**

- Retained account through a tender exercise
- Up to 29 stores now with the addition of Enfield
- Technology roll out due in H1 & H2 FY2015

MATALAN

Services - Marketing

- Smart Thinking 7 due for release – quarterly newsletter update
- Attended Parkex UK – annual British Parking Association trade show
- Parking Network continues to publish stories of our success <http://www.parking-net.com/> - global parking sales website
- Campaign management and direct marketing to build and maintain our client/prospect database



Services – Focus on Quality

- **Quality Management**

- In order to win more long term sustainable business we are focused on quality to give us the best chance to win
- Appointed Temple QMS to progress ISO14001 and OHSAS18001.
- Above work to include the establishment of an Integrated Management System for all elements of the business.



Summary



Summary

- SPZ is a world leader in the development, installation and maintenance of intelligent car parking solutions for cities around the globe and Parking Management Services in the UK
- Financial results for the full year are encouraging for the technology business with new contracts and a growing recurring revenue line
- Financial results for the services business are below expectation but the SPZ Board and management team are focused on returning this business to profit with investment in people and technology
- SPZ's ability to deliver an 'end to end' technology and management solution under a strong brand is unique in the parking industry
- Technology and service is proven through winning marquee contracts with Westminster (London), Camden (London), Bondi (Sydney) and Rotorua (New Zealand), Asda, Matalan and M&S

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