



# **QRSCIENCES HOLDINGS LIMITED AGM PRESENTATION**

**30 NOVEMBER 2010**

# QRSCIENCES HOLDINGS: Overview



- QRSciences reinvented in 2010, with all non revenue assets sold or closed
- Head office in Melbourne
- 23 sales locations in Australia
- 195 employees
- 2 distinct business units operating in Australian security market comprising Q Video Systems & API Services and Solutions
- Consolidated revenue estimate \$40m FY2011

# Capital Structure



Number of shares on issue	151,735,256
Market cap (29/11/10)	\$10.92m
Number of options on issue	61,109,876
Share price (29/11/10)	7.2c
12 month low	4c
12 month high	8c

# Highlights



- Net profit FY2010: \$4.6m
- Distribution business Q Video Systems unaudited net profit first quarter 2011: \$0.7m
- API Security acquired 30 Sep 2010 for \$14.1m, EBIT for FY2010 \$3m
- Cleanup of QRSciences residual loss making assets completed
- Cash from restructure funding growth, with sensible bank debt in place



## QRSciences Security P/L

Comprises Q Video Systems & Q Alarm Supplies, distributor of closed circuit TV & alarm products – trading strongly, growing & profitable



## API Services and Solutions Pty Ltd

Australia's leading commercial locksmith, revenues ~\$22m, EBIT \$3m FY2010

- Execute exits of non revenue producing investments  
– now achieved
- Expand the profitable & dynamic Australian distribution business comprising Q Video Systems, Q Alarm Supplies
- Identify & close transactions that increase the scale of the company to deliver greater shareholder wealth, API was the first step in this strategy  
– now achieved
- Continue to build business model via organic growth & acquisitions to ensure revenue growth in excess of \$100m pa is achieved within next 2 years

# Target Market

## Focus on Australian security market

- Closed circuit television market
- Access control & alarm market
- Master Key lock systems in the commercial market

## Targeted segments of the market

- Govt funded security rollouts, inc education & health sectors
- Retail markets
- Commercial & residential high rise developments
- Government & corporate clients

## Geographical Expansion

- Use the 23 branches throughout Australia for all company products

## Targets

- Cash flow positive, profit driven distribution, technology & service companies
- Consolidated revenues of up to \$50m pa sales, with positive EBIT

## Integration of Targets

- Common business opportunities with synergies for shared offices will drive investment decision
- Opportunity to share head office resources
- Investments must be accretive to both revenue & profit



# Q Video Systems: Overview



## Business

- Distribution of high quality CCTV, alarm & access control products with best in class service
- Full range supplier – cameras, video switching, recording, network video, access control & alarm products
- 36 employees – mostly sales/tech support
- Warehouses/offices in NSW, Victoria, QLD & WA
- Distribution in SA/NT & NZ

## Rapidly expanding

- Business now recognised as a market leader in Australian CCTV market
- Revenue ~\$20m achieved in 2010, forecast ~\$22-24m in 2011 & profitable

# API Services and Solutions: Overview



- Australia's leading commercial locksmith
- Melbourne head office & 19 branch network & 350 registered subcontractors throughout Australia
- FY2010 revenue of \$22m with \$3m EBIT
- 151 employees delivering service & solutions to customers
- Strong, diversified customer base
- High barrier to entry for competitors
- Non discretionary revenue
- Strong growth prospects
- Proprietary master key systems

# QRSciences: Milestones for 2010



- Company now profitable
- Profit growth in 2010 expected to continue in 2011
- Delivered on commitment to exit non performing/non core assets
- Now ready for further acquisition opportunities

# QRSciences Holdings Directors



**Rick Stokes**  
CEO/Executive Chairman

Appointed CEO of QRSciences Jan 2007. Been in security industry for 23 years where he has successfully developed and operated numerous contracting & distribution businesses.

**Mr Bob Halverson OBE**  
Non-exec director

Served with RAAF 1956-81, on defense staff of Australian Embassy, Washington 1966-69. With RAF 1975-78 for which he was honoured with an OBE. Member of Australian Parliament 1984-98 & Chief Opposition Whip 1994-96. Speaker of the House of Representatives to 1998. Australian Ambassador to Ireland & the Holy See 1999-2003.

**Mr Douglas Potter**  
Director

Managing director Helmsman Funds Management Ltd; director of several Helmsman portfolio companies; Bachelor of Economics, Uni of Sydney. 20 years hands-on experience, member of Institute of Chartered Accountants & the Australian Private Equity & Venture Capital Association.

# Introducing 'Q Technology Group'



## TECHNOLOGY GROUP

- As voted in at the AGM
- Improved brand recognition
- Consistency

# QRSciences Holdings: Contact details



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