

QRSciences Holdings Limited Investor Presentation

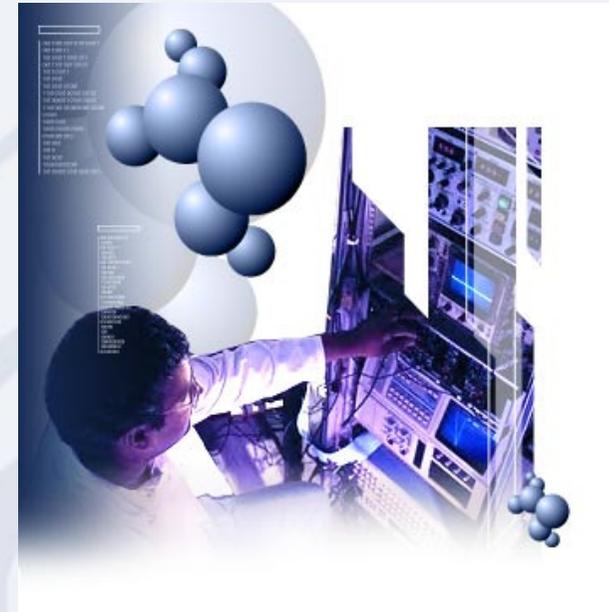
June 2010



QRSciences Holdings – Overview

Headquarters in Melbourne – offices around Australia

- Founded 1987
- 39 employees
- Import, distribute, design & sell closed circuit TV & related security products in Australian market



QRSciences Holdings



QRSciences Security P/L



QRSciences Holdings – Capital Structure

Number of Shares on issue	151,735,256
Market capitalization (19/5/10)	A\$6.83 million
Number of Options on issue	61,109,876
Cash (at 31/3/10)	A\$6.09 million
Share price (19/5/10)	4.5 cents
12 month low	2.1 cents
12 month high	8.0 cents

QRSciences Holdings – Highlights

- Net profit, first half 2010: \$3.6m
- Distribution business Q Video Systems net profit first half 2010: \$1m – expected to keep growing
- Non core technology assets sold for profit of \$3.2m
- Balance sheet 31 March 2010 strong: \$12m net assets
- Cash at 31 March 2010: over \$6m

QRSciences Holdings – Business Units

- **QRSciences Security P/L** – closed circuit TV & alarm products – trading strongly, growing & profitable
- **Spectrum SDI** (24.2% owned, 20.8% fully diluted) – recently sold for profit of \$3.2m on disposal and cash input of \$6.5m
- **QRSciences P/L** – Perth based R&D cash flow negative business recently sold

QRSciences Holdings – Corporate Strategy

- Execute exits for 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
- Build shareholder value via acquisitions & organic growth

QRSciences Holdings – Target Markets

Focus on Australian Security Market

- Closed circuit television market
- Access control & alarm market

Targeted Segments of the market are

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

Geographical Expansion

- Continued expansion into Perth market for Q Video Systems
- Opening of sales location in Adelaide & ACT being planned

Acquisition Strategy

Targets

- Cash flow positive, profit driven distribution & service companies
- Up to \$ 50m pa sales

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

QRSciences Security: Overview



Business

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

Rapidly expanding

- Business now recognised as market leader in Australian CCTV market
- In 4 States & set to expand in SA & ACT this year
- Revenue ~\$20m pa expected in 2010, growing to ~\$24m in 2011 & profitable



Financial

- Achieve \$36m revenue pa in 3 years
- Achieve EBIT of ~10%

Strategy

- Maintain long term partnerships with industry-leading brands
- Position QVS OEM to achieve strong brand recognition & subsequent IP
- Expand business units to provide revenue in emerging IP video market
- Geographic expansion into SA & New Zealand
- Expand product sales via acquisitions

QRSciences Security: CCTV Products



Core products

- **Closed Circuit Television Cameras** – distributor for several leading international camera manufacturers
- **Electronic Surveillance Systems** – range includes multiplexers, receivers, digital recorders, switchers & telemetry control
- **Networked Security Systems** – largest market growth area based on QVS's market assessment



Industry leading brands

- **Leading International Brands** – distribution agreements with leading CCTV names such as Pelco, Verint, Samsung & Sanyo
- **Q Video Systems 'OEM' Range** – QVS rapidly becoming established as a major domestic & international brand



Q Video Systems customers

- **Established Client Base** – large list of national/multi-national
- **Blue chip customer base** – major contracts with clients such as Woolworths, Westfield, GPT, Lend Lease



QRSciences Security: Alarm Products



Core products

- **Intruder Alarm Panels** – distributor for DSC, a leading international alarm products manufacturer & a market leader in wireless systems
- **Access Control Systems** – full range includes panels, readers, biometrics & accessories
- **Security Accessories & Peripherals** – profitable ‘add on’ sales by creation of ‘one stop shop’



Industry leading brands

- **Leading International Brands** – distribution agreements with leading manufacturers inc. Tyco (DSC & Ccure), Samsung & GE
- **Q Alarm Supplies ‘OEM’ Peripheral Range** – QAS to be a major OEM brand for alarm accessories & peripherals



Q Alarm Supplies customers

- **Leverage Q Video Client Base** – large existing CCTV customer base, many currently use Intruder Alarm products
- **New Q Alarm Supplies Customers** – many legacy DSC clients new to Q Alarm Supplies will add value to Q Video Business



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 defence 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.

QRSciences Holdings - Milestones for 2010

- **Company now profitable**
- **Profit growth in 2010**
- **Delivered on commitment to exit non performing/non core assets**
- **Cash in excess of \$6m**
- **Now ready for acquisition opportunities**

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