

Smart Parking Limited

ABN 45 119 327 169

Retail Entitlement Offer

Details of a fully underwritten 2 for 5 accelerated pro rata non-renounceable entitlement offer of new ordinary shares in Smart Parking Limited at an offer price of \$0.15 per New Share.

This offer closes at 5.00pm (AEDT) on Wednesday, 12 March 2014.

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety.

If you have any questions please contact your professional adviser or the Smart Parking Information Line on 1300 480 818 (within Australia) or +61 3 9415 4272 (from outside Australia) from 8.30am to 5.30pm (AEDT) during the retail offer period.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

Important Notice

This Retail Offer Booklet, including the Chairman's letter, ASX Offer Announcements and the Investor Presentation reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Retail Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US Persons" (as defined in Regulation S under the US Securities Act of 1933, as amended (**the Securities Act**) (**U.S. Persons**)). None of this Retail Offer Booklet, the Chairman's letter, the ASX Offer Announcements and Investor Presentation reproduced in it nor, the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares (and Additional New Shares) offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of Smart Parking that has been or may be established until 40 days following the completion of the Retail Entitlement Offer.

Forward looking statements, opinion, estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions. Forward looking statement including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Summary of the Retail Entitlement Offer

| | |
|-------------------------|---|
| Issue Price | \$0.15 per share |
| Your entitlement | 2 shares for every 5 shares held on the Record Date |

Key Dates (2014)*

| | |
|--|----------------------------|
| Record Date | 7.00pm (AEDT), 24 February |
| Retail Entitlement Offer opens | 25 February |
| Retail Entitlement Offer closes | 5.00pm (AEDT), 12 March |
| Issue of New Shares under the Retail Entitlement Offer | 20 March |
| Dispatch of holding statements | 21 March |
| Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX | 21 March |

*Dates and times are indicative only and subject to change. All times refer to Australian Eastern Daylight Savings Time (AEDT).

Smart Parking, in consultation with Baillieu Holst Ltd ("Underwriter"), reserves the right to extend these dates without prior notice subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Enquiries

For any enquiries please call Computershare Investor Services Pty Limited as Share Registry on 1300 480 818, or contact your stockbroker, accountant or other professional adviser.



25 February 2014

Dear Shareholder

On behalf of Smart Parking Limited (**Smart Parking**), I am pleased to invite you to participate in the recently announced 2 for 5 non-renounceable entitlement offer for new Smart Parking ordinary shares (**New Shares**) at an issue price of \$0.15 per New Share (**Entitlement Offer**).

On Wednesday, 19 February 2014, Smart Parking announced its intention to raise approximately \$12.5 million through an Entitlement Offer. The institutional accelerated component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed on Friday, 21 February 2014. This information booklet (**Retail Offer Booklet**) relates to the non-accelerated component of the Entitlement Offer (**Retail Entitlement Offer**).

The proceeds of the Entitlement Offer will be applied principally to sales and marketing, product development, funding key trial sites, paying down debt and strengthening Smart Parking's balance sheet. More detail is provided in Smart Parking's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on Wednesday, 19 February 2014 (and included in this Retail Offer Booklet) and the benefits that are expected to flow from this initiative, for Smart Parking and its shareholders, are also described in that document.

Under the Retail Entitlement Offer, eligible retail shareholders have the opportunity to invest at the price of \$0.15 per New Share, which is the same price as the institutional investors who participated in the Institutional Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Retail Offer Booklet.

If you take up your Entitlement in full, you can also apply for additional shares under a 'top-up' facility (refer to section 1 of this Retail Offer Booklet for more information).

The issue price of \$0.15 per New Share represents a 9.1% discount to the last traded price of Smart Parking shares before the Entitlement Offer was announced (being \$0.165 on 18 February 2014).

As a sophisticated investor I applied for my full entitlement under the Institutional Entitlement Offer and have acted as a sub-underwriter to the entire Entitlement Offer. The Entitlement Offer is fully underwritten by Baillieu Holst Ltd (the **Underwriter**).

The Entitlement Offer is non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this offer carefully.

Other Information

This Retail Offer Booklet contains important information, including:

- The Investor Presentation referred to above, which was released to the ASX on Wednesday, 19 February 2014, and provides information on Smart Parking, including a trading update.
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Retail Offer Booklet.

The Retail Entitlement Offer closes at 5.00pm AEDT on Wednesday, 12 March 2014.

Please read in full the details on how to submit your application, which are set out in this Retail Offer Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of Smart Parking, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Morris', with a stylized flourish at the end.

Chris Morris

**Chairman
Smart Parking Limited**

1. THE RETAIL ENTITLEMENT OFFER

Eligible Retail Shareholders (as defined in Important Information (see Section 3 below)) are being offered the opportunity to subscribe for 2 New Shares for every 5 ordinary shares in Smart Parking (**Existing Shares**) held at 7.00pm (AEDT) on Monday, 24 February 2014 (**Entitlement**), at the issue price of \$0.15 per New Share.

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement (**Additional New Shares**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if, and to the extent that Smart Parking determines in its absolute discretion but subject to its shortfall allocation policy (as set out in "Arrangements with Finico Pty Ltd and potential effects on control" section of the Investor Presentation released to ASX on Wednesday, 19 February 2014) a copy of which is included in this Retail Offer Booklet (**Allocation Principles**) and having regard to the circumstances at the time of the close of the Retail Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements. Subject to the foregoing, Smart Parking may apply any scale-back (in its absolute discretion).

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow certain rights issues to be made without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Smart Parking and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Entitlement Offer Booklet, Smart Parking's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 5 Existing Shares you held as at the Record Date of 7.00pm (AEDT) on Monday, 24 February 2014 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Smart Parking ordinary shares on issue.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.

Nominees

The Retail Entitlement Offer is being made to all shareholders on the register of Smart Parking at 7:00pm (AEDT) on Monday, 24 February 2014 with an address in Australia or New Zealand and who did not participate in the Institutional Entitlement Offer that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. Smart Parking is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. Smart Parking is not able to advise on foreign laws.

2. HOW TO APPLY

If you wish to take up all or part of your entitlement, or you wish to apply for Additional New Shares, you can do either of the following:

Payment by BPAY®

If you wish to pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- You do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- If you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to any scale-back determined by Smart Parking in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00pm (AEDT) on Wednesday, 12 March 2014. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you are paying by Bpay®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies.

Payment by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to “Smart Parking Limited” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.15 multiplied by the number of New Shares (and if applicable, Additional New Shares) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

Cash payments will not be accepted. Receipts for payment will not be issued.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with application monies using the reply paid or self-addressed envelope provided with this Booklet to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (and if applicable, Additional New Shares) you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and if applicable, Additional New Shares) as your cleared application monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By completing and returning your personalised Entitlement and Acceptance Form with application monies or making a payment by Bpay®, you will be deemed to have represented:

(a) that you are an Eligible Retail Shareholder (as defined in Important Information (see Section 3 below)); and

(b) on behalf of each person on whose account you are acting that: (i) you are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; (ii) you acknowledge that the New Shares (and any Additional New Shares) have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares (and any New Additional Shares) may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (iii) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (AEDT) on Wednesday, 12 March 2014, you will be allotted your New Shares on Thursday, 20 March 2014. If you apply for Additional New Shares then, subject to the application of the Allocation Principles, your application for Additional New Shares (in whole or part), you will be issued these on Thursday, 20 March 2014. Smart Parking's decision on the number of Additional New Shares to be allocated to you in accordance with the Allocation Principles will be final and binding. Smart Parking also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact Computershare Investor Services Pty Limited as Share Registry on 1300 480 818.

3. IMPORTANT INFORMATION

This Retail Offer Booklet (including the Chairman's letter, Investor Presentation and the ASX Offer Announcements reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by Smart Parking. The information in this Retail Offer Booklet is dated Tuesday, 25 February 2014.

This Retail Offer Booklet should be read in conjunction with Smart Parking's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than Smart Parking has authorised or caused the issue of the information in this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Retail Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in "Key Risks" section of the Investor Presentation released to ASX on Wednesday, 19 February 2014 a copy of which is included in this Retail Offer Booklet, any of which could affect the operating and financial performance of Smart Parking or the value of an investment in Smart Parking.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

3.1 Underwriting

The Company has entered into the Underwriting Agreement with Baillieu Holst Ltd (**Underwriter**) who has agreed to manage and fully underwrite the Retail Entitlement Offer.

The Underwriting Agreement contains customary representations, warranties and indemnities in favour of the Underwriter. The Underwriter may terminate the Underwriting Agreement and be released from its obligations on the happening of certain events, including if the S&P/ASX 200 Index closes on any two consecutive business days up to the time of settlement of the Retail Entitlement Offer or closes on the business day immediately before settlement of the Retail Entitlement Offer at a level that is 10% or more below the level as at the close of trading on 19 February 2014.

The Underwriter will be remunerated by Smart Parking for providing these services as set out in "Arrangements with Finico Pty Ltd and potential effects on control" section of the Investor Presentation released to ASX on Wednesday, 19 February 2014 a copy of which is included in this Retail Offer Booklet.

3.2 Eligible Retail Shareholders

The Entitlement Offer in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by Australian Securities and Investments Commission Class Order 08/35.

Eligible Retail Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 7,00pm (AEDT) on Monday, 24 February 2014;
- have a registered addresses on the Smart Parking share register in Australia or New Zealand;
- are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who do not satisfy this the above criteria are ineligible retail shareholders.

3.3 Effect of the Entitlement Offer

If all entitlements are accepted by shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of Smart Parking.

If all entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted.

The issue of New Shares pursuant to the Entitlement Offer may have a material effect or consequence on the control of Smart Parking as set out in “Arrangements with Finico Pty Ltd and potential effects on control” section of the Investor Presentation released to ASX on Wednesday, 19 February 2014 a copy of which is included in this Retail Offer Booklet.

3.4 Allocation policy and scale-back

If there are excess oversubscription applications, Smart Parking reserves the right to scale back applications for Additional New Shares on an equitable basis and in accordance with the shortfall allocation policy as set out in “Arrangements with Finico Pty Ltd and potential effects on control” section of the Investor Presentation released to ASX on Wednesday, 19 February 2014 a copy of which is included in this Retail Offer Booklet.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the offer price of \$0.15 will be refunded following allotment. No interest will be paid on any application monies received and returned.

3.5 Continuous disclosure

Smart Parking is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Smart Parking and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about Smart Parking which has previously been disclosed to ASX. In particular, please refer to Smart Parking’s Annual Report for the year ended 30 June 2013. You should also have regard to any further announcements which may be made by Smart Parking to ASX after the date of this Retail Offer Booklet.

3.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

3.7 Notice to nominees and custodians

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlements or not) and institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

3.8 Taxation

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and Additional New Shares).

Smart Parking does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Retail Entitlement Offer. Smart Parking, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Retail Offer Booklet.

3.9 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.10 Ranking of New Shares (and Additional New Shares)

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in Smart Parking's constitution, a copy of which is available at www.asx.com.au.

3.11 Future performance and forward-looking statements

Neither Smart Parking nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and Smart Parking assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Smart Parking and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

You should also refer to the “Key Risks” section of the Investor Presentation released to ASX on Wednesday, 19 February 2014 a copy of which is included in this Retail Offer Booklet.

3.12 Past performance

Investors should note that the past share price performance of Smart Parking's shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

3.13 No cooling off rights

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

3.14 Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Smart Parking is not licensed to provide financial product advice in respect of the New Shares (and any Additional New Shares). The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and any Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

3.15 Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

3.16 Optionholders

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

(a) have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of shares prior to 7.00pm (AET) on Monday, 24 February 2014; and

(b) participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of Smart Parking at 7.00pm (AEDT) on Monday, 24 February 2014.

3.17 Foreign jurisdictions

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares (and any Additional New Shares) are not being offered or sold to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares) is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Retail Offer Booklet has not been registered, filed or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Retail Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

3.18 Disclaimer of representations

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

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Smart Parking, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Smart Parking, or any other person, warrants or guarantees the future performance of Smart Parking or any return on any investment made pursuant to this Retail Offer Booklet.

CORPORATE DIRECTORY

Head Office

945 Wellington Street
West Perth, Western Australia 6005

Directors

Mr Christopher Morris Non-Executive Chairman
Mr Paul Gillespie Managing Director
Ms Penelope MacLagan Non-Executive Director
Ms Tiffany Fuller Non-Executive Director
Mr Jeremy King Non-Executive Director

Company Secretary

Mr Jeremy King

Legal Adviser

Minter Ellison
Rialto Towers
Level 23, 525 Collins Street
Melbourne VIC 3001

Underwriter

Baillieu Holst Ltd
Level 26, 360 Collins St
Melbourne VIC 3000

Registry

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Shareholder enquiries:
Telephone: 1300 480 818
Facsimile: (03) 9473 2500
Website: www.computershare.com

Half Year Results, Business Presentation & Capital Raising

February 2014

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Important Information

Summary information

The information contained in this presentation or subsequently provided to any recipient of this presentation whether orally or in writing by or on behalf of Smart Parking Ltd (**Smart Parking**), including by its respective employees, agents or consultants (**Information**) is provided to the recipients on the terms and conditions set out in this notice. The purpose of this presentation is to provide recipients with summary information relating to Smart Parking. This presentation has been prepared by Smart Parking and is dated 19 February 2014. Each recipient must make his/her own independent assessment and investigation of Smart Parking and its business and assets and should not rely on any statement or the adequacy and accuracy of the Information. The Information is of general background and does not purport to be complete. It should be read in conjunction with Smart Parking's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au (ASX code SPZ)..

Not an offer of securities or financial product advice

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This presentation contains references to certain intentions, expectations and plans of Smart Parking and other “forward-looking statements”. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or similar words and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These statements are not guarantees of future performance, are subject to known and unknown risks and uncertainties and may or may not be achieved. The performance and operation of Smart Parking may be influenced by a number of factors, many of which are outside the control of Smart Parking. No representation or warranty, express or implied, is made by Smart Parking or its respective directors, employees, officers, agents, consultants or advisers that intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. The forward looking statements only speak as at the date of this presentation and, other than as required by law of applicable jurisdictions, Smart Parking disclaims any duty to update forward looking statements to reflect new developments. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

No overseas offer

No offer is being made to any holder with a registered address outside Australia and New Zealand. In particular this presentation does not constitute an offer.

No U.S. offer

Offer will be made to all eligible holders of shares, that is shareholders registered as such on the record date with a registered addresses in Australia and New Zealand.

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. Operational hubs in Birmingham and Perth (Scotland) and employs 383 people.
- 2013 has seen Smart Parking's technology proven through winning marquee contracts with Westminster (London), Camden (London), Bondi (Sydney) and Rotorua (New Zealand)
- Funding to accelerate growth, maximise revenue streams and drive profitability via an underwritten ~\$12.5m accelerated entitlement offer

Agenda

- Introduction
- Half Year Financial Results
- Operational Update
- Future Growth
- Capital Raising
- Summary

Smart Parking Overview

- Smart Parking is a world leader in the development and marketing of intelligent car parking solutions and Parking Management Services
- The group is segregated into two business areas:
 - Parking Technology – established in 2003, specialises in on-street and off-street technology and data transfer for parking space availability. Operates from offices in Auckland, Melbourne and Birmingham (UK) and currently employs 27 people; and
 - Management Services – UK based and specialises in managing car parks on behalf of retail customers, land owners and managing agents. Operational hubs in Birmingham and Perth (Scotland) and currently employs 383 people.

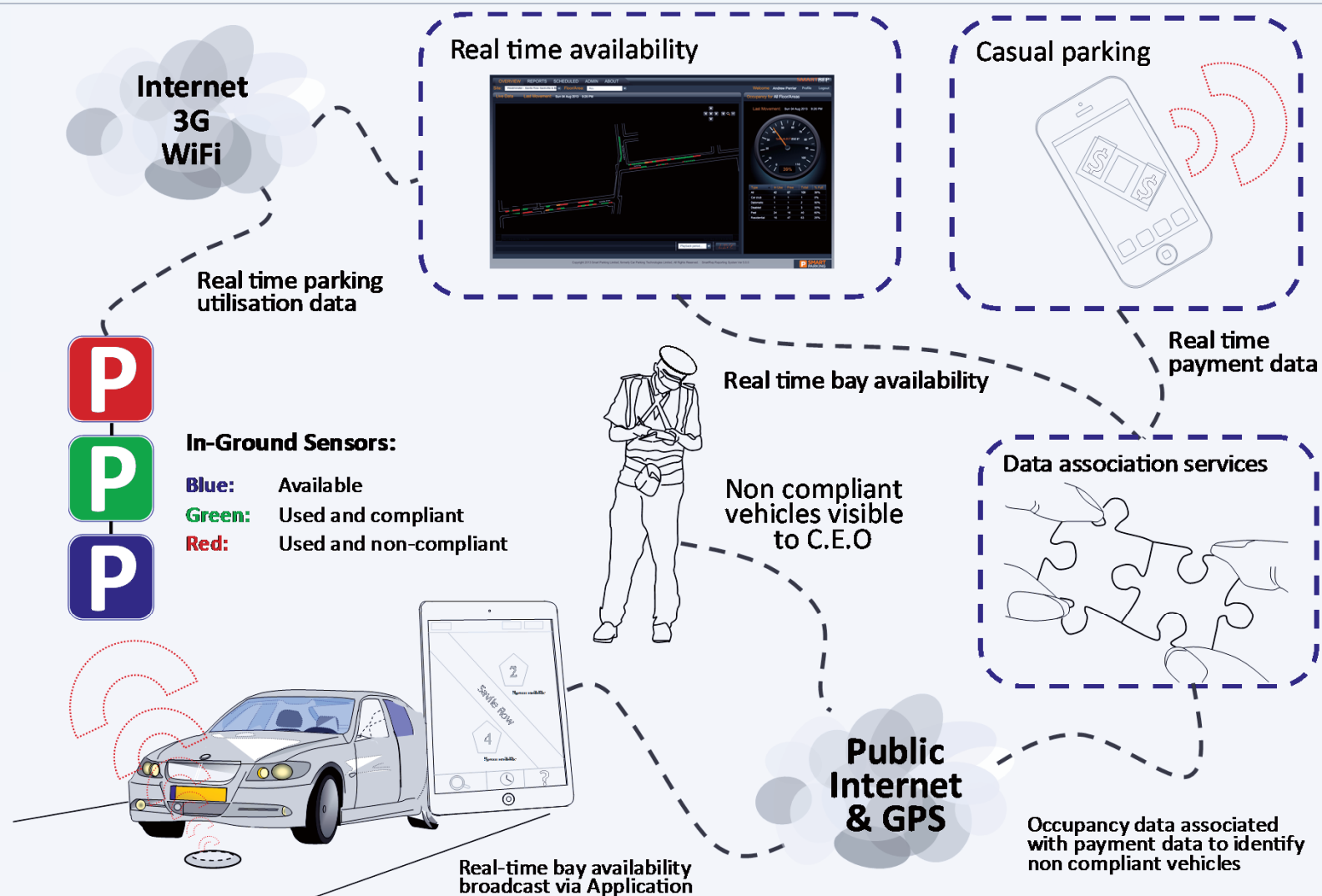
Capital Structure

| | |
|-----------------------|------------------|
| Shares | 208,308,602 |
| Options | - |
| Market Capitalisation | \$41.7m (14 Feb) |
| Cash | \$1.9m |
| Enterprise Value | \$39.8m |

Financials

| (A\$000's) | 2014 H1 | 2013 H1 |
|--------------------|---------|---------|
| Revenue | 11,371 | 11,605 |
| EBITDA | (992) | (1,635) |
| Net Profit/(Loss) | (1,371) | (2,605) |
| Excluding One Offs | (1,908) | (1,416) |

How Does the Technology Work?



Board

- **Chris Morris (Chairman)**
 - Founder and Chairman of Computershare.
 - Chris was appointed Chief Executive Officer in 1990 and oversaw the listing of Computershare on the ASX in 1994. Chris became the Computershare Group's Executive Chairman in November 2006 and relinquished his executive responsibilities in September 2010.
- **Paul Gillespie (Managing Director)**
 - Appointed in January 2013.
 - Previously worked with Xerox UK – responsible for on-street and off street operations.
 - 10 years in the parking industry working with government, aviation, retail and property
- **Tiffany Fuller (Director)**
 - 20 year career across Chartered Accounting, Corporate Finance, Investment Banking and Private Equity. Tiffany joined Rothschild Australia in 1997 in the Investment Banking Group after 8 years at Arthur Andersen in Audit, Corporate Finance and Management Consulting in Australia, the UK and the United States.
- **Penny Maclagan (Director)**
 - Joined Computershare in 1983 and was appointed to the Board as an Executive Director in May 1995. Penny relinquished her executive responsibilities in September 2010.
- **Jeremy King (Director)**
 - Mr King is a Senior Executive of Grange Consulting Pty Ltd, where he specialises in corporate advisory, strategic advice and managing legal issues associated with Grange's clients. Mr King is a corporate lawyer with over 15 years experience in domestic and international legal, financial and corporate matters.



February 2014 Half Year Financial Results

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Half Year Results

Financial Performance

| (A\$000's) | 2014 H1 | 2013 H1 |
|--------------------|---------|---------|
| Revenue | 11,371 | 11,605 |
| EBITDA | (992) | (1,635) |
| Net Profit/(Loss) | (1,371) | (2,605) |
| Excluding One Offs | (1,908) | (1,416) |

- \$0.5m 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.

Financial Position

| (\$000's) | Dec 2013 | Jun 2013 |
|---------------------|----------|----------|
| Current Assets | 15,291 | 12,244 |
| Non Current Assets | 10,108 | 10,532 |
| Total Assets | 25,399 | 22,776 |
| Current Liabilities | 11,352 | 9,173 |
| Term Liabilities | 1,115 | 213 |
| Total Equity | 12,932 | 13,390 |

- Cash balances \$3.2m (excluding client cash).
- Term liabilities includes \$1m loan from entities associated with Directors (Facility \$3m).
- UK Parking Management goodwill \$1.6m (post write off).

Technology

Key achievements:

- New business wins at Westminster City Council (UK), Camden Council (UK), Bondi Beach (Aust) and Rotorua (NZ)
- Growth in recurring revenue

Other comments:

- Gross margin increased 4.7%.
- Recurring revenue for the period was \$0.45m (2013 H1: \$0.3m).
- Westminster revenue of \$0.8m will be included in 2014 H2
- Orders received for parking guidance in Melbourne

| (\$000's) | 2014 H1 | 2013 H1 | % Change | % of Total Rev. |
|--------------------------|----------------|----------------|-------------|-----------------|
| New Zealand | 712 | 612 | 16% | 43% |
| Australia | 438 | 181 | 142% | 27% |
| United Kingdom | 471 | 264 | 78% | 29% |
| South Africa | 0 | 346 | (100%) | 0% |
| Other | 24 | 27 | (11%) | 1% |
| Total Revenue | 1,645 | 1,430 | 15% | 100% |
| Operating Costs | (2,195) | (2,012) | (9%) | |
| Management EBITDA | (550) | (582) | 5% | |

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 H1 | 2013 H1 | % Change | % of Total Revenue |
|----------------------|---------------|---------------|-------------|--------------------|
| Management Fees | 2,387 | 2,718 | (12%) | 23% |
| P&D Income | 4,518 | 4,275 | 6% | 44% |
| Civil Penalties | 2,304 | 2,413 | (5%) | 23% |
| Marshalling | 591 | 783 | (25%) | 6% |
| Other | 375 | 231 | 62% | 4% |
| Total Revenue | 10,175 | 10,420 | (2%) | 100% |
| Operating Costs | (9,995) | (9,939) | (1%) | |
| Management EBITDA | 180 | 481 | (63%) | |

Operational Update



Technology

- Completed sales and installations:

| Contract | Sensors | Date of Completion |
|------------------|---------|------------------------|
| Rotorua (NZ) | 1,500 | Dec 13 |
| Bondi (AUS) | 900 | Feb 14 |
| Westminster (UK) | 3,000 | Expected 30 March 2014 |

- Recurring data and maintenance revenue continue to grow with each new contract completion
- Product Trials running:

| Contract | Sensors in trial | Potential Sensor Numbers |
|--|------------------|--------------------------|
| Birmingham (UK) | 100 | 3,000 |
| Dubai (UAE) | 50 | 20,000 |
| Camden (UK) | 280 | 10,000 |
| Madrid (Spain) | 30 | 10,000 |
| Amsterdam | 100 | 12,000 |
| Total trials planned & under negotiation | 700 | 100,000 |

Product Development continuing to deliver:

- New mapping software being delivered for Westminster
- New reporting software developed for Westminster
- RFID tagging solution due to complete February 2014
- On-line web portal in development

Management Services

- Created a target driven environment focused on yield management, cost reduction and revenue increase
- Focus on maximising revenue opportunities across the existing estate
- Number Plate Recognition camera installation continuing – further 20 site installations due to complete by 30th March 2014
- New sales heads hired in order to continue to target new vertical markets including transport, government and health:
 - **Susan Taylor**
Formally Chief Executive Officer of VINCI Park UK and more recently worked for Westfield Shopping towns in parking strategy.
 - **Paul Moran**
Formally of Integral FM where his biggest account was Halfords where he was responsible for the delivery of all facilities management to over 400 stores.
 - **Angela Saunders**
Previously with MITIE Group plc, has been appointed to strengthen Smart Parking's management services sales capability

Future Growth



Future Growth in Technology

Apply new and existing funds to accelerate growth, maximise revenue streams and drive profitability

- Installations
 - Strengthen sales resources to win new business across tier 1 focus areas (UK, Australia and NZ) and tier 2 focus areas (UAE, USA and Asia)
 - Strengthen trialling capability and increasing volume of trials with large customers – several trials under negotiation in tier 1 and tier 2 focus areas
 - Bolster marketing resources to reach customers in both tier 1 and tier 2 areas through website, additional trade shows, market publications and new marketing initiatives

Future Growth in Technology

Apply new and existing funds to accelerate growth, maximise revenue streams and drive profitability

- Recurring Revenue
 - Continue to sell and grow data hosting revenue in all new and existing sensor installations
 - Continue to sell and grow maintenance revenue in all new and existing sensors sites
 - Develop and grow future recurring income stream through B to C RFID tagging solution and on-line parking payment accounts
- Strengthen development and operational team
- Invest in product development to maintain competitive advantage and increase margins
- Manage the balance sheet and pursue corporate opportunities

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 half year are encouraging for the technology business with new contracts and a growing recurring revenue line
- Technology proven through winning marquee contracts with Westminster (London), Camden (London), Bondi (Sydney) and Rotorua (New Zealand)
- Funding to accelerate growth, maximise revenue streams and drive profitability through existing cash and via an underwritten ~\$12.5m accelerated entitlement offer

CAPITAL RAISING

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Capital Raising

- Smart Parking is undertaking a fully underwritten pro rata, non renounceable 2 for 5 entitlement offer to raise \$12.5m (pre offer costs) (“Entitlement Offer”)
- Funds raised will be applied to Smart Parking’s growth strategy as set out below:

| Activity | Yr1 | Yr2 | One off funding | Total |
|---------------------|-------------|-------------|-----------------|--------------|
| Sales and Marketing | \$1.5m | \$1.5m | - | \$3m |
| Trial site funding | - | - | \$2m | \$2m |
| Product Development | \$1.5m | \$1.5m | - | \$3m |
| Debt reduction | | | \$1m | \$1m |
| Working Capital | - | - | \$3m | \$3m |
| Total | \$3m | \$3m | \$6m | \$12m |

Details

| | |
|---------------------------------|--|
| Offer Structure | <ul style="list-style-type: none"> 2 for 5 underwritten pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of circa \$12.5m pre offer costs ("Entitlement Offer") <ul style="list-style-type: none"> Entitlement Offer to eligible institutional shareholders ("Institutional Entitlement Offer") and eligible retail shareholders ("Retail Entitlement Offer") Approximately 83.3m new Smart Parking ordinary shares ("New Shares") to be issued Approximately 40% of current issued share capital Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number of new shares |
| Pricing | <ul style="list-style-type: none"> Offer price of \$0.15 per share |
| Attractive Discount | <ul style="list-style-type: none"> The offer price represents: <ul style="list-style-type: none"> 9.1% discount to the last close before announcement of the Entitlement Offer 11.2% discount to the 1 day VWAP 25.7% discount to the 1 month VWAP 6.7% discount to the Theoretical Ex-Rights Price (TERP) |
| Non-Renounceable Rights | <ul style="list-style-type: none"> Shareholders who do not participate will not receive value for their rights under the Entitlement Offer |
| Securities | <ul style="list-style-type: none"> Ranking equally with existing ordinary shares |
| Lead Manager and Underwriter | <ul style="list-style-type: none"> Baillieu Holst Ltd. Please see following page for details of sub-underwriting with particular reference to potential effects on control |
| Board Support | <ul style="list-style-type: none"> All directors who are shareholders at the Record Date have indicated that they intend to take up all or part of their entitlement in the Entitlement Offer |
| Institutional Entitlement Offer | <ul style="list-style-type: none"> Institutional Entitlement Offer open from Wednesday, 19 February to Thursday, 20 February Entitlements not taken up by eligible institutional shareholders, and entitlements that would otherwise have been offered to ineligible institutional shareholders, will be placed into the institutional shortfall bookbuild Entitlements not taken up under the institutional bookbuild will be placed to the Underwriter |
| Retail Entitlement Offer | <ul style="list-style-type: none"> Record Date 7pm, Monday, 24 February Retail Entitlement Offer open from Tuesday, 25 February to Wednesday, 12 March Top up facility available Entitlements not taken up by eligible retail shareholders, and entitlements that would otherwise have been offered to ineligible retail shareholders, will be placed into the retail shortfall bookbuild Entitlements not taken up under the retail bookbuild will be placed to the Underwriter |

Arrangements with Finico Pty Ltd and potential effects on control

Finico Pty Ltd (Finico), who owns approximately 19.91% of the issued capital in SPZ prior to the Entitlement Offer, and who's Director is Chris Morris, also a Director of SPZ, has entered into a sub-underwriting agreement with the underwriter of the Entitlement Offer.

Pursuant to that agreement, Finico has agreed to sub-underwrite up to \$12.5 million of the Entitlement Offer (Finico Sub-underwriting Commitment) representing 100% of the Entitlement Offer.

The Underwriter has agreed to pay Finico a fee of 0.5% of the Shortfall Allocation of the Finico Sub-underwriting Commitment

The potential effect that the issue of new shares under the Entitlement Offer will have on the control of SPZ will depend in part on the number of New Shares that are allocated to Finico through the sub-underwriting commitment. This number will be reduced as described above.

If there is a shortfall of entitlement take-up under the Entitlement Offer such that Finico is required to subscribe for the full amount of its Finico Sub-underwriting Commitment, Finico would hold, and be in position to control, approximately 42.8% of the expanded capital of SPZ following the completion of the Entitlement Offer. See below a table outline the potential change in control on various take-up and sub-underwriting assumptions.

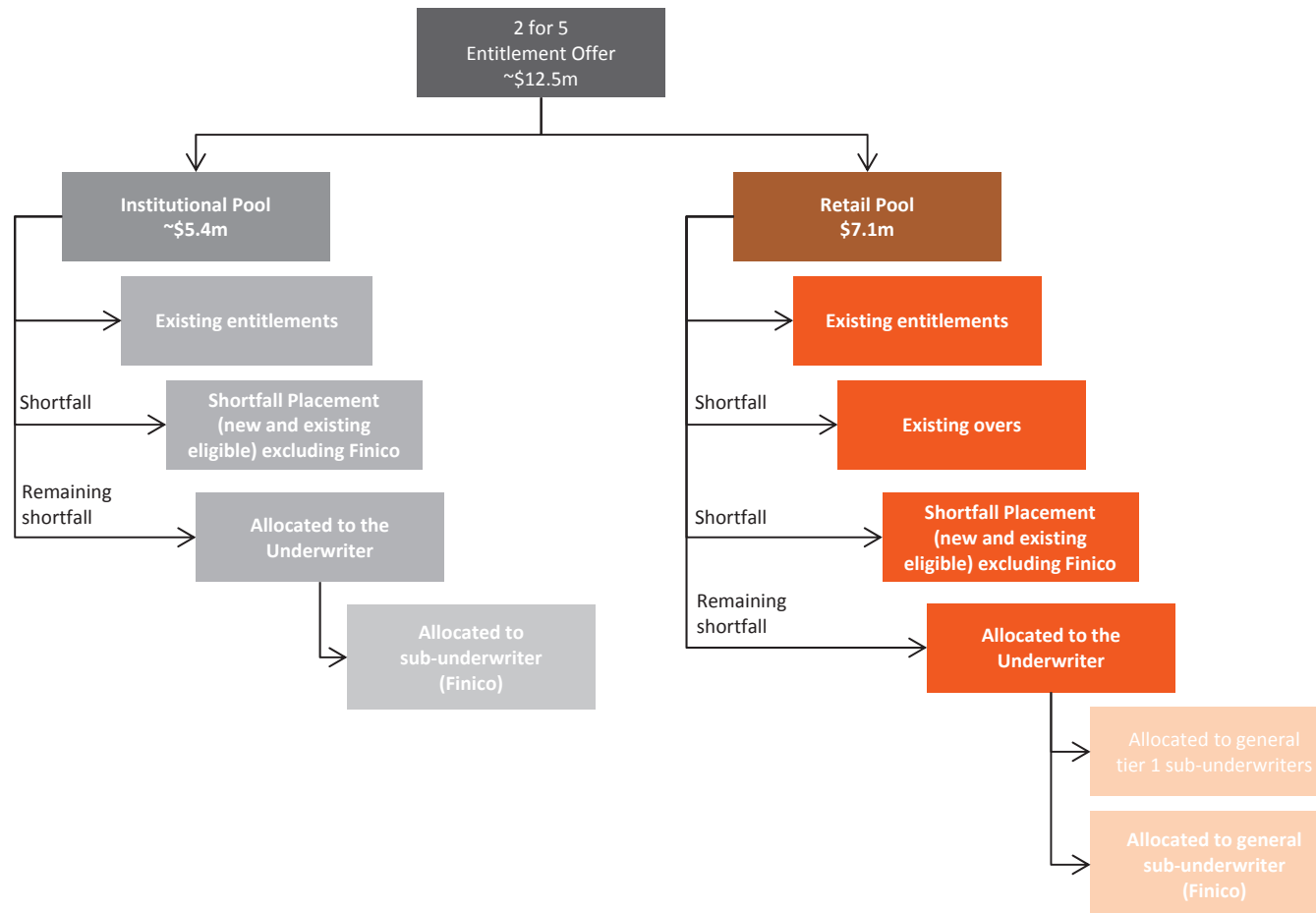
| Entitlement Offer component | Case 1 | Case 2 |
|---|--------------|--------------|
| Institutional Entitlement Offer Take-up (in excess of Finico) | 0% | 75% |
| Retail Entitlement Offer Take-up | 0% | 50% |
| Retail Entitlement Offer sub-underwriting | 0% | 25% |
| Potential Finico Holding post Entitlement Offer | 42.8% | 25.6% |

Fees:

- SPZ has agreed to pay to Baillieu Holst Ltd a gross fee of 2.0% on the amount raised under the Entitlement Offer in lieu of its role as Lead Manager and Underwriter.
- The Underwriter will pay away a fee of 0.5% for sub-underwriting commitments (outside of Finico) and a selling fee of 0.5% on successful shortfall placement stock

Arrangements with Finico Pty Ltd and potential effects on control

Finico's sub-underwriting commitment is considered by SPZ to be 'last resort' in nature. Finico will be allocated shortfall shares according to the allocation policy set out below:



Timetable

| Capital Raising | Time (AEST) / Date (2014) |
|--|---------------------------|
| Announcement of the Entitlement Offer | Wednesday, 19 February |
| Institutional Entitlement Offer opens | Wednesday, 19 February |
| Institutional Entitlement Offer closes | Thursday, 20 February |
| Trading halt lifted. Shares resume trading on an ex-entitlement basis | Friday, 21 February |
| Record Date for the Retail Entitlement Offer (7:00pm AEDST) | 7pm, Monday, 24 February |
| Information booklet and entitlement and acceptance form despatched to eligible shareholders under Retail Entitlement Offer | Tuesday, 25 February |
| Retail Entitlement Offer opens | Tuesday, 25 February |
| Settlement of Institutional Entitlement Offer | Thursday, 27 February |
| Allotment and trading of New Shares issued under the Institutional Entitlement Offer | Friday, 28 February |
| Retail Entitlement Offer closes (5:00pm AEDST) | Wednesday, 12 March |
| Announcement of results of the Retail Entitlement Offer and under-subscriptions (if any) | Monday, 17 March |
| Settlement of Retail Entitlement Offer (including any New Shares issued under the top up facility or to the underwriter, if any) | Wednesday, 19 March |
| Allotment of New Shares issued under the Retail Entitlement Offer | Thursday, 20 March |
| New Shares issued under the Retail Entitlement Offer commence trading on a normal basis | Friday, 21 March |
| Dispatch of holding statements under the Retail Entitlement Offer | Friday, 21 March |

Ineligible Securityholders

Nominee to administer Ineligible Securityholder entitlements

Some securityholders as determined by SPZ are not eligible to participate in the Entitlement Offer due to securities law restrictions on the offer of entitlements in certain jurisdictions (Ineligible Securityholders)

If required to satisfy the Corporations Act conditions in connection with underwriting the Entitlement Offer, SPZ may appoint a nominee for Ineligible Securityholders. SPZ may issue the nominee with the right to subscribe for the New Shares that would have been available for subscription by Ineligible Securityholders had they been eligible to participate in the Entitlement Offer.

- Entitlements will be offered (off-market) for sale by the nominee to sophisticated or professional and wholesale investors
- The nominee will distribute any proceeds of sale (above the Offer Price and net of expenses) proportionately to Ineligible Securityholders

Institutional bookbuild

Securityholders should note that the underwriter (whether in that capacity, as nominee in accordance with section 615 of the Corporations Act (if applicable) or otherwise) is not acting as agent for securityholders (including Ineligible Securityholders); manages the institutional bookbuild, and the sale process under section 615 of the Corporations Act in respect of the Offer (if applicable), for and at the request of SPZ only; owes no duties (fiduciary or otherwise) to securityholders (including Ineligible Securityholders); is not obliged to return any entitlements to, or act at the direction, or consider the interests, or the requests, of any securityholders (including Ineligible Securityholders); may determine in its discretion to whom it allocates entitlements in accordance with its arrangements with SPZ and subject to pro-rata entitlements of eligible securityholders under the Entitlement Offer; that there is no guarantee that any proceeds will be realised from the sale of entitlements in relation to any sale process under section 615 of the Corporations Act in respect of the Entitlement Offer (if applicable); and that it is not liable for failure to sell such entitlements at any particular price or at all.

Key Risks

Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Offer, before deciding whether to apply for Securities. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Technology Changes

A portion of the Company's business is centred on parking technology products, software and associated hardware. The technology industry is constantly evolving with new technologies and products which could act as substitutes for the products and services that the Group provides. There is no guarantee that the Group can keep up with technological developments within the industry and a failure to do so may have a negative effect on the Company's business and its ability to compete effectively within its target markets.

Software Programming and Technology and Internet Failure

The Company's parking technology products and software are technically advanced and rely on complex programming and features, with much of the software reliant on consistent and good connectivity to the internet. Any errors, bugs, vulnerabilities or defects in such software or products or an inability to access the internet could result in malfunction of the products or software non-performance of such products or software. Such malfunction or non-performance could negatively affect the performance of the Company's business.

Written Contracts

The terms and conditions in respect of the provision of parking management services in the UK to certain clients are not fully documented. Where practically and commercially possible management is implementing comprehensive written service level agreements however this is time consuming and there can be no guarantee that this process will be fully completed, or completed to the satisfaction of the Company. Consequently among others there exists a risk that such clients could terminate the provision of services by the Company without cause and with the Company being left with no contractual recourse.

Lead Times

The Company tenders for contracts with local government entities and councils for the provision of parking management as well as the installation and management of parking technology products. The time and resource taken from the tendering process through to the award and implementation of the contract can be extensive and subject to external review. As such significant delays can occur which have may have a negative effect on the Company's business.

Local Infrastructure

The Company's parking products utilise local telecommunications infrastructure. To the extent that such infrastructure is not reliable and accessible, or there are consistent periods of unreliability or inaccessibility, the Company's business may be adversely affected.

Key Risks

Legal Disputes

The Company is currently in dispute with the vendor of its UK parking business (Vendor) which it acquired in early 2012. The Vendor has lodged claims against the Company seeking various declarations in respect of the sale and purchase documentation (SPA) in respect of the acquisition including in respect of the way the acquisition accounts were prepared and disputing the Company's right to transfer certain shares in the Company previously controlled by the Vendor. The Company is vigorously defending such claims and in addition has initiated a number of claims against the Vendor pursuant to its rights under the SPA. The ultimate outcome of these legal disputes is unknown at this time and there is a risk that such claims may result in adverse financial consequences to the Company, and that the pursuit of such claims may divert resource from the Company's core business.

Competition

The Company competes with other car parking technology and parking management companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company. In particular the Company operates in the parking management business in the United Kingdom, where it is a mature and competitive industry. There can be no assurance that the Company can compete with changes in the competition within the industry in which it operates. It is possible that new competitors may enter the car parking technology market which the Company that provide products which are similar to those that the Company currently provides or otherwise compete with the Company's developed technologies.

Assembly and Manufacturing

The Company currently assembles products within its premises in NZ. This poses health and safety risks to employees and the risk of accidents could compromise the company's capacity to staff ongoing installations.

The Company currently outsources manufacturing for its car parking technology products to manufacturers and suppliers based in New Zealand. Manufacturing encompasses various business risks including risks relating to the quality of the products manufactured and the inherent variable cost of manufacturing, particularly with respect to the cost of electrical componentry. These risks may impact on the performance of the business of Smart Parking.

Manufacturing Arrangements

Smart Parking utilises Nautech Electronics Limited (Nautech) in respect of its electronic componentry requirements. Smart Parking does not have a written agreement in place in respect of the supply of such products. If Nautech were to elect to halt the provision of such products to Smart Parking or produce products which were unacceptable to Smart Parking, in the absence of a written agreement Smart Parking may find it difficult to enforce legal remedies against Nautech which may ultimately impact the business of Smart Parking. This would also require the Company to source the electronic componentry from other providers. There is no guarantee that such componentry could be sourced at or less than the costs that Smart Parking currently sources these parts from Nautech.

Key Risks

Regulation

The parking management services industry in the UK where Smart Parking operates such business is generally highly regulated and the introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of those legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been contemplated by the Offer. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Foreign Exchange

The Company currently conducts its operations across international borders, including at this time Australia, New Zealand, Singapore and the UK.

In the future, a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies, namely with costs and income likely to be mainly in NZ dollars, Australian dollars and GBP initially.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

Additional Requirements for Capital

The Company requires capital in order to finance the manufacture and installation of its technology products. The Company's precise capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programmes as the case may be.

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees ceases their employment.

Key Risks

Management of Growth and Strategy

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

Share Market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer.

Therefore, the securities to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

International Offer Restrictions

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