

Manager of Company Announcements  
ASX Limited

16 March 2016

By E-Lodgement

## UK Services Contract Update

Smart Parking Ltd (ASX: SPZ) (**Smart Parking or Company**) advises that it has been notified that the legacy contract (**Contract**) it has with UK based supermarket chain, Asda, will not be renewed. The Contract will terminate on 30 April 2016.

As part of its renewal tender, Smart Parking had proposed improved commercial terms reflecting the large and diverse estate currently managed under the Contract. Ultimately, the proposal was not accepted by Asda.

The non-renewal will result in a short term reduction to the Company's revenue. However, the management services division of Smart Parking continues to win and install its technology at new UK sites on a month by month basis, and maintains a positive pipeline for growth.

Significantly, Smart Parking UK retains ownership of in excess of 250 ANPR cameras and associated hardware currently deployed on Asda sites. These assets can now be directed to approximately 100 new sites. This will significantly reduce future capital expenditure requirements enabling the Company to continue its technology roll out programme which is delivering strong returns on capital.

The UK Services business generated \$2.8m EBITDA in the first half of FY16, representing a \$2.9m turnaround compared with first half FY15. The majority of this performance was delivered by the new site installation programme which sits outside of the Asda contract.

In addition, pursuant to UK employment legislation, approximately 100 of the Company's on-site officers deployed on the Asda estate will transfer across to the new estate operator, and there will be savings in central processing functions.

At this stage, arrangements for transfer of the Contract to the new operator are unclear. Any transitional services provided by the Company to Asda will be subject to separate contractual negotiation.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Jeremy King'.

**Jeremy King**  
Company Secretary

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