



# Lo-Q plc Interim Results

22 June 2011



# Lo-Q Presenters

---

- John Weston – Non Executive Chairman
  - Joined Lo-Q in May 2011
  - Former CEO of BAE Systems
- Tom Burnet – CEO
  - Joined Lo-Q in October 2010
  - Formerly MD of Serco's Defence Business and QinetiQ's Consulting Division
- John Alder – Finance Director
  - Chartered Accountant (PricewaterhouseCoopers)
  - Joined Lo-Q in 2008 and was appointed to the plc board in 2009





# The Lo-Q Business Model

---



- Lo-Q installs its proprietary devices and supporting network into a theme park – typically 3 or 4 year contract
- A premium product: circa 15% of guests rent devices on a per person per day basis as an additional in-park service
- Lo-Q enters a revenue or profit sharing arrangement, typically running in park operations for our customers
- Revenue stream is recurring



# Lo-Q Background

---



- Listed on the LSE in 2000
- Leading supplier to Theme Park industry
- Patented technology and substantial operational IPR
- Operational 10 years
- Experienced board
- UK Headquarters, subsidiaries in USA and Canada
- 7 million+ guests to date
- 8 operators
- 20+ theme parks
- 7 countries
















# Lo-Q Client Base

## Parks using Lo-Q solutions



Six Flags <i>(USA &amp; Canada)</i>	12 parks		  	
Parques Reunidos <i>(Italy, Spain &amp; Germany)</i>	3 parks		  	
Merlin Group <i>(UK &amp; Germany)</i>	2 parks		 	
Dreamworld <i>(Australia)</i>				
Herschend Group <i>(USA)</i>				
Blackpool Pleasure Beach <i>(UK)</i>				
Isla Magica (Q-txt) <i>(Spain)</i>				



# Theme Park Operator Benefits

---



- Income from revenue or profit sharing arrangement
- Motivated to develop revenue sharing business
- Guests are out of line - guest experience enhanced
- Guests out of line enjoy other in-park offerings (food, games) - further enhance the revenue of the operator





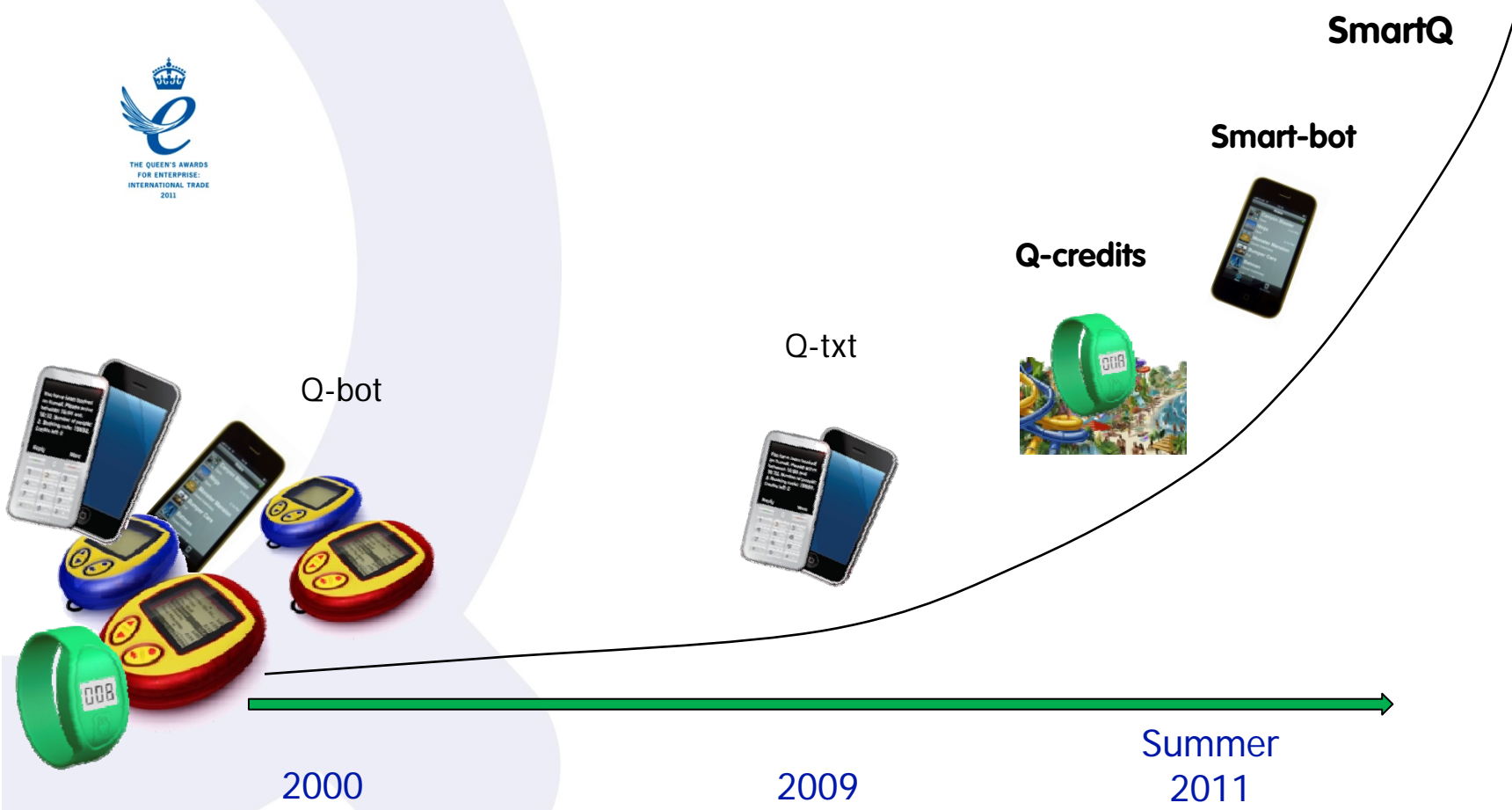
# Market Opportunity

- Significant consolidation in the customer base over the past 5 -10 years
  - considerable PE interest in park ownership
  - formation of 10 or so substantial global groups of park owners
- Supply chain remains very fragmented
- Existing customer base represents <8% of the world's top ten amusement park corporations in terms of number of attendees
- Unique in the market and has repeatedly been shown to be more effective than alternative, paper based queuing systems





# Product Evolution and Roadmap





# Q-bot - True Virtual Queuing

- Generally aimed at up to 15% of park guests
  - Hand held, reliable, robust, waterproof and low cost
  - Next generation of complimentary smart phone applications developed





# Q-credits

---

- Water park product
  - Queuing solution for water parks
  - Full operational trial started June 2011
  - Park and Guest acceptance and initial revenues exceeding anticipation
  - Additional services:
    - Cashless purchasing
    - Access control





# H1 2011 Key Financial Points

---

- Revenues up 33% to £3.27m  
(2010: £2.46m)
- Strong cash position: £4.03m in cash  
(2010: £2.87m); no debt
- Loss before tax £0.94m  
(2010: £0.90m)





# H1 2011 Key Operational Points

---



- Four additional parks signed
- Appointment of John Weston as Chairman
- 4%, like for like, increase in guests utilising our systems
- 28% increase in average guest expenditure
- Continued R&D into a new generation of innovative queue management solutions
- Queens Award for International Trade
- Dollywood Contract Extension awarded





# Income Statement



	<b>HY 2011</b> <b>£m</b>	<b>HY</b> <b>2010</b> <b>£m</b>	<b>FY</b> <b>2010</b> <b>£m</b>
Revenue	<b>3.27</b>	2.46	20.30
(Loss)/ profit before tax	<b>(0.94)</b>	(0.90)	2.32
EPS – basic (P)	<b>(4.46)</b>	(4.47)	11.69



# Balance Sheet



	<b>HY 2011 £m</b>	<b>HY 2010 £m</b>	<b>FY 2010 £m</b>
Cash	<b>4.03</b>	2.87	6.02
Net Assets	<b>6.51</b>	4.72	7.26
Distributable reserves	<b>1.05</b>	(0.65)	1.82





# Cash Flow



	<b>HY 2011</b>	<b>HY 2010</b>	<b>FY 2010</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Cash from operations	<b>(1.52)</b>	(1.24)	2.99
Tax paid	<b>(0.20)</b>	(0.08)	(0.53)
Investments	<b>(0.27)</b>	(0.25)	(0.88)
(Dec)/ Inc in period	<b>(1.99)</b>	(1.57)	1.58



# Post-Period End Highlights

---

- Contract extension at Parque Isla Mágica in Seville
- Successful start to the operational trial of our Q-credits water park product
- FTSE reclassification to Software sector
- Trading post period end continues to be positive
- Further underpins the boards confidence in reaching FY expectations





# 5 Key Strands of Our Strategy



1. Continued focus on the global leisure market, theme amusement and water park, attractions and events
2. Improve our Governance
3. Improve sales execution – Park Operators and Guests
4. Continue to invest in Product development
  - **Q-bot, established market leading product**
  - **Q-credits, water park product**
  - **Smart Q, mobile application**
5. Selective M&A opportunities:
  - **Complementary IP**
  - **Expand our core queuing position into adjacent areas**
  - **Examples cashless payment systems, PoS, ticketing, photography, dryers**





# Summary and Outlook

---

- Trading continues to be positive
- Established market platform/leading queuing technology
- Significant growth opportunities in our existing market
- Gaining momentum in sales pipeline
- Opportunities for M&A and exciting new products with global reach
- Board remains confident that Company is on track to perform in line with market expectations for year as a whole





# Lo-Q plc

---



**Lo-Q plc**  
**Head Office**  
**Unit 2, The Pavilions**  
**Ruscombe Park**  
**Twyford**  
**Berkshire, RG10 9NN**  
**UK**

**Lo-Q Inc**  
**US Office**  
**351 Thornton Road**  
**Suite 119**  
**Lithia Springs**  
**GA 30122**  
**USA**

[www.lo-q.com](http://www.lo-q.com)

**T. +44 118 9347425**

[www.lo-q.com](http://www.lo-q.com)

**T. +1 678 838 6930**