

**Boomerang Systems' Robotic Valet™ is a Breakthrough Advance
in the Parking Industry that Has Been Unchanged for Decades**

**Manufacturing
Automated Parking and
Self-Storage Systems
(BMER-OTCPK)**



**Mark R. Patterson
Chairman and CEO**

BIO:

Mr. Patterson is the Chief Executive Officer and a Director of Boomerang and has served in such capacity since August 2010. From January of 2009 until joining the Company in June of 2010 as an Executive Vice President, Mr. Patterson was a real estate consultant. Until January of 2009, Mr. Patterson was a Managing Director and the Head of Real Estate Global Principal Investments at Merrill Lynch, where he oversaw the real estate principal investing activities of Merrill Lynch. Mr. Patterson joined Merrill Lynch in April 2005 as the Global Head of Real Estate Invest-

ment Banking and in 2006 also became the Co-Head of Global Commercial Real Estate, which encompassed real estate investment banking, principal investing and mortgage debt. Prior to joining Merrill Lynch, Mr. Patterson spent 16 years at Citigroup where he held numerous positions including the Global Head of Real Estate Investment Banking since 1996. Mr. Patterson is a member of the Board of Directors of General Growth Properties, a company traded on the New York Stock Exchange under the symbol GGP. During his career, Mr. Patterson has been involved in a wide variety of financing and investing activities that have spanned virtually all types of real estate in most major global property markets. Mr. Patterson's day-to-day leadership of Boomerang, as Chief Executive Officer, provides him with intimate knowledge of our business, results of operations and financial condition. Mr. Patterson, as a result of experience in the real estate investment banking industry, provides unique insights into Boomerang's target customers as well as challenges and opportunities.

Company Profile:

Headquartered in Florham Park, NJ, with research, design, testing and production facilities in Logan, UT, Boomerang Systems, Inc. is in the business of selling, designing, engineering, manufacturing, installing and supporting its own line of fully automated parking systems and fully automated self-storage systems.

The Company is the developer and sole provider of the Boomerang RoboticValet™ automated robotic parking system which differs from legacy automated parking systems in that it transports vehicles across flat solid

concrete slabs without the limitations of legacy rack & rail designs. The Company believes its system provides numerous advantages with regard to redundancy, throughput, layout flexibility, fire and life safety in comparison to other legacy rail or track-based automated parking systems.

Prior to starting Boomerang, the Company's founding principals started S&S Worldwide, which grew to become the largest manufacturer of thrill rides in North America with customers in 31 countries including Disney, MGM, Six Flags & Cedar Fair. Engineering accomplishments include the World's tallest thrill ride (Stratosphere, Las Vegas, NV) and the World's first roller coaster to go over 100 MPH (Guinness World Record in 2002).

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Patterson, what attracted you to Boomerang and what strengths was Boomerang looking for that you bring to the table?

Mr. Patterson: I am by trade a real estate finance professional. I spent much of my career providing equity and debt financing for public and private real estate companies. I noticed that the real estate market is so mature that developers have very few ways to enhance their profit margins. So, Boomerang caught my eye with their break-through technology as a margin enhancer for the real estate industry. Real estate is all about space savings and efficiency, especially in dense areas around the world where governments require a certain amount of parking for every square

foot of real estate built. Boomerang provides a product that effectively doubles the density of parking cars in a building. Therefore, from a real estate professional's perspective, it is an exciting breakthrough. Things like this do not happen often in the real estate industry. Probably the most dramatic example of real estate industry innovation was when the elevator was invented and adopted to unlock valuable "air rights" by allowing buildings to go vertical more than the previous limitation of five or six stories. I saw a parallel between the increased density made possible by elevators and that made possible by our RoboticValet™ system.

CEOCFO: What about Boomerang and its RoboticValet™; what exactly is it and how does it work?

Mr. Patterson: Boomerang provides a robotic parking system whereby each car first pulls into a parking bay and parks on a galvanized steel tray that is recessed in the floor. The driver exits their car and walks to a kiosk, completing a simple safety checklist and entering an estimated return time. They get to keep their keys, which is nice, since they know nobody else will drive their car. A garage door closes behind them and a robot then enters the bay where their car was dropped off and goes under the tray upon which the car is parked. The robot is actually an approximately 9" high rectangular-shaped metal box on wheels that moves under the tray, lifts the car and whisks it away. It can then drive onto a lift, which carries it up or down between floors where it can park the car, three, four, or five spaces deep. By eliminating the ramps and drive aisles, the cars fit in roughly half the space of a conventional garage. Our system is extremely accurate because the robot is following a wire in the floor. This type of guidance method is not new but has been used in factories and warehouses for 30+ years, which is why we like it, because it is reliable and accurate. It is very important for us to be able to park cars precisely as we measure the car and know exactly its

cubic volume. We use proprietary software called TrafficMaster™, which decides which robot to use, which path to take and where to park the car. It is the combination of these two systems, TrafficMaster, and our Automated Guided Vehicle system, that enable us to deliver the world's most efficient way to park cars. There is a video on our website that gives a great visual demonstration of how this technology works.

CEOCFO: How did Boomerang put it together to make use of this?

Mr. Patterson: That is an interesting question and one that is very relevant to the heritage of our company. Boomerang's founders previously started what grew to become the country's largest manufacturer of thrill rides and

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- Mark R. Patterson

roller coasters with installations in 31 countries around the world, including the world's tallest ride and the first roller coaster in the world to go over 100 miles per hour. This is a business that requires a great degree of precision, double checks and redundancy where safety and security are paramount. Boomerang was founded with a team of engineers, designers and project managers who had previously worked together in the roller coaster business and who brought much of that thinking and experience with them. Therefore, we were able to apply safety, reliability and redundancy principles to Boomerang's system that we call the RoboticValet™ today. Boomerang has a very interesting past of sophisticated engineering which has enabled us to provide this unique and break-through system.

CEOCFO: When was Boomerang started?

Mr. Patterson: Boomerang was founded at the end of 2007. That is when the team left the roller coaster company and began this company. The first few years were spent doing intensive research and development, not just with the technology itself (e.g., developing a low profile robot that can lift 7000 pounds) but also undertaking extensive market research. Several professionals at the Company surveyed the leading parking garage operators, owners and customers. Much of the market research centered on what was needed in the parking industry and specifically, what was needed in the automated parking industry. We learned that existing automated parking systems

had many inadequacies and there was widespread hesitation to use them. Having a thorough understanding of the market's needs and a product to address them, Boomerang launched RoboticValet™, and it has been so well received that we now estimate that in the short time since its launch we have garnered more orders in North America than any of our competitors.

CEOCFO: Do you require new facilities to be built or can old parking garages be retrofit for your RoboticValet™?

Mr. Patterson: We can absolutely retrofit existing facilities if they have level concrete floors and we are able to install our car lifts. While our robots will not go up ramps in existing garages, valet garages that already have elevators can be easily retrofitted. Office buildings are often built with flat floors and adequate ceiling heights, so we have a number of our customers that are looking to convert office buildings to RoboticValet™ garages. This is because the robots can be installed by simply putting in a small slot in the floor with a concrete saw into which we install the wire, for our guidance system. If we can find a logical place to install the parking bays and our lifts, it is simple to convert the right facility. However, the

vast majority of our business is going to be in newly constructed buildings where we can really maximize efficiency and density by working with architects and engineers to make sure column spacing and overall site planning are ideal.

CEOCFO: What is the cost in terms of building with the Boomerang system?

Mr. Patterson: We look at cost in several ways. The cost per space depends upon the total number of cars in the garage and the percentage of those cars we must store or retrieve during the busiest hour of the day – a figure we call throughput. We work backwards from that throughput requirement to determine how much equipment will be needed in that garage to meet that demand. As a result, the higher the hourly throughput requirement, the higher the cost per space. As a rule of thumb we tell people to budget \$14,000 per space to install our system. However, this number can change dramatically in either direction depending on the concept. This cost is typically offset by the significant structure cost savings realized by using less area per car and by eliminating many of the added costs that are required to make garages fit for human occupancy.

CEOCFO: How would that compare to a conventional garage?

Mr. Patterson: Say there is an apartment building that is going to be twenty or thirty stories high, and you want to put parking in the first X number of stories. The normal cost to build a space using concrete, steel, and ramps for a traditional drive-up ramp garage under a building is about \$30,000 per space. To build a space for our system to be installed, it is about ½ that cost, or \$15,000 because we use half the space and require ½ less concrete and steel. For the RoboticValet™ system, I will go back and use our per space price of \$14,000. Therefore, we are parking the same car for \$29,000 that you would normally park in a traditional parking garage under a building for \$30,000 per space. Now you may say that is a minor savings of \$1,000 per space. However, what we are really offering that developer is space that

can be leveraged for higher value uses. Normally, in a garage, you would use six floors for parking, but we are going to be able to do it in three. So, not only are parking the same number of cars 10% less; we are giving that developer back 3 floors in his building, which he can now use for hotel rooms, condos, apartments or office use. Therefore, the value proposition for someone constructing a building is quite dramatic, because we are freeing up 3 extra floors. You can put just about any profit margin you want (e.g., \$100, \$200, \$300) per square foot in a high density market and you can quickly see how that is an incredible value creation proposal.

CEOCFO: What are some of the new projects Boomerang is working on?

Mr. Patterson: We have recently announced a number of new deals, especially since we have been able to demonstrate our system. We have a demonstration facility at our Hamburg, NJ location, which is about an hour west of NYC and part of the Crystal Springs Resort. We have recently had demonstrations for developers, garage owners, airport facility operators, hospitals, construction companies and universities. We have interest from both here in the US and around the world, have signed a number of contracts and have a large pipeline of activity that is underway. For example, a recent deal is for multifamily use building in Atlantic City that is located right next to the new Revel Casino. There are several hundred spaces in the apartment complex, which is a perfect fit for RoboticValet, because the tenants and occupants of that building will be able to have very safe and secure parking. I have not mentioned that yet, but safety is a big issue with self-park garages. We provide a safe environment for car parking and retrieval. With our system, you park and retrieve your car in a well-lit lobby at ground level, just like the lobby of an office building or a hotel. You do not have to go up to the sixth floor in a dark parking garage which is a very important distinction and it is very important for municipalities, hospitals and universities because they have people coming and going at all hours

of the day or night and many of the parking garages have a high degree of crime. Therefore, our system dramatically reduces crime and safety issues because there is a secure lobby where you park and retrieve your cars. In the lobby there is also a TV screen where you can see what time your car is arriving in the bay. Then you would walk over to the bay, get in your car and drive away. Again, nobody has your keys but you, so you do not have to worry about anyone being in your car. You also do not have to worry about a door being banged into your door in a parking garage, which is a pet peeve of mine. We eliminate that damage aspect as well with our system.

CEOCFO: Would you tell us about your partnership with Stokes Industries?

Mr. Patterson: That is something exciting we have been working on for a number of months. Stokes Industries is a company that for thirty years engineered and manufactured what we call in the business, mechanical parking. The distinction here is that in dense cities, like New York City, you will see cars stacked one on top of the other. These are called stackers. They are also called cantilever systems, where one car is stacked on another using a small lift. Stacked cars and cantilever systems are both called mechanical parking systems. They are not robotic. A person has to operate a piece of machinery to be able to stack the cars one on top of another. At Boomerang, as we canvassed the parking user market, we found many instances where a potential customer had a need for a mechanical parking system and we did not have a product to offer them. We do have our RoboticValet™ product, and our rack and rail product, which is a legacy older generation type parking system that we produced before we had RoboticValet™. However, many people need a simple mechanical parking system to be able to stack cars cheaply on an outdoor lot. Therefore, we created the joint venture with Stokes to be able to provide those customers with a product that fit their needs. Now we are able to offer a full spectrum of automated and mechanical parking systems to our customer

base – both garage owner or real estate developer. They can come to us with their parking problem and we are a full service parking solutions provider, with myriad solutions from stackers to RoboticValet™ with many models in between. We believe that we are the only company in the world today who is able to provide the full gamut from robotics to mechanical parking.

CEOCFO: What is the financial picture like today for Boomerang?

Mr. Patterson: We are a small public company. Our symbol is BMER, and we are traded on the OTCQB, so the folks that want to look at our financial materials can get them right online. We are in a ramp-up phase. Historically, we have been funded by private placements from wealthy entrepreneurs and real estate investors who appreciate the technology and our value proposition. On July 13, 2012, we closed our latest private equity placement, which totaled \$6.2 million from a diverse group which included institutional investors for the first time. Many other entrepreneurial private equity type investors are in our shareholder base as well.

CEOCFO: Where is the Boomerang manufacturing facilities?

Mr. Patterson: The manufacturing facilities are in Logan, Utah, which is

about an hour and a half north of Salt Lake City. Our corporate headquarters and sales are in Florham Park, New Jersey, but Logan is where our factory exists because the roller coaster company was based there. Therefore, as the employees that came from that company lived there, they started the Boomerang manufacturing plant in Logan as well. We manufacture everything that we sell, from the robots, to the entry bays, the trays and the software. We also provide project engineering, installation and ongoing maintenance. We are a completely vertically integrated company making everything in the USA and very proud of that. Many parking providers have the hardware made in one location in one country, but have the software coming from another country, location or provider. Then they cobble it all together into a system. However, we do not think that is the way to have a premium product, so we invested much money, time, effort, and R&D in making sure we have complete vertical integration and control over everything we do.

CEOCFO: In closing, why should investors pay attention to Boomerang Systems?

Mr. Patterson: We are on an incredible trajectory right now. The acceptance and enthusiasm for our product has been above our wildest dreams.

We have had hundreds of people come see our product in northern New Jersey and we feel we are on the cusp of selling and installing many of these systems. We think the time is really here for our technology in the parking industry. Probably most people can think back in their lifetime and realize that nothing has really changed in parking your car. We believe we have a technology that is going to make the user experience much better and safer. It is also going to make the experience for the developer or the municipality who has to provide parking much more cost efficient. Boomerang's RoboticValet™ is really a breakthrough advance in an industry that has been unchanged for decades. We saw a similar revolution occur in the warehouse and distribution center business over the past few decades, and we believe the RoboticValet™ has ushered in a similar revolution in the design of parking garages. After all, parking is really just a logistics and inventory problem, so it is not so different. The one big difference is that there are a lot more parking garages than there are warehouses.

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