



Redknee Difference

Innovate. Personalize. Profit.

FISCAL 2009 RESULTS CALL
▶ **NOVEMBER 26, 2009**

REDKNEE

Innovate. Personalize. Profit.

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About Us

Redknee is a leading global provider of innovative communication software products, solutions and services to price and charge every subscriber for all services and content to maximize business value

• What we do

- Our customers are mobile, fixed and satellite service providers around the world
- Our solutions enable our customers to manage their subscribers, while billing & merchandising all the services, content and application on their networks

• Strong track record

- Global customer base with over 70 customers in more than 50 countries

• Established growth business

- Founded in 1999
- Public company (TSX: RKN)



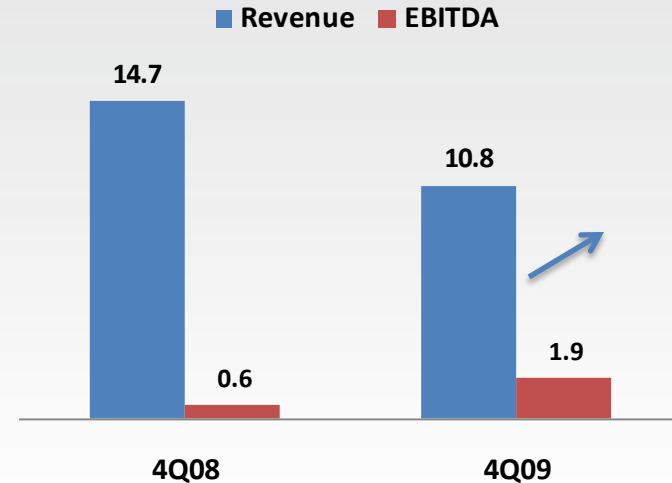
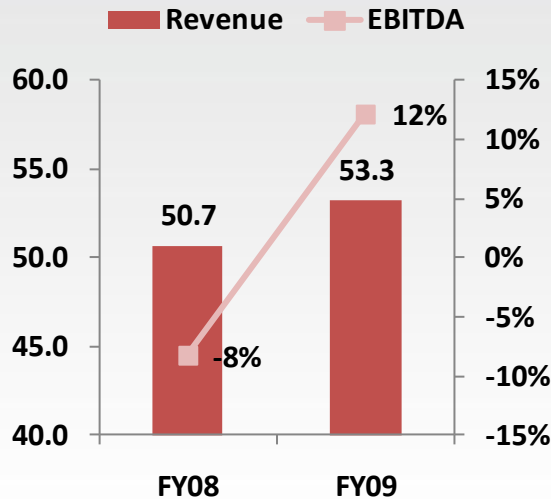
Fiscal 2009 Highlights

- Revenue of \$53.3M (2008: \$50.7M)
- EBITDA of \$6.5M (2008 loss of \$4.2M)
- Operating profit of \$4.2M (2008 loss of \$3.9M)
- Added six new operators across all target markets
- Multi-million \$ license expansions with Tier -1's
- Strong recurring revenues (2009: 41%)
- Cash of \$25.8M & \$10M USD of undrawn LoC

Revenues & EBITDA %



Continued Profitability



- 2009 Revenue up 5% to \$53.3M (2008: \$50.7M)
- Revenue down 26% to \$10.8M (Q4 2008: \$14.7M)
- EBITDA of \$1.9M (Q4 2008: \$0.6M)
- 2009 EBITDA of \$6.5M (2008: loss of \$4.2M)
- Reduced break-even point

Recognized Solution & Organizational Strengths

- Platinum 50 Best Managed Companies in Canada
- 2009 Stratecast Top 10 To Watch In OSS/BSS
- 2009 International Engineering Consortium (IEC) InfoVision Award for One Call Resolution
- 2009 Internet Telephony Bss/Oss Excellence Award
- Nominated for the Best Practices for Supplier and Service Integrator category at the TM Forum Excellence Awards
- 2009 Canada's Top 10™ Competition

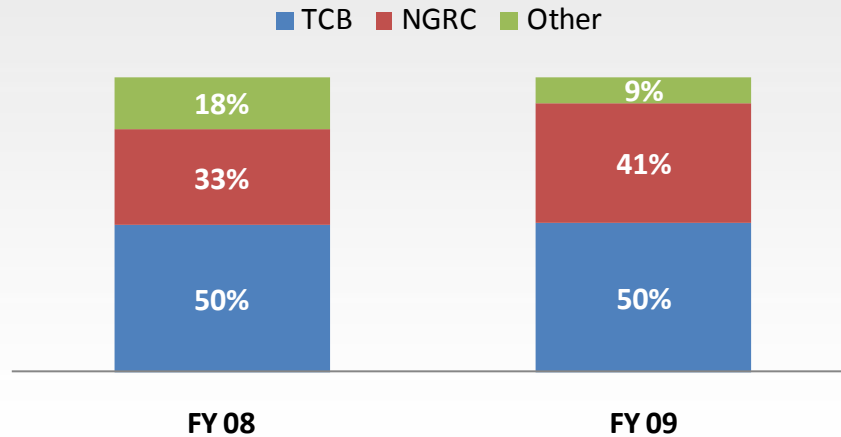


Redknee's Long Term Measures of Success

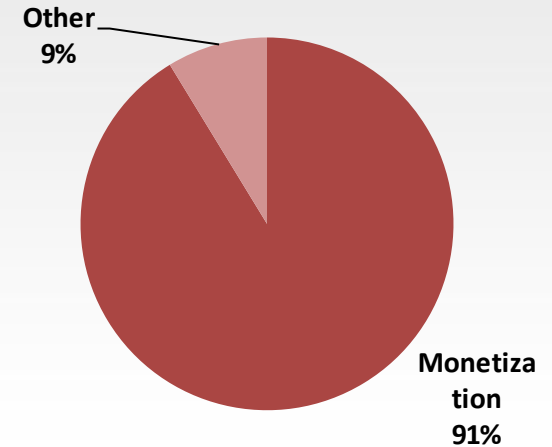
- 1. Continued expansion of our business-critical solutions to our global customer base**
- 2. Market share growth in our addressable markets**
- 3. Growing recurring revenues**

Redknee's Business-Critical Solutions

Revenue by Product



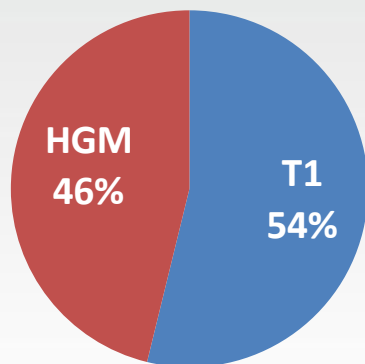
Revenue by Product



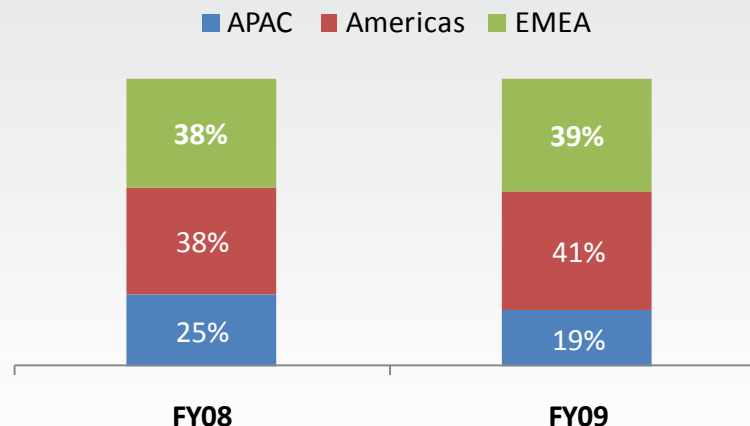
- Turnkey Converged Billing (TCB) was 50% of 2009 revenues
- Next Generation Rating & Charging (NGRC) revenue grew fastest
 - 32% yoy in 2009 and accounted for 41% of 2009 revenues
- Monetization for Tier 1 & HGM drove 91% of revenues in 2009

Redknee's Market Share Growth

2009 T1/HGM Revenue

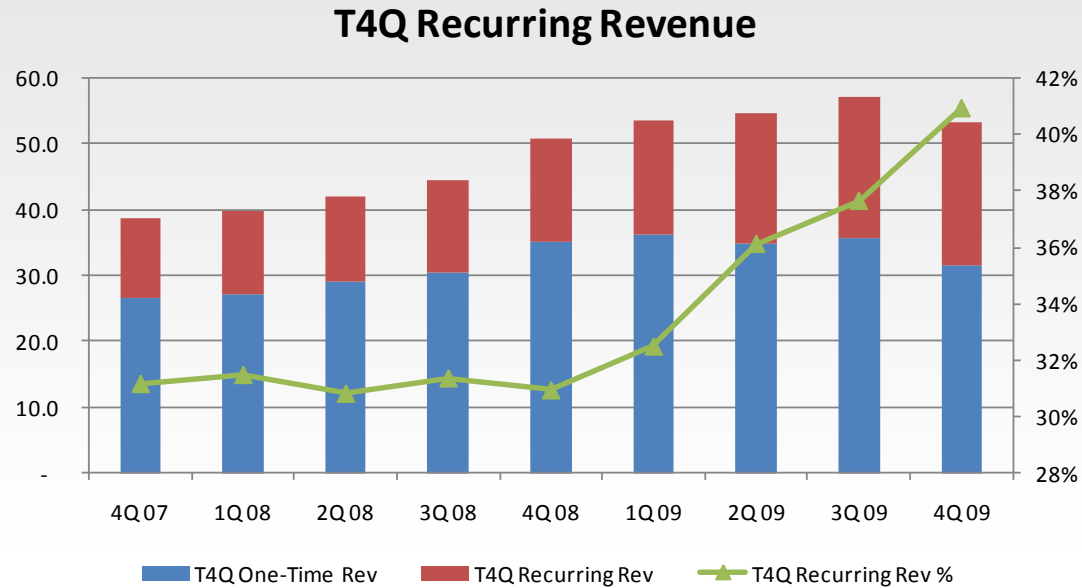


Revenue Segmentation



- **Globally diversified revenue: Tier 1 & High Growth Markets (HGM)**
 - T1 / HGM were 54%/46% of revenues in 2009
- **Six new operators added**
- **Notable contracts**
 - First triple play converged billing contract in EMEA
 - T1 service bureau contract in APAC (recurring revenue)
 - License expansions with T1 in Americas & EMEA

Redknee's Recurring Revenues



- **Recurring revenues**

- Support & Maintenance Agreements
- Software Subscription
- Term based product licenses

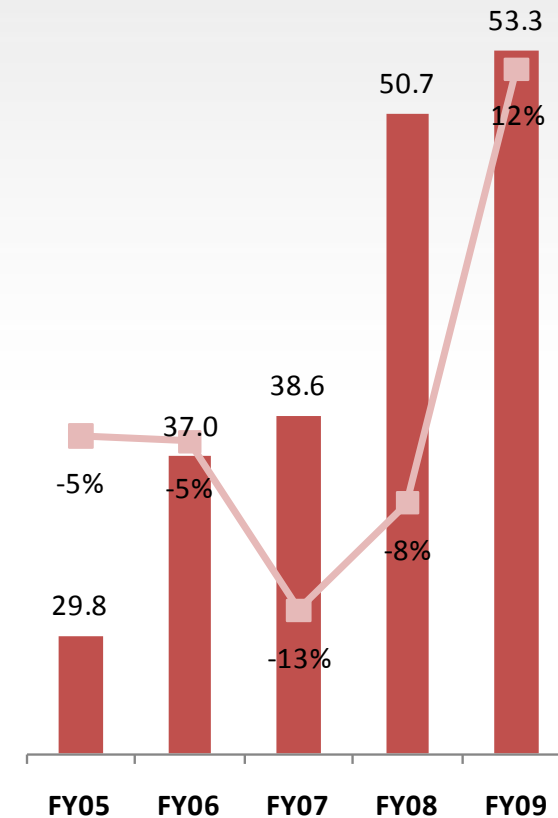
- **Recurring revenues grew to 47% in 4Q 2009 (4Q 2008: 32%)**

- **Recurring revenues at 41% in 2009 (2008: 31%)**

Fiscal 2009 Summary

- Growing in a global market
- Profitable
- Increasing recurring revenues
- Strong cash position
- Competitive product with patents
- Disciplined execution of strategy

Revenues & EBITDA %



Financial Summary

	4Q 09	4Q 08	% Δ	FY09	FY08	% Δ
Revenue	10,803	14,674	-26%	53,250	50,701	5%
Gross Profit \$	8,136	11,372	-28%	41,282	35,729	16%
Gross Profit %	75%	77%		78%	70%	
EBITDA ¹	1,894	632	199%	6,469	(4,181)	255%
Operating Profit (Loss)	(279)	859	-132%	4,211	(3,897)	208%
Basic EPS	\$ (0.00)	\$ 0.02	-127%	\$ 0.06	\$ (0.08)	174%

- Cash and investments at \$25.8 million (September 30, 2008: \$15.3 million)

1) EBITDA = Income (Loss) from Operations, plus foreign exchange gain (loss), amortization and stock-based compensation

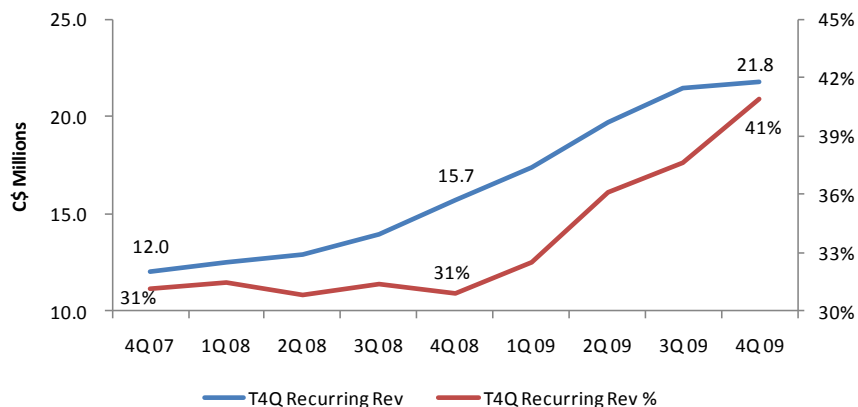
Financial Summary - Revenue

(CDN \$000's)	4Q 09	4Q 08	%Δ	FY09	FY08	%Δ
Software and Services	5,171	9,749	-47%	29,945	31,623	-5%
<i>%of Total</i>	48%	66%		56%	62%	
Third Party	731	307	138%	2,151	3,859	-44%
<i>%of Total</i>	7%	2%		4%	8%	
Support and Subs.	4,902	4,618	6%	21,154	15,219	39%
<i>%of Total</i>	45%	31%		40%	30%	
Total Revenue	10,803	14,674	-26%	53,250	50,701	5%

(CDN \$000's)	4Q 09	4Q 08	%Δ	FY09	FY08	%Δ
Recurring Rev. \$ (a)	5,052	4,761	6%	21,797	15,682	39%
<i>%of Total</i>	47%	32%		41%	31%	

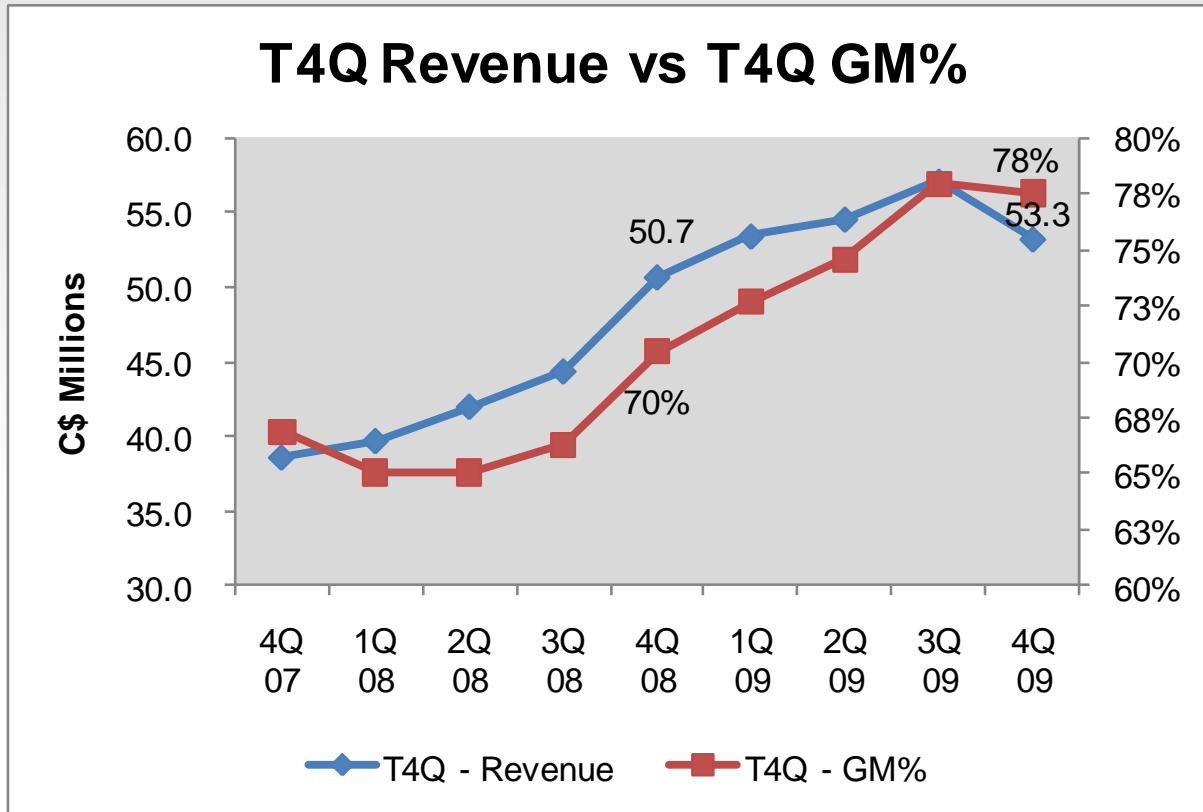
(a) Total of support, service, subscription and term licenses

T4Q Recurring vs % of Total



- Revenues up 5% in 2009
- Recurring revenue 41% of total

Financial Summary – Gross Margins

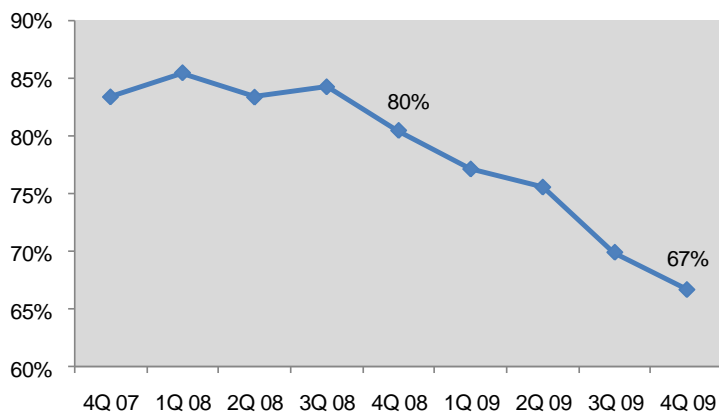


- **Gross Profit of \$8.1M or 75% of revenue in Q409**
- **Fiscal 2009 Gross Margin at 78% (FY08: 70%)**

Financial Summary – Operating Costs

(CDN 000's)	4Q 09	4Q 08	% Δ	FY09	FY08	% Δ
S & M	2,568	4,450	-42%	14,609	16,567	-12%
	24%	30%		27%	33%	
G & A	1,532	3,203	-52%	8,983	10,769	-17%
	14%	22%		17%	21%	
R & D	2,338	3,211	-27%	11,930	13,464	-11%
	22%	22%		22%	27%	
Total OpEx	6,439	10,864	-41%	35,522	40,800	13%
	60%	74%		67%	80%	

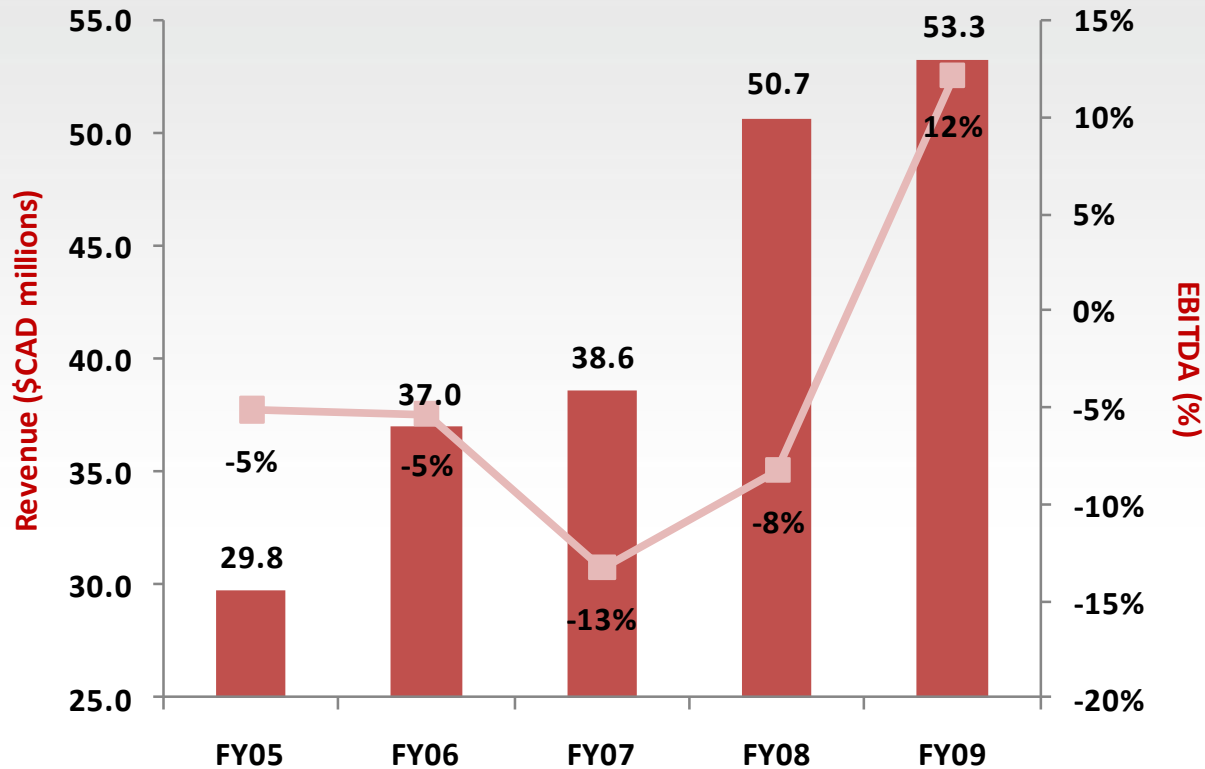
T4Q Operating Expenses as % of Sales



Operating costs declined as a % of revenue to 67% in FY09 from 80% in FY08; reflects management's efforts to reduce cost structure

Operating Expenses exclude amortization and foreign exchange gain (loss).

Financial Summary - EBITDA



- EBITDA \$6.5M in FY09 vs (\$4.2M) in FY08
- EBITDA at 12% in FY09 from -8% in FY08

Balance Sheet Highlights and Backlog

	As at Sep 30, 2009	As at Sep 30, 2008	% Δ
Cash and Investments	\$25,770	\$15,299	68%
A/R	\$8,160	\$11,192	-27%
DSO	75 days	81 days	- 6 days
Working Capital	\$22,144	\$16,507	34%
Backlog	\$25,200	\$19,627	28%

Q&A

Thank you.

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