

Alanco Technologies, Inc. provides wireless tracking and asset management solutions through its StarTrak Systems and Alanco/TSI PRISM subsidiaries.

- **StarTrak Systems** is the dominant provider of tracking, monitoring and control services to the refrigerated or “Reefer” segment of the transportation market.
- **Alanco/TSI PRISM** is the leading provider of radio frequency identification (“RFID”) real-time tracking technologies for the corrections industry.

STOCK INFORMATION (as of 09/30/09)

Price	\$0.57
Market Capitalization	\$18.6 million
52-week High / Low	\$1.06 / 0.19
Shares Outstanding	32.6 million
Float	20.3 million
Avg. Daily Volume (3-month)	~143,000
Fiscal Year	June 30

ALANCO SUBSIDIARIES

StarTrak offers complete integrated solutions for tracking, monitoring and controlling refrigerated trailers, trucks, railcars and containers. Its products wirelessly monitor and control critical Reefer data, including GPS location, cargo temperatures and Reefer fuel levels. StarTrak’s subscription monitoring and control services provide transportation customers with a high ROI through improved equipment utilization, less cargo spoilage and fuel use, and other supply chain efficiency improvements.



TSI PRISM has developed a state-of-the-art wireless RFID tracking technology for area security management and personnel monitoring. Featuring proprietary software and patented hardware components, the system is currently focused on the corrections industry, providing continuous, real-time prison inmate and officer identification and tracking capabilities, indoors and out.

ALANCO INVESTMENT HIGHLIGHTS

- Holding company with two early-stage information technology businesses offering:
 - ✓ Unique, proprietary technology
 - ✓ Early market leadership
 - ✓ Extraordinary growth and profitability prospects
- Recurring revenue business model (StarTrak)
 - ✓ On-asset hardware device sale
 - ✓ Subscription services revenue
- 42% increase in YOY sales realized in FY09
 - ✓ TSI PRISM selected in 11-08 to provide inmate tracking for 19 federal detention facilities
 - ✓ Landmark \$3+ million, 4-year contract with FFE Transportation Services (Nasdaq: FFE) announced 10-5-09 for fleet-wide deployment of StarTrak reefer monitoring & management
 - ✓ \$1.2 million contract awarded StarTrak in 02-09 also demonstrates growth opportunities
- StarTrak has amassed an ~90% share of the Reefer wireless management market,
 - ✓ ~28,000 units under contract
 - ✓ Other promising markets: construction, rail (tank car, haz mat), and fixed site
- TSI entered into distribution, licensing, & manufacturing agreements with G4S, the world’s leading security solutions company, in April 2009 that is expected to accelerate market adoption of TSI’s tracking system



WIRELESS TRACKING & ASSET MANAGEMENT SOLUTIONS



WIRELESS ASSET MANAGEMENT

“The Driving Force in Cold Chain Management”

StarTrak has been a leader in the field of refrigerated transport wireless monitoring since 2001. its ReeferTrak® RT6000 solution is the most powerful wireless refrigeration operation management tool available. Small, compact and easily installed, the RT6000 is unique in providing two-way authority and control, enabling users to remotely start, stop and reset the temperature on their Reefer units. Its capabilities enable improved freight quality, fuel savings, more accurate scheduling and reduced labor costs.

The total potential U.S. reefer market is estimated at ~500,000 units, representing hardware modules sales of ~\$350 million and subscription data services in the range of \$150 million annually.

StarTrak’s partners and customers include:

- Carrier Transicold
- Thermo King
- Maersk
- Burlington Northern Railroad
- Union Pacific Railroad



TSI PRISM™

RFID TRACKING TECHNOLOGY

“The Future of Corrections Management”

TSI PRISM enhances staff safety and facility security, deters inmate violence, and provides the correctional industry with significant operational cost savings as well as unique inmate management capabilities. TSI PRISM has been used in state prison facilities continuously since 2000 and has an unquestioned record of success.

With more than 2 million people incarcerated in the U.S. and corrections agency budgets under constant pressure, the need to reduce prison costs is overwhelming. The total annual U.S. adult prison operating budget is estimated at \$45 billion. At an average revenue potential of \$1,000 per bed, the potential market for TSI PRISM’s commercially proven technology is \$1.5 - \$2.0 billion.

TSI PRISM’s customers include:

- U.S. Dept. of Homeland Security
- States of California, Indiana, Minnesota, Missouri, Ohio, and Virginia; District of Columbia

TSI PRISM’s new alliance with security industry leader G4S, which operates in 110 countries, is adding new dimensions to both TSI’s domestic and international business.



Condensed Consolidated Financial Information

(in 000’s except per share data)

Year Ended Dec. 31,

	<u>2009</u>	<u>2008</u>
Net Sales	\$ 19,102	\$13,478
Cost of Goods Sold	<u>13,226</u>	<u>9,728</u>
Gross Profit	5,878	3,750
SG&A	<u>8,218</u>	<u>9,485</u>
Operating Loss	<u>(3,813)</u>	<u>(6,157)</u>

Company Contact

John Carlson
Executive VP & CFO
480.505.4869
john@alanco.com

Investor Contact

Harriet Fried
Vice President
Lippert/Heilshorn & Assoc.
212.838.3777
hfried@lhai.com

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