



Investor Fact Sheet



RAE Systems Inc. (NYSE Amex: RAE)

A Leader in Sensing Technology for Hazardous Materials

RAE Systems is a leading global provider of rapidly deployable connected, intelligent gas detection systems that enable real-time safety and security threat detection. RAE Systems products are used in more than 95 countries by many of the world's leading corporations and government agencies.

RAE Systems offers a full line of wirelessly enabled toxic gas and radiation detection solutions including personal, hand-held, transportable, and fixed instruments designed to meet the needs of any usage scenario. Applications include personal, portable, area, and fixed monitoring in energy production, refining, industrial and environmental safety, public venue safety and government first responder markets.

A proven technology leader that owns and manufactures its own sensor technology, RAE Systems holds over 20 chemical and radiation sensor patents and has developed proprietary photoionization, wireless, and radiation technologies. By leveraging both established American and China-based manufacturing operations, together with a global sales channel and partners, RAE Systems provides a high level of quality, value, and satisfaction to its customers around the world. Founded in 1991, RAE Systems stock is now traded on the New York Stock Exchange (NYSE Amex: RAE). RAE Systems is headquartered in San Jose, CA.

Investment Rationale

Leveraging Strong Brand & Developing New Technologies

- ◆ Using next generation of wireless technology to enter new markets.
- ◆ Wireless MeshGuard & AreaRAE expected to gain traction in 2010.
- ◆ One stop gas detection shop for oil, gas, petrochemical industries.
- ◆ Increasing recurring revenue from installed base for consumables & replacement sensors.

Capitalizing on International Growth Opportunities

- ◆ Increasing order size in international markets.
- ◆ Leveraging global energy companies.
- ◆ Capturing global events that warrant RAE Systems' monitoring solutions.

Growth Strategy

- ◆ Deploy wireless gas detection solutions for industrial plant turn-arounds, energy exploration and new markets.
- ◆ Pursue industrial safety, coal mine safety, environmental & security markets.
- ◆ Selectively establish partnerships & acquire complementary solutions.

NYSE Amex –	RAE (As of 5/5/2010)
Stock Price:	\$ 0.81
52-Week Price Range:	\$ 0.65– \$ 2.23
Market Capitalization:	\$ 49.3 million
Shares Outstanding:	59.4 million
Fiscal Year End:	Dec. 31, 2006

Company Contact:

RAE Systems, Inc
 Bob Durstenfeld, Sr. Dir., Investor Relations
 T: 408-952-8402
 investorrelations@raesystems.com

IR Agency Contact:

Lippert/Heilshorn & Associates, Inc.
 Becky Herrick
 T: 415.433.3777
 bherrick@lhai.com

www.raesystems.com

Protection through Detection

Except for historical information, matters discussed in this fact sheet that may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 could be subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties are detailed in the Company's filings with the SEC.

RAE Systems — Innovation and Experience Deliver Competitive Advantages

Serving Global Growth Markets



Oil & Gas



Industrial Safety



HazMat Response



Environmental



Civil Defense

Summary Financials

Statement of Operations

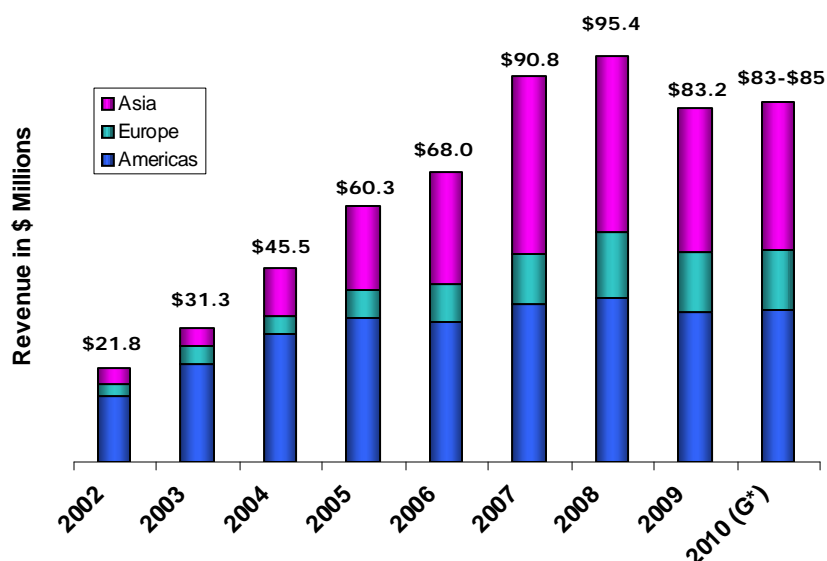
	3 Months Ended 3/31/2010	3 Months Ended 3/31/2009	Year Ended 12/31/2009	Year Ended 12/31/2008
Net sales	\$ 18,795	\$ 19,113	\$83,172	\$95,383
Gross profit	10,189	9,330	40,979	48,215
Net income (loss)	(408)	(1,283)	(5,759)	(7,152)
Net income (loss) per share	\$(0.01)	\$(0.02)	\$(0.10)	\$(0.12)
Weighted average stock outstanding (diluted, thousands)	59,405	59,343	59,367	59,204

Balance Sheet

As of:	3/31/2010	12/31/2009	12/31/2008
Working capital	\$31,775	\$ 31,676	\$ 37,146
Total assets	76,336	78,874	81,175
Long-term liabilities	7,651	7,822	8,358
Shareholders' equity	43,206	39,029	48,697

Revenue History & 2010 Revenue Guidance

*(G= Guidance per May 5, 2010 Earnings Call)



Top Institutional Investors

1. Kopp Investment Advisors
2. Wellington Management Company
3. Kingdon Capital Management LLC
4. Prescott Group Capital Management LLC
5. CALPERS (California Public Employees Retirement System)
6. PanAgora Asset Management
7. Credit Suisse (U.S.)
8. Bank of New York Mellon Asset Management
9. SG Americas Securities
10. Ohio Public Employees Retirement System

Analyst Coverage

- ◆ Morgan Keegan, Brian Rutenbur

