



# Presentation Q1 2005



# Highlights Q1 05

- **Revenues NOK 115.6 mill, EBIT NOK 14.2 mill, profit before tax NOK 14.5 mill.**
- Fourth subsequent quarter with growth in revenues and EBIT
- Stockholm started again in April 05
- New customer in Chile of OBUs and first volume supplies in Q1
- Order backlog as of 31.03.05 is NOK 441 mill. Order intake in quarter is at NOK 103,6 mill.
- New order in Stockholm on NOK 33 mill (OBU and services) in April.
- As of 1st of January 2005, Q-Free ASA has merged subsidiaries in Norway. Account wise the merger has effect from 1st January 2004.



# New CFO

- Roar Østbø (43) is employed as CFO in Q-Free ASA
- Comes from the position CFO in SINTEF
- Former positions have been:
  - CFO and COO in CorrOcean ASA
  - CFO in Alcatel Ringkjøp
  - Auditor in Arthur Andersen

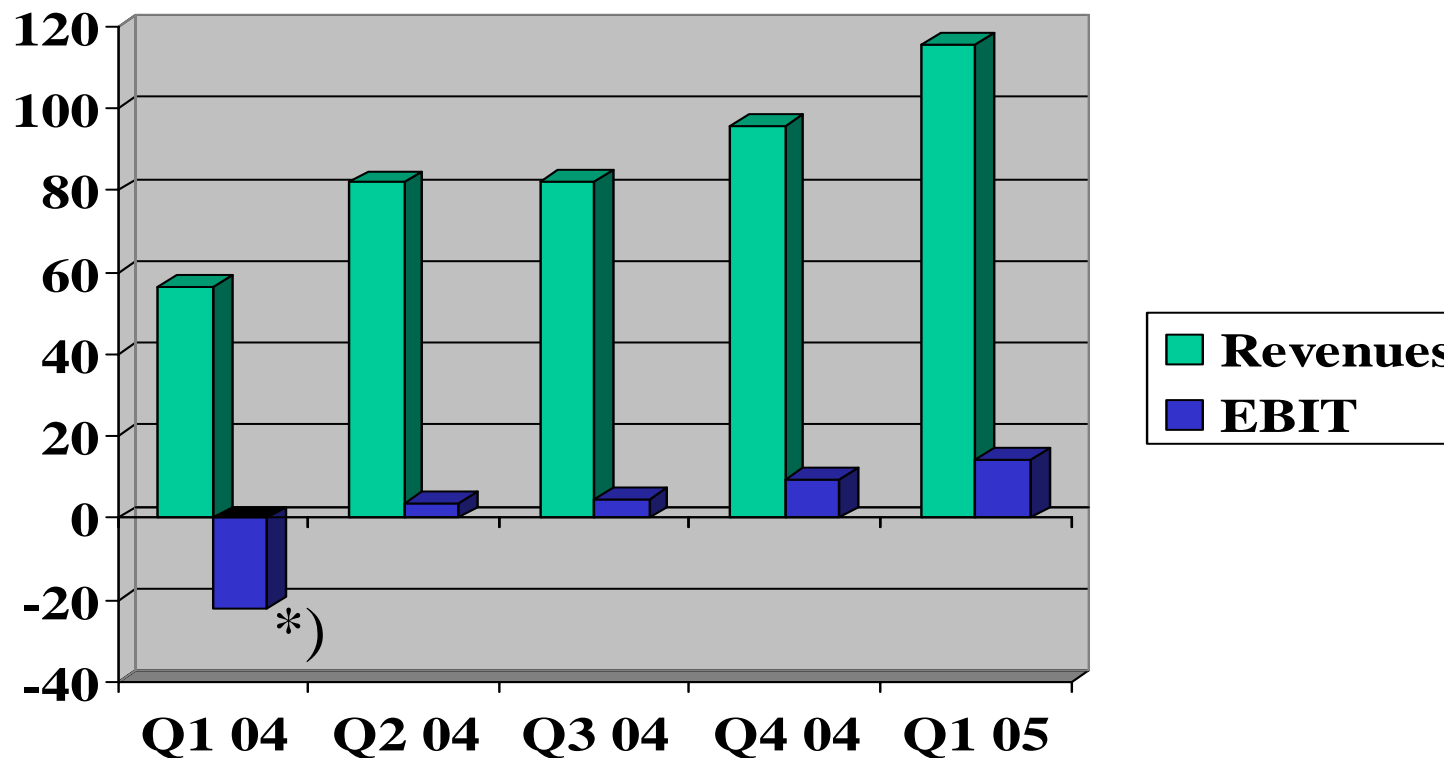


# Profit & Loss 2004-2005 NOK Mill

	Q1 05	Q4 04	Q3 04	Q2 04	Q1 04	2004
<b>Revenues</b>	<b>115,6</b>	<b>95,6</b>	<b>82,3</b>	<b>81,8</b>	<b>56,3</b>	<b>316,0</b>
<b>EBITDA</b>	<b>20,1</b>	<b>13,4</b>	<b>9,2</b>	<b>8,4</b>	<b>-90,0</b>	<b>-58,9</b>
<b>EBIT</b>	<b>14,3</b>	<b>9,3</b>	<b>4,7</b>	<b>3,6</b>	<b>-94,2</b>	<b>-76,7</b>
<b>Profit before tax</b>	<b>14,5</b>	<b>2,9</b>	<b>7,2</b>	<b>2,2</b>	<b>-98,6</b>	<b>-86,3</b>
<b>Profit after tax</b>	<b>11,9</b>	<b>8,5</b>	<b>2,6</b>	<b>1,0</b>	<b>-98,6</b>	<b>-88,3</b>
<b>EBITDA-%</b>	<b>17,4</b>	<b>14,0</b>	<b>11,2</b>	<b>10,3</b>	<b>-159,9</b>	<b>-18,6</b>
<b>EBIT-%</b>	<b>12,4</b>	<b>9,7</b>	<b>5,7</b>	<b>4,4</b>	<b>-167,3</b>	<b>-24,3</b>



# Revenues & EBIT 2004-2005



\*) Underlying business NOK -22 mill, Q1 reported NOK -94 mill due to restructuring

# Balance Sheet 2004-2005 (NOK mill.)

	Q1 05	Q1 04	Q4 04
<b>Fixed assets</b>	<b>57,8</b>	<b>70,1</b>	<b>57,0</b>
<b>Cash</b>	<b>143,7</b>	<b>69,9</b>	<b>130,4</b>
<b>Other current assets</b>	<b>190,8</b>	<b>134,3</b>	<b>157,9</b>
<b>Total assets</b>	<b>392,3</b>	<b>274,3</b>	<b>345,3</b>
<b>Equity</b>	<b>210,4</b>	<b>161,0</b>	<b>197,0</b>
<b>Liabilities</b>	<b>181,9</b>	<b>113,3</b>	<b>148,3</b>
<b>Total liabilities &amp; Equity</b>	<b>392,3</b>	<b>274,3</b>	<b>345,3</b>



# Balance Sheet Items Q1 05

## – Fixed assets

- Marginal increase due to R&D activity of NOK 3,8 mill.

## – Current assets

- Increased with NOK 46 mill. Mainly due to increase of cash in hand with NOK 14 mill, accounts receivables/work in progress with NOK 20 mill and inventories with NOK 16mill due to delay in Stockholm.

## –Equity

- Increase due to profits and some share options exercised.

## – Long-term liabilities

- No major change in period

## – Short-term liabilities

- Increased with NOK 30 mill. mainly due to prepayment from customers with NOK 10 mill and accounts payable with NOK 24 mill

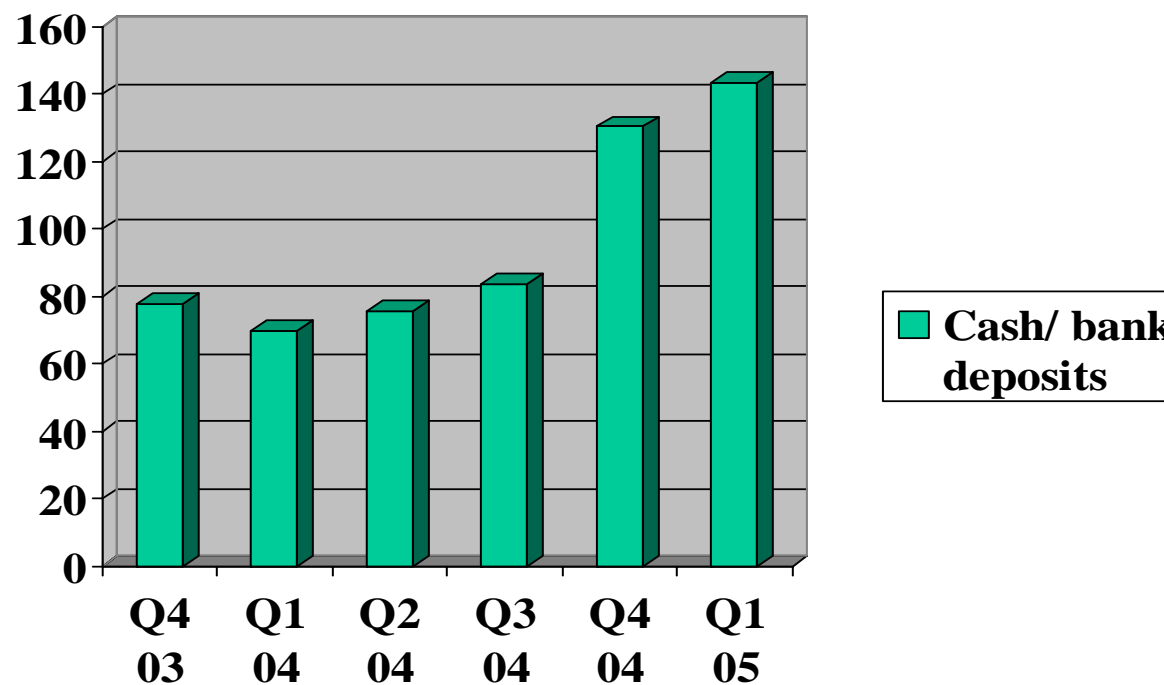


# Cash Flow 2004-2005 (NOK mill.)

	Q1 05	Q1 04	2004
CF from operations	20,1	1,0	39,2
CF from investments	-7,3	-6,7	-9,5
CF from financing	0,6	-2,5	22,5
Net change in cash	13,4	-8,2	52,2
Cash opening balance	130,3	78,1	78,1
Cash closing balance	143,7	69,9	130,3



# Cash/bank deposits 2003-2005 (NOK mill.)



# Order Backlog

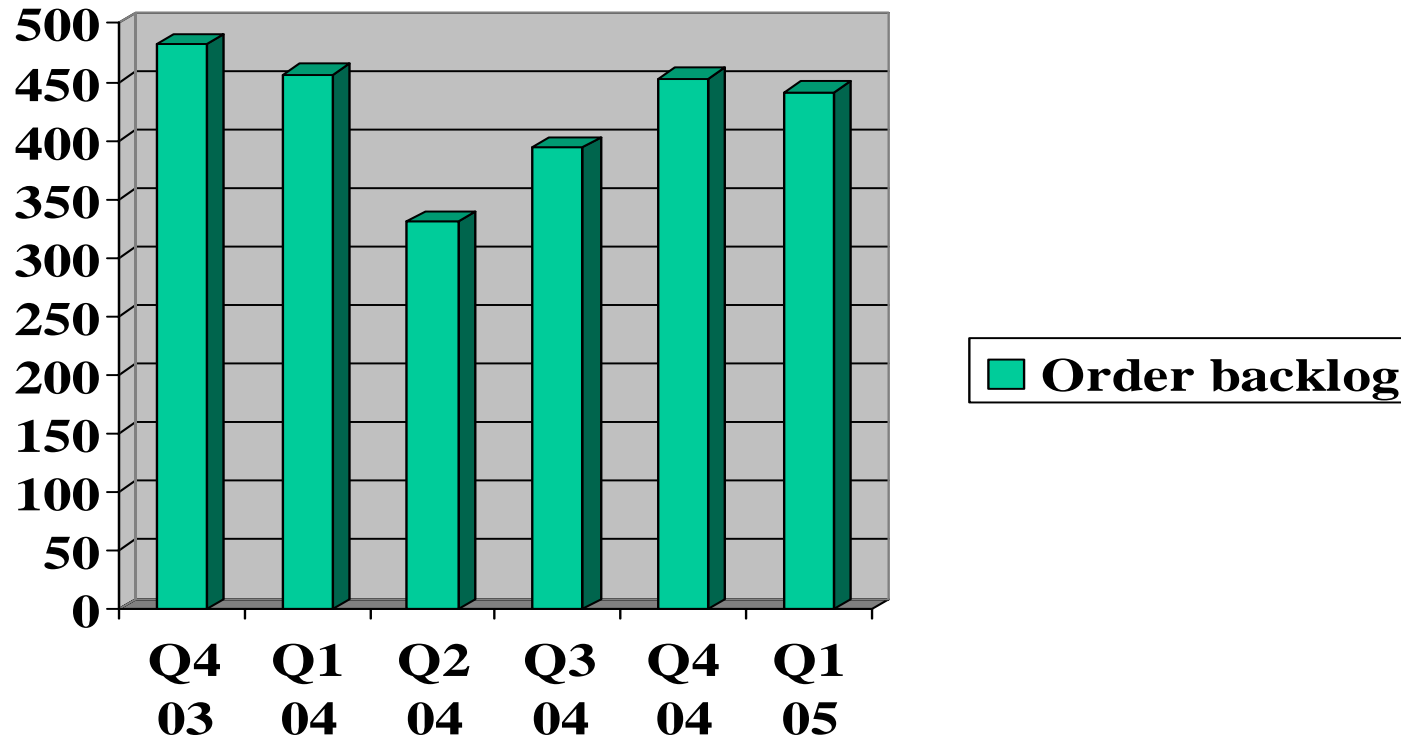
– Order backlog 31.03.2005:

**NOK 441 mill.**

–Order backlog 31.12.2004: NOK 453 mill.



# Order Backlog 2005



# Major Shareholders (78 % of shares)

• Q-Free International AS	34.36%
• Odin Norge	9.41%
• Decibel AS	5.57%
• Lars Andresen	5.54%
• Datum AS	5.35%
• Skagen Vekst	3.15%
• Handelsbanken Markets	2,42%
• Wega AS	2.06%
• Firstnordic Norge Vekst	1.73%
• Kikut AS	1.71%
• Terra Vekst	1.31%
• Alden AS	1.16%
• Haakon M. Sæter	1.08%
• Jan P. Grimnes	1.08%
• J.P.Morgan Chase Bank	0.99%
• Statoils Pensjonskasse	0.96%
<b>Total shares:</b>	<b>50.747.603</b>



# Market tolling(1)

- **A growing market**
  - Order intake in quarter is NOK 103.6 mill without any new major contracts
  - In Europe there are 10 mill users of ETC
  - Expected increase is a compound annual growth rate of 9.1% over the next decade (Frost & Sullivan 2004)
  - Upcoming projects in Asia, Australia and the Americas give testimony of similar positive trend
  - Initiative of interoperability in Europe and EU extension
  - Truck tolling projects (UK, Czech Republic). Implemented in Germany, Switzerland and Austria.
  - Congestion charging projects on the political agenda again after London and Stockholm as forerunners.



# Market tolling(2)

- New product release of a smart card OBU during 2005
- Enables the user to pay tolls with smart cards
- Potential in Asia and in major cities where smart cards are widely spread
- Q-Free believes that this product will increase the usage of ETC since there exists today a “captive audience”



**MD 5898 DSRC OBU** designed for Automatic registration, identification and debiting of vehicles from a Smartcard.



# Ticketing

- Q-Free aims to be a technology supplier within ticketing as it is within tolling.
- Q-Free is investing approx NOK 20 mill in development core products in ticketing, the “Open Platform Architecture” which includes three products : Vehicle computer, Validator and Media Converter
- In medium term (2-3 years) ticketing to follow the strategy as in tolling, i.e. a supplier of products and sub-systems internationally.



# Stockholm (1)

- **The Stockholm congestion charging project is started again:**
  - The consortium Combitech (Kapsch/Atos/Transurban) filed in July 04 a complaint to the court claiming that the customer has not followed the public tender procedures.
  - The court dismissed the complaint in September 2004 and the project implementation started.
  - Combitech filed an appeal to the supreme court.
  - The supreme court ruled that the case will be heard by the court (kammarretten/lagmannsretten).
  - The court ruled in favour of end customer, Vegverket.
  - Consortium Combitech filed new a complaint to the supreme court
  - The supreme court dismissed the case for further proceedings.
  - On the 8th of April Vegverket gave a “go” to continue the design and build phase. Final implementation schedule yet to be decided.
  - Important reference for other congestion charging projects.



## Stockholm (2)

- **Co-operation with IBM is constructive and fruitful.**
- **Quote from 2004 annual report of Q-Free:**  
*“The co-operation with Q-Free has been a positive experience for us. Deliveries are always on time, and they are stimulating partner to work with, says Gunnar Johansson, head of Road Charging IBM”*



# Future outlook

- Underlying business in Tolling is increasing
- Focus as a technology provider is meeting customers and partners' expectations
- Order intake is good
- Stockholm an important reference for future congestion charging projects

