



Presentation Q1 2006





Present from the company:

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Highlights Q1 06

- **Revenue NOK 110 mill., EBIT NOK 20.1 mill., pretax profit NOK 31.4 mill.**
- EBIT margin 18.3 % and profit margin 28.5 % in Q1.
- Pretax profit increased 41.8 % compared to Q1 2005.
- Earnings per share NOK 0.44 compared to NOK 0.39 in Q1 2005.
- New product strategy pays off. Lisbon chose Q-Free's solution for on street parking, ParkoTag. Value NOK 16 mill.
- First order of OBUs to Turkey. Value NOK 22 mill.
- Stockholm project went live as planned 3 January 2006 with great success. The fully automated congestion charging scheme is the most sophisticated in its kind and has received international attention.

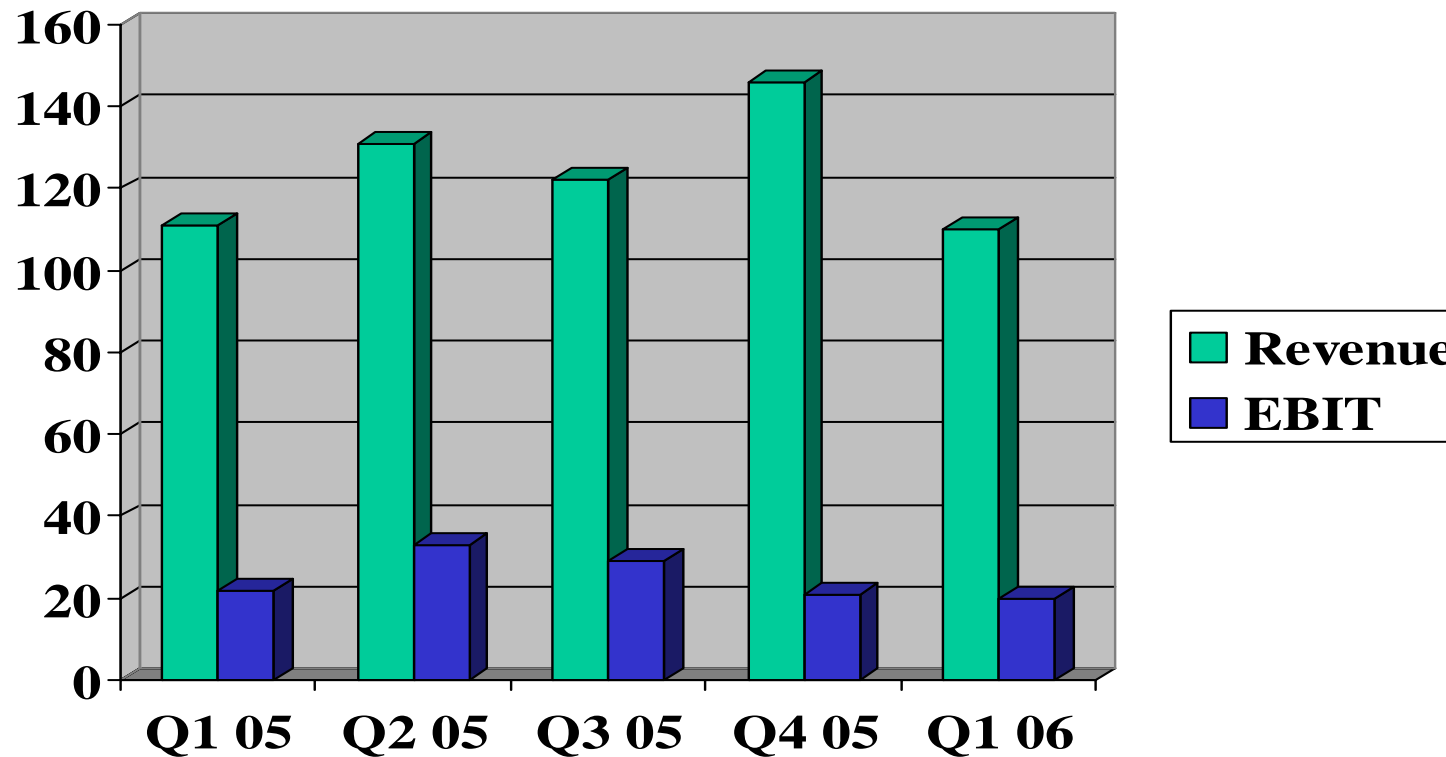


P/L 2005-2006 NOK Mill

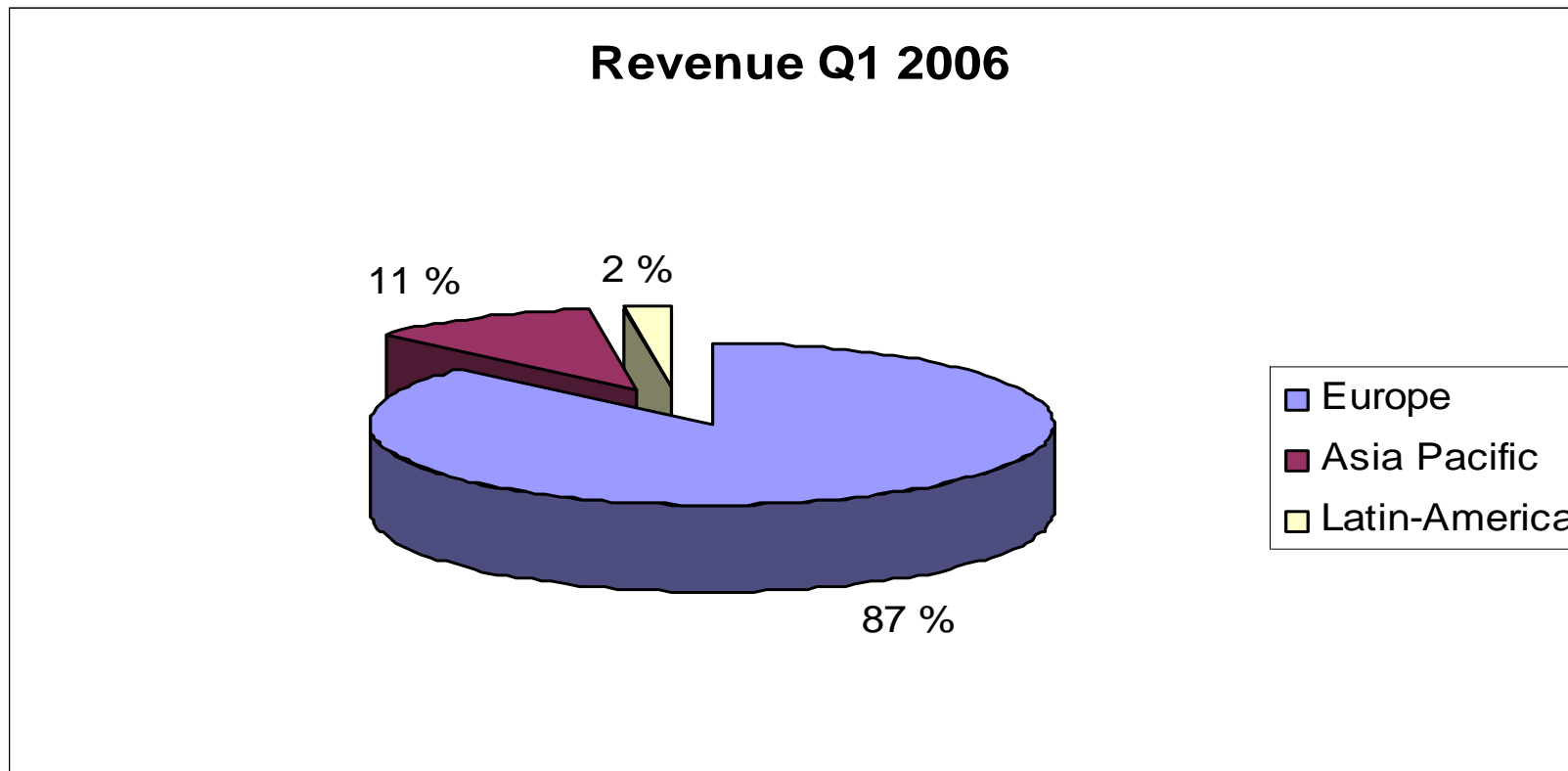
	Q1 06	Q4 05	Q3 05	Q2 05	Q1 05	Pr.Q4 05
Revenue	110,1	145,7	121,8	130,7	111,0	509,2
EBITDA	24,1	23,5	33,5	37,1	27,6	121,7
EBIT	20,1	21,1	29,1	33,2	22,0	105,4
Profit before tax	31,4	31,9	31,8	32,8	22,2	118,7
Profit after tax	22,4	32,9	29,8	29,9	19,6	112,3
EPS	0,44	0,65	0,60	0,55	0,39	2,19
EBITDA-%	21,9	16,1	27,5	28,4	24,9	23,9
EBIT-%	18,3	14,5	23,9	25,4	19,8	20,7
Pretax profit-%	28,5	21,9	26,1	25,1	20,0	23,3



Revenue & EBIT 2005-2006



Revenue geographical areas



Balance Sheet 2005-2006 (NOK mill.)

	Q1 06	Q4 05	Q3 05	Q2 05	Q1 05
Fixed assets	95,1	84,6	67,3	49,9	52,9
Cash	160,0	166,5	132,5	84,4	78,7
Other current assets	140,1	178,5	174,0	223,0	211,3
Assets discontinued oper.	0,0	0,0	0,0	70,7	49,4
Total assets	<u>395,2</u>	<u>429,6</u>	<u>373,8</u>	<u>428,0</u>	<u>392,3</u>
Equity	263,3	241,0	210,4	229,5	210,4
Liabilities	131,9	188,6	163,4	177,5	176,6
Liabilities discontinued oper.	0,0	0,0	0,0	21,0	5,3
Total liabilities & Equity	<u>395,2</u>	<u>429,6</u>	<u>373,8</u>	<u>428,0</u>	<u>392,3</u>



Balance Sheet Items Q1 06

– Fixed assets

- Increase of NOK 10 mill. due to R&D activity and other investments .

– Current assets

- Reduced NOK 34 mill. Mainly due to reduction in working capital such as debtors, inventory and work in progress. Minor changes in other current assets.

–Equity

- Increase due to profits in Q1.

– Long-term liabilities

- Down payments on long term debt of NOK 0.5 mill in period.

– Short-term liabilities

- Decreased NOK 51 mill. mainly due to reduction of prepayment from customers and suppliers.

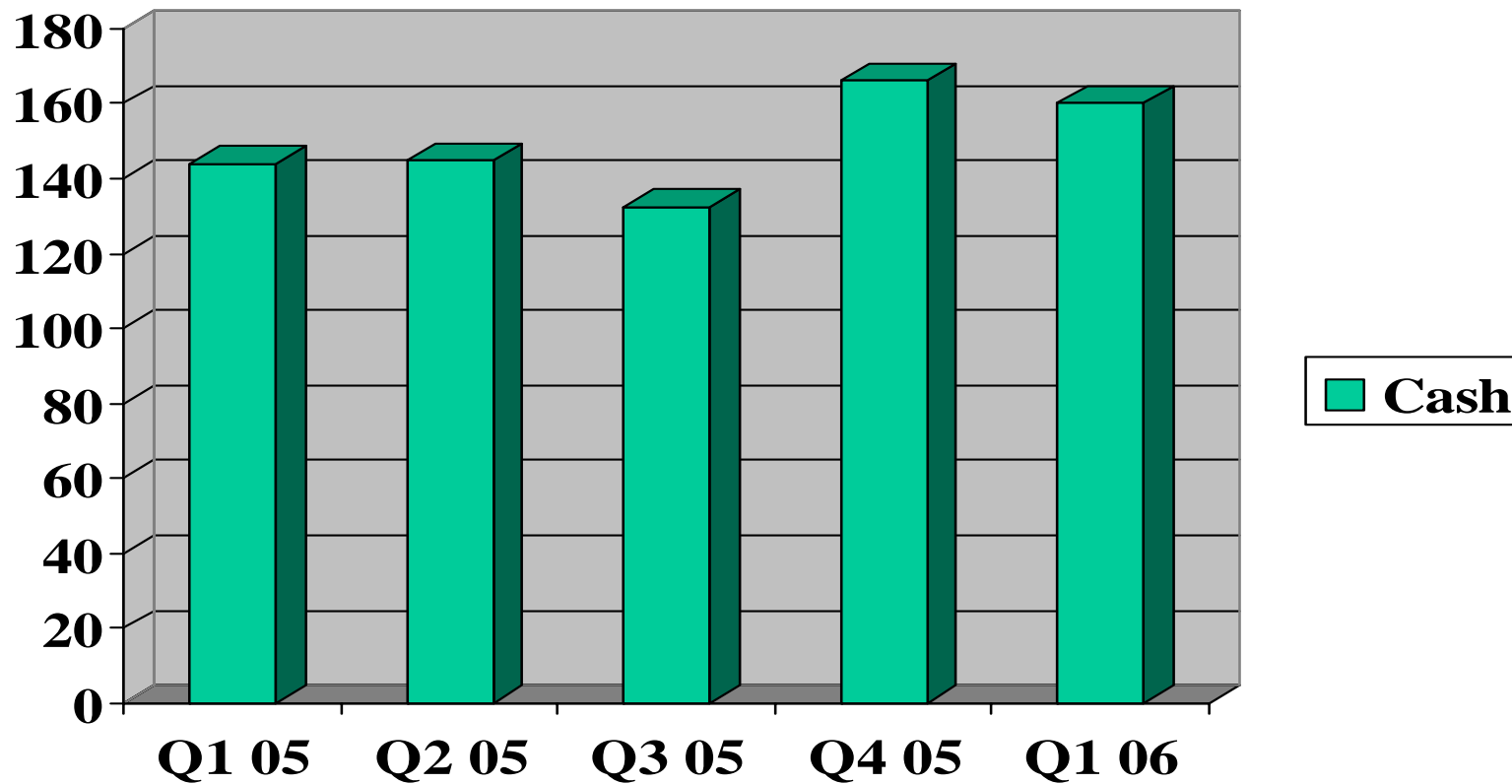


Cash Flow 2005-2006 (NOK mill.)

	Pr.Q1 06	Pr.Q4 05	Pr.Q3 05	Pr.Q2 05	Pr.Q1 05
CF from operations	8,0	147,8	90,5	30,2	20,1
CF from investments	-14,1	-49,8	-29,0	-15,7	-7,3
CF from demerger FARA	0,0	-60,3	-60,3	0,0	0,0
CF from financing	-0,4	-1,5	1,0	-0,1	0,6
Net change in cash	-6,5	36,2	2,2	14,4	13,4
Cash opening balance	166,5	130,3	130,3	130,3	130,3
Cash closing balance	160,0	166,5	132,5	144,7	143,7



Cash 2005-2006 (NOK mill.)



Order Backlog

Order backlog 31.03.2006:

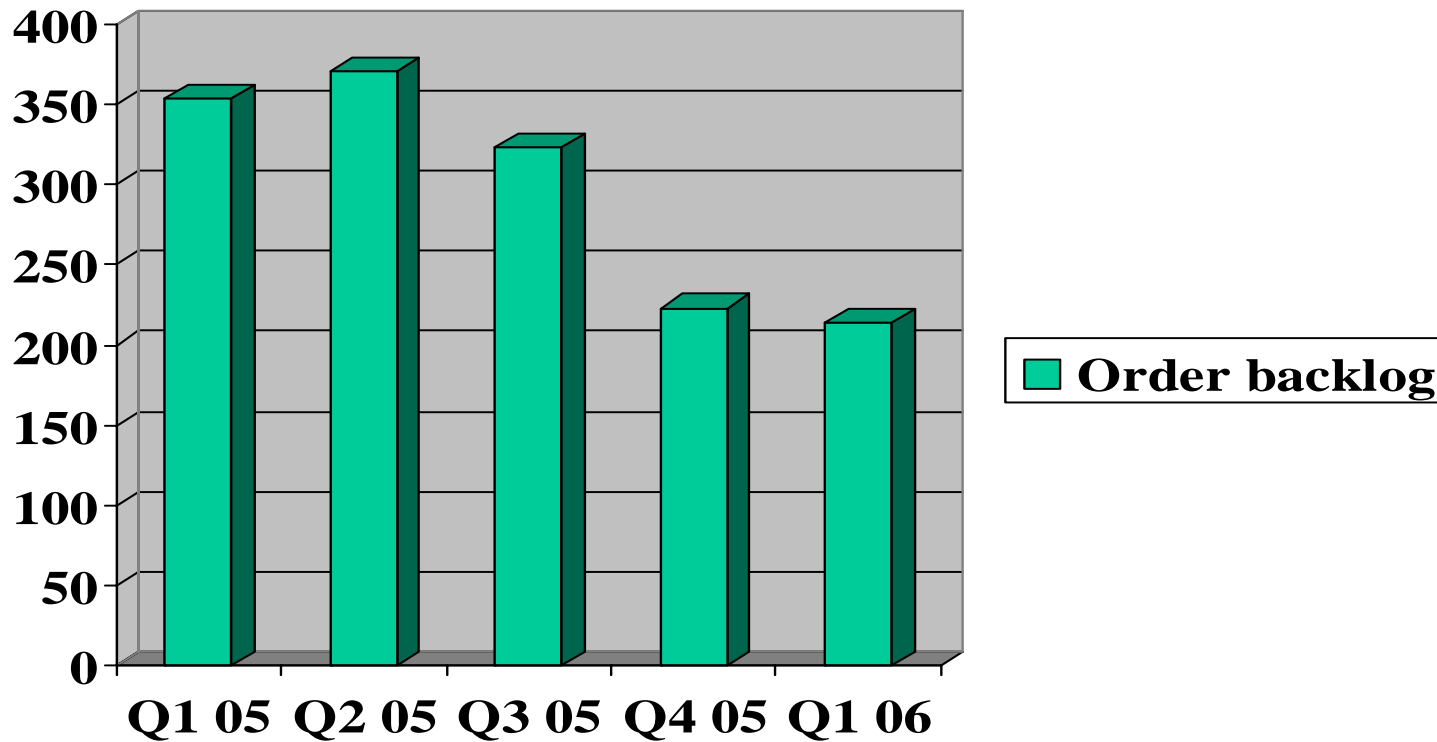
NOK 214 mill.

-Order backlog 31.12.2005: NOK 224 mill.

-Order intake Q1 2006: NOK 100 mill



Order Backlog 2005-2006



Major Shareholders (57 % of shares)

ODIN NORGE	9,02	
TROJAN AS	6,95	
NORDEA VEKST AKSJEFONDET	4,38	
HAUAN CONSULTING AS	4,14	
SKAGEN VEKST	3,34	
HANDELSBANKEN MARKET Marketing making	3,32	
LARS ANDRESEN	3,21	
JAN PIHL GRIMNES	2,80	
KIKUT AS	2,55	
WEGA AS	2,05	
VITAL FORSIKRING	1,93	
CREDIT AGRICOLE INVESTMENT BANK	1,93	NOM
STATOILS PENSJONSKASSE	1,88	
NORDEA AVKASTNING	1,80	
NORDEA BANK DENMARK	1,63	NOM
SAGA EQUITY FUND	1,57	
JPMORGAN CHASE BANK CLIENTS TREATY ACCOUNT	1,49	NOM
DANSKE FUND NORGE	1,21	
STATOILS FORSIKRING	1,16	
DNB NOR NORGE IV	1,09	
TOTAL	57,45	



Market

- A long term growing market
 - Market drivers are:
 - EU directive (2004/52/EC) for interoperability
 - Financing of new road infrastructure
 - Increase mobility in congested areas
 - Taxation of heavy goods vehicles
 - Conversion from manual tolling to electronic tolling



Market Europe(1)

- Czech truck tolling. Competitors complained to EU.
- Slovakia is expected to announce tender in coming months.
- Hungary has announced prequalification, due May. Contract award expected this year. Starts with taxation of trucks, then possible passenger cars.
- In UK the Transport Innovation Fond (TIF) is expected to initiate different pilots for road user charging in the UK during 2006. Also some new smaller commercial projects announced in UK (bridges and tunnels)
- Q-Free's and a competitor's DSRC technology is under evaluation by Transport for London (TfL). TfL has confirmed that a possible way forward is to introduce a tag and beacon system in 2009. If TfL selects this route a contract should be awarded in 2007. Q-Free's new product series, urban furniture, is well received so far.



Market Europe (2)

- First project in Dublin, Ireland, announced, M50.
- Turkey a growing market for Q-Free products. Breakthrough in Q1 06. Expected potential of 1 million OBUs in the next 2-3 years.
- After Lisbon selecting on street parking solution from Q-Free, growing interests from other cities. Q-Free solution ParkoTag, outperformed solution based on SMS.
- The Netherlands have started industry evaluation for introduction of a national road user charging system.
- Congestion charging is up for discussion in several larger cities where Stockholm is a important reference project.
- Q-Free focuses on product sales in growing markets like France, Spain, Greece, Portugal, Spain, Turkey, UK and Norway.



Market Asia Pacific

- Australia been so far the largest market for ETC in the region. New smaller projects are announced for tender and more coming up by the end of this year. Possible new product sales .
- New Zealand. First ETC project announced for tender.
- Bangkok, Thailand. Expected to announce two medium size tolling projects in the near future. Potential after sales of OBUs.
- Delhi, India. First tolling project based on European standard announced. Potential after sales of OBUs.
- Beijing, China. Will start implementation in 2006 of a common ETC system on existing road network. Q-Free supplied first system to Beijing in 2005.



Market Latin-America

- New toll concessions in Chile and Brazil.
- Possible congestion charging in cities like Sao Paulo and Santiago.
- Product sales
- Argentine and Peru possible new markets for Q-Free
- Q-Free only supplier who has manufacturing in Mercosur (Brazil).



Future outlook

- Q-Free business proven scalable and healthy with solid margins.
- Launch of new products pays off and company received its first order in Lisbon for on street parking product.
- Increased activity in the market place both on product sales as well as on new larger and medium sized projects.

