



Presentation Q2 2005



Highlights Q2 05

- **Revenues NOK 144.0 mill, EBIT NOK 25.8 mill, profit before tax NOK 25.4 mill.**
- Fifth subsequent quarter with growth in revenues and EBIT.
- Q2 EBIT margin of 17.9%.
- Order intake in quarter is at NOK 162 mill. Order backlog as of 30.06.05 is NOK 459 mill.
- London chose Q-Free as one of two suppliers on technology test for congestion charging.
- Breakthrough in Italy, Q-Free first foreign supplier to deliver to the Italian market.
- Q-Free is considering a de-merger of the business unit Ticketing. EBIT margin for Q-Free excluding Ticketing 25.3% in Q2.

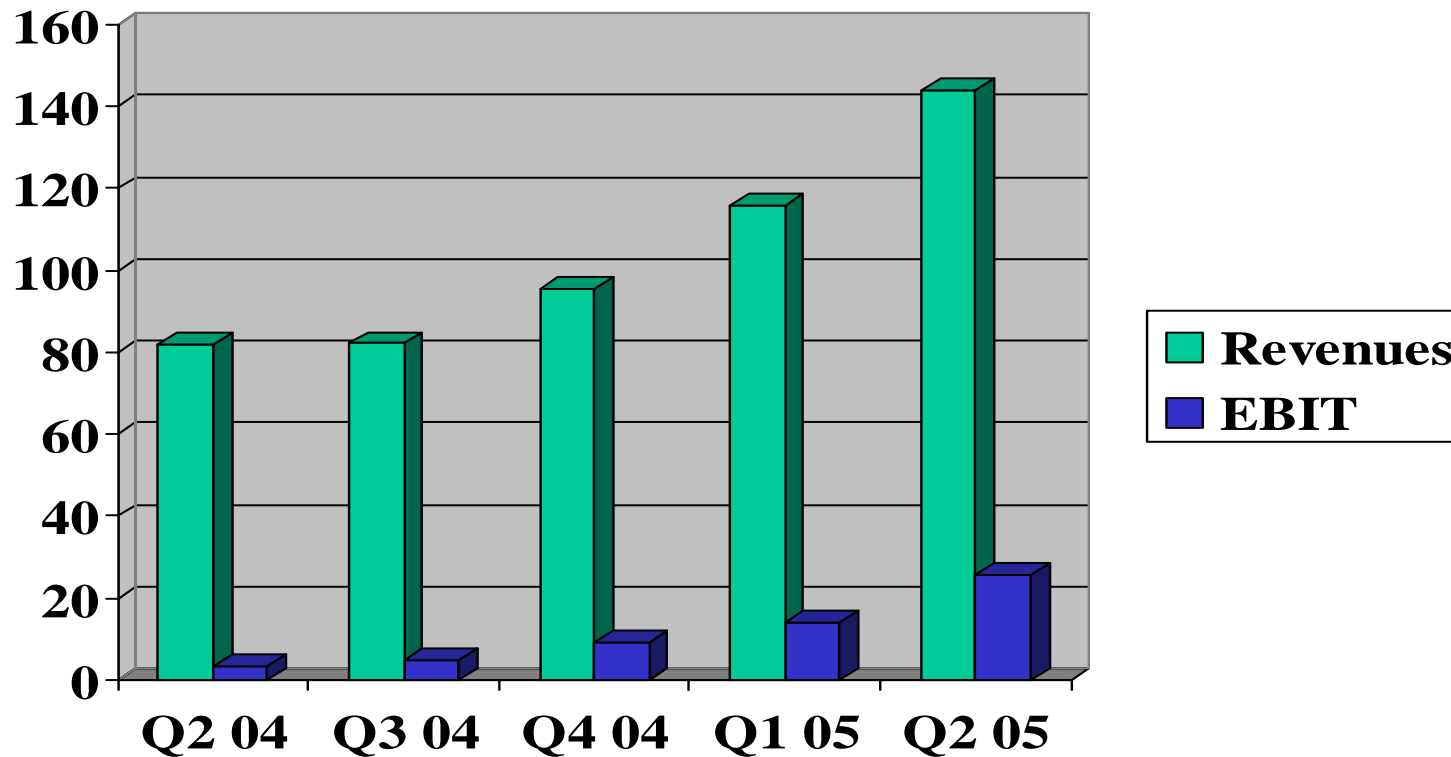


Profit & Loss 2004-2005 NOK Mill

	Pr.Q2 05	Q2 05	Q1 05	Q4 04	Q3 04	Q2 04	2004
Revenues	259,6	144,0	115,6	95,6	82,3	81,8	316,0
EBITDA	50,1	30,0	20,1	13,4	9,2	8,4	-58,9
EBIT	40,1	25,8	14,3	9,3	4,7	3,6	-76,7
Profit before tax	39,9	25,4	14,5	2,9	7,2	2,2	-86,3
Profit after tax	34,4	22,5	11,9	8,5	2,6	1,0	-88,3
EBITDA-%	19,3	20,8	17,4	14,0	11,2	10,3	-18,6
EBIT-%	15,4	17,9	12,4	9,7	5,7	4,4	-24,3



Revenues & EBIT 2004-2005



P/L Bus. units NOK Mill

	Q2 05	Q2 04	Pr. Q2 05	Pr. Q2 04	Pr. Q4 04
<u>Q-Free excl.ticketing</u>					
Revenues	130,7	76,1	241,7	130,6	289,8
EBIT	33,1	13,1	55,2	-59,3	-18,9
EBIT-%	25,3	17,2	22,8	-45,4	-6,5
<u>Ticketing</u>					
Revenues	13,3	5,8	17,8	7,5	26,2
EBIT	-7,3	-9,5	-15,2	-31,3	-57,8
EBIT-%	-54,9	-163,8	-85,4	-417,3	-220,6



Balance Sheet 2004-2005 (NOK mill.)

	Q2 05	Q1 05	Q4 04
Fixed assets	62,4	57,8	57,0
Cash	144,7	143,7	130,4
Other current assets	220,9	190,8	157,9
Total assets	428,0	392,3	345,3
Equity	229,5	210,4	197,0
Liabilities	198,5	181,9	148,3
Total liabilities & Equity	428,0	392,3	345,3



Balance Sheet Items Q2 05

– Fixed assets

- Marginal increase due to R&D activity of NOK 3,7 mill. and other investments of approx NOK 4,0 mill.

– Current assets

- Increased with NOK 31 mill. Mainly due to NOK 1 mill increase of cash in hand , NOK 15 mill of accounts receivables due to increased revenues, NOK 6 mill of inventories mainly due to project in Stockholm and other receivables due to refundable VAT.

–Equity

- Increase due to profits and some share options exercised.

– Long-term liabilities

- No major change in period

– Short-term liabilities

- Increased with NOK 15 mill. mainly due to prepayment from customers on the Stockholm project and other projects

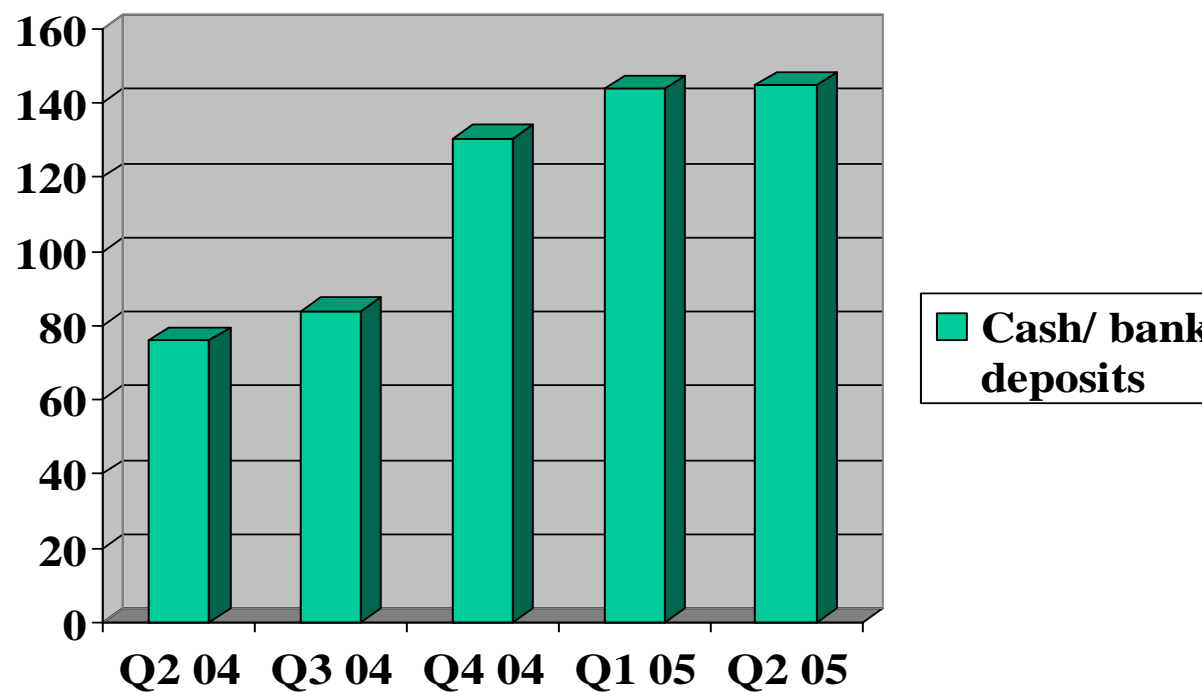


Cash Flow 2004-2005 (NOK mill.)

	Pr.Q2 05	Pr.Q2 04	Pr.Q4 04
CF from operations	30,2	-19,3	39,2
CF from investments	-15,7	-9,0	-9,5
CF from financing	-0,1	26,1	22,5
Net change in cash	14,4	-2,2	52,2
Cash opening balance	130,3	78,1	78,1
Cash closing balance	144,7	75,9	130,3



Cash/bank deposits 2004-2005 (NOK mill.)



Order Backlog

Order backlog 30.06.2005:

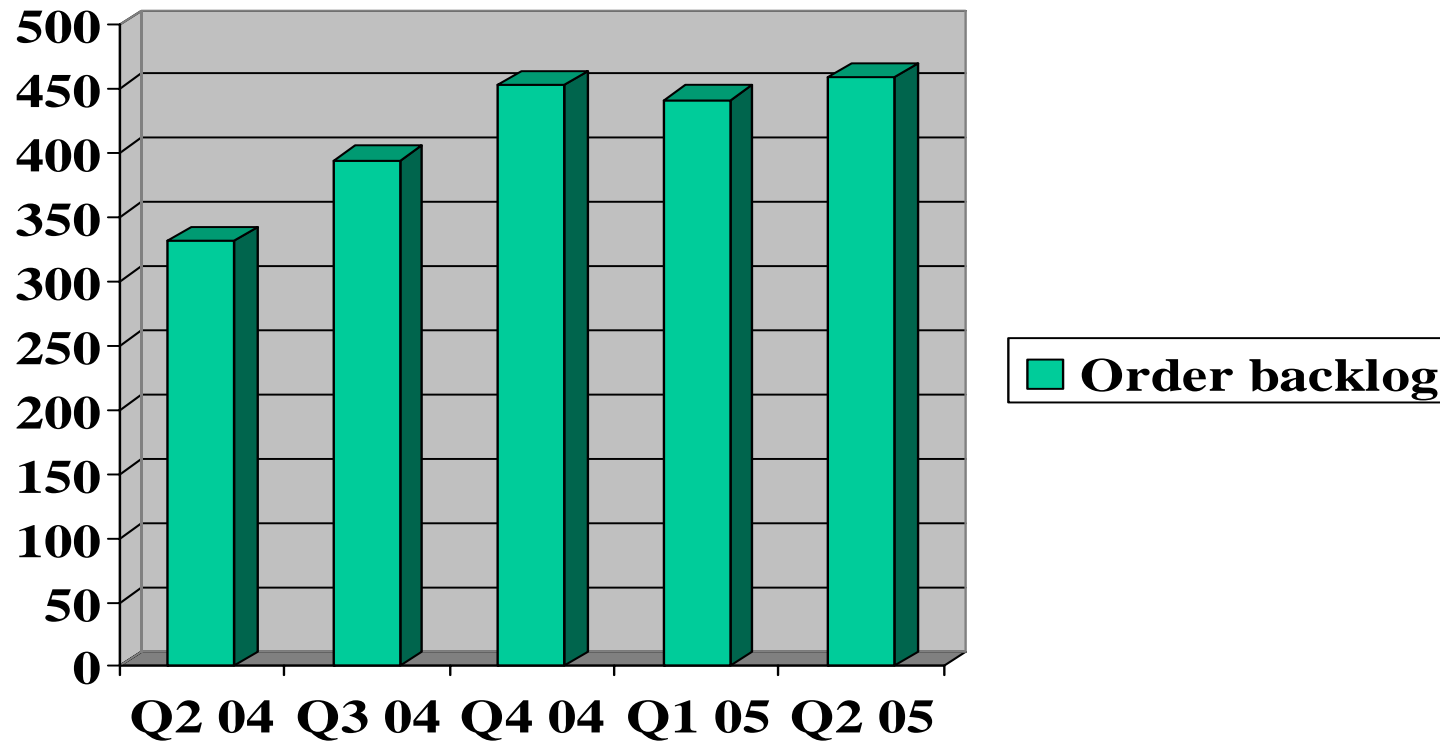
NOK 459 mill.

-Order backlog 31.03.2005: NOK 441 mill.

-Order backlog 31.12.2004: NOK 453 mill.



Order Backlog 2004-2005



Major Shareholders (62 % of shares)

ODIN NORGE	9,19
HANDELSBANKEN MARKET MARKET-MAKING	5,76
DECIBEL AS	5,56
DATUM AS	5,34
STATE STREET BANK & CLIENT OMNIBUS D	4,36
JPMORGAN CHASE BANK CLIENTS TREATY ACCOU	3,99
SKAGEN VEKST	3,34
LARS ANDRESEN	3,21
JAN PIHL GRIMNES	2,46
KIKUT AS	2,40
WEGA AS	2,06
STOREBRAND LIVSFORSIKRING	2,01
DUNSTAL INVESTMENTS JOHN CASELY	1,97
DANSKE BANK A/S 3887 SETTLEMENTS NOR	1,77
FIRSTNORDIC NORGE	1,75
ALDEN AS	1,72
STATOILS PENSJONSKASSE	1,54
TORE AKSEL VOLDBERG	1,38
TERRA VEKST	1,32
ENSKILDA SECURITIES EGENHANDELSKONTO	1,10
TOTAL	62,23



Market tolling

- A long term growing market
 - Order intake in Q2 is NOK 162 mill
 - Markets driver are:
 - EU directive for interoperability
 - Financing of new road infrastructure
 - Increase mobility in congested areas
 - Conversion from manual tolling to electronic tolling
- Congestion charging
 - projects on the political agenda in Europe again after London and Stockholm as forerunners.
 - European implementation of congestion charging in major cities has influence on overseas markets. Similar projects might be announced in Asia in the next year.



Market tolling

- The LRUC (Lorry Road User Charging in UK) project
 - Project is stopped by government.
 - Politicians says that they will see truck tolling as an integrated part of a national road user charging scheme for UK including private cars.
- The Czech truck tolling project
 - Tender papers are just out
 - Q-Free positioning as supplier of infrastructure (gantries) and OBUs.
 - It is a design, build and operate contract.
 - Stage 1 is to implement tolling on the main highway network.
 - Stage 2 is to implement tolling on secondary road network.
 - Contract is planned to be awarded within 6 months.



Market tolling

- **Breakthrough in Italy** with a new product, a smart card OBU
- Frame order of minimum 20k up to 400k OBU and infrastructure to be integrated with the existing system of an Italian toll operator
- Enables the user to pay tolls with smart cards that are today used in the city of Turin. Cards are based on the Calypso standard.
- An upgrade scenario to European standard might be necessary in Italy. Since the mid 90's there are distributed approx 4 mill OBUs by Autostrade in Italy.
- The smart card OBU has a large potential in Asia and in major cities where the use of smart cards are widely spread.
Q-Free expects to be first to market with a smart card OBU



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

Market tolling

- London congestion charging:
 - Q-Free selected as one of two suppliers to test new technology for London congesting charging.
 - Customer is Transport for London and tests will start in August and run for one year in inner London.
 - The objective is to evaluate possible benefits by introducing new technology for the congestion charging scheme.
 - Both suppliers are building one test installation in July and one of the two suppliers will build a “mini-tollring” in the city of London.



Ticketing

- Q-Free are investing considerably to be a technology supplier within ticketing as it is within tolling.
- After changing from system supplier to product and technology provider, the synergies between tolling and ticketing are less.
- Q-Free are evaluating a de-merger of the ticketing business.
- With the new product portfolio and reference projects in Norway and Sweden, we see substantial opportunities for growth in the ticketing business.



Future outlook

- Underlying business in Tolling is increasing and with solid margins.
- Strong order intake.
- We expect to see more new larger projects coming up in Europe and Asia in medium term.
- Stockholm project an important reference.

