

25 October 2006

Presentation Q3 2006

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CFO Roar Østbø



A Q-Free world



A
*well-positioned
tech company
with additional
sales potential*



London - Lean

Agenda

- Key figures Q3/06
- Operational highlights
- Market update
- Actions going forward
- Financial review
- Q&A

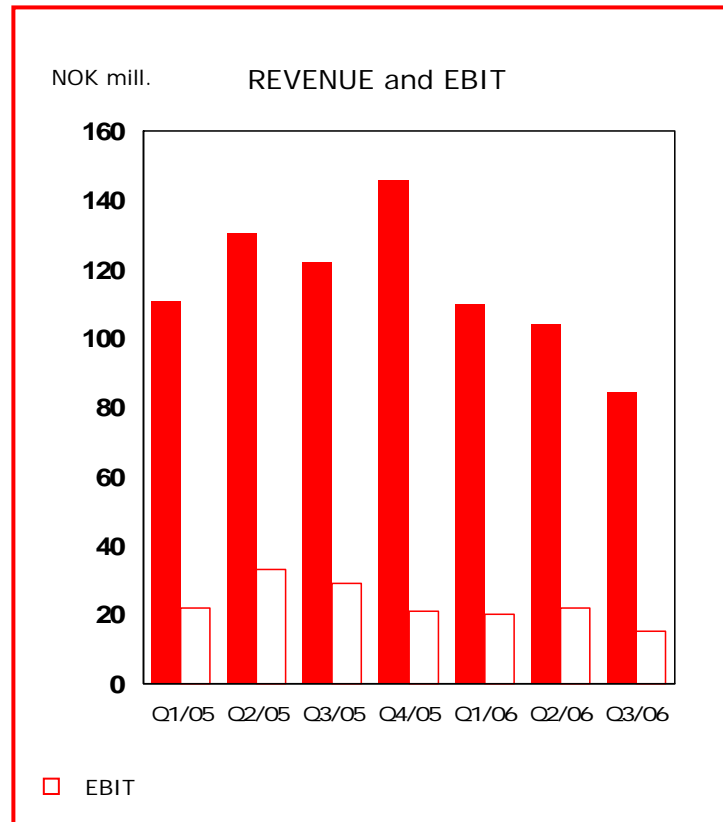


Key financial figures

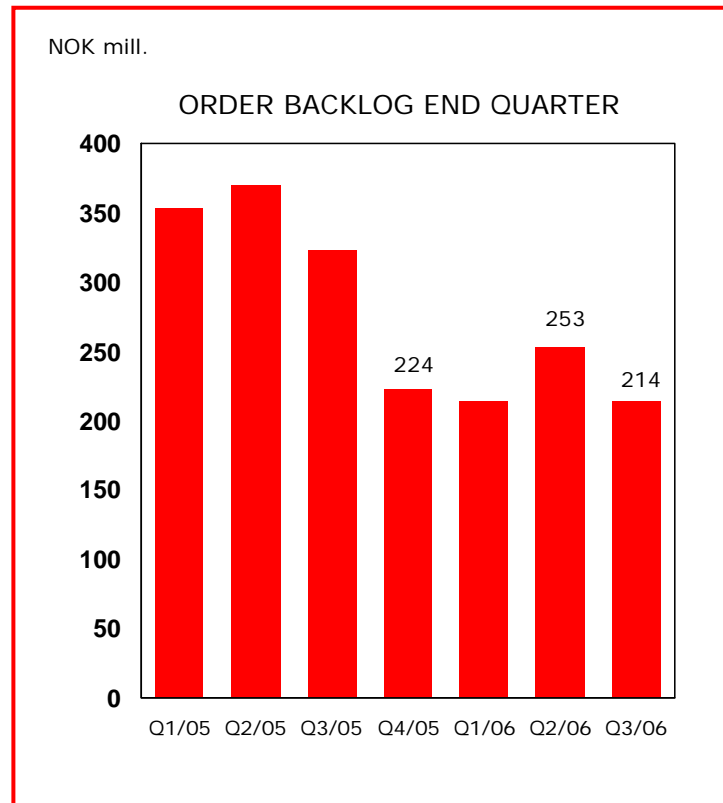
	Q3 2006	Q3 2005	9M 2006	9M 2005	2005
Revenues	84.3	121.8	298.7	363.5	509.2
EBIT	15.2	29.1	57.4	84.2	105.4
Profit before tax	21.4	31.8	67.8	86.8	118.7
Net Profit	13.9	29.8	46.9	79.3	112.3



Key financial figures



Order backlog



Operational Highlights

- Norway
 - New Autopass orders
- Sweden (Stockholm)
 - Stockholm testing concludes successfully
- UK (London)
 - Launch of new products (ITS)
 - Well received
- China (Beijing)
 - Q-Free chosen for piloting (one of two)
- EMV card showcased
- Some project delays



London Concept



ETC – a long term growth market

- Double-digit annual market growth globally
- Market drivers
 - Financing of new infrastructure
 - Congestion management
- Industry moving from technology testing to implementation
- Political risk



London Concept



Q-Free well-positioned

- Longest standing experience with ETC projects
- Market leader in DSRC technology
- Addressing several projects worldwide
- Significant recurring sales volumes



Shanghai Tech



Sao Paulo Fun



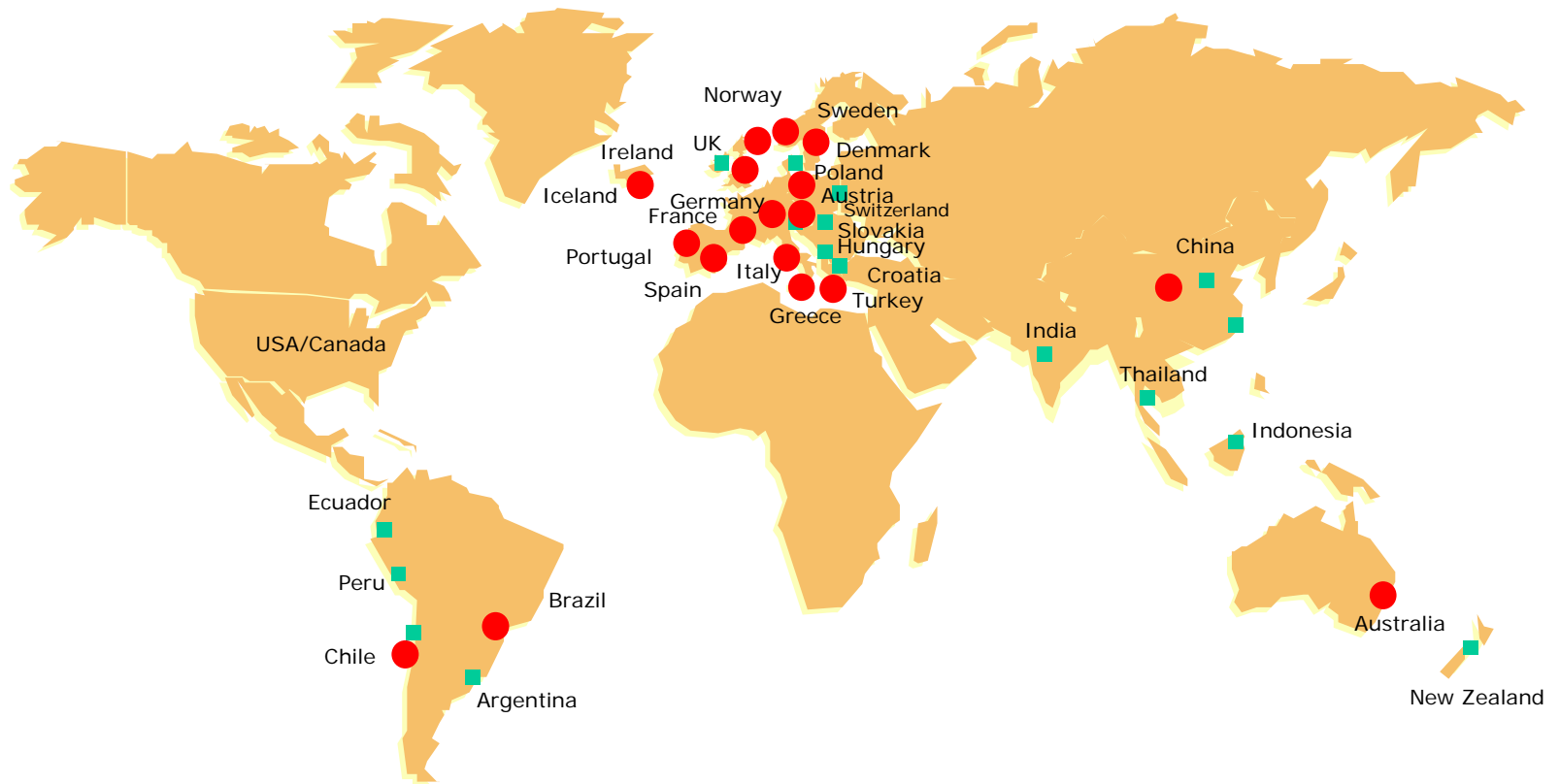
ETC world status



● Q-Free



New ETC projects identified



- Q-Free
- Prospects



Prospects

- Project negotiations
 - Thailand, France, Turkey, Norway and more
 - Decisions are expected in the next quarters
- Ongoing tendering preparations
 - Latin America and Eastern Europe
 - Will mature during 2007
- Several projects currently in an early stage identified
 - Expected values of several hundred million NOK only in Norway and UK

Milano - Glam



Actions to secure growth

- Invest in sales
 - Increase customer/market orientation
 - Improve existing competence
 - Develop existing local presence
- Capitalise on execution experience
 - “we know the industry best”
- Increase global footprint
- Further professionalise the organisation

London - Lean

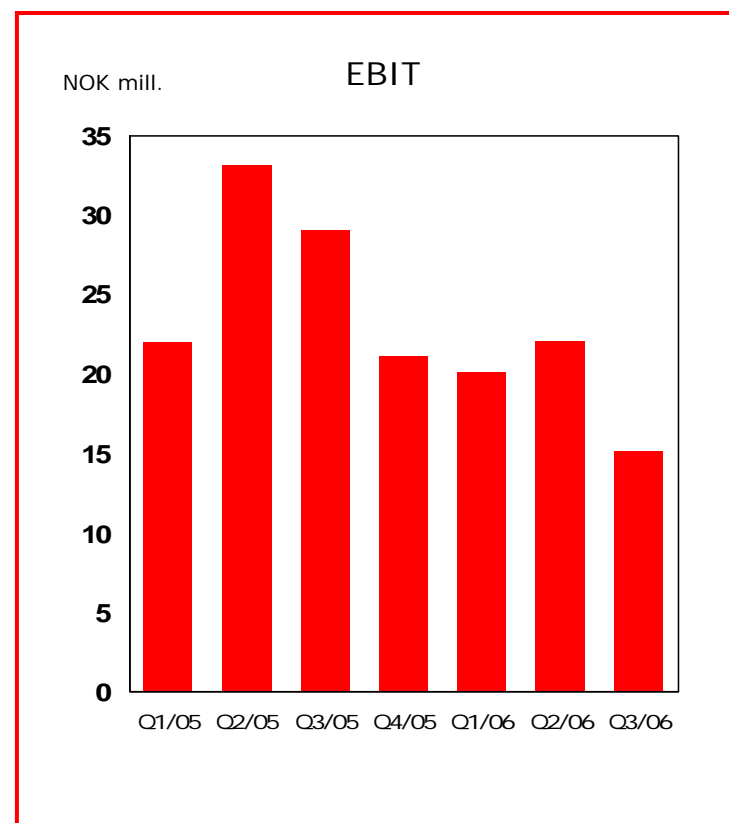
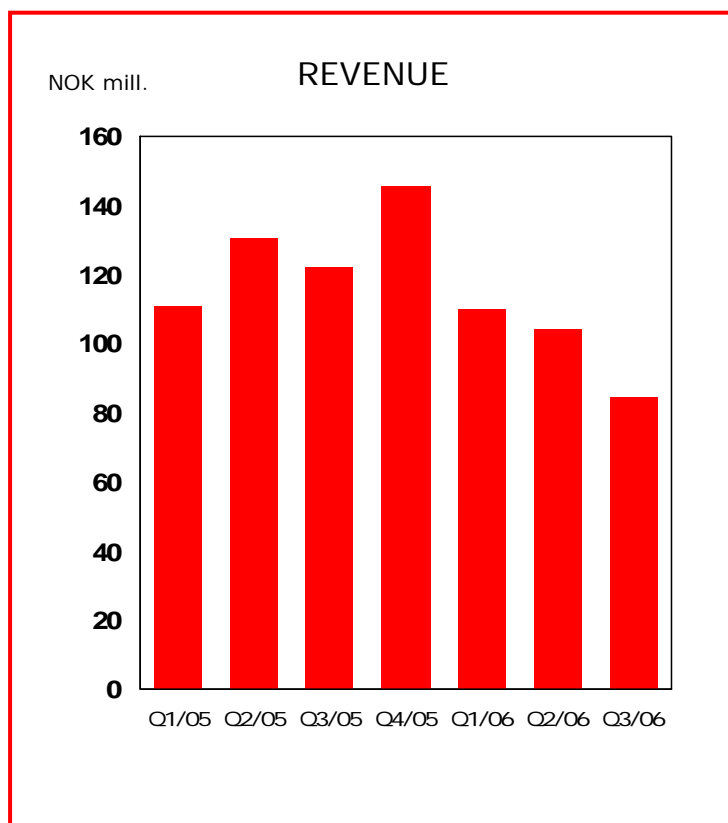


Financial review

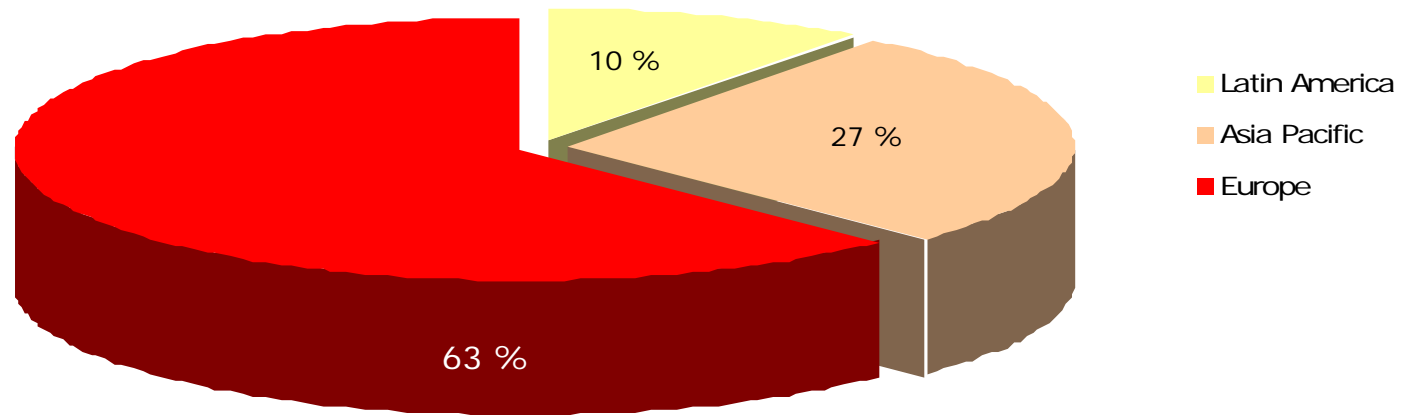
by CFO Roar Østbø



Key Figures



Q3 Revenue geographical areas



Financials

P/L 2005 - 2006	Q3/06	Q2/06	Q1/06	Pr. Q3/06	Q4/05	Q3/05	Q2/05	Q1/05	Pr. Q4/05
NOK million									
Revenue	84,3	104,2	110,1	298,7	145,7	121,8	130,7	111,0	509,2
EBITDA	19,9	26,4	24,1	70,4	23,5	33,5	37,1	27,6	121,7
EBIT	15,2	22,1	20,1	57,4	21,1	29,1	33,2	22,0	105,4
Profit before tax	21,4	15,0	31,4	67,8	31,9	31,8	32,8	22,2	118,7
Profit after tax	13,2	9,9	22,5	45,6	32,9	29,8	29,9 *	19,6 *	112,3 *
EPS	0,25	0,19	0,44	0,88	0,65	0,60	0,55	0,39	2,19
EBITDA-%	23,6	25,3	21,9	23,6	16,1	27,5	28,4	24,9	23,9
EBIT-%	18,0	21,2	18,3	19,2	14,5	23,9	25,4	19,8	20,7
Pretax profit-%	25,4	14,4	28,5	22,7	21,9	26,1	25,1	20,0	23,3

* Before loss in discontinued operations



Balance Sheet

NOK million	Q3/06	Q2/06	Q1/06	Q4/05	Q3/05	Q2/05	Q1/05
Fixed assets	98,3	90,4	95,1	84,6	67,3	49,9	52,9
Cash	158,7	183,3	160,0	166,5	132,5	84,4	78,7
Other current assets	132,9	122,8	140,1	178,5	174,0	223,0	211,3
Assets discontinued oper.	0,0	0,0	0,0	0,0	0,0	70,7	49,4
Total assets	389,9	396,5	395,2	429,6	373,8	428,0	392,3
Equity	307,8	294,0	263,3	241,0	210,4	229,5	210,4
Liabilities	82,1	102,5	131,9	188,6	163,4	177,5	176,6
Liabilities discontinued oper.	0,0	0,0	0,0	0,0	0,0	21,0	5,3
Total liabilities & Equity	389,9	396,5	395,2	429,6	373,8	428,0	392,3



Balance Sheet Items Q3/06

- Fixed assets
 - Net increase of NOK 7.8 mill. due to increased R&D activity of NOK 5.9 mill and increase in market value of the shares in FARA of NOK 5.2 mill
- Current assets decreased NOK 15 mill.
 - A temporary increase in working capital due to increase in trade receivable of NOK 10 mill.
 - Decrease in cash of NOK 25 mill.
- Equity
 - Equity ratio of 79 %
- Liabilities
 - Decrease of short term liabilities of NOK 20 million due to lower sales in the quarter



Cash flow

NOK 1.000	30.09.2006	30.06.2006	31.03.2006	31.12.2005	30.09.2005	30.06.2005	31.03.2005
Net cash flow from operations	7 391	16 374	8 025	147 829	90 485	30 215	20 081
Net cash flow from investments	-34 255	-19 554	-14 108	-49 869	-29 045	-15 742	-7 347
Net cash flow from demerger FARA	0	0	0	-60 301	-60 301	0	0
Net cash flow from financing	19 030	19 913	-482	-1 492	1 040	-126	614
Net change in cash in the period	-7 834	16 733	-6 565	36 167	2 179	14 347	13 348
Cash opening balance	166 520	166 520	166 520	130 353	130 353	130 353	130 353
Cash closing balance	158 686	183 253	159 955	166 520	132 532	144 700	143 701



Going forward

- Q4 influenced by postponed projects
- Solid operation
- Several projects in pipeline for 2007/2008
- Strong focus on customer/market orientation of the organisation

Q-Free is a well-positioned tech company with additional sales potential



Dubai - Solid



Q&A



Appendix



Major shareholders

Name	Shareholding (%)
VERDIPAPIRFOND ODIN	9,09
TROJAN AS	6,77
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	5,41
HAUAN CONSULTING AS	4,03
HANDELSBANKEN MARKET MARKET-MAKING DERIVA	3,45
SKAGEN VEKST	3,25
ANDRESEN LARS	3,13
GRIMNES JAN PIHL	2,73
VITAL FORSIKRING ASA DNB NOR KAPITALFORVA	2,72
JPMBLSA NORDEA LUX LENDING A	2,57 ^{Nom.}
MONS HOLDING AS	2,22
WEGA AS	2,00
STIFTELSEN STATOILS V/ STATOIL KAPITALFO	1,93
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1,89
CREDIT AGRICOLE INVE BANK, NON TREATY ACC	1,71 ^{Nom.}
SAGA EQUITY FUND C/O SAGA ASSET MANAG	1,68
MORGAN STANLEY AND C TRADING ACCOUNT	1,64
KIKUT AS	1,63
DNB NOR NORGE (IV) VPF	1,45
STATOIL FORSIKRING A V/ STATOIL KAPITALFO	1,21
Sum	60,51

Pr. 23.10.06

