



Presentation Q4 2005





Present from the company:

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Highlights Q4 05

- **Revenue NOK 146 mill. (75 % growth), EBIT NOK 22.7 mill., profit before tax NOK 33.4 mill.**
- The demerger of the ticketing business was formally approved 14 December 05 and the company name is FARA ASA. Q-Free holds 18.92 % of the shares in FARA ASA.
- EBIT margin 15.6 % in Q4 and 21.0 % EY 2005.
- Cash Flow from operation is NOK 57 mill. and cash funds is NOK 166 mill. at EY 05.
- EY 2005: Revenue NOK 509 mill compared to NOK 291 in 2004. Profit before tax NOK 120 compared to NOK -26 mill in 2004.
- Earnings per share NOK 2.15 compared to NOK -0.57 in 2004.
- Stockholm project went live as planned 3 January 2006. So far a huge success. Traffic reduced with 20-25% and travel time reduced with up to 50% in rush hours.



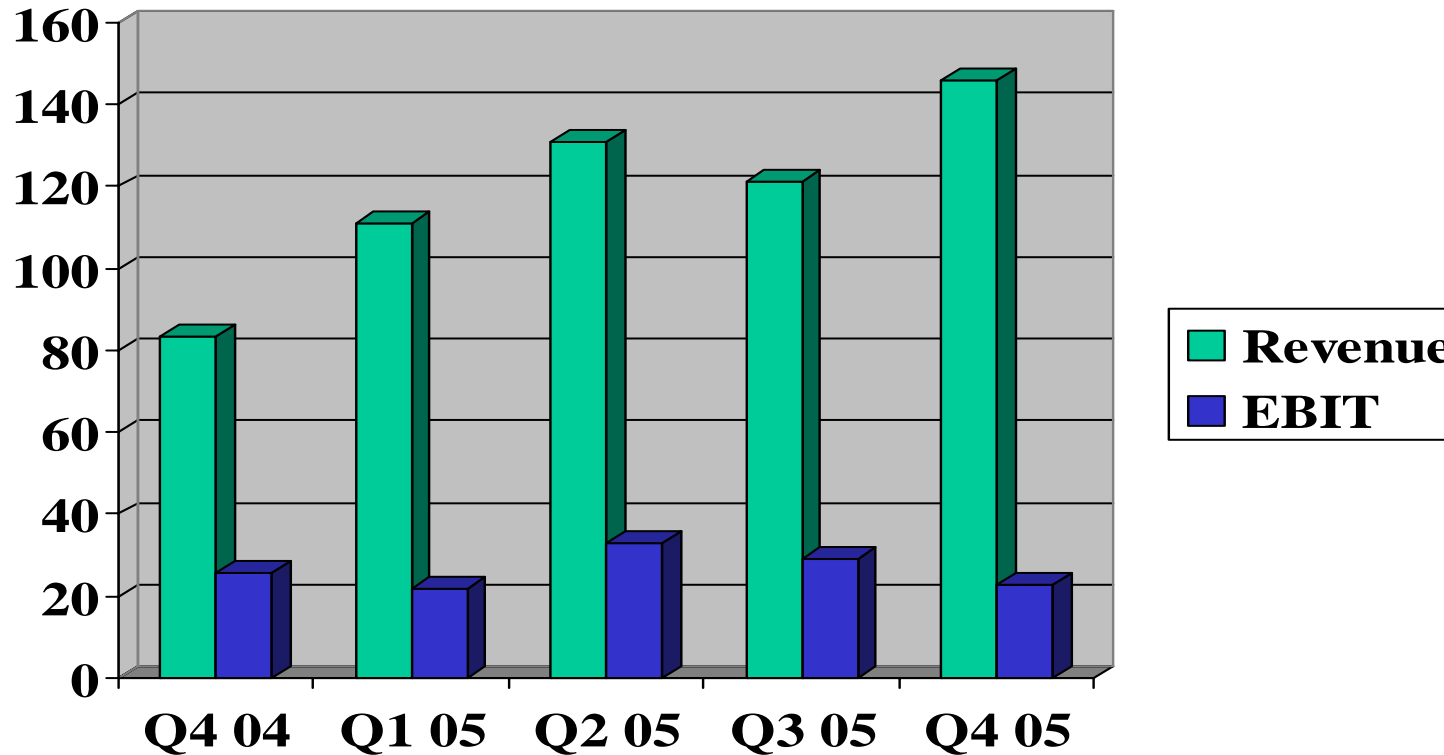
P/L Q-Free Tolling NOK Mill

Pr.Q4 05 Q4 05 Q3 05 Q2 05 Q1 05 Q4 04 2004

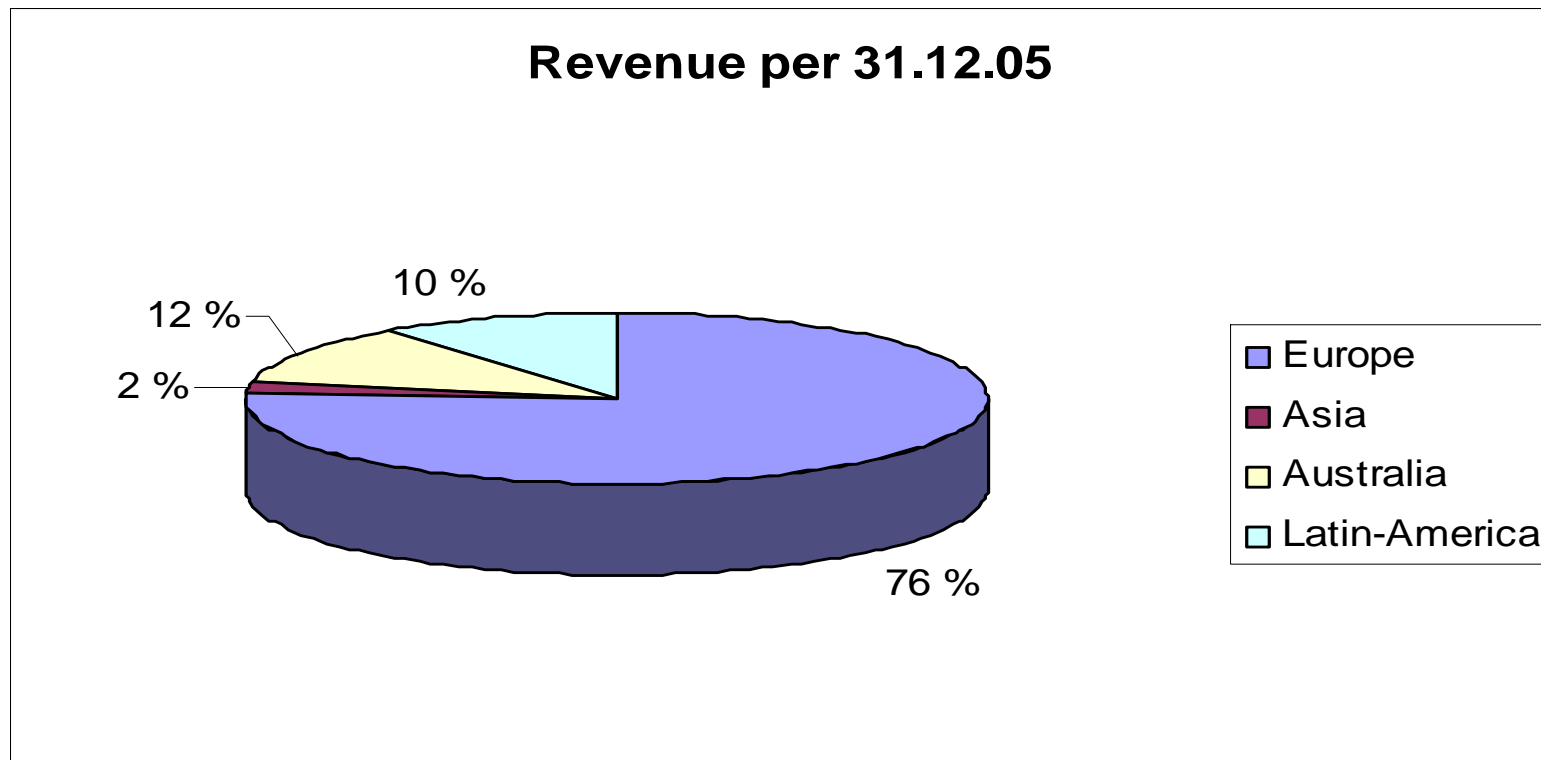
Revenue	509,2	145,7	121,8	130,7	111,0	83,3	291,8
EBITDA	122,7	24,5	33,5	37,1	27,6	29,3	-2,1
EBIT	106,9	22,7	29,1	33,2	22,0	25,7	-18,9
Profit before tax	120,2	33,4	31,8	32,8	22,2	20,7	-25,9
Profit after tax	109,9	30,6	29,8	29,9	19,6	15,7	-29,0
EPS	2,15	0,61	0,60	0,55	0,39	0,31	-0,57
EBITDA-%	24,1	16,8	27,5	28,4	24,9	35,2	-0,7
EBIT-%	21,0	15,6	23,9	25,4	19,8	30,9	-6,5
Pretax profit-%	23,6	22,9	26,1	25,1	20,0	24,8	-8,9



Revenue & EBIT 2004-2005



Revenue geographical areas



Balance Sheet 2004-2005 (NOK mill.)

	Q4 05	Q3 05	Q2 05	Q1 05	Q4 04
Fixed assets	85,2	67,3	62,4	57,8	57,0
Cash	166,5	132,5	144,7	143,7	130,4
Other current assets	180,8	155,6	220,9	190,8	157,9
Total assets	<u>432,5</u>	<u>355,4</u>	<u>428,0</u>	<u>392,3</u>	<u>345,3</u>
Equity	245,2	210,4	229,5	210,4	197,0
Liabilities	187,3	145,0	198,5	181,9	148,3
Total liabilities & Equity	<u>432,5</u>	<u>355,4</u>	<u>428,0</u>	<u>392,3</u>	<u>345,3</u>



Balance Sheet Items Q4 05

– Fixed assets

- Increase of NOK 7.8 mill. due to R&D activity and other investments .

– Current assets

- Increased with NOK 60 mill. Mainly due to NOK 34 mill increase of cash in hand due operations and large payments from customers. Minor increase in accounts receivables and inventory in Q4.

–Equity

- Increase due to profits in Q4.

– Long-term liabilities

- Down payments on long term debt of NOK 2 mill in period.

– Short-term liabilities

- Increased with NOK 48 mill. mainly due to increase in prepayment from customers, tax, suppliers and other accruals has increased.

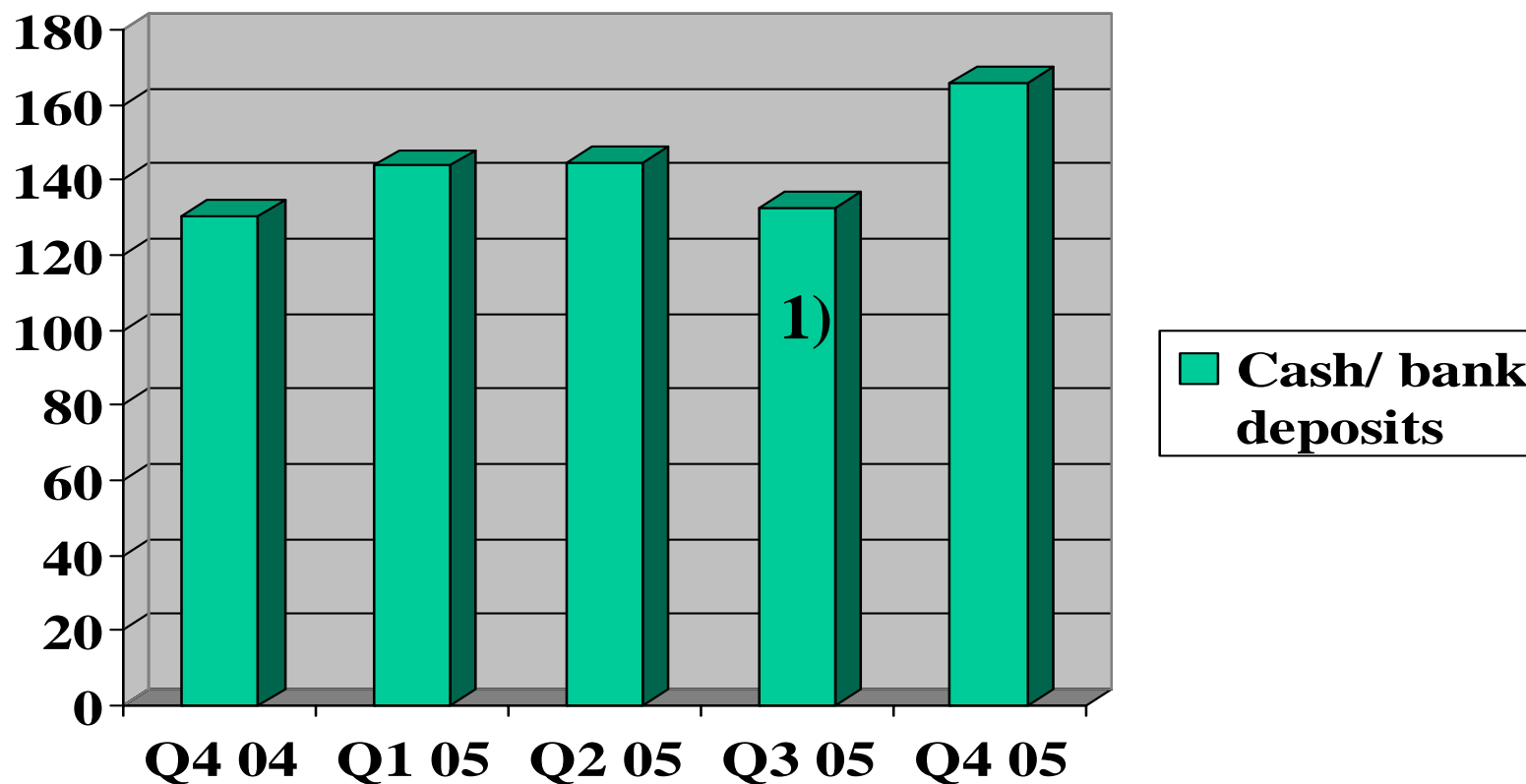


Cash Flow 2004-2005 (NOK mill.)

	Pr.Q4 05	Pr.Q3 05	Pr.Q2 05	Pr.Q1 05	Pr.Q4 04
CF from operations	147,8	90,5	30,2	20,1	39,2
CF from investments	-49,8	-29,0	-15,7	-7,3	-9,5
CF from demerger FARA	-60,3	-60,3	0,0	0,0	0,0
CF from financing	-1,5	1,0	-0,1	0,6	22,5
Net change in cash	36,2	2,2	14,4	13,4	52,2
Cash opening balance	130,3	130,3	130,3	130,3	78,1
Cash closing balance	166,5	132,5	144,7	143,7	130,3



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



**1) Reduced by 60 mill
demerger FARA**

Order Backlog (Tolling)

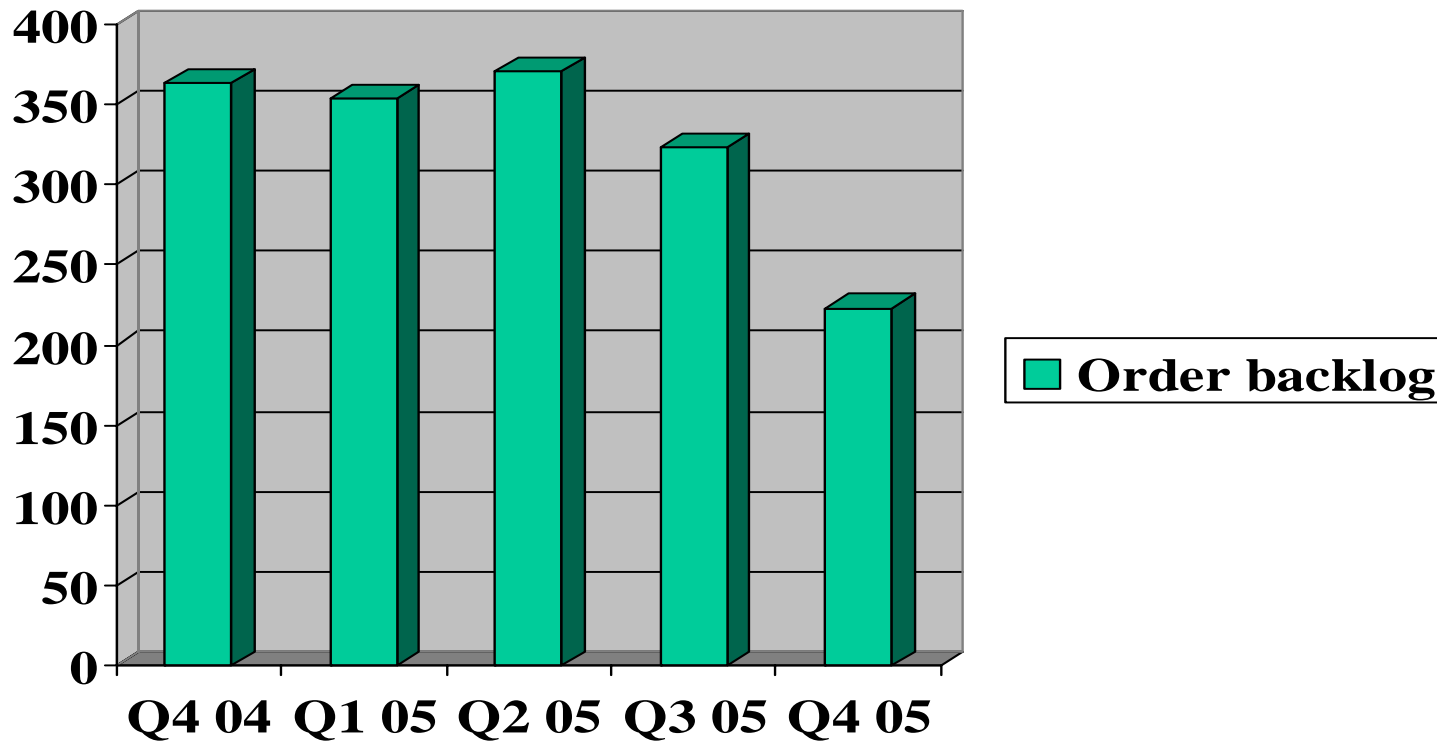
Order backlog 31.12.2005:

NOK 223 mill.

- Order backlog 30.09.2005: NOK 323 mill.
- Order backlog 31.06.2005: NOK 370 mill.
- Order backlog 31.03.2005: NOK 353 mill.
- Order backlog 31.12.2004: NOK 363 mill.



Order Backlog 2004-2005



Major Shareholders (60 % of shares)

ODIN NORGE	9,04
TROJAN AS	6,95
STATE STREET BANK & CLIENT OMNIBUS D	4,37 NOM
HAUAN CONSULTING AS	4,14
JPMORGAN CHASE BANK CLIENTS TREATY ACCOUNT	3,61 NOM
SKAGEN VEKST	3,34
HANDELSBANKEN MARKET Marketing making	3,24
LARS ANDRESEN	3,21
JAN PIHL GRIMNES	2,80
KIKUT AS	2,55
NORDEA VEKST AKSJEFONDET	2,37
WEGA AS	2,05
STATOILS PENSJONSKASSE	1,81
NORDEA AVKASTNING	1,80
SAGA EQUITY FUND	1,57
CREDIT AGRICOLE INVESTMENT BANK	1,51 NOM
NORDEA BANK DENMARK	1,46 NOM
STOREBRAND LIVSFORSIKRING	1,38
DELPHI NORGE	1,26
DANSKE FUND NORGE	1,21
TOTAL	59,67



Market tolling

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



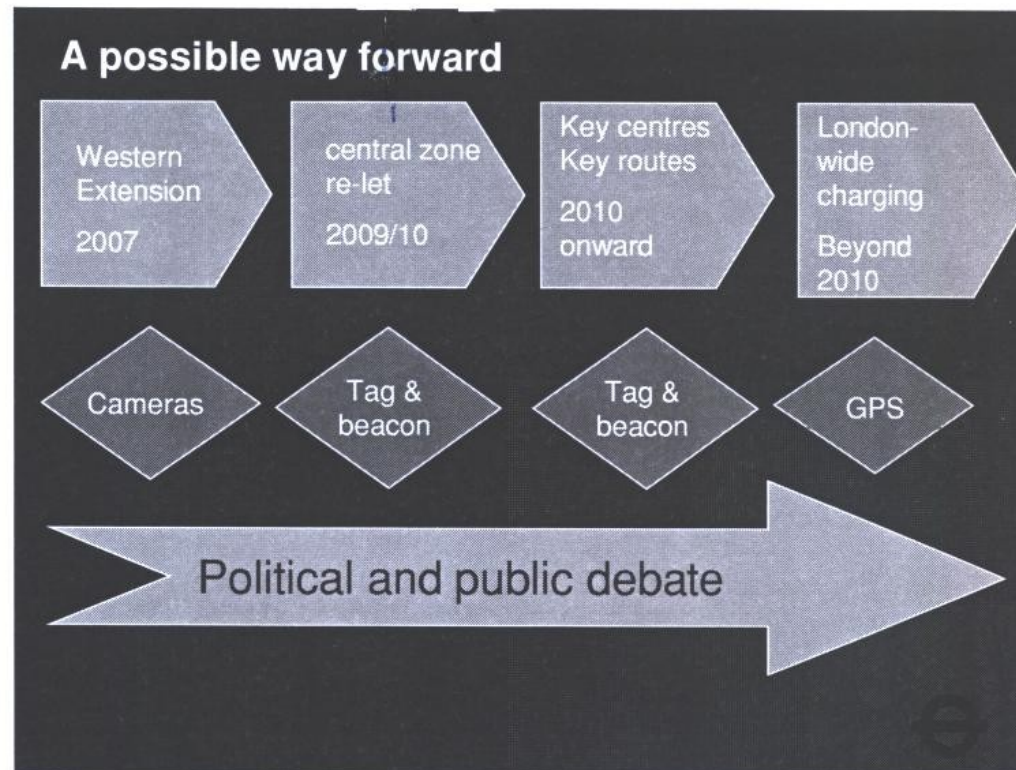
Market tolling

- **Status some European projects:**
 - Czech truck tolling awarded Kapsch. Contract not signed due to a complaint procedure by competitors.
 - Slovenia tendering for two pilots for a road charging scheme covering all highways, one pilot based on satellite and another based on DSRC technology. Goal to decide for a system upgrade in 2007.
 - Slovakia is expected during the coming 6 months to release tender documents for truck tolling system.
 - Hungary is expected to release tender documents during 2006 for a national tolling system.
 - In UK the Transport Innovation Fond (TIF) is expected to initiate different pilots for road user charging in the UK during 2006.
 - Congestion charging in London is in process of evaluation an upgrade of the implemented congestion charging technology. Q-Free's and a competitor's DSRC technology is under evaluation by Transport for London (TfL). Recently TfL confirmed in public 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.



Market tolling

Possible way forward in London congestion charging scheme



Source: Transport for London



Market strategy

- Q-Free has during 2005 refined its marketing and partner development (paradigm).
- Q-Free is strong within project sales. We continue to develop that strength further but during 2006 product sales will be in focus due to a large unexplored potential within the company.
- Due to a growing market Q-Free will change its product development strategy from customer tailor made to more standardised products. This to:
 - Increase the potential for product sales in existing markets through new applications and new business models.
 - New products to pave the way in new markets.
 - Offer our customers' and partners' a wider and innovative range of products enabling them to build their own suitable business model.
 - Being less project depended by increasing recurring business from product sales.



• In parallel with new product development Q-Free will increase its sales capacity considerably during 2006

Market tolling

- New products for release in 2006 are:
 - **Smart card OBU** released before the winter Olympic games in Turin, Italy
 - Enables toll operators to support different payment and credit cards in the automatic free flow lanes
 - Enables toll operators to integrate its business with other services such as public transport, parking, etc
 - **ParkoTag**
 - This is an OBU that facilitates on street parking application. The OBU works as a parking meter in addition to normal tolling applications.
 - Enables toll operators to offer an on street parking service to its existing customer base.
 - Enables parking operators to offer a fully automated system. Reduced operating costs, less fraud, convenient for the users.
 - Q-Free to release hand held controlling units to be used by parking attendants.
 - Pilot run successfully in Lisbon during 2005. Concept in Lisbon pilot developed jointly with Via Verde Portugal (75% owned by Brisa).



Market tolling

- New products for release in 2006 are (cont.) :
 - **Urban furniture**
 - A complete new infrastructure (tolling point) to minimize the visual impact in urban areas at the same time achieve excellent technical performance.
 - Eases the acceptance of a DSRC based congestion charging scheme in city centres with different urban architecture.
 - Market drive from cities like London, Athens, and more.
- Further product presentations, see www.q-free.com



Future outlook

- Tolling business has proven scalable and healthy with solid margins.
- As the market grows and being more mature we see good possibilities for increased product sales.
- Q-Free changing from customer tailor made to more standardised products to position for increased product sales.
- We expect to see new larger projects coming up in Europe and Asia in medium term.

