4-2011
QuarterlyReport

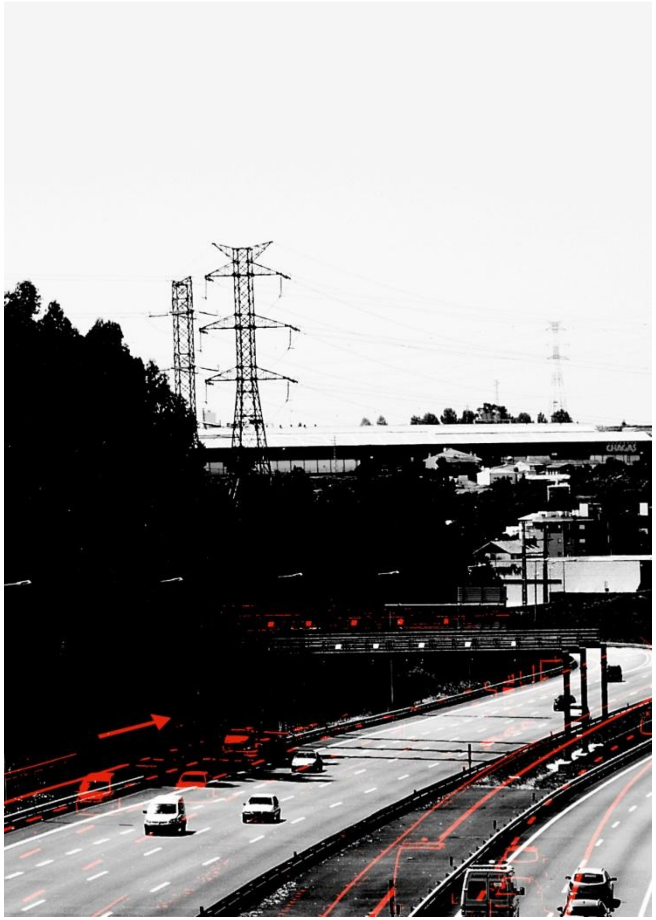
Presented by CEO Øyvind Isaksen and CFO Roar Østbø

Agenda

- Q4 2011 Highlights
- Full year round-up
- Key Figures
- Market Update
- Financial Review
- Outlook
- Q+A

Q4 2011 Highlights

- **Announcements**
  - Positioned for break-through in Indonesia, - contract value of 940 MNOK
  - Portugal 106 MNOK
  - Brazil 52 MNOK
- **Revenues at 188 MNOK, up 36%**
- **Profit improved, EBIT margin 13,5%**
- **All time high operational cash flow**



Full Year 2011 round-up

- **Q-Free back on track in 2011**
- **Improved product offering**
  - Unique new tolling system based on single gantry - ease deployment
  - Satellite tolling tag under development will provide a complete satellite offering
- **Well positioned for several «company changing» projects**

Key figures

NOK million	Q4 11	Q4 10	Change Y/Y-%	FY 2011	FY2010	Change Y/Y-%
Revenues	**188 MNOK**	**139 MNOK**	**+ 36 %**	705 MNOK	568 MNOK	+ 24 %
EBITDA	36 MNOK	14 MNOK	+ 157 %	102 MNOK	-29 MNOK	
EBIT	**25 MNOK**	**3 MNOK**	**+ 733 %**	59 MNOK	-90 MNOK	

Order intake	217 MNOK	248 MNOK	- 13 %	592 MNOK	602 MNOK	- 2 %
Order backlog	462 MNOK	575MNOK	- 19 %	462 MNOK	575 MNOK	- 19 %

Market Trends and Update

Presented by CEO Øyvind Isaksen

Market Trends

- Key drivers for Road User Charging (RUC) solutions
  - Financing infrastructure
  - Improved efficiency of old manual solutions
  - Congestion management
- New Markets and Applications
  - Electronic Registration and Identification (Jakarta)
  - RUC and Traffic management to converge
- Opportunity pipeline within present core business of 5 – 15 BNOK during 2012 – 2014

Market Update – Europe, Middle East and Africa

- High market activity in the region
- Two new contracts in Portugal
- Stretched budget balances have accentuated financial needs to build and maintain new infrastructure
- New opportunities in Portugal, France, Spain, Denmark, Belgium, Ireland, UK, Slovenia, Greece and South Africa
- Expect a resolution to the Gothenburg issue in April 2012
- Accessible opportunity pipeline for 2012 – 2014 of 2 – 8 BNOK

Market Update – Asia Pacific

- Exciting outlook with potential for several large company changing contracts
- Good progress related to financing of the Jakarta case
  - Term sheet signed with Nordic bank
  - GIEK has approved the project
  - Local financing under finalisation
- RUC system in Taiwan likely to be expanded with process concluded in 1H 2012
- Accessible opportunity pipeline for 2012 – 2014 of 3 – 6 BNOK

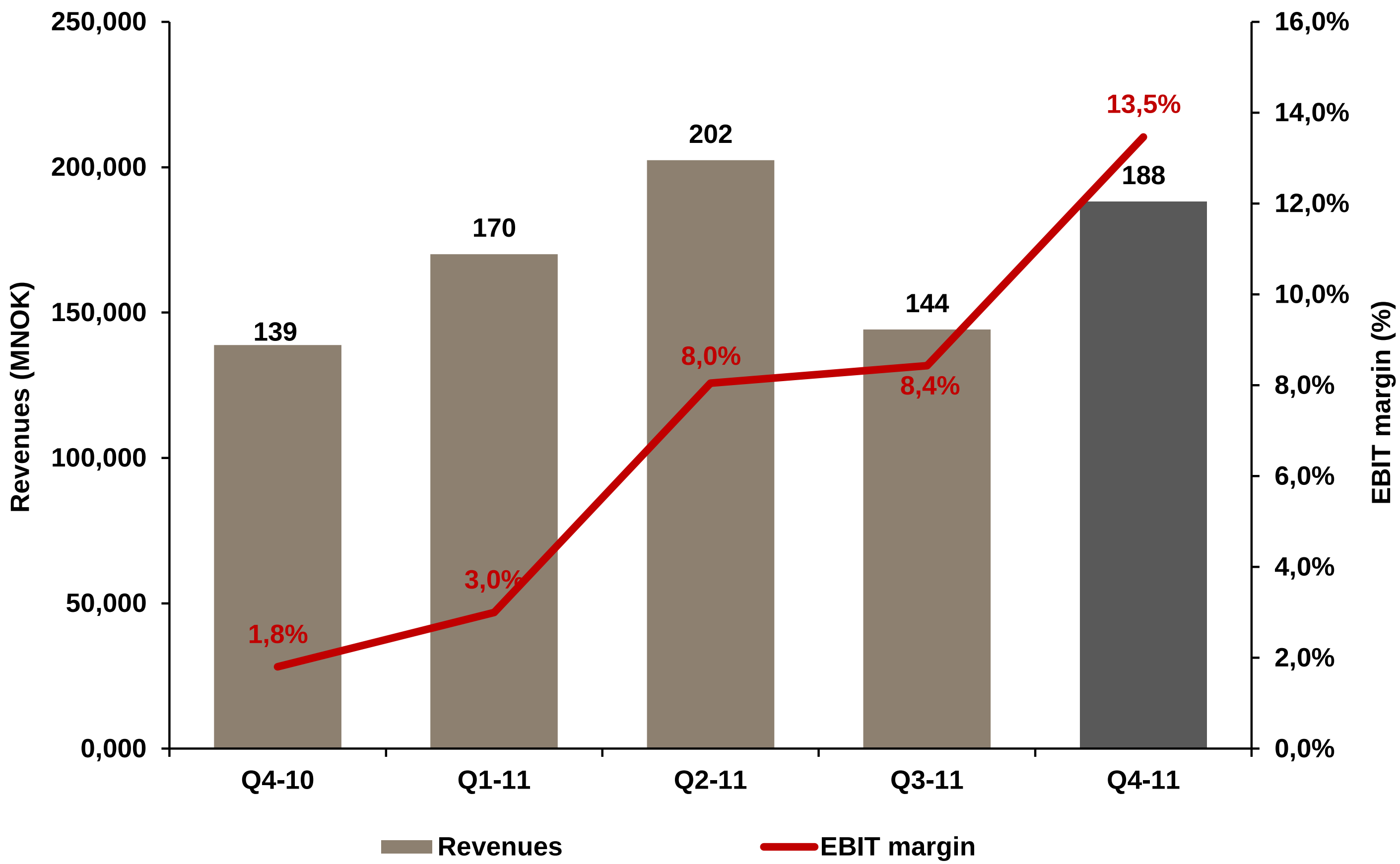
Market Update – North and Latin America

- 52 MNOK order for tags and roadside equipment from Brazil in Q4
- Possibility for change in technology standard in Brazil
- Established in Chile to address infrastructure and congestion charging projects
- Breakthrough in Ecuador in Q4
- Entering the US market
- Accessible opportunity pipeline for 2012 – 2014 of 0,2 – 1,0 BNOK

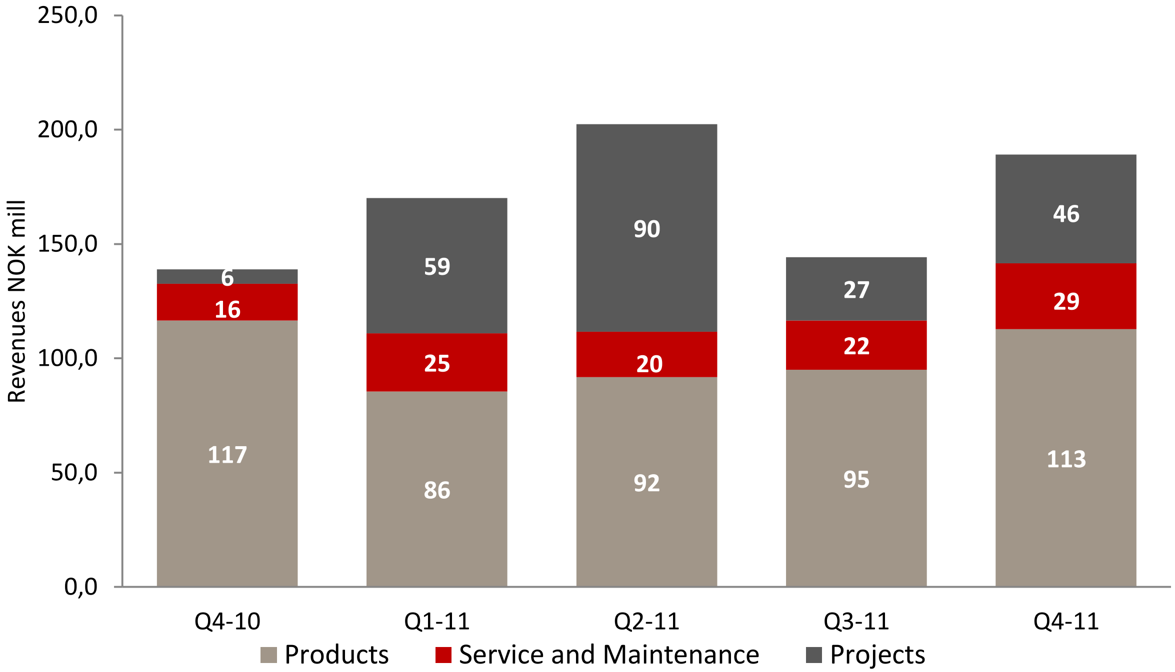
Financial Review

Presented by CFO Roar Østbø

Revenues and EBIT margin – quarterly 2010 - 2011



Revenues per Business Areas



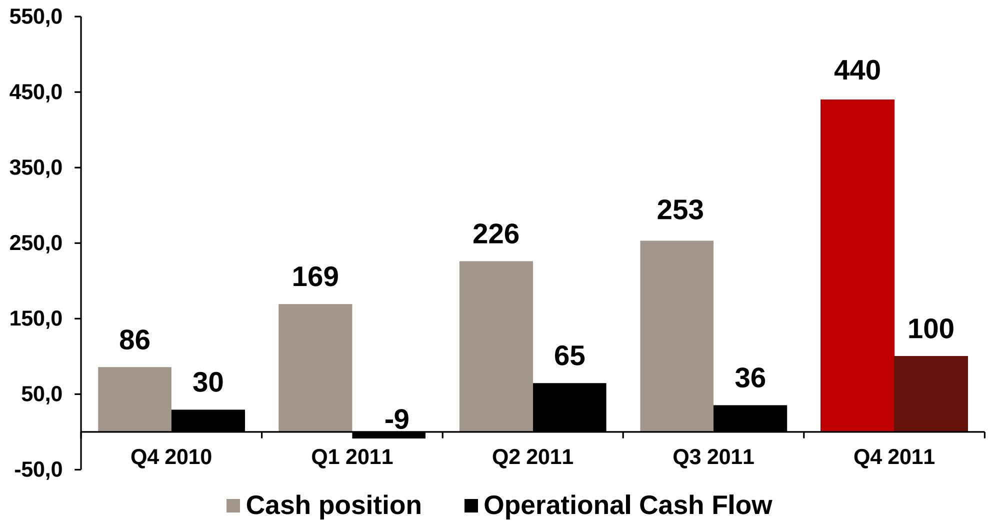
Revenues Business Areas MNOK	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11
Products	117	86	92	95	113
Service and Maintenance	16	25	20	22	29
Projects	6	59	90	27	46
TOTAL	**139**	**170**	**202**	**144**	**188**

2010	2011	y/y-%
344	**385**	**+ 12%**
71	**96**	**+36%**
153	**224**	**+ 46%**
568	**705**	**+ 24%**

Profit and Loss Statement

NOK 1.000	Q4 2011	Q4 2010	Y/Y-%	31.12.2011	31.12.2010	Y/Y-%
Revenues	188 218	138 906	36 %	704 912	568 044	24 %
Gross profit	128 040	76 541	67 %	405 590	299 812	35 %
Gross margin - %	68,0%	55,1 %	13 %	57,5 %	52,8 %	5 %
Operating expenses	92 151	62 100	48 %	303 731	329 231	-8 %
Operating profit - EBITDA	35 890	14 441	149 %	101 859	-29 419	
EBITDA margin	19,1 %	10,4 %	9 %	14,4 %	-5,2 %	20 %
Depreciation, amortisation and impairment	10 540	11 913	-12 %	42 952	60 954	30 %
Operating profit - EBIT	25 349	2 528	902 %	58 907	-90 373	
EBIT margin	13,5 %	1,8 %	12 %	8,4 %	-15,9 %	24 %
Pretax profit	27 394	8 142	278 %	54 916	-79 593	
Profit margin	14,6 %	5,9 %	9 %	7,8 %	-14,0 %	22 %
EPS	0,28	0,11		0,58	-0,94	

Cash flow statement

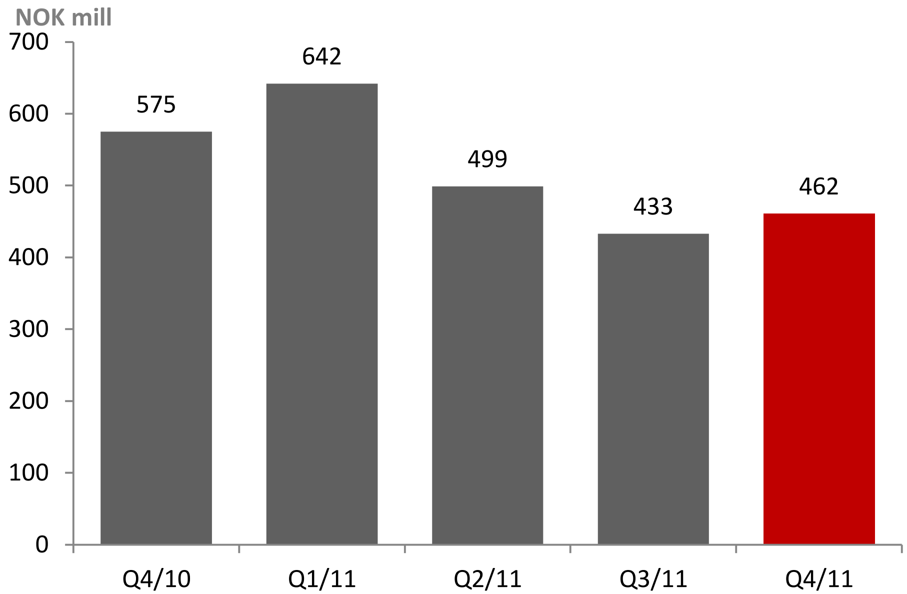


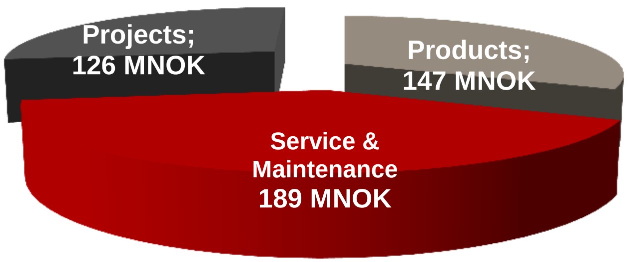
NOK 1.000	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2010	FY 2011
Net cash flow from operations	29 710	-8 629	64 800	35 528	100 470	-121	192
Net cash flow from investments	-12 294	-7 850	-7 768	-8 225	-13 879	-67	-38
Net cash flow from financing	-1 336	100 242	-400	-131	99 905	-1	200
Net change in cash in the period	16 080	83 763	56 632	27 172	186 496	-189	354
Cash opening balance	69 644	85 724	169 487	226 119	253 291	275	86
Cash closing balance	85 724	169 487	226 119	253 291	439 788	86	440

Balance sheet

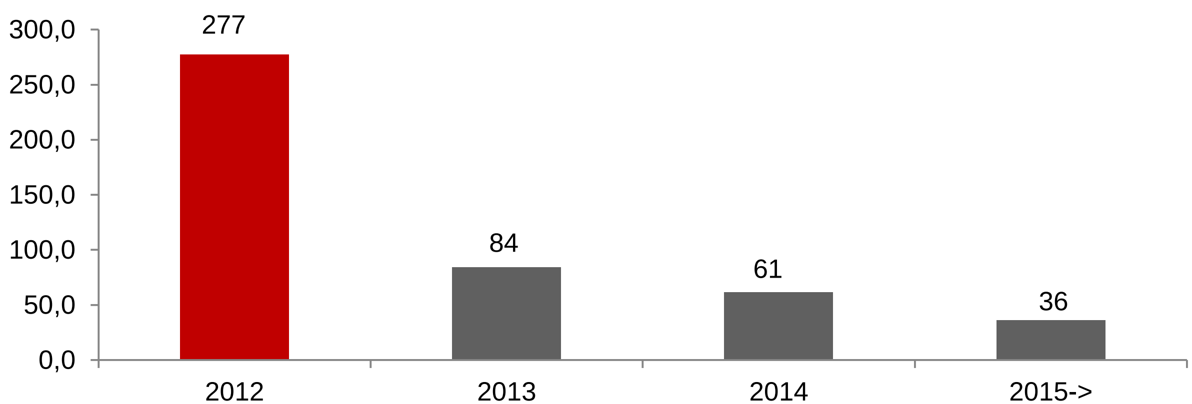
NOK 1.000	31.12.2011	30.09.2011	31.12.2010
Total intangible assets	**182 336**	178 390	186 897
Non current assets	**63 941**	62 103	71 526
Cash & Cash equivalents	**439 788**	253 291	85 724
Other current assets	**244 639**	252 566	343 568
TOTAL ASSETS	**930 704**	**746 350**	**687 715**
Total Equity	**638 780**	515 635	499 418
Non current liabilities	**107 797**	106 660	4 558
Current liabilities	**184 128**	124 055	183 739
TOTAL EQUITY & LIABILITIES	**930 704**	**746 350**	**687 715**
Equity ratio	***68,6 %***	***69,1 %***	***72,6 %***
Net working capital	***60 512***	***128 511***	***159 829***
Working capital % 12 months Revenues	***9 %***	***20 %***	***28 %***

Order Backlog *





***** *All graphs exclude contracts in Gothenburg and Indonesia***



Outlook

Presented by CEO Øyvind Isaksen

Near term outlook

- Q1-12
  - Focus in Q1 to optimize profitability for rest of the year
  - Preparing for expected new projects such as Jakarta and Gothenburg
  - Ramp-up cost
  - At best break-even - depending on short term order intake
- 2012
  - Revenues expected to pick-up in Q2
  - Q3 and Q4 expected to be busy and significantly more profitable than 1H 2012
  - Assuming closing of Jakarta financing in Q1 - targeting revenues above 1 BNOK at an EBIT margin above 10%

Medium Term Targets

- Market demand and Q-Free positions allow for further strong growth in the years to come
- Opportunity pipeline within present core business of 5 – 15 BNOK during 2012 – 2014
- Prepared and capable to absorb further growth
- Scalability in business model improved

Q-Free strategies to reach targets

- Continue to invest in market position
  - Establish a strong position in Indonesia
  - Breakthrough in Taiwan
  - Market leader position in Sweden
  - Win truck-tolling deals in Eastern Europe
  - Expand in Latin Europe and Latin America
  - Entering US
- "Best in class" portfolio, technology platform and execution
- Intensify M&A initiatives, with focus on
  - US-expansion
  - Extend offerings in Traffic Surveillance and Traffic Management.

Summary :
Well positioned in an attractive market

- A strong end to 2011
- 2011 – Back on track
- 2012 – A company changing year
- Clear ambitions & plans for next steps

Q+A

Major shareholders by 08 February 2012

SHAREHOLDERS 8 FEBRUARY 2012	SHAREHOLDING %
KAPSCH TRAFFICCOM AG ERSTE BANK DER OESTE	14.94
ODIN NORGE	8.08
KAPSHC TRAFFICCOM AG	5.33
SKAGEN VEKST	4.80
DNB NOR SMB VPF	3.63
JPMORGAN CHASE BANK (NOM)	3.32
KIKUT AS	2.69
LARS ANDRESEN	2.47
HOLBERG NORGE VERDIPAPIRFONDET	2.29
REDBACK AS	2.26
VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	1.89
MONS HOLDING AS	1.57
VPF NORDEA AVKSTNING C/O JPMORGAN EUROPE	1.26
VERDIPAPIRFONDET DNB	1.22
VPF NORDEA SMB C/O JPMORGAN EUROPE	1.14
SANDNES INVESTERING	1.13
UBS AG (NOM)	1.11
STOREBRAND VEKST	1.04
VERDIPIRFONDET WARREN WICKLUND	1.00
AUGUST HOLDING AS	0.98
SUM	**62.15 %**