



Quarterly report

CEO Øyvind Isaksen and Finance manager Bjørn Kleven

Second quarter 2013

Agenda

- Highlights and Key figures
- Market update
- Financial review
- Outlook

HIGHLIGHTS AND MARKET UPDATE

Presented by CEO Øyvind Isaksen



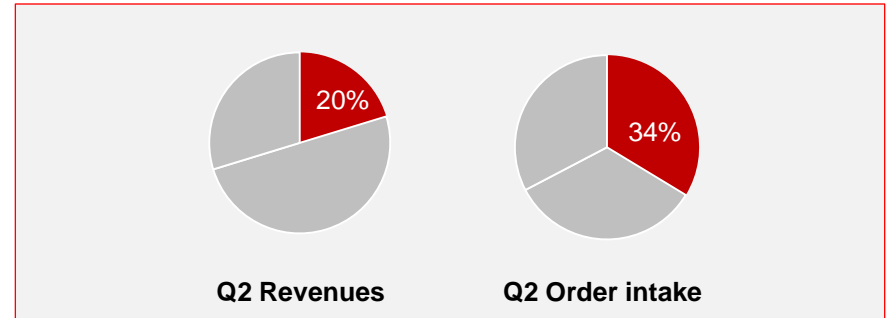
Highlights

- Export Credit Norway signed loan agreement for the Jakarta ELE project in July
- Revenues +29% from Q2-12
 - Pick-up in product revenues
 - Higher service & maintenance revenues
 - Project market remained slow
 - Sharp uptick in order intake; mainly tag orders
- Break-even on the operating level
- Profit Improvement Program progressing as planned
- Positive development in TCS

NOK 1,000	Q2-13	Q2-12	H1-13	H1-12
Order intake	194	68	282	322
Revenues	147.9	114.2	285.9	235.0
EBITDA	16.1	-10.3	-21.7	-8.1
EBIT	0.3	-22.8	-53.0	-32.7
EPS	-0.04	-0.31	-0.66	-0.40

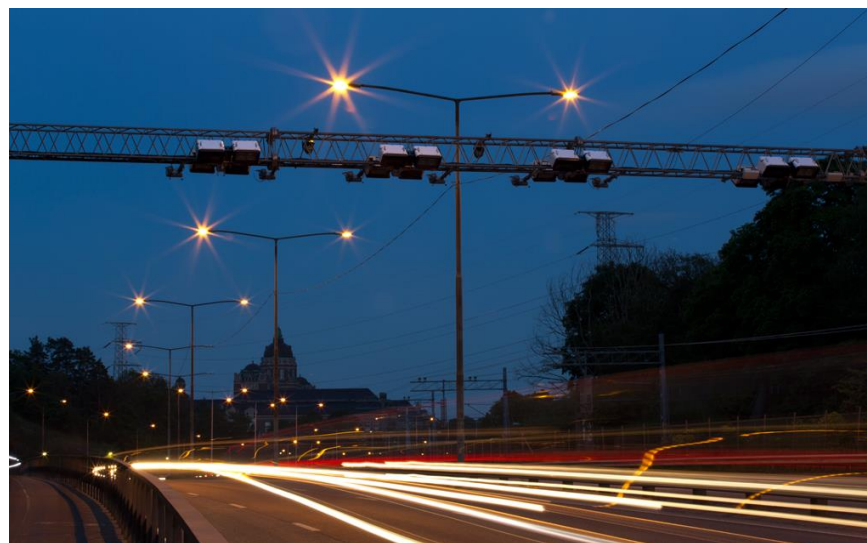
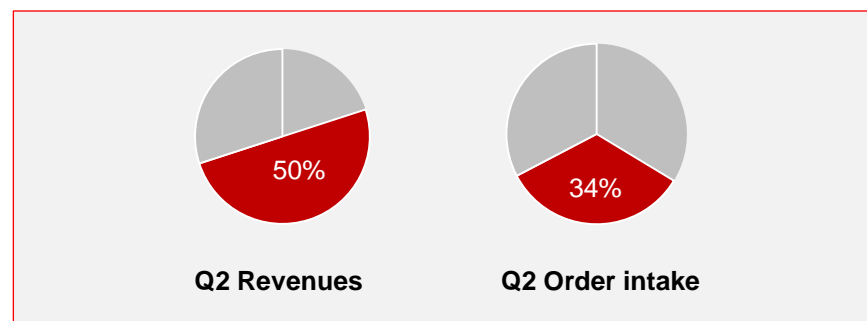
Asia Pacific second quarter market update

- NOK 16 million tag order in **Australia**
- NOK 12 million tag order in **Thailand**
- Delivering automatic number plate recognition software to the **Taiwan** tolling system
- Further infrastructure and tag opportunities to come in **Thailand**
- Tender for congestion charging project in **Jakarta** likely to be released in 2013



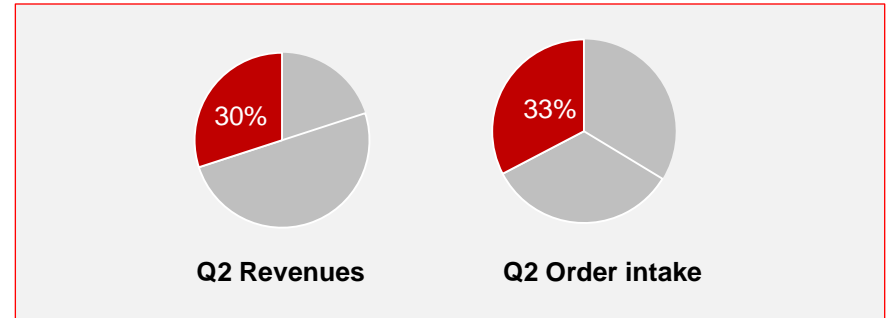
EMEA second quarter market update

- NOK 33 million tag contract with VINCI Autoroutes in **France**
- Two Nordic contracts signed post Q2
 - NOK 36 million extension of service & maintenance contract for the congestion charging system in **Stockholm**
 - Minimum NOK 34 million contract extension in **Norway** for Central System
- Truck tolling projects progressing in **Belgium** and **Russia**
- Multilane Free Flow opportunities in **Spain**



North and Latin America second quarter market update

- NOK 27 million tag contract in **Brazil**
 - Call-off on frame agreement
- Exploring infrastructure and tag contracts in **Chile, Columbia and Ecuador**
- TCS International shows promising development

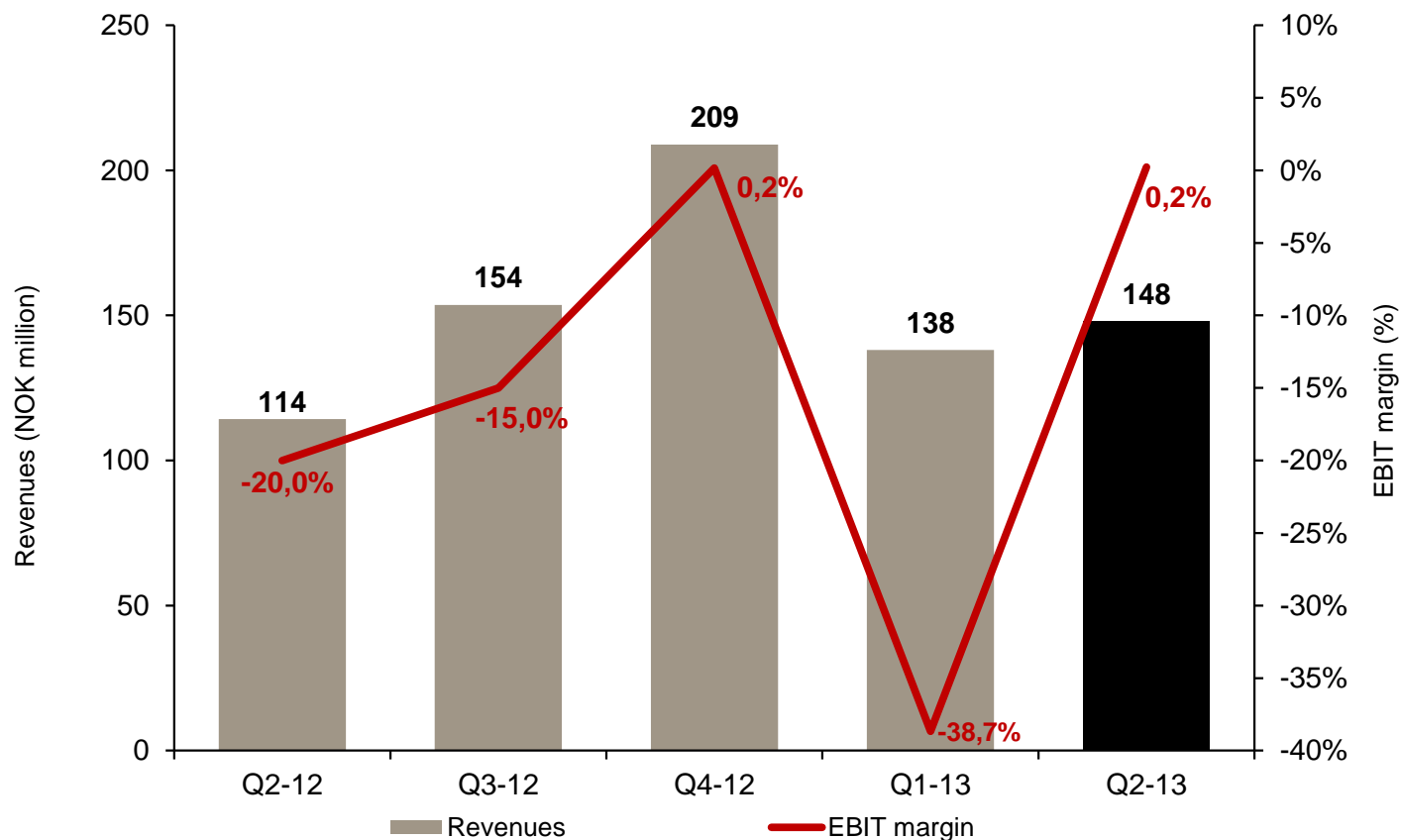


Financial Review

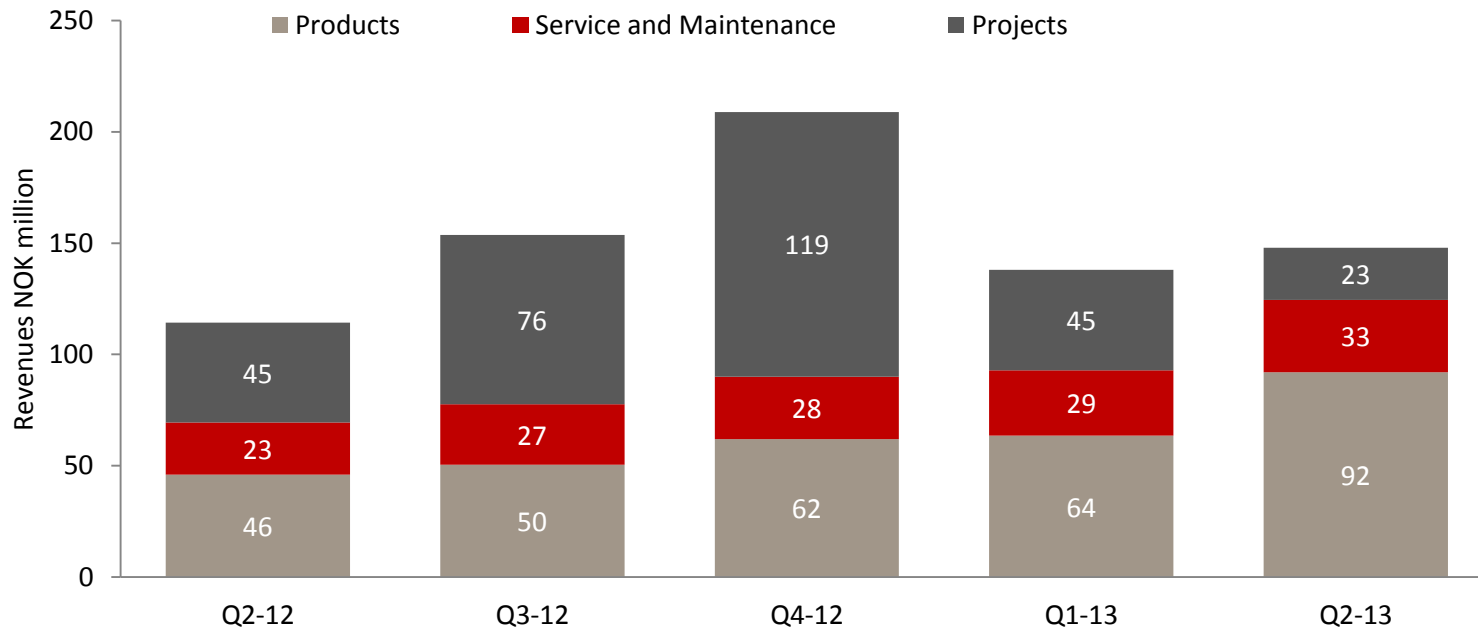
Presented by Finance Manager Bjørn Kleven



Revenues and EBIT margin



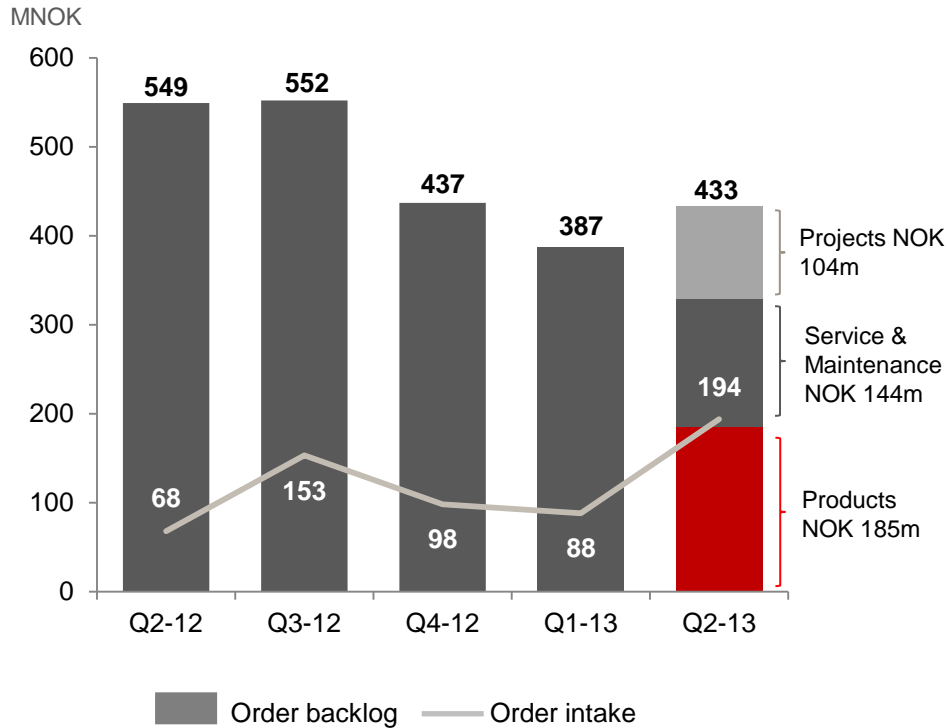
Revenues per Business Area



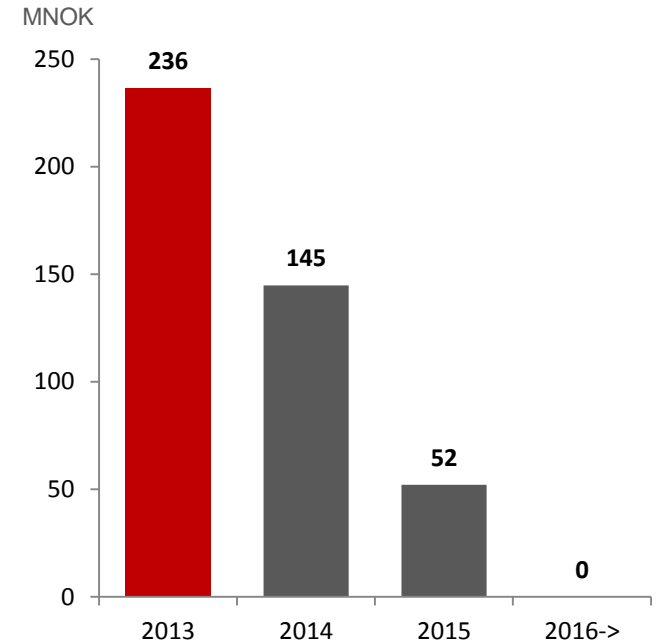
MNOK	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Products	46	50	62	64	92
Service and Maintenance	23	27	28	29	33
Projects	45	76	119	45	23
TOTAL	114	154	209	138	148

Order backlog and delivery schedule

Order backlog and order intake



Backlog distribution



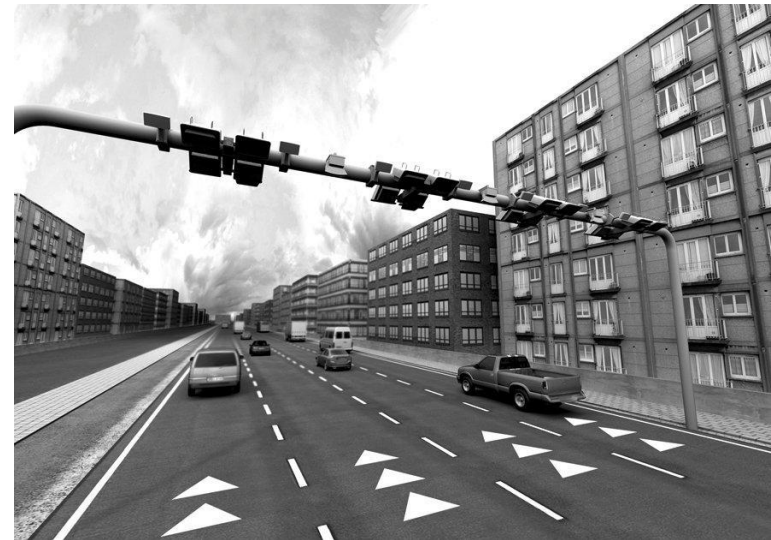
Profit and Loss Statement

NOK 1.000	Q2 2013	Q2 2012	Q/Q-%	2012
Revenues	147 892	114 230	29,5 %	597 532
Gross profit	92 125	67 769	35,9 %	370 442
Gross margin - %	62.3 %	59,3 %	n.m.	62.0 %
Operating expenses	76 062	78 088	-2,6 %	376 434
Operating profit - EBITDA	16 063	-10 319	n.m.	-5 991
EBITDA margin	10.9 %	-9,0 %	n.m.	-1.0%
Depr., amort and impairment	15 732	12 495	25,9 %	49 315
Operating profit - EBIT	330	-22 814	n.m.	-55 306
EBIT margin	0.2 %	-20,0 %	n.m.	-9.3 %
Pretax profit	-2 275	-23 538	n.m.	-44 623
Profit margin	-1.5 %	-20,6 %	n.m.	-7.5 %
EPS	-0.04	-0,31	n.m.	-0.51

- Opex below Q2-12, including positive effect of ~NOK6.6 million from reversal of restructuring provision
- Increased D&A reflects Single Gantry depreciation and amortization of the TCS acquisition

Profit Improvement Program (PIP)

- Program progressing broadly speaking according to plan
- Targeting **NOK 60 million** annual reduction
 - Operational costs NOK -40m
 - Capital investment spending NOK -20m



Cash flow statement

NOK 1.000	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	30.06.13	2012
Net cash flow from operations	-3 631	-53 689	87 188	-22 970	-61 209	-84 179	-19 886
Net cash flow from investments	-15 931	-10 929	-43 039	-18 897	-10 454	-29 351	-79 229
Net cash flow from financing	30 155	-1 476	677	-344	-435	-779	28 819
Net change in cash in the period	10 593	-66 094	44 826	-42 211	-72 098	-114 309	-70 296
Cash opening balance	380 165	390 758	324 665	369 491	327 279	369 491	439 789
Cash closing balance	390 758	324 664	369 491	327 280	255 181	255 181	369 491

- Increased working capital due to concentrated product invoicing late in the quarter
- Reduced investment level compared to previous quarters

Balance sheet

NOK 1.000	30.06.2013	31.03.2013	31.12.2012
Total intangible assets	251 202	253 094	244 387
Non current assets	78 849	81 149	77 261
Cash & Cash equivalents	255 181	327 279	369 491
Other current assets	259 484	228 136	250 560
TOTAL ASSETS	844 715	889 659	941 699
Total Equity	579 558	585 568	630 908
Non current liabilities	128 058	126 041	124 287
Current liabilities	137 099	178 050	186 504
TOTAL EQUITY & LIABILITIES	844 715	889 659	941 699
<i>Equity ratio</i>	<i>68.6 %</i>	<i>65.8 %</i>	<i>67.0 %</i>
<i>Net working capital</i>	<i>122 385</i>	<i>50 087</i>	<i>64 056</i>
<i>Working capital % 12 months Revenues</i>	<i>19 %</i>	<i>8 %</i>	<i>11 %</i>

Summary and Outlook

- Improved underlying development in Q2
 - Solid order intake due to higher product sales
 - Implementation of the Profit Improvement Program progressing as planned
 - Making progress in the ATMS market
- Financing agreement signed for the Jakarta project in July
 - Loan will be released upon initial payment of USD 6 million to Q-Free
 - Payment will mark project start-up and a new era for Q-Free



Google search phrase: «Jakarta traffic»



Q&A

Second quarter 2013
