+ COMPANY
Q-FREE ASA

+ REFERENCE TYPE

QUARTERLY REPORT

+ REVENUES (MNOK)

139

CEO CORNER //

After a challenging 3rd quarter, good progress has been achieved during the fourth quarter. Major contract awards from Brazil, Chile, Sweden and Australia have been announced. Further we started the year announcing a 154 MNOK contract in Portugal. In total we have, post Q3, booked orders for more than 550 MNOK, including the frame agreement in Brazil and the 154 MNOK award from Portugal in January. We have again achieved positive operating results and positive cash flow, - even at a moderate revenue level.

The settlement agreement in Slovakia is close to being finalized. The system Q-Free delivered is in operation and has during the first year of operation collected 140 MEUR.

For obvious reasons, and despite of the long term growth plans, we have during the last quarter initiated initiatives to reduce the cost base in the company and hence reduced the financial risk in the near future. We have put on hold some of the planned development activity, scaled down some operational activities in selected countries and generally improved cost efficiency in the company. Depending on how things develop in 2011 we may reconsider some of the above actions, but first and foremost the goal for 2011 is to reestablish acceptable financial results and cash flow.

It is however important to emphasize that the company still has many important ongoing activities, both when it comes to new portfolio under development and targeted market activities, which will strengthen our market position during 2011. Taken into consideration the global market trends, Q-Free's position and not at least the attitude in the company, I am convinced that we will experience a long term positive development. During 2011 we will be "back on track", - the Ascendi award in Portugal is an important start in this respect.

The vision of Q-Free is to be a globally preferred partner in the area of Intelligent Transport Systems, having world-wide leadership in Road User Charging and Traffic Management. This is a bold vision, but achievable if we do the right things long enough. Short term challenges do not stop us believing in and working hard towards achieving this goal.

Thanks to all clients, employees and partners for your strong commitment to Q-Free.

Dr. Øyvind Isaksen
CEO

HIGHLIGHTS //

- Revenues 138.9 MNOK, 49 % reduction compared to Q4-09.
  - All time high product revenues of 117 MNOK
- Operating profit (EBIT) 2.5 MNOK, 1.8 % margin
- Pretax profit 8.1 MNOK, 5.9 % margin
- Cash position strengthened, and expected to improve further in the coming quarters
- Order intake 248 MNOK, main contributors being;
  - Tag order in Brazil - 51 MNOK (first call-off of Frame Agreement at a value of 205 MNOK)
  - Tag order in Chile – 57 MNOK
  - Service & Maintenance contract in Stockholm –29 MNOK
  - Tag order in Australia – 17 MNOK
- Order backlog 575 MNOK

NOK 1.000	Q4 2010	Q4 2009	31.12.2010	31.12.2009	Q3 2010	Q2 2010	Q1 2010
Revenues	**138 906**	270 349	**568 044**	804 403	67 846	169 647	191 646
Gross profit	**76 540**	176 410	**299 812**	500 974	1 317	94 568	127 386
Gross margin - %	**55,1 %**	65,3 %	**52,8 %**	62,3 %	1,9 %	55,7 %	66,5 %
Operating expenses	**62 099**	118 146	**329 231**	365 769	86 401	74 930	105 800
Operating profit - EBITDA	**14 441**	58 264	**-29 419**	135 205	-85 084	19 637	21 587
EBITDA margin	**10,4 %**	21,6 %	**-5,2 %**	16,8 %	-125,4 %	11,6 %	11,3 %
Operating profit - EBIT	**2 528**	47 489	**-90 373**	102 743	-114 963	8 824	13 238
EBIT margin	**1,8 %**	17,6 %	**-15,9 %**	12,8 %	-169,4 %	5,2 %	6,9 %
Pretax profit	**8 142**	46 164	**-79 593**	109 698	-110 163	7 591	14 837
Profit margin	**5,9 %**	17,1 %	**-14,0 %**	13,6 %	-162,4 %	4,5 %	7,7 %
EPS	**0,11**	0,47	**-0,94**	1,41	-1,32	0,09	0,18

COMMENTS TO THE FINANCIAL STATEMENTS AND THE OPERATIONAL DEVELOPMENT DURING THE QUARTER //

The Group generated revenues of 138.9 MNOK during the fourth quarter 2010 compared to 270.3 MNOK in the corresponding quarter in 2009. Revenues in the third quarter 2010 amounted to 67.8 MNOK. This represents a reduction of 49 % from last year and an increase of 105 % from the previous quarter. The revenues in the fourth quarter 2010 comprised 117 MNOK of product revenues, 16 MNOK of service and maintenance revenues and 6 MNOK in project deliveries.

Cost of goods sold in the fourth quarter 2010 amounted to 62.3 MNOK, representing a gross margin of 55.1 % in the quarter. Corresponding gross margin in the fourth quarter 2009 was 65.3 % and 1.9 % in the third quarter 2010.

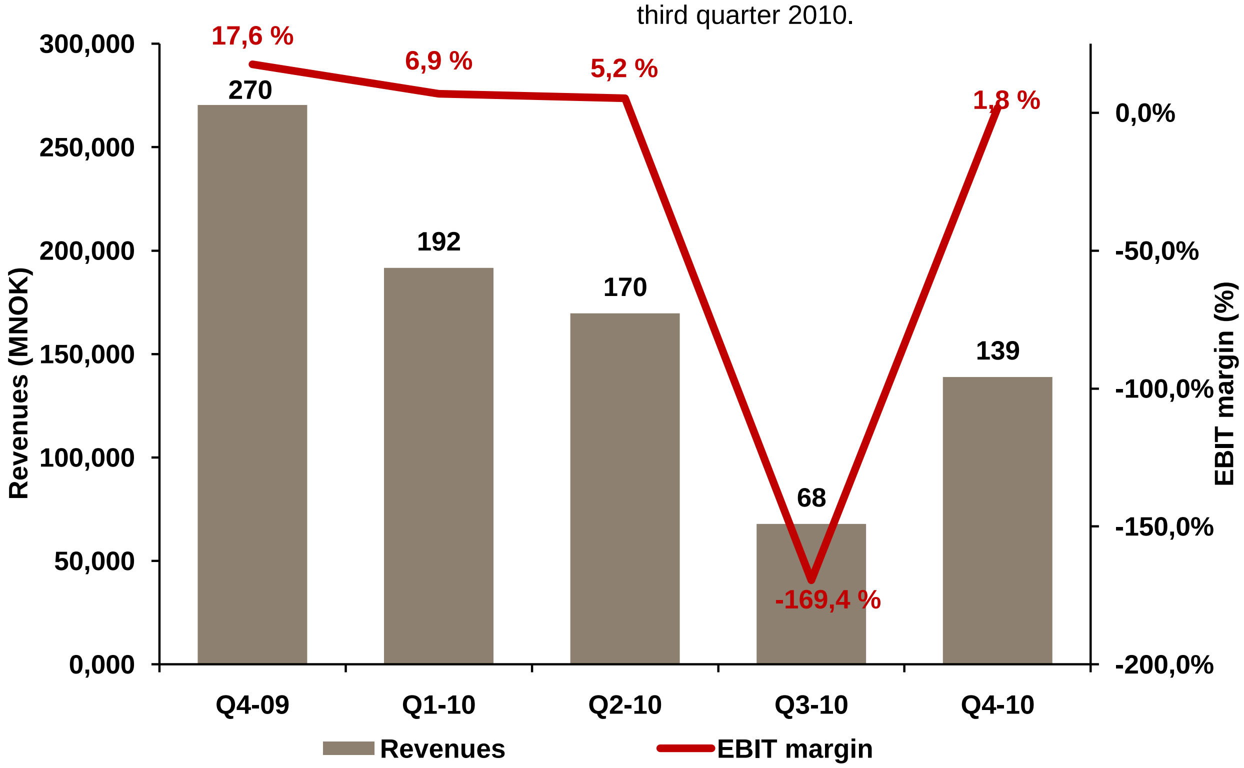
The operating expenses in this quarter were 62.1 MNOK compared to 118.1 MNOK in the fourth quarter 2009 and 86.4 MNOK in the third quarter of 2010. This decrease from 2009 and the third quarter in 2010 is mainly due to decreased project activity.

The Group's operating profit (EBIT) in the fourth quarter 2010 was 2.5 MNOK (1.8 %) compared to 47.5 MNOK (17.6%) in the corresponding quarter in 2009. The EBIT in the third quarter 2010 was -115.0 MNOK (-169.6%). The deviation compared to the third quarter 2010 is mainly explained by increased revenues on products and the negative impact due to the changes in the Slovakia project during Q3.

In the fourth quarter 2010 net financial items amounted to 5.6 MNOK, compared to -1.3 MNOK in the corresponding quarter in 2009 and 4.8 MNOK in the third quarter 2010. This is mainly due to currency fluctuations.

Profit after tax in the fourth quarter 2010 amounted to 6.6 MNOK compared to 28.3 MNOK in the corresponding quarter in 2009. In the third quarter 2010 profit after tax amounted to -79.3 MNOK.

Earnings per share in the fourth quarter 2010 amounted to 0.11 NOK compared to 0.47 NOK in the corresponding quarter in 2009 and -1.32 NOK in the third quarter 2010.

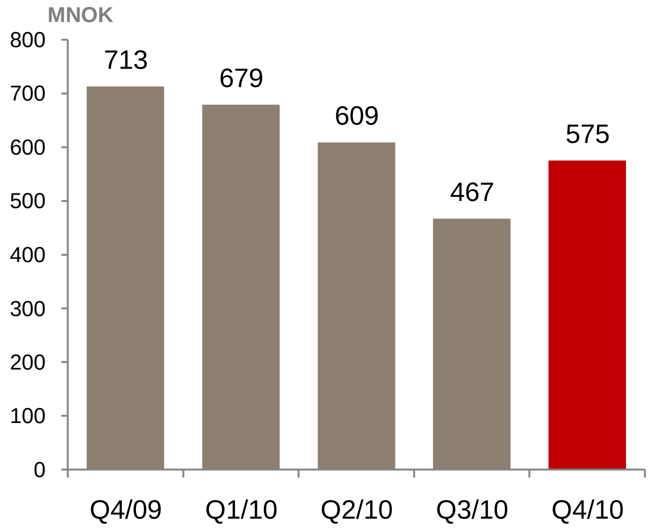


Total assets were 687.7 MNOK at the end of the fourth quarter 2010 compared to 641.6 MNOK at the end of the third quarter 2010. The Group`s equity was 499.4 MNOK, representing a 72.6 % equity ratio at the end of the quarter. The Group`s cash position increased by 16.1 MNOK during the quarter, from 69.6 MNOK to 85.7 MNOK. Net cash flow from operations amounted to 29.7 MNOK, the cash flow from investments was -12.3 MNOK (investments in development projects -8.4 MNOK, and fixed assets -3.9 MNOK). Net cash flow from financing amounted to -1.3 MNOK during the quarter. The positive cash flow from operations reflects a positive EBITDA of 14.4 MNOK and an improved working capital during the quarter. The working capital in the Group has been changed due to reduced project activity the last quarters and relative to the last 12 months revenues, it was 42.4 % at the end of the fourth quarter 2010, 33.3 % at the end of the third quarter 2010, 39.2 % at the end of the second quarter 2010. The liquidity ratio was 2.3 at the end of the fourth quarter 2010 compared to 2.8 at the end of the corresponding quarter in 2009 and 2.5 at the end of the third quarter 2010.

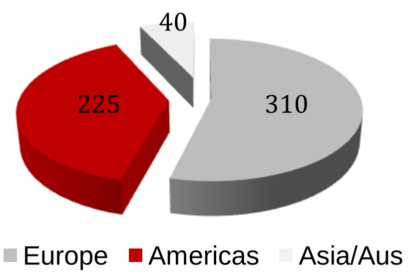
ORDER SITUATION //

The Group's order backlog totalled 575 MNOK at the end of the fourth quarter 2010 compared to 467 MNOK at the end of the third quarter 2010. Order intake during the quarter reached 248 MNOK, this is an increase of 152 MNOK compared to the previous quarter. The order intake is comprised by the tag contract in Brazil of 51 MNOK, being the first call of the frame agreement at a value of 205 MNOK. In addition the group received a tag contract from Chile of 57 MNOK, a service and maintenance contract in Sweden of 29 MNOK, a tag contract from Australia of 17 MNOK in addition to a number of smaller contracts.

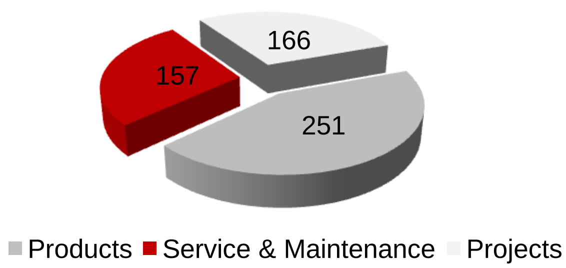
ORDER BACKLOG IN MNOK



ORDER BACKLOG IN MNOK – GEOGRAPHICAL PER Q4-10 //



ORDER BACKLOG IN MNOK – BUSINESS AREAS PER Q4-10 //



THE MARKET //

Q-Free operates mainly in the market of Road User Charging (RUC). However, through acquisitions the last couple of years the company has intensified its activity within Traffic Management, delivering software components for law enforcement, parking / access control and travel time systems through selected partners.

The market for RUC solutions is still at an early stage and it is expected that more countries will implement RUC systems for various applications and that the penetration in existing markets will increase.

The most important market drivers for RUC solutions can be segmented as;

- Financing of infrastructure
- Truck tolling
- Improve the efficiency of existing RUC solutions (*i.e.* converting manual operated tolling systems to fully automated systems)
- Congestion management

Also new markets are starting to be visible in the area of road taxation, - namely Electronic Registration and Identification (ERI). A new regulation has been formalised for European countries and will probably set the standard in this market segment. Regulators in several countries are now in the starting phase of developing projects to implement electronic number plates to regulate and enforce annual taxation and security on the roads in a better way. This represents a huge market potential since it implies that all cars will be equipped with a tag, - this in addition to the need for road side infrastructure and central systems.

The market activity continues to be high, and the number of sales leads and its sizes indicate a long term growth potential.

A detailed look at the individual regions:

EUROPE, MIDDLE EAST //

The **European** market made up 62 % of the revenues, 35 % of the orders received during the quarter as well as 54 % of the Group's order backlog at the end of the quarter.

The market activity has been high in the region, - especially related to projects in Sweden, Portugal, France and Greece.

The Group announced one new contract in this market during the quarter, - a 29 MNOK contract from the Swedish Road Administration (Transportstyrelsen) for delivering service- and maintenance related to the congestion charging infrastructure in Stockholm.

In France the company is currently addressing the nationwide truck-tolling project ECOTAXE. Q-Free is currently positioning itself as a sub supplier for different consortiums. The scope for Q-Free could be similar to the project in Slovakia. The current plan is to start operation in 2012 meaning that orders need to be placed no later than during the first half of 2011. Recently a consortium headed by Autostrade was announced as the preferred bidder. Q-Free will continue to explore opportunities within this consortium.

Slovenia is currently planning to introduce truck tolling and we expect to be involved in a bid process during first half of 2011. Further the company is currently also exploring some road user charging opportunities in Russia. This will take some time before it matures, but still represents an interesting market going forward. Generally it is expected that more truck tolling opportunities will be visible in this part of the world throughout the year.

Portugal has been an area of high activity during the quarter, both related to the recently started scuts (converting shadow tolling schemes), supply of tags and new market opportunities. On January 24th Q-Free received an order from the Portuguese road operator Ascendi for a major infrastructure project in Portugal. The order value is approximately 154 MNOK and the contract follows a successful implementation of a similar tolling system during 2009 for the same client, and comprises supply of Multilane Free Flow tolling stations and operational back office for the concessions Beiras Litoral e Alta and Interior Norte.

The market opportunities in Sweden are also increasing. A tolling project is under planning for charging entrance/exits of the Arlanda airport to reduce carbon dioxide emission and hence to avoid fines related to this. Further a new congestion charging scheme, similar to the one in Stockholm, will be

Q FREE

deployed in Gothenburg. Both these opportunities will most likely materialise end of first half 2011.

A major infrastructure possibility is starting to materialise in Greece headed by Egnatia Odos. The pre-qualification process is about to start and Q-Free will explore this case through participation in a consortium. The potential scope for Q-Free is road side infrastructure as well as operational back office.

AFRICA //

Q-Free is still pursuing the possibility to become one of the tag suppliers to Sanral in South Africa. It is expected that an award will be announced in the coming quarter. The estimated demand over a 2-3 years period is approximately 3 million tags. It is expected that the client will use two suppliers going forward. Further the company is involved in bidding for some smaller infrastructure projects which may materialise during 2011

ASIA / AUSTRALIA //

The **Asian/Australian** market made up 10 % of the revenues and 5 % of the orders received during the quarter as well as 7 % of the Group's order backlog at the end of the quarter.

The Group announced one new contract in this market during the quarter, - a 17 MNOK tag order from Roads and Traffic Authority (RTA) in Australia.

The activity in the region is mainly in Thailand, Australia and Indonesia, but new opportunities in Taiwan, India and Malaysia are also being explored.

The most mature market in the region is Australia. Cashless tolling is expanding in Australia implying increased tag demand and modernisation of existing road side infrastructure, and hence it is expected that both new tag and infrastructure opportunities will materialise also going forward.

As a consequence of increased use of electronic tolling system in Thailand, the tag demand will slowly grow. Over some years this can potentially represent a significant market. New infrastructure projects have also been identified.

The activity in Indonesia is picking up. The company is at the moment exploring opportunities both related to congestion charging in Jakarta and other electronic tolling projects in the country.

NORTH AND LATIN AMERICA //

Customers in **North and Latin America** made up 28 % of the revenues, 60 % of the orders received during the quarter as well as 39 % of the Group's order backlog at the end of the quarter.

The Group announced two new contracts in this market during the quarter; - A 205 MNOK frame agreement for delivering tags and infrastructure to Centro Gestão Meios de Pagto (CGMP) in Brazil, minimum guaranteed 51 MNOK, and a tag contract from Autopista Central and Vespucio Norte Express in Chile valued at 57 MNOK.

The market is still showing an impressive tag demand, and this is expected to continue also going forward.

In **North America** the Group is exploring several business opportunities through the company's ALPR solutions, i.e. OCR software and camera technology. The company's ALPR software has over the past two years been established as the leading solution in the market and forms a good basis for further expansion in the North America.

Video based solutions for enforcement and interoperability will become increasingly important in North America as Multi Lane Free Flow / Open Road Tolling systems, i.e. no barriers used and traffic flows without stopping, are being implemented. Q-Free offers the most advanced systems enabling cost effective and reliable enforcement and tolling.

GEOGRAPHICAL PRESENCE //

DEVELOPMENT //

The company has during the last couple of years invested in improving and broadening its product portfolio. This has been carried out by organic development and through acquisitions.

There is currently ongoing an extensive internal development activity to further strengthen the portfolio. This comprises development of new road side solutions, such as new improved camera solution, new MLFF system design for improved cost/design and reduced deployment time as well as finalising the new DSRC reader supplementing the company's state of the art DSRC portfolio. Also recently the company completed a prototype development of a GNSS (GPS based tolling) tag concept as well as a new frame work for generic back office solutions.

ORGANISATION //

Q-Free has communicated that the organisation is being prepared for international growth. To achieve this we have been investing in all parts of the value chain, such as expanding the sales organisation, strengthening the R&D activity, broadening the portfolio and implementing a world-class operation capability. All these initiatives will be continued going forward, but will be phased in time to ensure compatibility with business level and capacity to absorb changes in the organisation.

For obvious reasons, and despite of the long term growth plans, we have during the last quarter initiated initiatives to reduce the cost base in the company and hence reduced the financial risk in the near future. We have put on hold some of the planned development activity, scaled down some operational activities in selected countries and generally improved cost efficiency in the company. Depending on how things develop in 2011 we may reconsider some of the above actions, but first and foremost the goal for 2011 is to reestablish acceptable financial results and cash flow.

STRATEGY AND OUTLOOK //

The vision of Q-Free is to be a globally preferred partner in the area of Intelligent Transport Systems having world-wide leadership in Road User Charging and Traffic Management.

From the above regional market report it is clear that 2011 will be an important year – the awards in Q4 2010 followed up by the 154 MNOK award in Portugal in January 2011 is a good indication in this respect. Further we see a promising pipeline building up for 2012 and onwards, and as such confirming that the road user charging market represents a long term growth market for which Q-Free will be well positioned.

RISK SITUATION //

An international technology Group such as Q-Free is destined to be exposed to a number of different risks. Political risk related to the time involved from a sales lead is identified to a contract is awarded, and implementation of projects are particularly significant to Q-Free's operations, as RUC projects are usually always directly or indirectly subject to a governmental concession. The fact that road concessions are being privatised in the most developed RUC markets may reduce the political risk in the long term.

Other risks:

CURRENCY RISK //

Q-Free has considerable foreign currency exposure since it earns between 70-85 % of its revenues abroad. Q-Free also buys a substantial share of its needed equipment and services abroad and runs businesses outside Norway. This mitigates the Group's net foreign currency exposure by 30-50 %. The Group's most important trading currencies except for NOK are USD and EUR. Q-Free's policy is to limit currency risk while actively assessing various currencies' importance as competitive parameters. The Group strategy is to combine estimated future sales and purchases and hedge the net cash flow in the foreign currency by using forward / future contracts.

CREDIT RISK //

The Group is only conducting business with parties with an acceptable credit record. To the extent the credit rate is questionable, payment guarantees, letter of credit or advance payments will be considered. The Group has no significant credit risk linked to an individual contracting party or several other contracting parties that can be regarded as a group due to similarities in the credit risk. The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant credit problems, and that outstanding amounts do not exceed given credit limits. The Group has not provided any guarantees for third parties' liabilities. The Group is exposed to risk involved in customers not having the ability to fulfil their financial obligations. However, this risk is considered to be low since the Group's customers are major IT companies, public authorities, larger foreign road operators and key road Concessionaires in Norway and abroad. This is documented by a historically low bad debt ratio on accounts receivables. When Q-Free enters a new market, the credit risk will be assessed in each individual case and appropriate actions like utilising letter of credits and other similar tools, will be used in order to reduce credit risk.

INTEREST RATE RISK //

Since the Group has no significant amount of interest bearing debt the interest risk is immaterial. However if the Group will enter any significant interest bearing debt contracts, the group emphasises predictability at all times when changes in the interest level have a significant influence on the consolidated profit and will take actions to hedge this risk.

LIQUIDITY RISK //

The Q-Free ASA Group's strategy is to have sufficient cash, cash equivalents or credit facilities at any time to be able to finance its operations and investments over the next three years as required in the company's strategy plan for the same period. Surplus liquidity is either deposited in banks or invested in money market funds, with the purpose of obtaining an acceptable return on invested capital combined with a low risk.

TECHNOLOGY RISK //

The Group is exposed to quality problems both due to the quality of own work and the quality of deliveries from subcontractors. Furthermore, continuous technology advances can affect the competitive situation of Q-Free. Q-Free mitigates this risk by systematic quality control of subcontractors, own technology and product development, by continuously seeking competence needed to integrate various technologies into our solutions, and finally by making provisions for possible faulty deliveries.

PROJECT RISK //

Q-Free's revenues normally include a substantial element of large-scale project deliveries that place significant demands on implementation know-how. Q-Free is in possession of skilled competence in this field, and the development of plans to handle project risks that may arise is an important element of the Group's know-how in this respect.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER OF 2010 //

1. GENERAL //

The consolidated fourth quarter condensed interim financial statements for 2010 ended 31 December 2010 were approved by the Board of Directors at its meeting on 7 February 2011.

Q-Free ASA is a limited liability company with 282 employees in 11 locations and representatives in 8 other countries. The Headquarter is based in Trondheim, Norway. Q-Free is listed on the Oslo Stock Exchange with the ticker QFR.

Q-Free is a leading global supplier of solutions and products for Road User Charging and Traffic Management having applications mainly within electronic toll collection for road financing, congestion charging, truck-tolling, law enforcement and parking/access control. Q-Free offers solutions and products based on state of the art technology, and is the leading supplier within DSRC (tag and reader) - ALPR (Automatic License Plate Recognition) and GNSS (Global Navigation Satellite System) based solutions, with deliveries in Europe, Asia-Pacific, Middle East and North- and South America.

2. STATEMENT OF COMPLIANCE //

These consolidated interim financial statements, combined with other relevant financial information in this report, have been prepared in accordance with the regulations of the Oslo Stock Exchange and the requirements in IAS 34. These condensed consolidated interim financial statements for the year of 2010, have not been audited or subject by review by the Group's auditor. The financial statements do not include all of the information required for a full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2009. The consolidated financial statements for 2009 are available upon request from the company's registered office in Trondheim or at our website, q-free.com.

3. ACCOUNTING PRINCIPLES //

The consolidated financial statements of the Q-Free Group for 2010 were prepared in accordance with

International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The group has used the same accounting policies and standards as in the consolidated financial statements as at 31 December, 2009

4. USE OF ESTIMATES //

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates can result in outcome that requires a material adjustment to the carrying amount of the assets or liability affected in future periods.

5. EVENTS AFTER THE BALANCE SHEET DATE //

No significant events have occurred since the balance sheet date.

6. FORWARD LOOKING STATEMENTS //

This report contains statements regarding the future in connection with Q-Free's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Strategy and outlook" contains forward looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profit and development deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors described in a separate section in this report.

DECLARATION BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER//

The Board of Directors and the Chief Executive Officer have today considered and approved the condensed financial statements for 2010 and the financial information in this report that is relevant for 2010.

The report for 2010 has been prepared in accordance with IAS 34-Interim Financial Reporting as adopted by EU and additional disclosure requirements as stated in the Norwegian Securities Trading Act. § 5-6, fourth subsection.

We confirm that, to the best of our knowledge, the condensed set of financial statements for 2010 gives a true and fair view of the Q-Free Group's consolidated assets, liabilities, financial position and results of operations.

The Group uses the same accounting principles in the preparation of its interim reports as for its annual consolidated financials.

Oslo, 7 February 2011.

The Board of Directors and Chief Executive Officer of Q-Free ASA

Ole Jørgen Fredriksen (Chairman of the Board)
Jan Pihl Grimnes
Torild Skogsholm
Christian Albech
Mimi Kristine Berdal
Sissel Lillevik Larsen
Frank Aune
Øyvind Isaksen (CEO)

The condensed interim consolidated financial statements per 31.12.10 (unaudited):

- Interim consolidated income statement
- Interim consolidated statement of comprehensive income
- Revenue specification
- Balance sheet
- Statement of changes in equity
- Cash Flow Statement
- Key figures

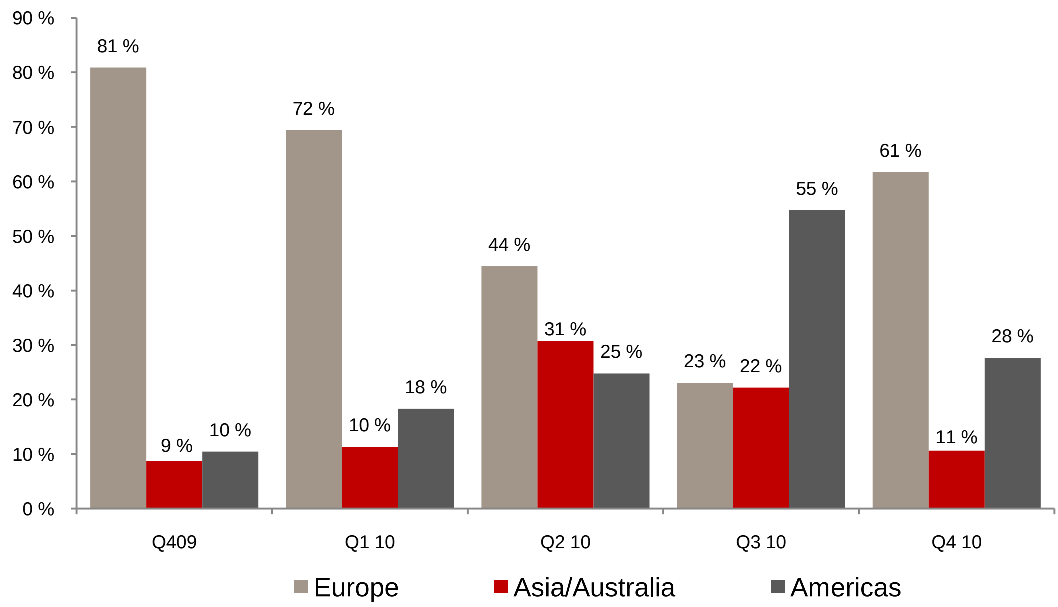
INTERIM CONSOLIDATED INCOME STATEMENT //

NOK 1.000	Q4 2010	Q4 2009	31.12.2010	31.12.2009	Q3 2010	Q2 2010	Q1 2010
Revenues	**138 906**	270 349	**568 044**	804 403	67 846	169 647	191 646
Cost of goods sold	**62 365**	93 939	**268 233**	303 429	66 529	75 079	64 259
Payroll expenses	**48 336**	46 441	**167 486**	153 712	50 061	29 922	39 167
Other operating expenses	**13 764**	71 705	**161 745**	212 057	36 340	45 008	66 632
Total operating expenses	**124 465**	212 084	**597 463**	669 198	152 931	150 009	170 059
EBITDA	**14 441**	58 264	**-29 419**	135 205	-85 084	19 637	21 587
Depreciation, amortisation and impairment	**11 913**	10 775	**60 954**	32 461	29 879	10 813	8 349
EBIT	**2 528**	47 489	**-90 373**	102 743	-114 963	8 824	13 238
Financial income	**7 250**	3 933	**22 667**	33 330	7 099	4 410	3 908
Financial expenses	**-1 636**	-5 258	**-11 887**	-26 375	-2 299	-5 643	-2 309
Net financial items	**5 614**	-1 325	**10 780**	6 955	4 800	-1 233	1 599
Profit before tax	**8 142**	46 164	**-79 593**	109 698	-110 163	7 591	14 837
Tax expenses	**-1 564**	-17 868	**22 745**	-31 549	30 817	-2 304	-4 204
Profit for the period	**6 578**	28 296	**-56 848**	78 149	-79 346	5 287	10 632
Attributal to :							
Minority interests	**1 139**	-788	**255**	-160	-149	-501	-234
Equity holders of the parent	**5 439**	29 084	**-57 103**	78 310	-79 197	5 788	10 867
Profit	**6 578**	28 296	**-56 848**	78 150	-79 346	5 287	10 632
Number of employees	**282**	298	**282**	298	292	290	302
Gross margin	**55,1 %**	65,3 %	**52,8 %**	62,3 %	1,9 %	55,7 %	66,5 %
EBITDA margin	**10,4 %**	21,6 %	**-5,2 %**	16,8 %	-125,4 %	11,6 %	11,3 %
EBIT margin	**1,8 %**	17,6 %	**-15,9 %**	12,8 %	-169,4 %	5,2 %	6,9 %
Profit margin	**5,9 %**	17,1 %	**-14,0 %**	13,6 %	-162,4 %	4,5 %	7,7 %
EPS	**0,11**	0,47	**-0,94**	1,41	-1,32	0,09	0,18
EPS, diluted	**0,11**	0,46	**-0,92**	1,39	-1,30	0,09	0,17

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME //

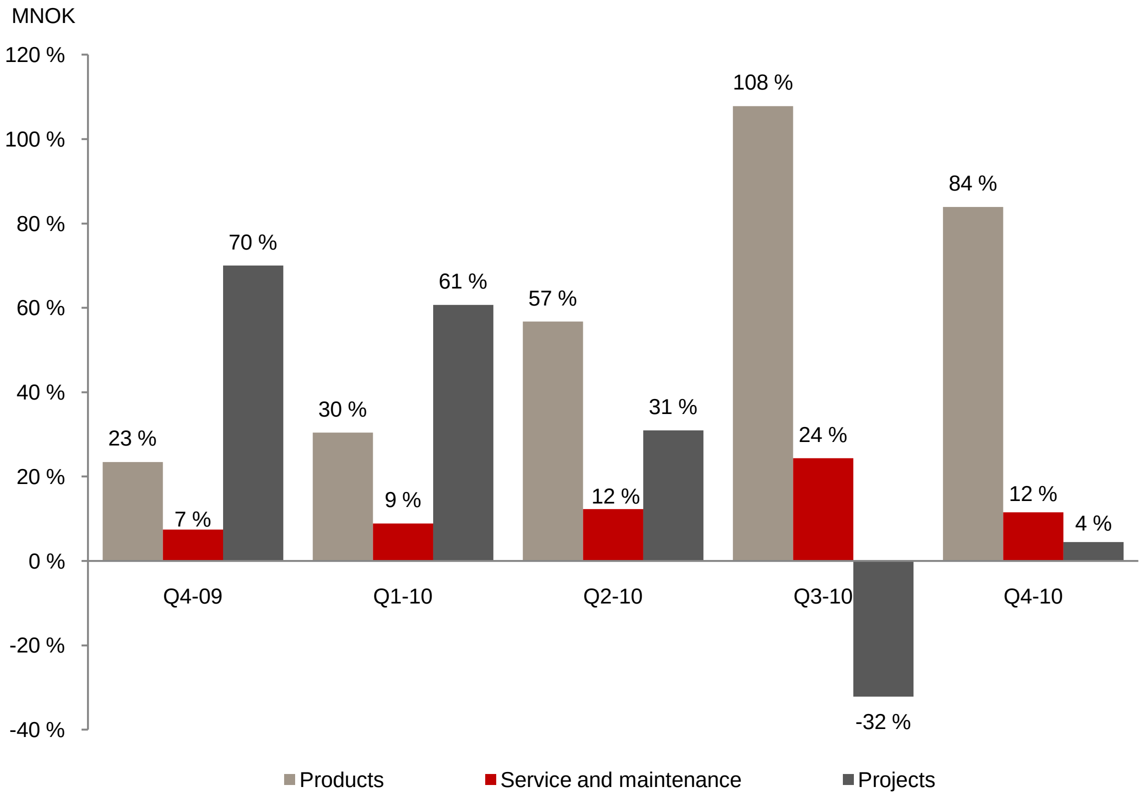
NOK 1.000	Q4 2010	Q4 2009	31.12.2010	31.12.2009	Q3 2010	Q2 2010	Q1 2010
Profit for the period	**6 578**	28 296	**-56 848**	78 150	-79 346	5 287	10 632
Calculation differences	11 230	1 656	**916**	1 393	-6 673	-1 643	-1 998
Total comprehensive income for the period	**17 808**	29 952	**-55 932**	79 543	-86 019	3 644	8 634
Attributal to :	-						
Minority interests	1 139	-788	**255**	-160	-149	-501	-234
Equity holders of the parent	16 669	30 740	**-56 187**	79 703	-85 870	4 145	8 869
Total comprehensive income for the period	**17 808**	29 952	**-55 932**	79 542	-86 019	3 644	8 634

REVENUE SPECIFICATION – GEOGRAPHICAL //



MNOK	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10
Europe	218,6	134,9	75,4	15,7	85,5
Asia/Australia	23,5	21,7	52,2	15,1	14,8
Americas	28,3	35,1	42,1	37,1	38,6
TOTAL	**270,3**	**191,7**	**169,6**	**67,8**	**138,9**

REVENUE SPECIFICATION – BUSINESS AREAS //



MNOK	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10
Products	63,4	58,3	96,2	73,2	116,5
Service and Maintenance	20,1	17,0	20,9	16,5	16,1
Projects	186,9	116,3	52,6	-21,8	6,3
TOTAL	**270,4**	**191,6**	**169,6**	**67,8**	**138,9**

BALANCE SHEET – ASSETS //

NOK 1.000	31.12.2010	30.09.2010	30.06.2010	31.03.2010	31.12.2009
Development	143 574	132 685	143 599	128 577	121 572
Goodwill	29 544	35 652	37 945	34 288	34 288
Deferred tax assets	13 780	2 747	0	0	0
Total intangible assets	**186 897**	**171 083**	**181 544**	**162 865**	**155 860**
Machinery, fixtures and fittings	63 261	69 338	75 895	73 214	71 874
Total fixed assets	**63 261**	**69 338**	**75 895**	**73 214**	**71 874**
Shares	5 134	4 136	4 151	4 123	4 103
Pension funds	0	348	1 936	3 132	0
Other long term receivables	3 131	2 452	2 142	1 882	1 621
Total financial fixed assets	**8 265**	**6 937**	**8 229**	**9 138**	**5 725**
Total fixed assets	**258 423**	**247 358**	**265 668**	**245 217**	**233 459**
Inventories	61 154	52 508	32 989	45 001	40 328
Total inventories	**61 154**	**52 508**	**32 989**	**45 001**	**40 328**
Accounts receivables	194 156	189 703	214 599	126 789	125 144
Work in progress	54 461	55 134	97 247	154 012	64 699
Other receivables	33 797	27 271	30 425	27 289	29 288
Total receivables	**282 414**	**272 108**	**342 271**	**308 090**	**219 131**
Cash	**85 724**	**69 644**	**113 584**	**175 836**	**274 615**
Total current assets	**429 292**	**394 260**	**488 843**	**528 927**	**534 075**
Total assets	**687 715**	**641 618**	**754 511**	**774 145**	**767 534**

BALANCE SHEET – EQUITY & DEBT //

NOK 1.000	31.12.2010	30.09.2010	30.06.2010	31.03.2010	31.12.2009
Subscribed share capital	22 894	22 894	22 894	22 821	22 821
Share premium reserve	287 674	287 674	287 674	283 946	283 946
Other paid in capital	14 324	10 348	10 348	10 348	10 348
Total paid in capital	**324 891**	**320 916**	**320 916**	**317 115**	**317 115**
Other equity	153 421	139 532	223 650	219 504	210 635
Total retained equity	**153 421**	**139 532**	**223 650**	**219 504**	**210 635**
Minority interests	**21 106**	**19 967**	**20 116**	**20 617**	**20 851**
Total equity	**499 418**	**480 415**	**564 682**	**557 236**	**548 601**
Pension liabilities	3 936	2 365	2 270	2 178	1 466
Deferred tax	0	0	33 437	33 256	27 121
Total liabilities	**3 936**	**2 365**	**35 707**	**35 434**	**28 587**
Debt to financial institutions	622	819	1 017	1 214	1 412
Total long term debt	**622**	**819**	**1 017**	**1 214**	**1 412**
Accounts payable	67 444	49 184	59 113	74 258	105 411
Tax payable	3 326	1 400	1 461	2 307	4 959
Public duties payable	26 409	15 439	7 822	4 692	13 653
Advance payments customers	16 601	4 669	5 759	5 393	5 415
Other short term debt	69 959	87 328	78 951	93 610	59 496
Total short term debt	**183 739**	**158 019**	**153 105**	**180 261**	**188 934**
Total liabilities	**188 297**	**161 203**	**189 829**	**216 908**	**218 933**
Total equity and liabilities	**687 715**	**641 618**	**754 511**	**774 145**	**767 534**

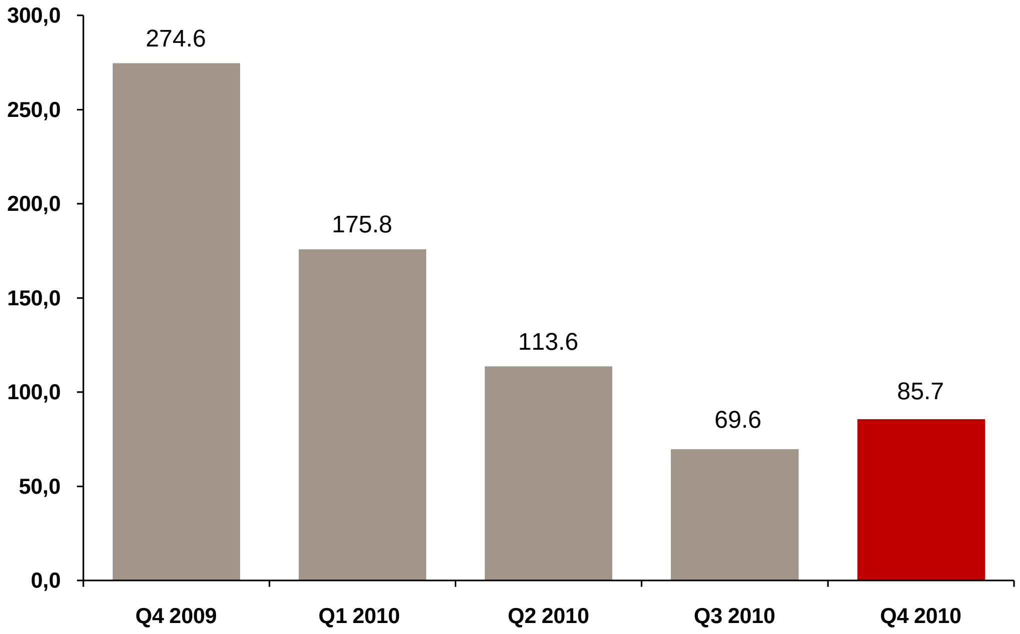
STATEMENT OF CHANGES IN EQUITY //

NOK 1.000	Equity attributal to equity holders of the parent						Minority interests	Total equity
	Sub-scribed share capital	Share premeium reserves	Other paid in Capital	Other equity	Foreign currency translation reserve	Total		
Changes in equity Q4-2010								
Equity per 30.09.09	22 894	287 674	10 348	149 844	-10 314	460 446	19 967	480 415
Total comprehensive income for the period				5 439	9 268	14 707	1 139	15 847
Cost of share based payments			3 976			3 976		3 976
Currency translation differences arising from acquisitions					-816	-816		-816
Equity per 31.12.10	**22 894**	**287 674**	**14 324**	**155 283**	**-1 862**	**478 312**	**21 106**	**499 418**
Changes in equity 2010								
Equity per 31.12.09	22 821	283 946	10 348	210 847	-211	527 751	20 851	548 601
Total comprehensive income for the period				-57 103	916	-56 187	255	-55 931
Transferred other equity arising from acquisitions				1 540		1 540		1 540
Currency translation differences arising from acquisitions					-2 567	-2 567		-2 567
Cost of share based payments			3 976			3 976		3 976
Share issue arising from acquisitions	73	3 727				3 800		3 800
Equity per 31.12.10	**22 894**	**287 674**	**14 324**	**155 283**	**-1 862**	**478 312**	**21 106**	**499 418**

CASH FLOW STATEMENT //

NOK 1.000	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Net cash flow from operations	**34 790**	**-81 839**	**-37 756**	**-30 964**	**29 710**
Net cash flow from investments	**-29 265**	**-16 975**	**-24 800**	**-12 927**	**-12 294**
Net cash flow from financing	**105 619**	**36**	**304**	**-49**	**-1 336**
Net change in cash in the period	**111 144**	**-98 779**	**-62 252**	**-43 940**	**16 080**
Cash opening balance	163 471	274 615	175 836	113 584	69 644
Cash closing balance	**274 615**	**175 836**	**113 584**	**69 644**	**85 724**

CASH FUNDS //



KEY FIGURES //

	31.12.2010	30.09.2010	30.06.2010	31.03.2010	31.12.2009
Operating profit / EBIT per share	**-1,50**	-1,54	0,37	0,22	1,74
Operating margin	**-15,9 %**	-21,6 %	6,1 %	6,9 %	12,8 %
EPS	**-0,94**	-1,05	0,27	0,18	1,41
EPS, diluted	**-0,92**	-1,04	0,26	0,17	1,39
Cash flow per share	**-2,01**	-2,94	-1,99	-1,36	1,90
Equity per share	**8,29**	7,97	9,37	9,3	9,29
Equity ratio	**72,6 %**	74,9 %	74,8 %	72,0 %	71,2 %
Liquidity ratio	**2,3**	2,5	3,2	2,9	2,8
Average number of shares	**60 247 010**	60 247 010	60 247 010	60 054 092	54 954 092
Average number of shares diluted	**61 977 010**	61 122 010	61 122 010	60 929 092	55 895 092

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Operating profit / EBIT per share	**0,04**	-1,91	0,15	0,22	0,81
Operating margin	**1,8 %**	-169,4 %	5,2 %	6,9 %	17,6 %
EPS	**0,11**	-1,32	0,09	0,18	0,47
EPS, diluted	**0,11**	-1,30	0,09	0,17	0,46
Cash flow per share	**0,49**	-0,51	-0,63	-1,40	0,63
Average number of shares	**60 247 010**	60 247 010	60 247 010	60 054 092	54 954 092
Average number of shares diluted	**61 977 010**	61 122 010	61 122 010	60 929 092	55 895 092

Definitions :

Operating profit/EBIT per share:	Operating profit/EBIT divided by average number of shares
Operating Margin:	Operating profit/EBIT divided by revenue
Earnings per share:	Profit after tax divided by average number of shares
Cash Flow per share:	Net cash flow from operations divided by average number of shares
Equity per. share:	Total equity divided by number of shares
Liquidity ratio:	Total current assets divided by total short term liabilities

Q FREE

KEY INFORMATION //

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Organisation number:	N0 935 487 242
Founded:	1984
Headquarter address:	Thoning Owesens Gate 35 C, 7044 Trondheim, Norway

BOARD OF DIRECTORS //

Ole Jørgen Fredriksen,	Chairman of the Board
Christian Albech	Board member
Torild Skogsholm	Board member
Mimi Berdal	Board member
Jan Pihl Grimnes	Board member
Sissel Lillevik Larsen	Employee elected board member
Frank Aune	Employee elected board member

MANAGEMENT //

Øyvind Isaksen,	President & CEO
Roar Østbø,	CFO
Jos Nijhuis,	VP R&D
Per Fredrik Ecker,	VP Sales
Marianne Sandal,	VP Operations
Henrik Stoltenberg	VP M&A
Steinar Furan,	Advisor
Stein-Tore Nybrodahl,	HR Manager

INVESTOR RELATIONS //

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