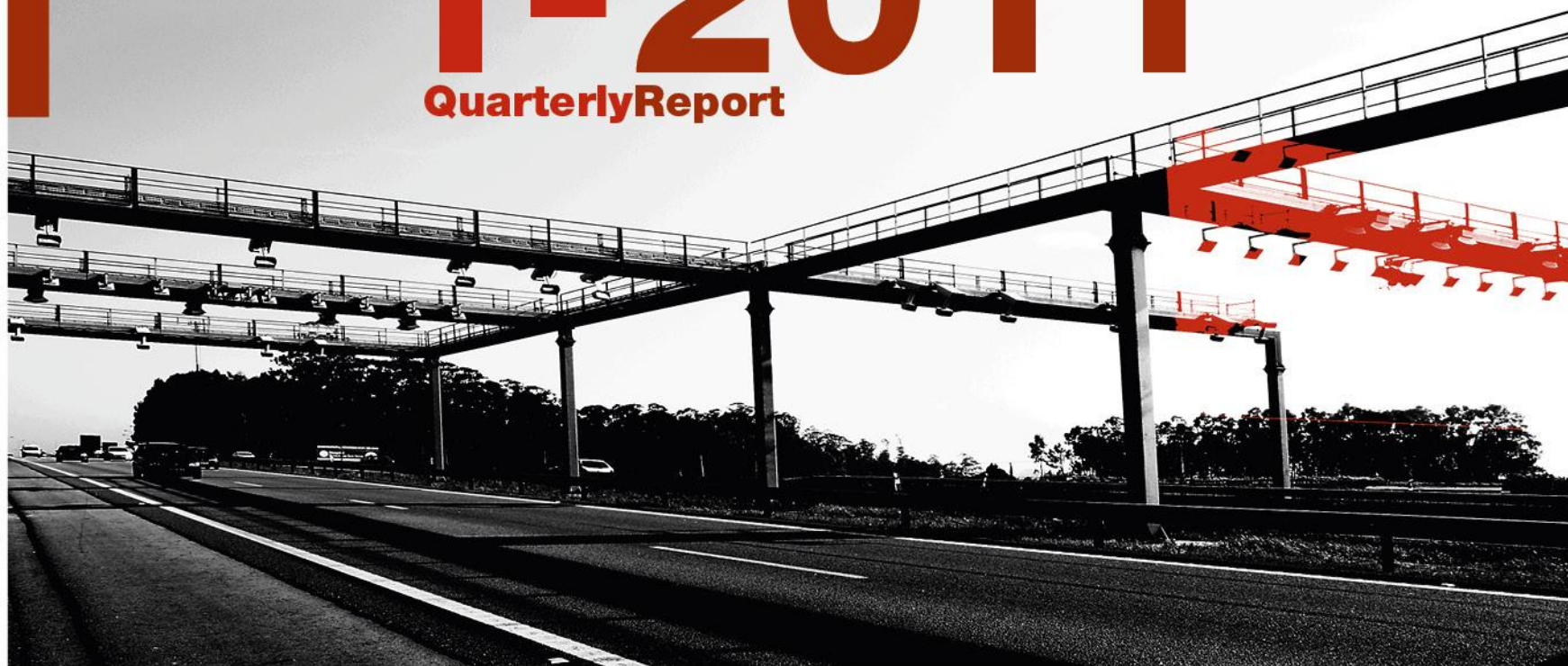


1-2011

QuarterlyReport



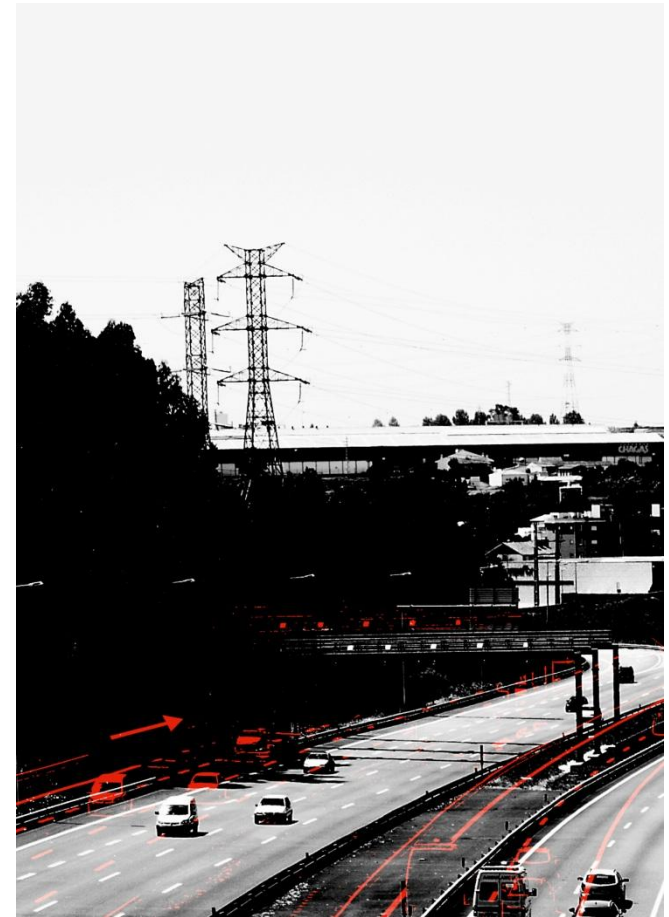
Presented by CEO Øyvind Isaksen and CFO Roar Østbø

Agenda

- Q1-11 Highlights
- Key Figures
- Regional market update
- Financial review
- Outlook
- Q&A

Q1-2011 Highlights

- Improvements continues
 - Increased revenues and backlog
 - Improved profitability
 - Good news flow
- Important orders during the quarter
 - 154 MNOK MLFF contract from Ascendi (Portugal)
 - 38 MNOK tag contract from CGMP (Brazil) - call off from frame agreement
 - 27 MNOK tag contract from ETC/Sanral in South Africa
- Slovakia settlement agreement signed



Key figures

Revenues	170 MNOK
Operating profit	5 MNOK
Order intake	237 MNOK
Order backlog	642 MNOK

Market update – Europe, M.East & Africa

- Continuing high market activity
 - Sweden, Portugal, France, Greece and South Africa
 - Product sales, infrastructure projects, central system, service and maintenance activities
- Portugal
 - New award in Q1-2011 related to conversion from shadow tolling to real tolling worth 154 MNOK
 - Political situation will delay further awards until new government is in place – summer 2011
 - New sales opportunities related to shadow tolling, new concessions, tags and service activity is however expected to materialise within 2011
- Sweden – New market developing
 - Congestion charging in Gothenburg, - Q-Free in position to sign contract of 100 MNOK+, - awaiting outcome of a complaint process
 - Expect to see an increase in use of Road User Charging (RUC) in Sweden for financing and congestion management

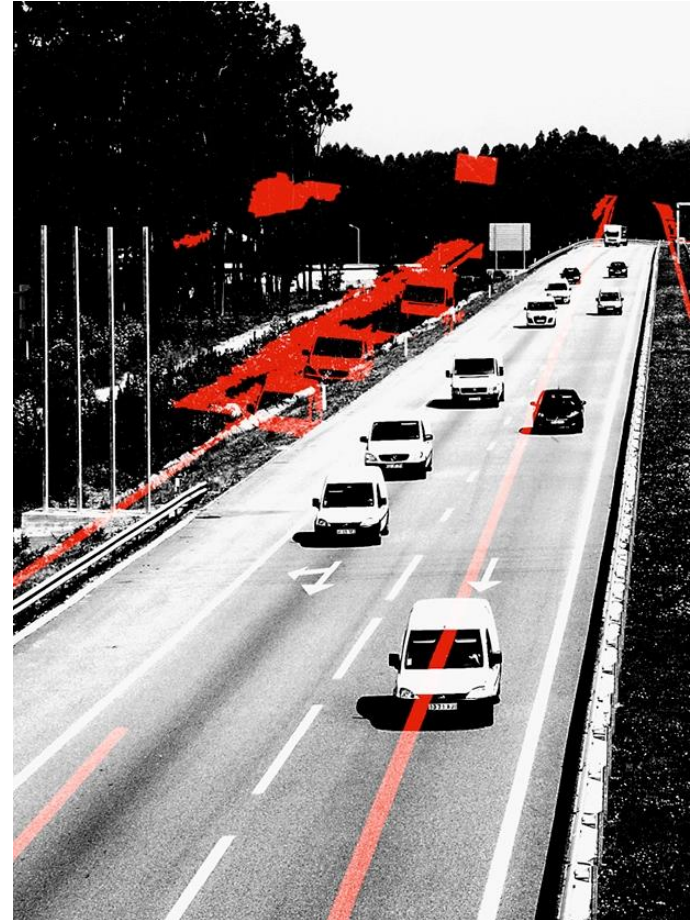
Market update – Europe, M.East & Africa

cont.

- Major infrastructure possibility in Greece
 - Q-Free will participate in a consortium
 - Scope for Q-Free could be road side infrastructure as well as operational back office
- Projects related to truck tolling in Europe
 - New projects will materialise; France, Slovenia, Belgium, Denmark and others
 - Scope could comprise GNSS OBU, back office, enforcement and services
 - Each of these cases represents an opportunity of several hundred MNOK
 - Projects will probably materialise from 2011 and onwards
- South Africa
 - Awarded first tag contract from ETC/Sanral during Q1 worth 27 MNOK
 - Repeat order received beginning Q2 worth 19 MNOK
 - Possibilities for further tag awards
 - Longer term new ETC infrastructure projects will materialise

Market update - Asia Pacific

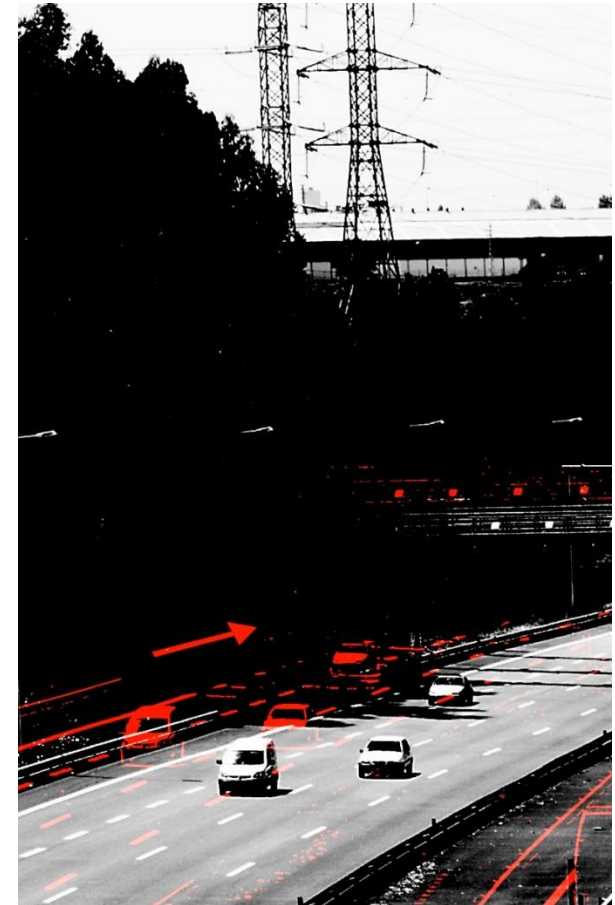
- Bangkok
 - Increased ETC penetration implies a potential attractive tag market going forward
 - New infrastructure projects identified
- Tag activity in Australia continues to develop positively
- Indonesia may show opportunities in 2011
- Also exploring new cases in Taiwan, Malaysia and India
- The Asian region has a high potential, but will take time to mature



Market update - North and Latin America

Q-Free
Quarterly Report
2011

- Brazil, Chile, Columbia and Ecuador main areas of activity in South America
 - Tag demand in Brazil continues to be high
 - Second call-off of 38 MNOK from frame agreement received during the quarter
 - Important breakthrough in Chile and deliveries successfully started
- Good activity related to ALPR (software) solution in US
 - High focus on video based solutions
 - The company's ALPR solution has a strong position

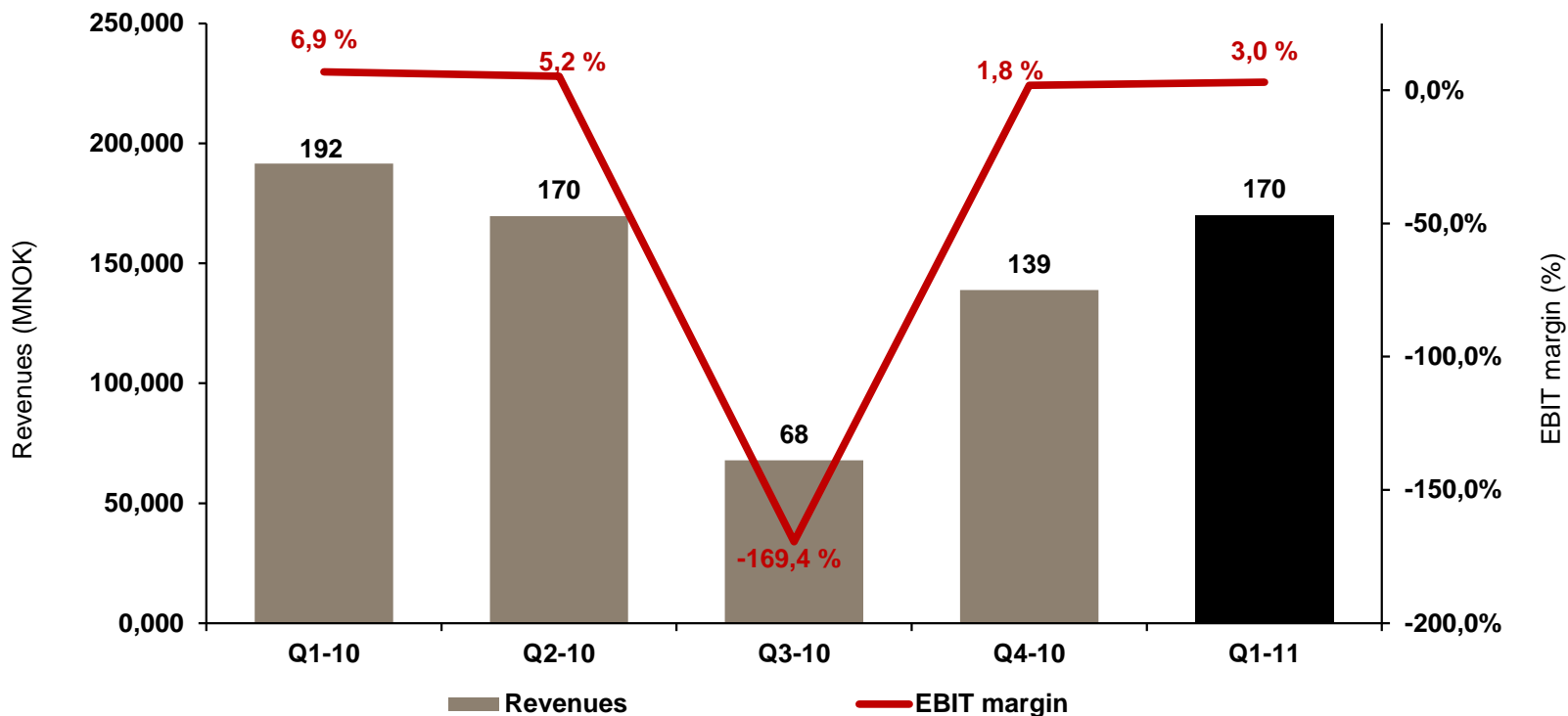


Financial review Q1-2011

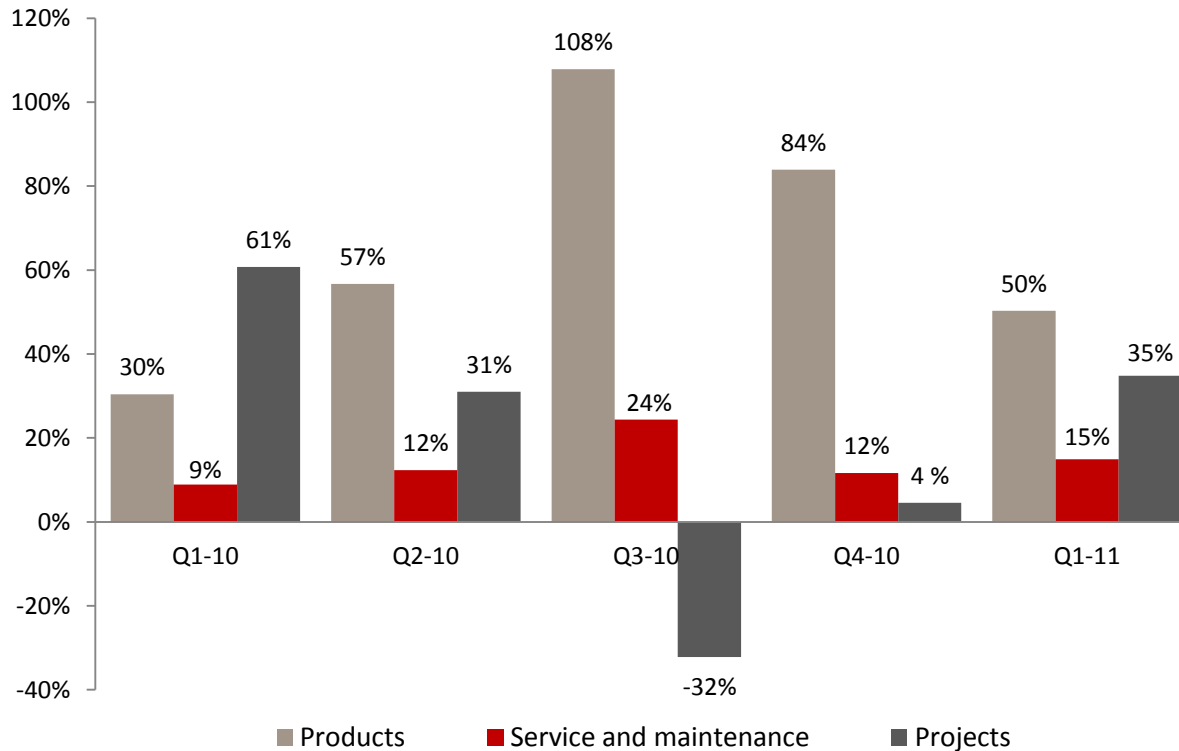
Presented by CFO Roar Østbø

Revenues and EBIT margin – Quarterly 2010-2011

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Revenues per Business Areas

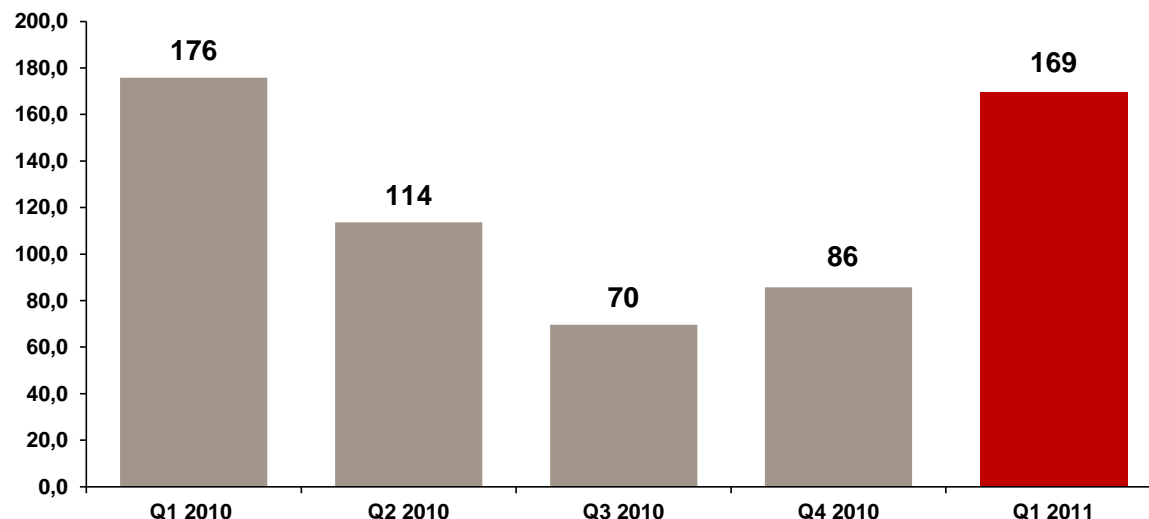


MNOK	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Products	58,3	96,2	73,2	116,5	85,5
Service and Maintenance	17,0	20,9	16,5	16,1	25,4
Projects	116,3	52,6	-21,8	6,3	59,2
TOTAL	191,6	169,6	67,8	138,9	170,1

Profit and Loss statement

NOK 1.000	Q1 2011	Q1 2010	Q2 2010	Q3 2010	Q4 2010	31.12.2010
Revenues	170 142	191 646	169 647	67 846	138 906	568 044
Gross profit	80 585	127 386	94 568	1 317	76 541	299 812
Gross margin - %	47,4 %	66,5 %	55,7 %	1,9 %	55,1 %	52,8 %
Operating expenses	64 617	105 800	74 930	86 401	62 100	329 231
Operating profit - EBITDA	15 967	21 587	19 638	-85 084	14 441	-29 419
EBITDA margin	9,4 %	11,3 %	11,6 %	-125,4 %	10,4 %	-5,2 %
Depreciation, amortisation and impairment	10 848	8 349	10 813	29 879	11 913	60 954
Operating profit - EBIT	5 119	13 238	8 825	-114 963	2 528	-90 373
EBIT margin	3,0 %	6,9 %	5,2 %	-169,4 %	1,8 %	-15,9 %
Pretax profit	4 033	14 837	7 592	-110 163	8 142	-79 593
Profit margin	2,4 %	7,7 %	4,5 %	-162,4 %	5,9 %	-14,0 %
EPS	0,04	0,18	0,09	-1,32	0,11	-0,94

Cash flow statement

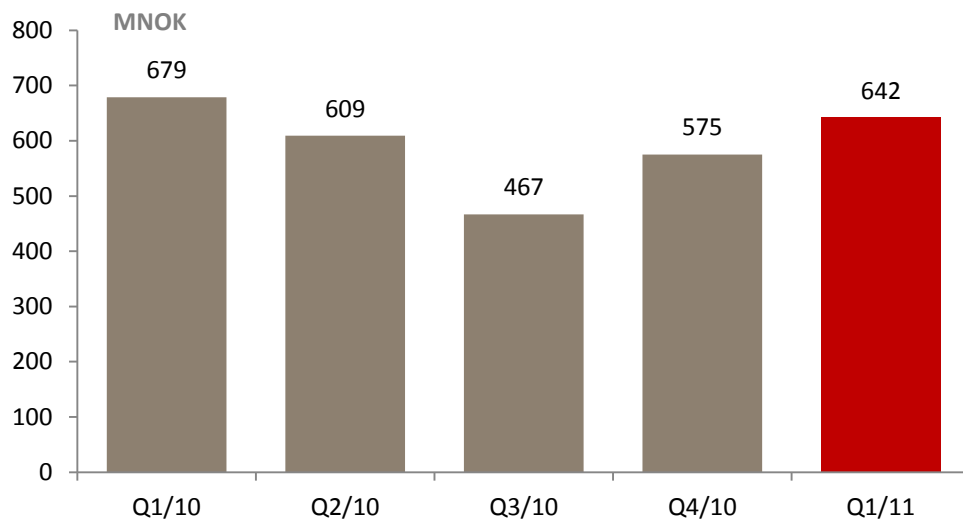


NOK 1.000	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Net cash flow from operations	-81 839	-37 756	-30 964	29 710	-8 629
Net cash flow from investments	-16 975	-24 800	-12 927	-12 294	-7 850
Net cash flow from financing	36	304	-49	-1 336	100 242
Net change in cash in the period	-98 779	-62 252	-43 940	16 080	83 763
Cash opening balance	274 615	175 836	113 584	69 644	85 724
Cash closing balance	175 836	113 584	69 644	85 724	169 487

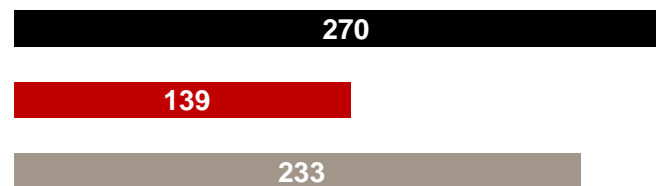
Balance sheet

NOK 1.000	31.03.2011	31.12.2010	30.09.2010	30.06.2010	31.03.2010
Total intangible assets	183 730	186 897	171 083	181 544	162 865
Non current assets	65 847	71 526	76 275	84 124	82 352
Cash & Cash equivalents	169 487	85 724	69 644	113 584	175 836
Other current assets	367 641	343 568	324 616	375 260	353 091
TOTAL ASSETS	786 706	687 715	641 618	754 511	774 145
Total Equity	506 287	499 418	480 415	564 682	557 236
Liabilities	280 418	188 297	161 203	189 829	216 908
TOTAL EQUITY & LIABILITIES	786 706	687 715	641 618	754 511	774 145
Equity ratio	64,4 %	72,6 %	74,9 %	74,8 %	72,0 %

Order Backlog



■ Products ■ Service & Maintenance ■ Projects



Outlook

Presented by CEO Øyvind Isaksen

Outlook

- 2011 will get us "back on track"
- The global Road User Charging market is expected to grow considerably over the next years
 - Traffic is causing congestion problems implying environmental challenges and time inefficiency
 - Need for financing to build and maintain infrastructure is evident
 - Macro trend is becoming more and more visible
- Q-Free is continuously improving its competitive position
- It is all about positioning Q-Free for long term growth

The near/medium term future is exciting - but this is only the start of a new industry



Q&A

Q-Free
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Major shareholders

SHAREHOLDER as at 270411	SHAREHOLDING %
ERSTE BANK DER OESTE SPARKASSEN	16,49
ODIN NORGE	8,87
SKAGEN VEKST	4,81
DNB NOR	3,77
JP MORGAN CHASE BANK	3,28
KIKUT	2,75
HOLBERG NORGE	2,74
ANDRESEN LARS	2,71
REDBACK AS	2,48
VITAL FORSIKRING ASA	2,32
BANK AUSTRIA	1,97
SABARO INVESTMENTS	1,86
VPF NORDEA KAPITAL	1,79
MONS HOLDING AS	1,73
SANDNES INVESTERING	1,43
VPF NORDEA AVKASTNING	1,29
DEUTCH BANK	1,24
DNB NOR	1,23
WARREN WICKLUND NORGE	1,22
VPF NORDEA SMB	1,04
TOTAL	65,02 %