


# Q308

CEO Øyvind Isaksen  
Acting CFO Bjørn Kleven

October 23<sup>rd</sup> , 2008



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# Agenda

- Key Figures
- Highlights
- Market Update
- Financial Review
- Outlook
- Q&A



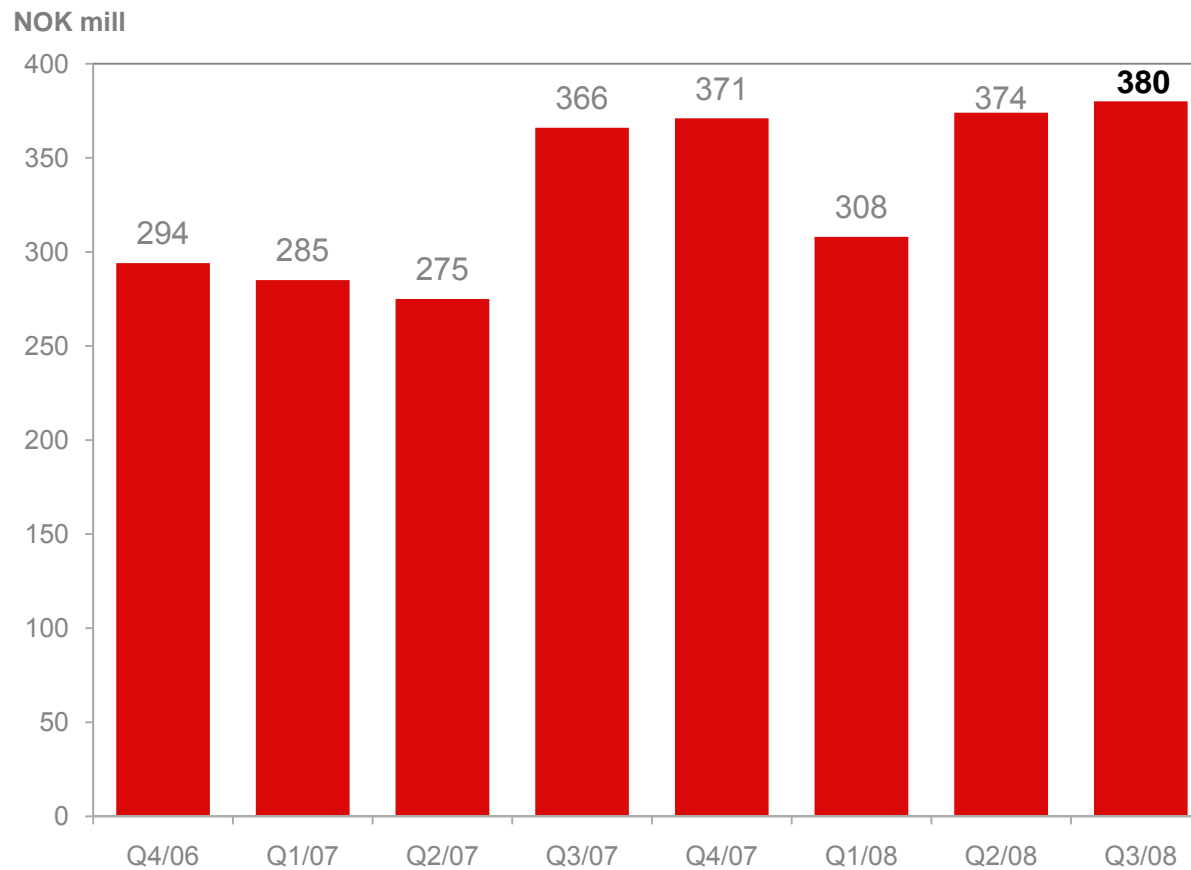
# Key financial figures

NOK mill

	<b>Q3 2008</b>	Q3 2007	<b>30.9.2008</b>	30.9.2007	Q2 2008	2007
Revenues	<b>120.5</b>	108.4	<b>390.3</b>	308.2	136.0	410.9
EBITDA	<b>16.6</b>	9.5	<b>47.3</b>	28.6	16.2	37.9
EBIT	<b>11.1</b>	5.3	<b>32.1</b>	16.3	11.3	20.9
Pre-tax profit	<b>7.9</b>	3.9	<b>31.5</b>	16.7	13,3	14.6
Net Profit	<b>5.8</b>	2.8	<b>23.6</b>	11.9	10.1	5.0
EBITDA-margin %	<b>13.7</b>	8.8	<b>12.1</b>	9.3	11.9	9.2
EBIT-margin %	<b>9.2</b>	4.9	<b>8.2</b>	5.3	8.3	5.1



# Order backlog



# Highlights

- OBU contract from CGMP (MNOK 26)
- 2 years service contract in Stockholm
- Awarded a contract from DfT \*
- Acquisition of Dacolian first step in implementing new strategy
- Per Q3 revenue up more than 25%



\*) Department for Transport



# Market Drivers Road User Charging (RUC)

## 1. Electronic Toll Collection (ETC)

- Financing of the infrastructure
- Truck Tolling

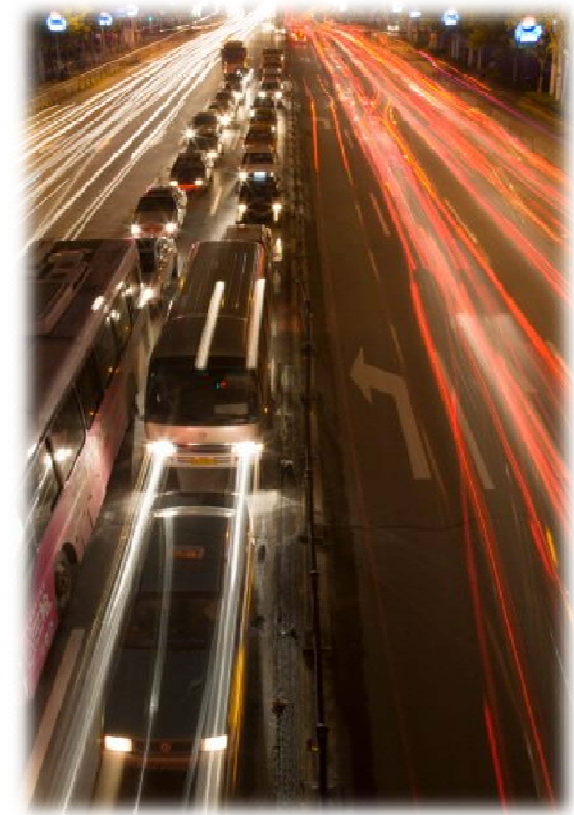
## 2. Conversion from manual to ETC

## 3. Congestion Charging (CC)

- Time efficiency
- Environmental impact

## 4. Longer term

- Park & Access
- Electronic Marking, e.g. licence plate
- Road safety



# Q-Free strategic positioning going forward

## □ Background

- QFR has the last years addressed a relatively narrow part of the RUC market
- QFR is known as a “Tag & Beacon” (DSRC) player

## ▶ QFR will broadening our offering

## ▶ QFR will be a future proof solution provider;

- **Systems and integration** capabilities
- State of the art “**Tag & Beacon**” (**DSRC**) systems & components
- Automated Number Plate Recognition (**ANPR**) systems & components
- **GNSS** based systems & components

## ▶ QFR will be partner oriented and flexible when it comes to role/scope

## ▶ QFR will take turn key / system integration role when appropriate

## ▶ QFR will over time expand offering to include new ITS areas





# Regional Market Update

- **Europe & Africa**

- Although London CC is in a waiting stage UK is still regarded as a promising market
- Major infrastructure projects may be awarded in Q4
  - Slovakia - Truck Tolling
  - Aenor - from shadow to real tolling
  - Risk on timing, financing and competition
- Truck Tolling projects in e.g. Slovenia, Hungary, France, Sweden, The Netherlands will materialise
- New projects in Sweden will come
- Major infrastructure and tag project in South Africa – prequalification ongoing



# Regional Market Update

- **Asia**

- MLFF infrastructure installed in Australia
- First deployment of tags in Bangkok may happen in Q4
- Awaiting RFQ for a new ETC project in Bangkok
- CC project in Jakarta high on the political agenda

- **Latin America**


- Tag uptake in Brazil increased due to intensive marketing by the tag distributor
- Electronic license plate project in Brazil seems to have broad support
- Tag replacement opportunity in Chile



# Update on Dacolian

- **Developed positively during the quarter**
- **Observations**
  - More tenders than ever both in Europe and the US
  - Delivered OCR software for Florida FTE
  - OCR-service contract for dangerous goods transport monitoring (Dutch government)
  - Increase orders related to video based OCR
  - Impressive OCR-result in Stockholm
- **Integration status**
  - Utilizing/integrating sales network
  - Initiated activity to capitalize on portfolio synergies





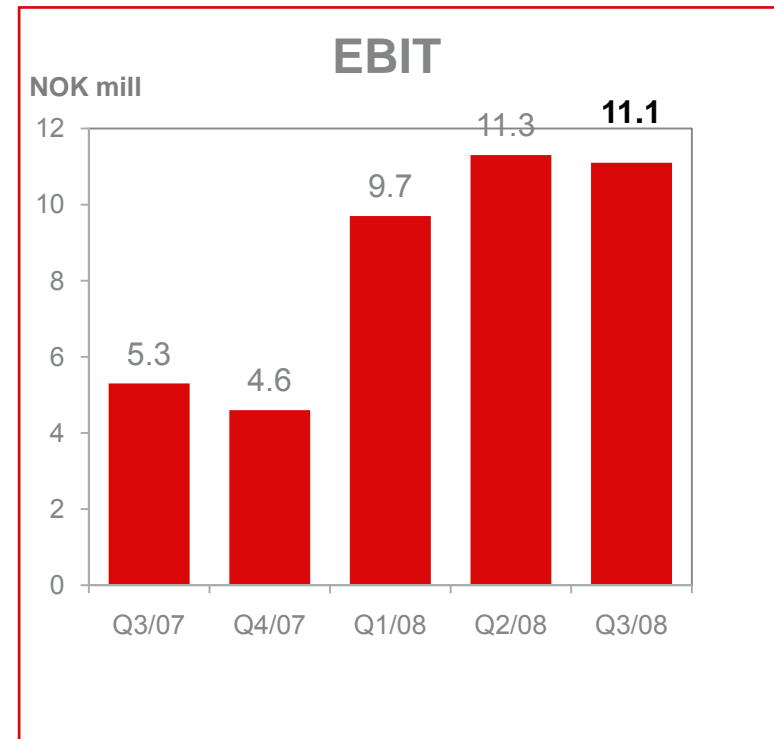
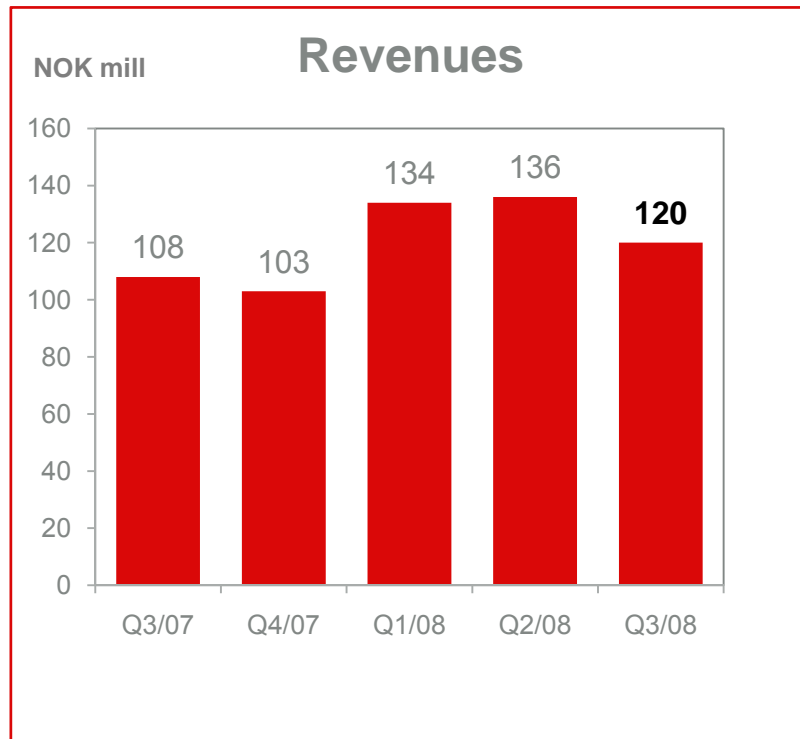
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## Financial review

Acting CFO Bjørn Kleven

October 23<sup>rd</sup> , 2008

# Key figures



# P&L statement

NOK mill

P&L	Q3/08	Q3/07	30.9.2008	30.9.2007	Q2/08	31.12.07
Revenues	120.5	108.4	390.3	308.2	136.0	410.9
EBITDA	16.6	9.5	47.3	28.6	16.2	37.9
EBIT	11.1	5.3	32.1	16.3	11.3	20.9
Profit before tax	7.9	3.9	31.5	16.7	13.3	14.6
Profit after tax	5.8	2.8	23.6	11.9	10.1	5.0
Gross margin -%	61.2	55.0	53.6	57.1	49.4	60.8
EBITDA-%	13.7	8.8	12.1	9.3	11.9	9.2
EBIT-%	9.2	4.9	8.2	5.3	8.3	5.1
Pretax profit-%	6.6	3.6	8.1	5.4	9.8	3.5
EPS, after tax	0.094	0.056	0.388	0.199	0.166	0.030



# Dacolian effects P&L statement

NOK mill	Proforma figures		Actual figures	
	per 30.9.08		Q3-08	
<b>P&amp;L</b>				
Revenues	17,8		4,5	
Costs	7,4		1,9	
EBIT	10,4		2,6	
Profit after tax	7,6		1,9	
EBIT-%	58,4 %		57,8 %	



# Balance sheet

NOK mill

<b>Balance sheet</b>	<b>30.9.2008</b>	30.6.2008	31.3.2008	31.12.2007	30.9.2007
Fixed assets	<b>185.5</b>	112.4	107.3	109.1	133.1
Cash	<b>124.6</b>	163.3	136.1	124.3	130.2
Other assets	<b>164.6</b>	148.2	148.7	159.7	154.8
Total assets	<b>474.7</b>	423.9	392.1	393.1	418.1
Equity	<b>336.7</b>	314.6	305.3	300.6	307.5
Liabilities	<b>137.9</b>	109.3	86.8	92.5	110.6
Total liabilities & equity	<b>474.7</b>	423.9	392.1	393.1	418.1






# Cash flow

NOK mill

Cash flow	Q3/08	Q2/08	Q1/08	Q4/07	Q3/07	Q2/07
CF from operations	7.1	41.8	20.9	-11.7	20.5	6.3
CF from investments	-44.8	-13.0	-8.3	8.4	-7.1	-10.9
CF from financing	-3.3	-1.6	-0.7	-2.6	-0.4	-2.0
Net change in cash	-38.6	27.2	11.9	-5.9	13.0	-6.6
Cash opening balance	163.3	136.1	124.3	130.2	117.2	123.8
Cash closing balance	124.6	163.3	136.1	124.3	130.2	117.2





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# Outlook

- **Orders**

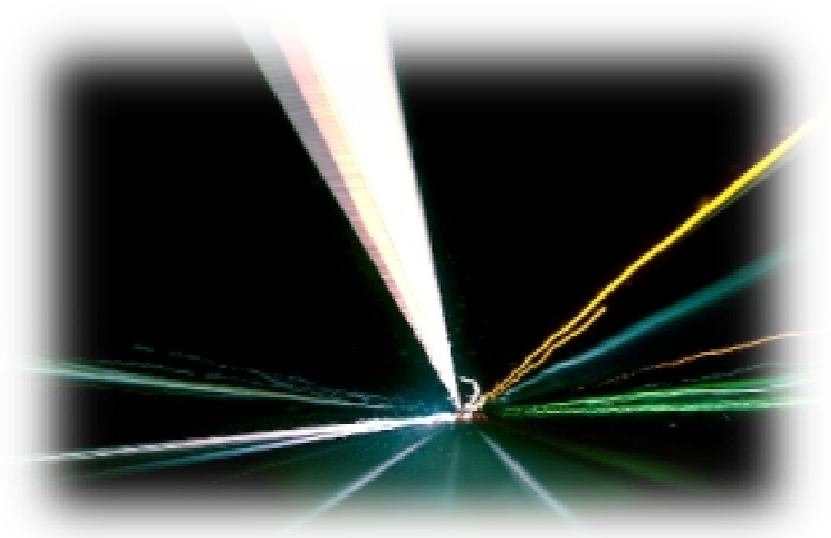
- Order backlog remains strong
- Opportunity to be further strengthened in Q4


- **Market**

- Revenue growth by more than 25%
- Pipeline develops positively
- Further long term growth visible
- The financial situation could have an impact

- **Q-Free well positioned**

- Financially strong
- Implementing new strategy
- New portfolio launch mid November






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# Questions & Answers

October 23<sup>rd</sup>, 2008

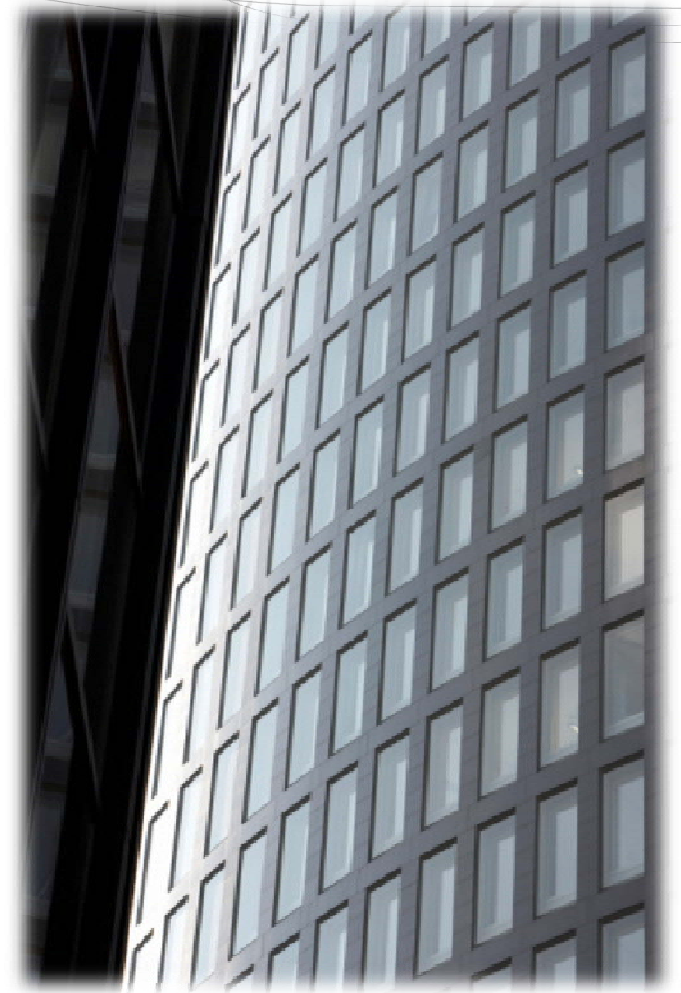


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# Appendix



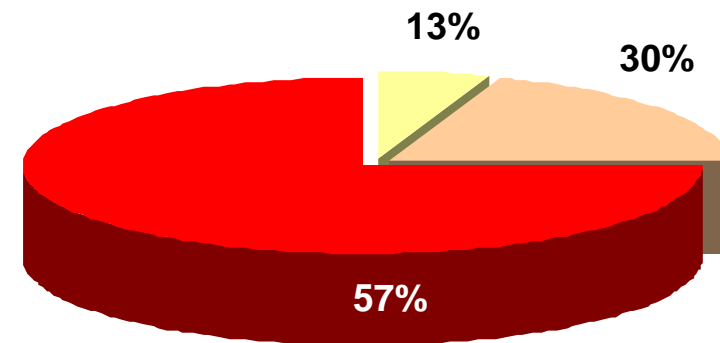
# Major shareholders per 22 October 08

Name	Percentage
VERDIPAPIRFOND ODIN	8.5
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	6.33
SKAGEN VEKST	6.22
MONS HOLDING AS	5.56
RAMS AS	3.9
KIKUT AS ARNE NILSEN	3.48
JPMBSA NORDEA LUX LENDING A	3.09
ANDRESEN LARS ODDGEIR	3.03
REDBACK AS	2.64
SILVERCOIN INDUSTRIE	2.24
KRAG INVEST AS	1.85
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1.83
HANDELSBANKEN MARKET MARKET-MAKING DERIVA	1.67
MATHIAS HOLDING AS PER MATHIAS AARSKOG	1.56
STOREBRAND LIVSFORSI P980, AKSJEFONDET	1.49
NHO ARBEIDSMILJØFIND V/ BJØRN LUNDAAS	1.17
VERDIPAPIRFONDETFNVE DANSKE FUND NORGE	1.14
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1.11
RBC TRUST COMPANY (J	1.11
BAYDREAM ENTERPRISES	0.93
<b>Total</b>	<b>58.85</b>



# Revenues geographical areas (Q3-08)

- Europe
  - Still main contributor, - decreased from 75% in Q2/08 to 57% in Q3/08, this due to increased tags in Brazil and project progress in Asia Pacific
- Asia Pacific
  - Considerable increase from last year, mainly due to tag deliveries in Australia and the Bangkok project
- Latin America
  - Increased from 5% in Q2/08 to 13% Q3/08 due to increased tag deliveries



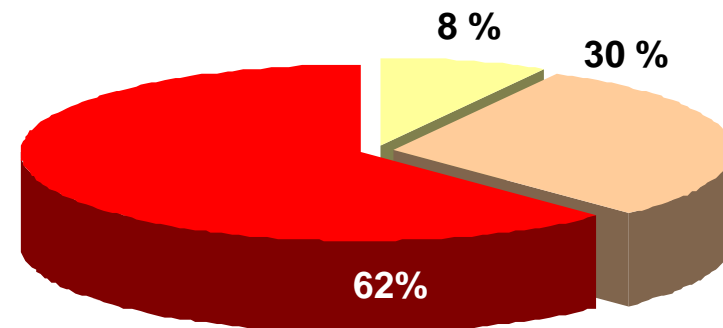
■ Latin America ■ Asia Pacific ■ Europe





# Revenues geographical areas (2008)

- Europe
  - Still main contributor, and slightly lower than per Q3 2007 (78%)
- Asia Pacific
  - Up from 15% per Q3 2007
- Latin America
  - Same level as in 2007



■ Latin America ■ Asia Pacific ■ Europe