

08



4TH QUARTER

THE FACTS AND NUMBERS

PRESENTED BY CEO ØYVIND ISAKSEN & ACTING CFO BJØRN KLEVEN



12th February

Agenda

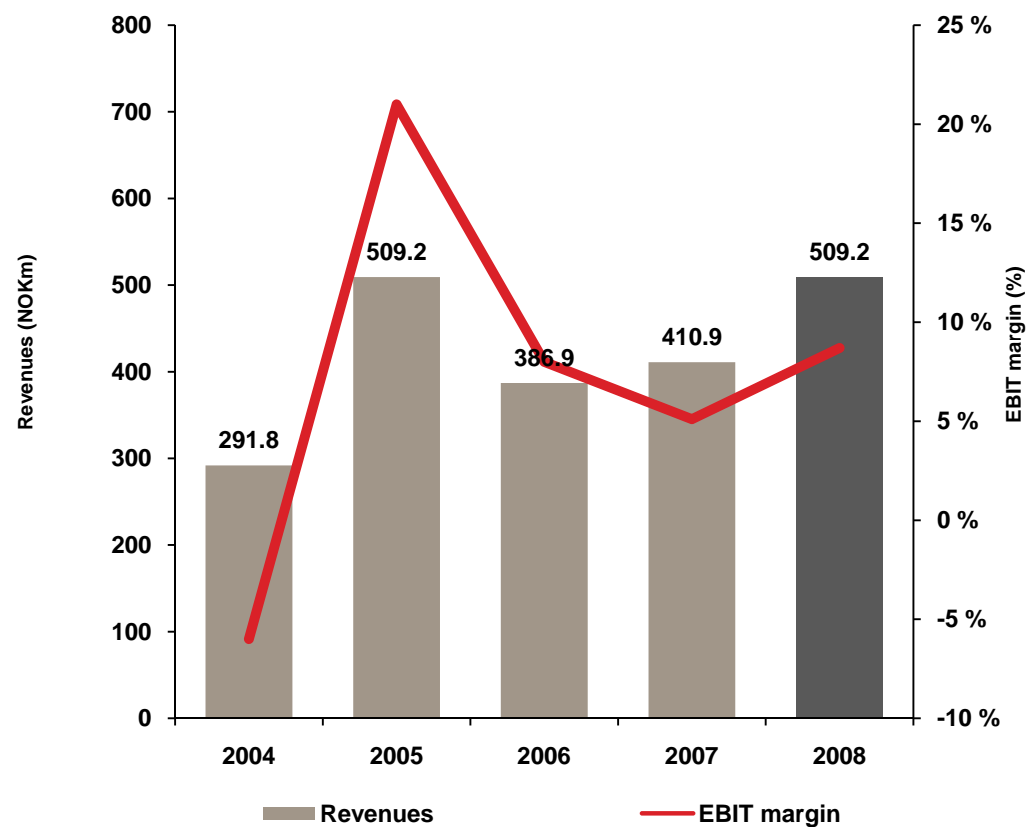
- Key Figures
- Q4-08 Highlights
- Market & Q-Free's positioning
- Acquisition of Building Capital Ltd
- Regional Market Update
- Financial Review
- Major Q1-09 awards
- Outlook
- Q&A



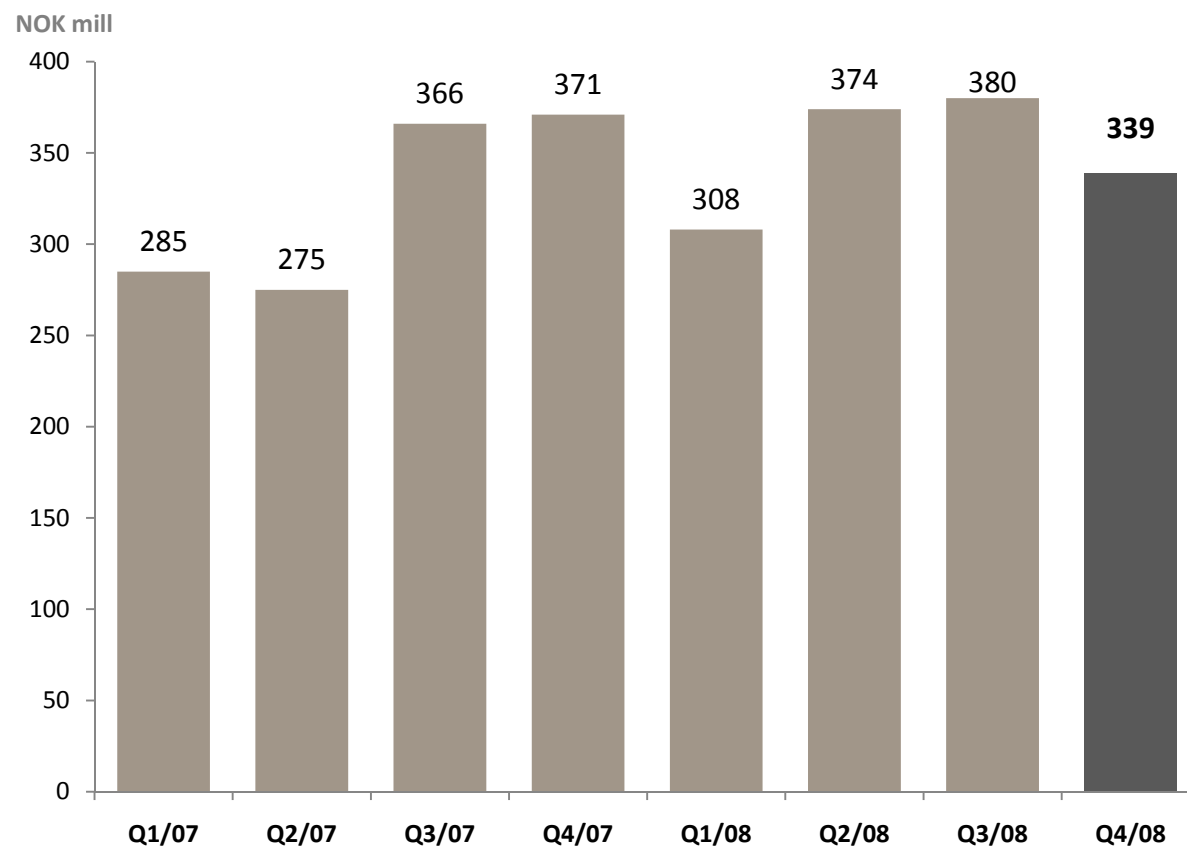
Key financial figures

NOK mill	Q4 2008	Q4 2007	31.12.08	31.12.07	Q3 2008	Q2 2008
Revenues	118.9	102.7	509.2	410.9	120.5	136.0
EBITDA	18.0	9.2	65.3	37.9	16.6	16.2
EBIT	12.1	4.6	44.3	20.9	11.1	11.3
Pre-tax profit	19.4	-2.1	50.9	14.6	8.0	13.3
Net Profit	13.4	-6.9	37.0	5.0	5.8	10.1
EBITDA-margin %	15.1	9.0	12.8	9.2	13.7	11.9
EBIT-margin %	10.2	4.5	8.7	5.1	9.2	8.3

Revenue and EBIT margin 2004 - 2008



Order backlog



Q1-08 Highlights

- High market activity
- A 10,6 MNOK tag award from HAC in Croatia
- A 2,5 MNOK OCR software licence order from ASC in US/Maryland
- UK market “stopped up” due to lack of political and citizens support
- Acquired Building Capital Ltd – a GNSS company
- Launched new DSRC portfolio for marketing at ITS show in New York





CEO Øyvind Isaksen

MARKET & Q-FREE'S POSITIONING

Market Drivers Road User Charging

- Sustainable long term growth

1. Electronic Toll Collection (ETC)

- Financing of the infrastructure
- Truck Tolling

2. Conversion from manual to ETC

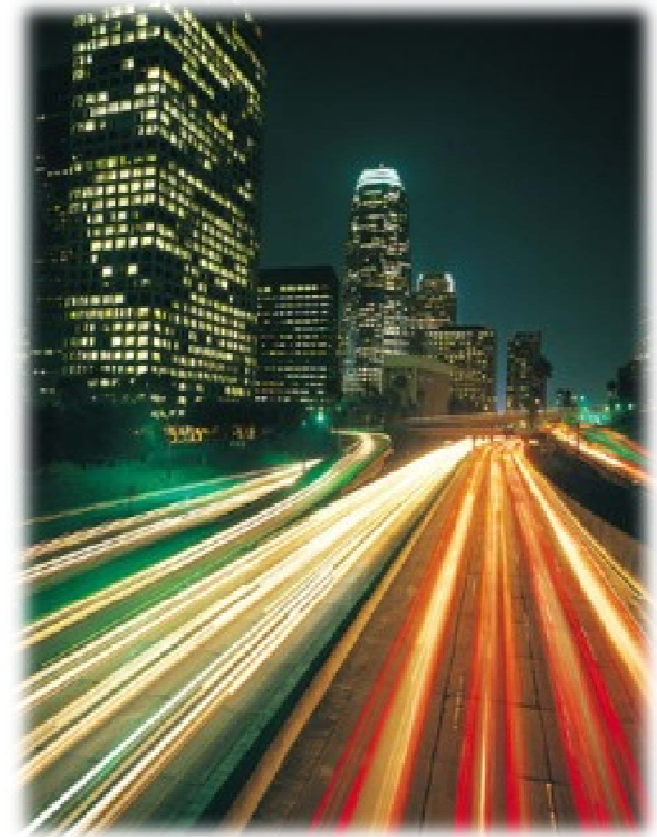
- Increase efficiency

3. Congestion Charging (CC)

- Time efficiency
- Environmental impact

4. Longer term

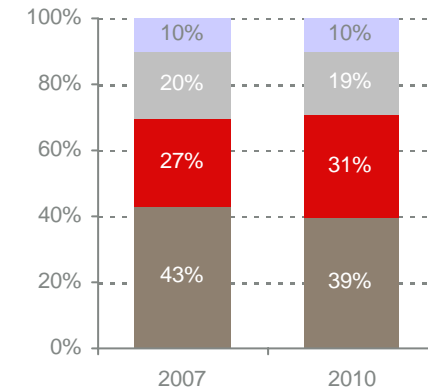
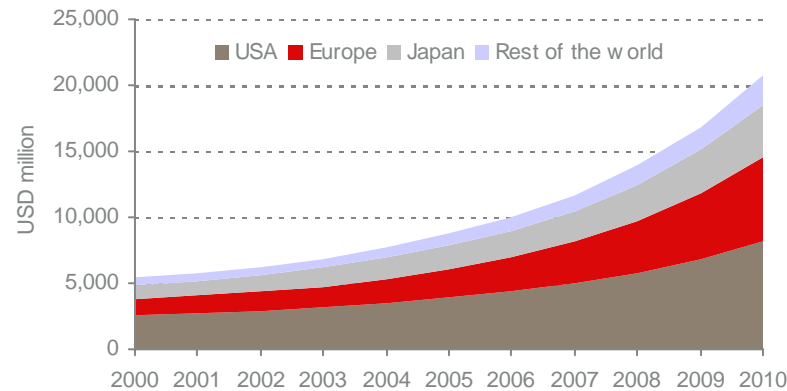
- Park & Access
- Electronic Marking, e.g. licence plate
- Road safety



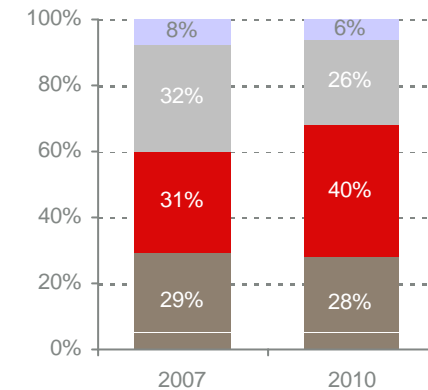
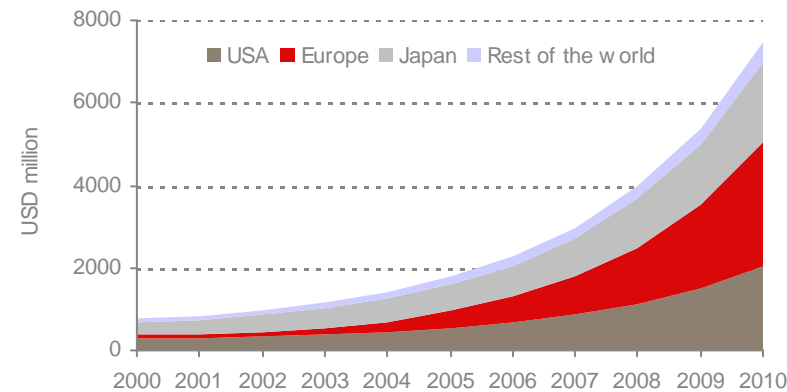
Global ITS and ETC Market

- More and more markets expected to enter the growth phase in ETC

Intelligent
transport systems
(ITS)



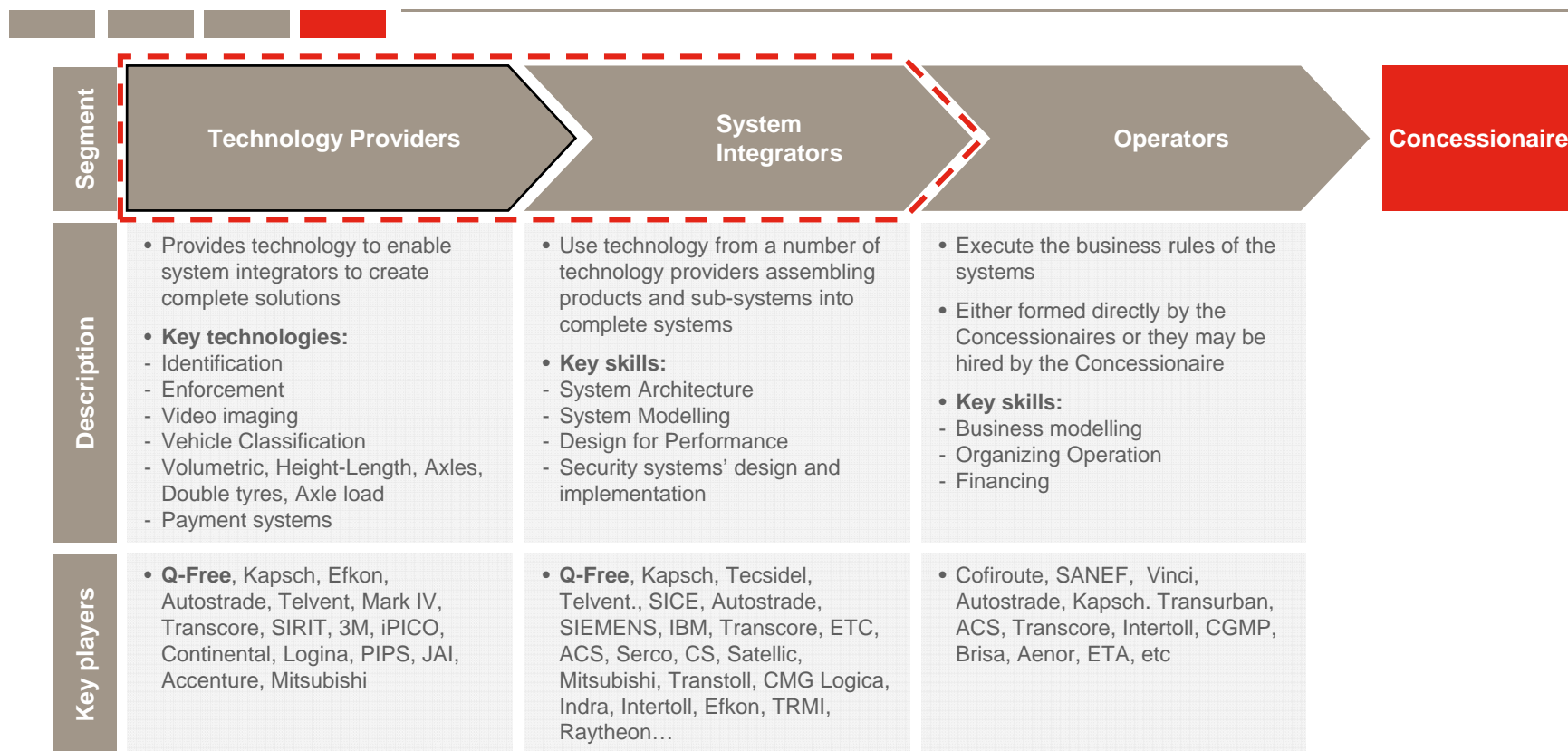
Electronic Toll
Collection
(ETC)



- Global ITS market CAGR 14% - US biggest market
- ETC the fastest growing sub segment – CAGR 25%
- Europe CAGR 40%

Industry Overview

- Q-Free's positioning optimize Operators & Concessionaires profitability



- Q-Free is a **TECHNOLOGY PROVIDER** and aims to keep a leading role in key technologies, to be able to offer the best solution for customers and the most profitable solution for client and Q-Free
- Q-Free is a **SYSTEM INTEGRATOR** in the context where it undertakes the responsibility for making complete turn-key solutions for operators

Q-Free's solution offering

- Broad portfolio & flexibility with respect to role/scope

RUC Systems

- Single - and Multilane tolling systems
 - DSCR based
 - ALPR based
 - Combination DSRC/ALPR
- GNSS Enforcement for Truck Tolling
 - DSRC and ALPR based
 - Mobile and fixed
- Central system
- Services, Maintenance & Integration

Traffic Surveillances

- ALPR based offering – world best Optimal Character Recognition (OCR) software
- Law enforcement:
 - Red light- and speed enforcement
 - Section control
- Parking, Access control and Security
- Traffic Statistics

Products

On Board Units (OBU)

- Long term market leader
- Recently released new OBU;
- Smallest on the market
- Longest battery lifetime
- Fully secure transactions
- Available mid 09



Road side

- Released new single & multilane reader. Available 2nd half year 09
- Exceptional accuracy and performance
- State-of-the-art technology
- Guaranteed high quality data and unmatched availability



Central System

- Commercial Back Office
- Operational Back Office



Video and still image processing software

- High yield, low error rate Intrada ALPR back office software
- Embedded version for handheld devices
- ALPR performance evaluation service





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ACQUISITION OF BUILDING CAPITAL LTD.

Acquisition of Building Capital Ltd

- A part of Q-Free's strategy is to build a broad portfolio enabling the company to offer the optimal solution for the various applications at hand
- Building Capital Ltd (BC) was founded in 2002
- Three owners; David Rollafson (GM), Nick Eaton and Niall Calvert
- High competence and extensive experience
- References throughout Europe within Road User Charging in general, and GNSS based solutions in particular
- Combining BC's proven GNSS technology, industry network and Q-Free's experience, Q-Free is able to quickly bring to market an advanced GNSS based road user charging offering at the right time



Acquisition of Building Capital Ltd

- Q-Free is currently positioning itself for several projects for which the offering from Building Capital will be an essential differentiator
- The consideration will be a combination of cash and Q-Free shares, with a maximum remuneration of GBP 600.000, with no less than GBP 360.000 in cash
- The agreement will be in force from January 1st 2009, and with final payment January 1st 2012





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REGIONAL MARKET UPDATE

Regional Market Update – Europe, M East & Africa

- High market activity
 - Portugal, Netherlands, France and Central Europe
 - Product sales, infrastructure projects, central system (software) and service activities
- The UK market is moving slow
 - UK is representing a good potential, - not short term
- Projects related to truck tolling in Europe
 - Major award in Slovakia (January-09)
 - New projects will materialise, such as Netherlands, France, Slovenia etc.
- Portugal represents an area of high interest
 - Conversion from shadow tolling - ,major award in Jan-09
 - Electronic licence plate program launched
- Prequalified for a large project in South Africa
 - Pre-qualified for infrastructure already
 - Pre-qualification process ongoing for OBU's



Regional Market Update – Asia/Australia

- Tag uptake in Australia continues to grow
 - Announced new contract in January-09
 - Good recurring revenue in Australia
- MLFF projects in Australia will be announced in Q1-Q2
 - Q-Free has recently installed one system
- Bangkok promising
 - Contract from BECL in February 2009
 - New EC tenders expected announced from ETA
 - Tag demand to come
- Indonesia starts to show possibilities
 - Congestion charging program planned
 - ETC tolling projects visible – new bid in progress
- Sales leads in India and Taiwan



Regional Market Update – North and Latin America

- Good activity related to ALPR (software) solution in US
 - Increasing interest for video based solutions
 - Dacolian OCR solution has a strong position
- Brazil and Chile main area of activity in LA
- Underlying business good in Brazil, and increased significantly throughout the year
 - Sale of OBU's and readers
- ERI project still on, but moving slow
- Brazil, Chile and Colombia main areas of interest in 2009



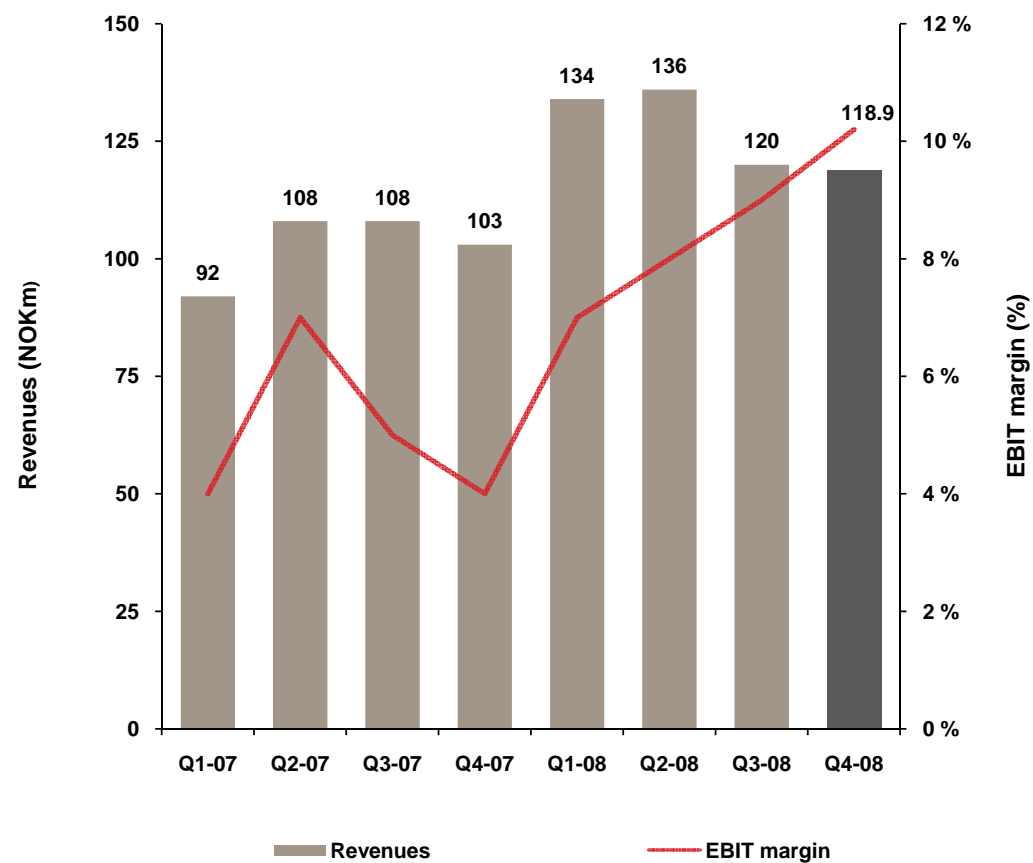


Acting CFO Bjørn Kleven

FINANCIAL REVIEW

Key figures

Revenues and EBIT margin per quarter 2007 & 2008

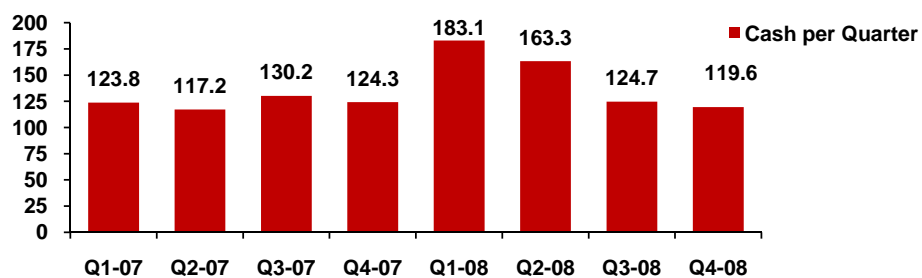


P&L statement

NOK 1.000	Q4 2008	Q4 2007	31.12.2008	31.12.2007	Q3 2008	Q2 2008	Q1 2008
Revenue	118 922	102 694	509 246	410 854	120 498	136 014	133 812
Cost of goods sold	38 702	28 899	219 978	160 981	46 778	68 816	65 682
Payroll expenses	31 062	29 299	107 488	93 617	27 010	23 357	26 059
Other operating expenses	31 191	35 253	116 547	118 404	30 147	27 624	27 584
Total opex before depr.	100 955	93 451	444 013	373 002	103 935	119 797	119 326
Operating profit - EBITDA	17 967	9 243	65 233	37 852	16 563	16 217	14 486
EBITDA - margin	15,1 %	9,0 %	12,8 %	9,2 %	13,7 %	11,9 %	10,8 %
Depreciation	5 832	4 628	20 950	16 977	5 470	4 878	4 771
Operating profit - EBIT	12 135	4 615	44 284	20 875	11 094	11 340	9 716
EBIT - margin	10,2 %	4,5 %	8,7 %	5,1 %	9,2 %	8,3 %	7,3 %
Financial income	18 206	3 627	36 135	19 909	7 165	4 412	6 351
Financial expenses	-10 924	-10 355	-29 501	-26 228	-10 297	-2 473	-5 807
Net financial items	7 282	-6 728	6 634	-6 320	-3 132	1 940	544
Pretax profit	19 417	-2 113	50 918	14 555	7 962	13 280	10 260
Profit - margin	16,3 %	-2,1 %	10,0 %	3,5 %	6,6 %	9,8 %	7,7 %
Tax expenses	-6 059	-4 781	-13 912	-9 540	-2 118	-3 187	-2 548
Profit after tax	13 357	-6 894	37 005	5 015	5 844	10 093	7 712
Gross margin	67,5	71,9	56,8	60,8	61,2	49,4	50,9
EPS	0,211	-0,170	0,599	0,388	0,094	0,166	0,136

Balance sheet

NOK 1.000	31.12.2008	30.09.2008	30.06.2008	31.03.2008	31.12.2007
Total intangible assets	128 017	122 119	49 399	81 941	50 974
Fixed assets	69 180	63 365	62 996	58 869	58 158
Cash & Cash equivalents	119 617	124 655	163 283	136 137	124 283
Other current assets	191 259	164 585	148 192	148 596	159 640
TOTAL ASSETS	508 072	474 723	423 869	425 543	393 055
Total Equity	352 379	336 733	314 641	338 733	300 596
Liabilities	155 693	137 991	109 228	86 777	92 459
TOTAL ASSETS	508 072	474 723	423 869	425 510	393 055
Equity ratio	69,4 %	70,9 %	74,2 %	79,6 %	76,5 %



Cash flow

NOK 1.000	31.12.2008	30.09.2008	30.06.2008	31.03.2008	31.12.2007
Net cash flow from operations	82 318	69 696	62 624	20 850	-20 445
Net cash flow from investments	-81 570	-66 028	-21 278	38 702	-13 619
Net cash flow from financing	-5 414	-3 296	-2 346	-719	-3 828
Net change in cash in the period	-4 666	372	39 000	58 833	-37 892
Cash opening balance	124 283	124 283	124 283	124 283	162 176
Cash closing balance	119 617	124 655	163 283	183 116	124 284

NOK 1.000	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net cash flow from operations	12 622	7 072	41 774	20 850	-18 945
Net cash flow from investments	-15 542	-44 750	-13 001	-8 277	15 621
Net cash flow from financing	-2 118	-950	-1 627	-719	-2 576
Net change in cash in the period	-5 038	-38 628	27 146	11 854	-5 900
Cash opening balance	124 655	163 283	136 137	124 283	130 183
Cash closing balance	119 617	124 655	163 283	136 137	124 283



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MAJOR AWARDS IN Q1-09

Record breaking awards achieved in Jan/Feb-09

- The two biggest awards in the industry since 2005

- A 47 M€ Truck-Tolling contract in Slovakia/SkyToll
 - Enforcement, central system and service & maintenance
- A 25 M€ ORT/MLFF contract in Portugal/Aenor
 - Roadside, back-office and service & maintenance agreement
 - New opportunities indentified
- The SkyToll and Aenor projects are the two biggest awards in the industry within the company's market segment since 2005
- A contract from BECL for a 7M€ ETC contract for the modernisation of an existing tolling system in Bangkok



MLFF project in Portugal - Aenor

- Contract with the Portuguese road operator AENOR - approximately 220 MNOK.
- Delivery of Road Side Equipment, Operational Back Office and related services
- Deployment during 2009 and partly 2010
- Service agreement over 5 years
- Confirming & strengthening Q-Free's position in Portugal
- Potential for expansion of roadside
- Will imply increased tag uptake
- Basis for ERI project in Portugal



Truck tolling project in Slovakia

- Delivering central system and enforcement system for truck tolling project - approx. 47 mill Euros
- Deployment during 2009 and partly 2010
- Service agreement over 3 years
- SkyToll project unique by international standards
 - State-of-the-art satellite tolling technology to cover highways, expressways, large sections of first class routes.
 - Based on the GPS–GSM technology
 - Potential network extensions across Slovakia.
- Contract may be expanded
 - Additional enforcement equipment
 - 3 years service contract, - potential 13 years



Contract from BECL Bangkok

- Contract from Bangkok Expressway Company Limited (BECL - 61 mill NOK)
- Bangkok - a growing market within electronic road pricing.
- Developing market for On Board Units
- Expansion potential





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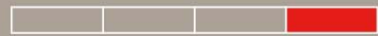
OUTLOOK

Outlook

- The global ITS market is positioned for considerable growth over the next years
- Q-Free's market position has strengthened significantly
- Q-Free's strategic positioning has been very well received
- Q-Free awarded the two biggest projects in the industry since 2005
- Both underlying business and larger project opportunities increasing in size and numbers
- Improvement measures implemented still in an early phase
- Financially strong, - no long term depth



08



4TH QUARTER

THE FACTS AND NUMBERS

Q&A



20 MAJOR SHAREHOLDERS



SHAREHOLDERS PER 11 FEBRUARY 2009

SHAREHOLDING %

BANK AUSTRIA CREDITA DEPT.	20,50
VERDIPAPIRFOND ODIN	8,55
SKAGEN VEKST	6,22
KIKUT AS ARNE NILSEN	3,80
ANDRESEN LARS ODDGEIR	3,03
MONS HOLDING AS	2,86
REDBACK AS	2,64
KRAG INVEST AS	1,85
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1,64
MATHIAS HOLDING AS PER MATHIAS AARSKOG	1,56
NHO ARBEIDSMILJØFIND V/ BJØRN LUNDAAS	1,17
RBC TRUST COMPANY	1,11
AUGUST HOLDING AS	1,11
DANSKE INVEST VEKST DANSKE FUND NORGE	1,07
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1,03
VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS	1,02
SANDNES INVESTERING	1,02
SÆTER HAAKON MORTEN	0,98
JARLSBERGS MENY AS Jan Magne Borgen	0,93
BAYDREAM ENTERPRISES	0,93
SUM	63,02 %