+ COMPANY
Q-FREE ASA

+ REFERENCE TYPE

QUARTERLY REPORT

+ REVENUES (MNOK)

170

Q2/2010

PRESENTED BY CEO ØYVIND ISAKSEN AND CFO ROAR ØSTBØ

AGENDA

- Q2-10 Highlights
- Key Figures
- Vision and strategic positioning
- Regional market update
- Financial review
- Outlook
- Q&A

Q2-10 HIGHLIGHTS

- Highest quarter on product revenues since 2005
- Important orders received
  - Call-off of frame agreement in Brazil (CGMP)

    - 26 MNOK
  - Tag contract in Portugal (Via Verde)

    - 17 MNOK
- In general high market activity – important positioning activity for major 2011/2012 cases
- Currently in dialogue with our customer in Slovakia regarding reduced scope

KEY FIGURES

Revenues	169.6 MNOK
Operating profit	8.8 MNOK
Pre-tax profit	7.6 MNOK
Order intake	100.2 MNOK
Order backlog	608.9 MNOK

VISION AND STRATEGIC POSITIONING

The Leading Supplier of Intelligent Transport Systems for Road User Charging & Traffic Management

Segment	Q-FREE: Technology Providers	Q-FREE: System Integrators	Operators	Concessionaire

Technology independent	• *Portfolio covering most wanted solutions (Tag – Camera – GPS)*
Flexible with respect to role	• *From product supplier to turn key provider* • *Not compete with our customer such as operators and major system integrators*
Migrate to an ITS player	• *Q-Free will over time expand offering to include new ITS area* • *E.g. parking access & control systems and ERI*

IMPRESSIVE PORTFOLIO

- New tag & reader product finalised
  - Manufacturing line established in Asia/East Europe
  - Certification process ongoing
  - The newest and most cost effective product
- New tolling system solution under development
  - Unique MLFF solution capitalising on indepth competence on DSRC, ALPR and system design
  - Modularised back office solution to achieve faster deployment under development
- New GNSS OBU concept under development
- Ongoinging development related to car-to-car and car-to-roadside communctation – future proofing

READER -RSE650

TAG OBU610

MARKET UPDATE – EUROPE, M.EAST & AFRICA

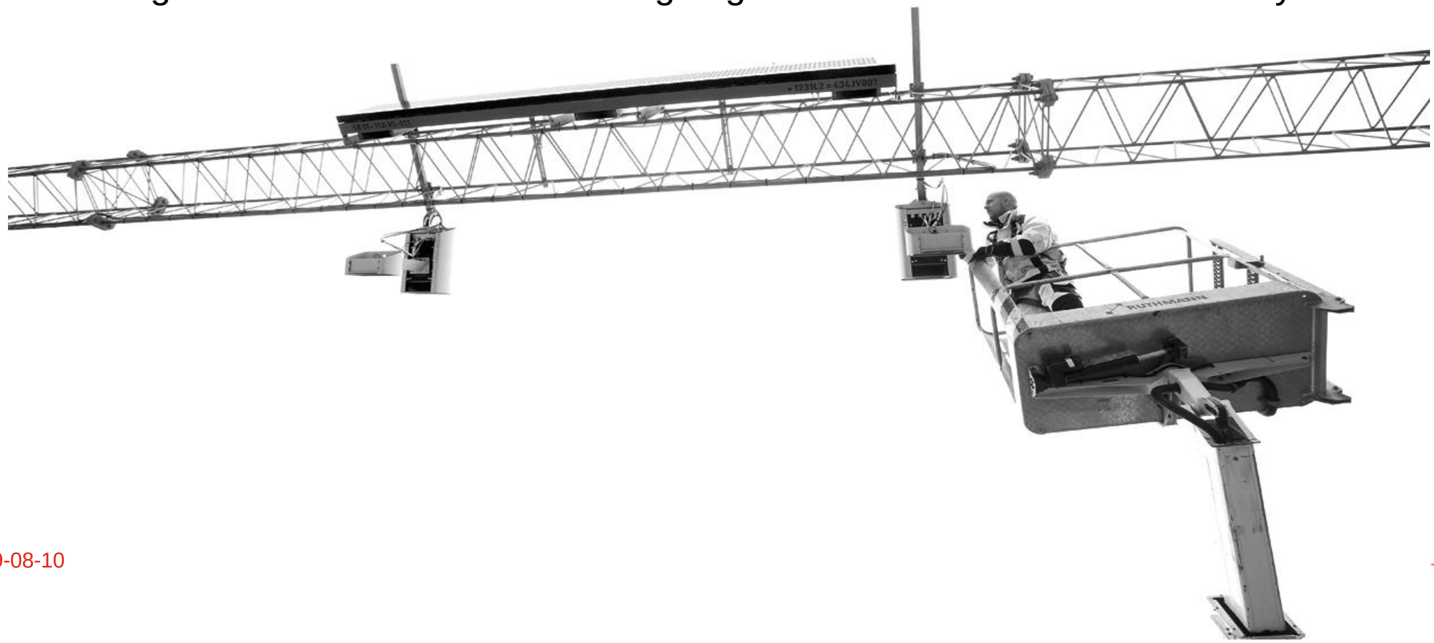
- Continuing high market activity
  - Norway, Portugal, France, Sweden, Turkey, Central Europe and South Africa
  - Product sales, infrastructure projects, central system and service and maintenance activities

- Projects related to truck tolling in Europe
  - New projects will materialise
  - Poland, France, Slovenia 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

Q FREE

MARKET UPDATE – EUROPE, M. EAST & AFRICA, CONT.

- **Sweden** – New market developing
  - Project at Arlanda airport being planned, - bid process expected to conclude in early 2011
  - Congestion charging in Gothenburg, - bid in 2011
  - 20-30 ETC state motorway projects foreseen in 2011 and onwards
    - Refinance roads and bridges
  - Change orders in Stockholm and ongoing service and maintenance activity



Q FREE

MARKET UPDATE – EUROPE, M. EAST & AFRICA, CONT.

- Portugal
  - Represents a market of high interest
  - Assumed start of operation of the implemented MLFF projects in a few months
  - New projects for conversion from shadow tolling announced (Algarve and A25)
  - Potential new contracts may materialise in 2011
  - Electronic licence plate under planning – could lead to high tag demand
  - Received the first order for the new tag during the quarter (17 MNOK from Via Verde)

- South Africa
  - Important market going forward
  - RFQ on 1-3 millions tag in process - 3 companies pre-qualified
  - New ETC infrastructure projects will materialise
  - Q-Free awarded a pilot project
  - Local setup established

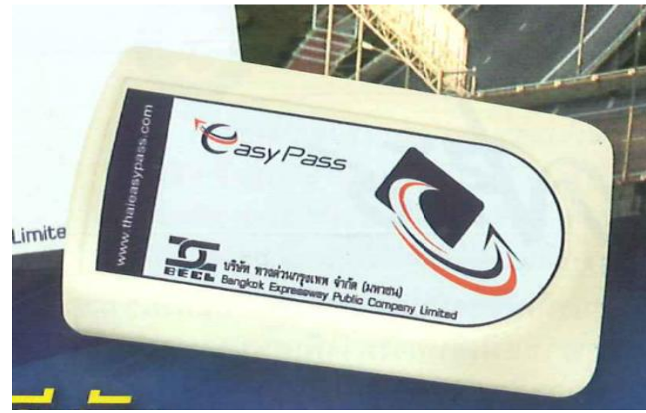
MARKET UPDATE – ASIA PACIFIC

- Bangkok
  - ETC content increase imply an attractive tag market going forward
  - New infrastructure projects identified

- Tag and infrastructure activity in Australia is promising
  - Yet another tag contract awarded in July
  - Modernisation program under planning

- Indonesia may show opportunities in 2011
  - Congestion charging being discussed

- Also exploring new cases in Singapore, Taiwan, Malaysia and India



MARKET UPDATE – NORTH AND LATIN AMERICA

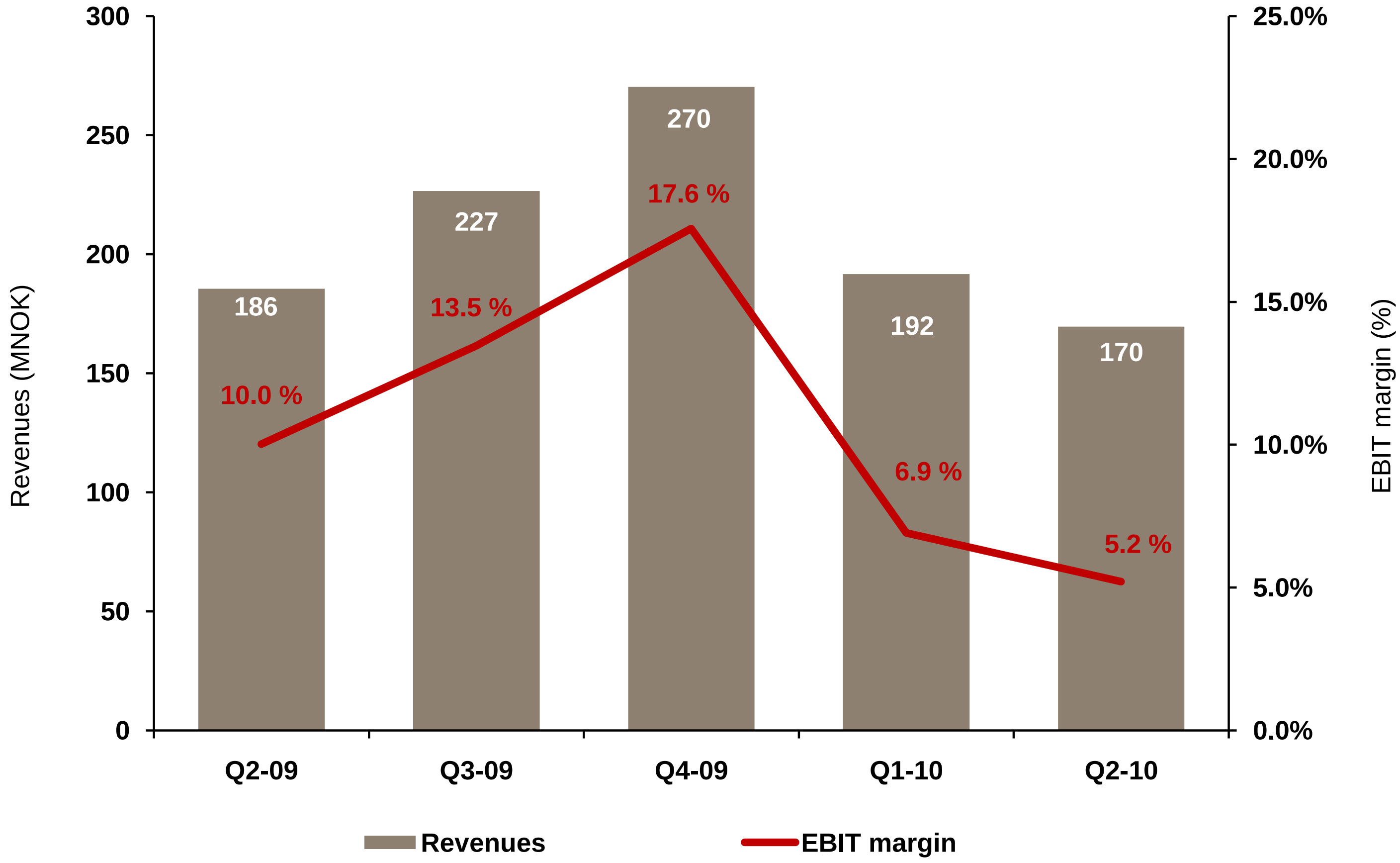
- Good activity related to ALPR (software) solution in US
  - Visibility of new projects starts to increase
  - High focus on video based solutions
  - The company's ALPR solution has a strong position

- Brazil, Chile, Columbia and Ecuador main areas of activity in South America
  - 26 MNOK call-off from the frame agreement with CGMP worth 109 MNOK achieved in Q2 (accumulated 88 MNOK)
  - CGMP tag demand continues to be high, - higher than expected

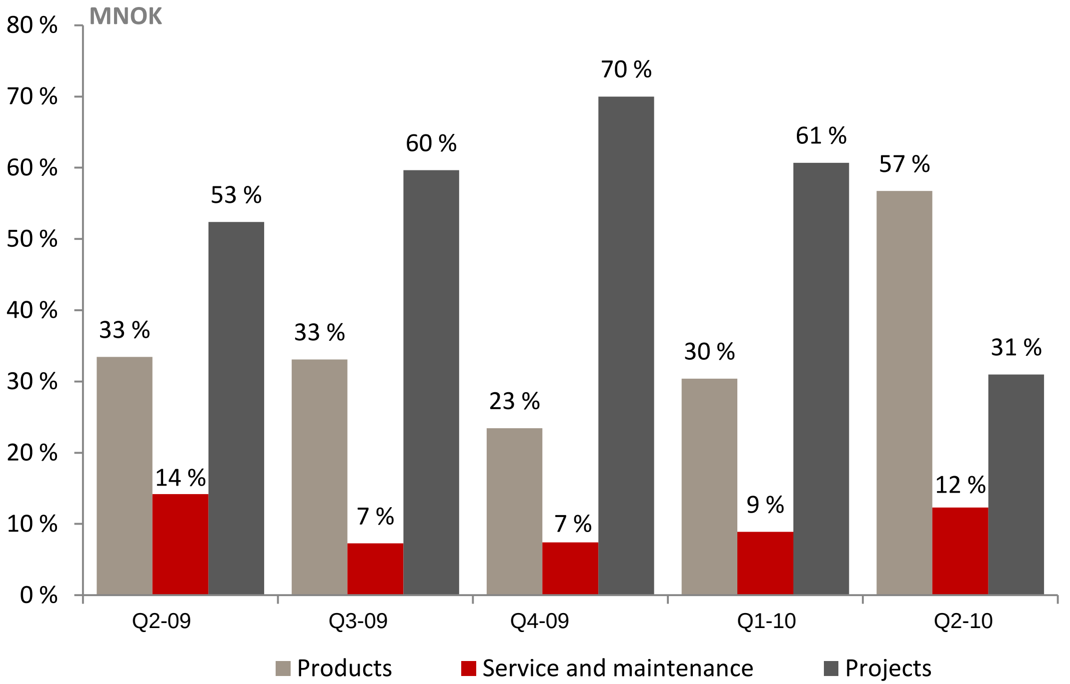
CFO ROAR ØSTBØ

FINANCIAL REVIEW

REVENUES AND EBIT-MARGIN QUARTERLY 2009 - 2010



REVENUES - BUSINESS AREAS



MNOK	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10
Products	62.0	75.0	63.4	58.3	96.1
Service and maintenance	26.3	16.5	20.1	17.0	20.9
Projects	97.2	135.1	186.8	116.3	52.6
TOTAL	**185.5**	**226.6**	**270.3**	**191.6**	**169.6**

PROFIT & LOSS STATEMENT

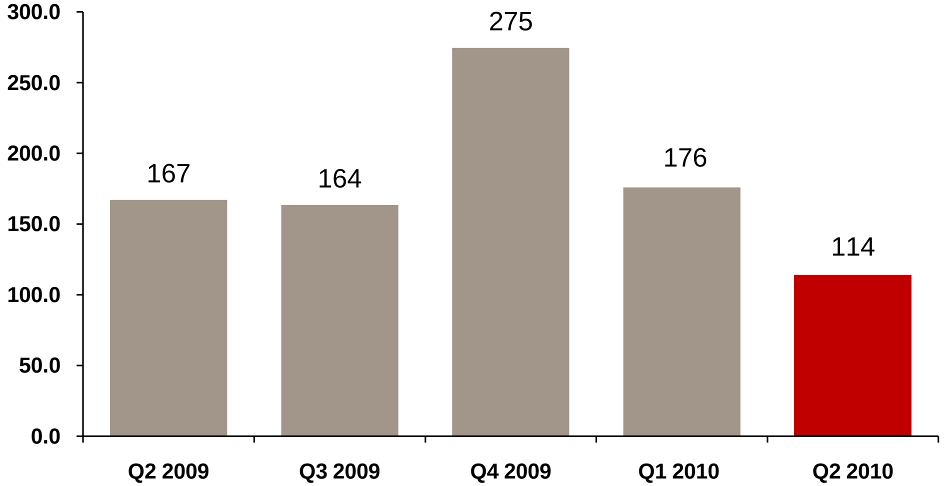
NOK 1.000	Q2 2010	Q2 2009	30/06/2010	30/06/2009	Q1 2010	31/12/2009
Revenues	**169,647**	185,515	361,292	307,430	191,646	**804,403**
Cost of goods sold	**75,079**	74,791	139,338	119,141	64,259	**303,429**
Payroll expenses	**29,922**	33,516	69,089	65,924	39,167	**153,712**
Other operating expenses	**45,008**	50,600	111,641	82,833	66,632	**212,057**
Total opex before depr.	**150,009**	158,906	320,068	267,897	170,059	**669,198**
Operating profit - EBITDA	**19,637**	26,609	41,224	39,533	21,587	**135,205**
EBITDA margin	**11.6 %**	14.3 %	11.4 %	12.9 %	11.3 %	**16.8 %**
Depreciation, amortisation and impairment	**10,813**	8,013	19,162	14,798	8,349	**32,461**
Operating profit - EBIT	**8,824**	18,595	22,062	24,734	13,238	**102,743**
EBIT margin	**5.2 %**	10.0 %	6.1 %	8.0 %	6.9 %	**12.8 %**
Financial income	**4,410**	5,424	8,318	13,729	3,908	**33,330**
Financial expenses	**-5,643**	-1,591	-7,952	-8,054	-2,309	**-26,375**
Net financial items	**-1,233**	3,833	366	5,675	1,599	**6,955**
Pretax profit	**7,591**	22,429	22,428	30,410	14,837	**109,698**
Profit margin	**4.5 %**	12.1 %	6.2 %	9.9 %	7.7 %	**13.6 %**
Tax expenses	**-2,304**	-6,072	-6,508	-7,278	-4,204	**-31,549**
Profit after tax	**5,287**	16,356	15,920	23,131	10,632	**78,149**
Gross margin	**55.7 %**	59.7 %	61.4 %	61.2 %	66.5 %	**62.3 %**
EPS	**0.09**	0.30	0.27	0.42	0.18	**1.41**

BALANCE SHEET

NOK 1.000	30/06/2010	31/03/2010	31/12/2009	30/09/2009	30/06/2009
Total intangible assets	181,544	162,865	155,860	140,010	137,321
Non current assets	84,124	82,352	77,599	74,276	72,699
Cash & Cash equivalents	113,584	175,836	274,615	163,471	167,084
Other current assets	375,260	353,091	259,460	200,026	183,591
TOTAL ASSETS	754,511	774,145	767,534	577,783	560,695
Total Equity	564,682	557,236	548,601	411,803	385,450
Liabilities	189,829	216,908	218,933	165,979	175,245
TOTAL EQUITY & LIABILITIES	754,511	774,145	767,534	577,783	560,695
Equity ratio	74.8 %	72.0 %	71.5 %	71.3 %	68.7 %

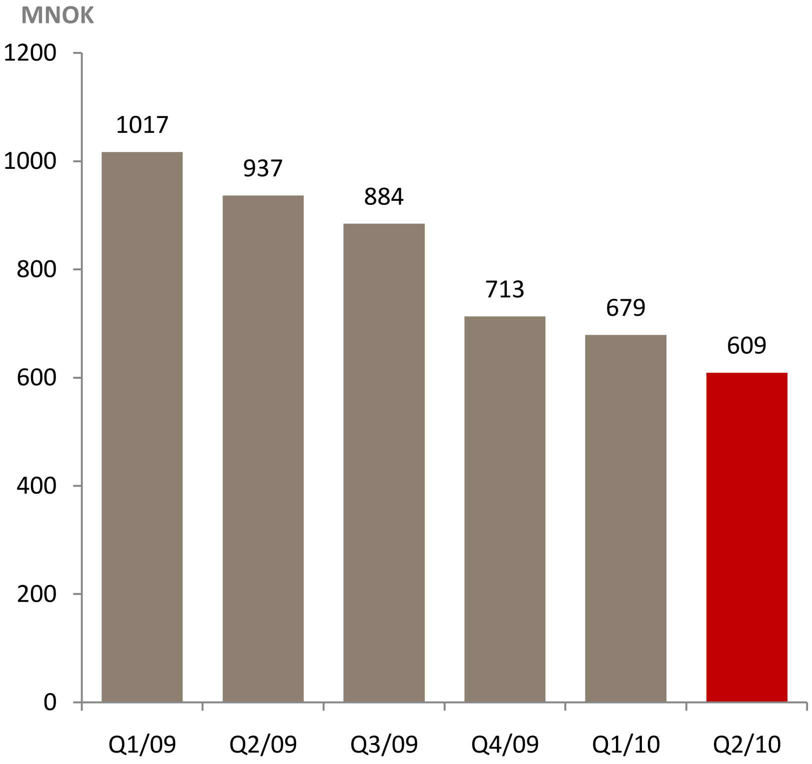
Q FREE

CASH FLOW

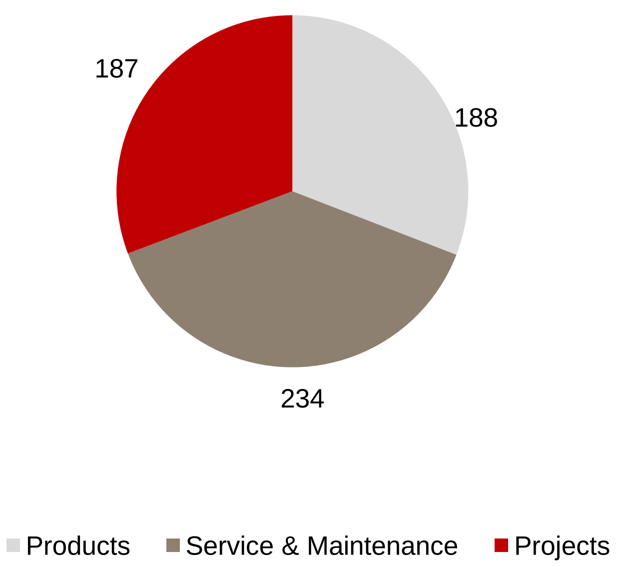


NOK 1.000	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Net cash flow from operations	31,416	7,956	34,790	-81,839	-37,756
Net cash flow from investments	-18,015	-11,659	-29,265	-16,975	-24,800
Net cash flow from financing	9,177	90	105,619	36	304
Net change in cash in the period	22,578	-3,613	111,144	-98,779	-62,252
Cash opening balance	144,506	167,084	163,471	274,615	175,836
Cash closing balance	167,084	163,471	274,615	175,836	113,584

ORDER BACKLOG



BUSINESS AREAS



Q FREE

CEO Øyvind Isaksen

OUTLOOK

POSITIONED FOR LONG TERM GROWTH

- The main application areas within the RUC as of today are
  - Fully automated free flow toll collection
  - Truck tolling
  - Congestion charging
- Through the execution of the
  - Aenor/ Portugal project
  - SkyToll/Slovakia project
  - Stockholm project
- Q-Free has the most significant and advanced projects in all these three application areas
- Excellent basis for further long term growth

OUTLOOK

- 2010 will be a transition year
  - Most important to position the company for the 2011 and 2012 opportunities
  - Several smaller/medium sized opportunities important for 2010 currently being addressed
  - Should not expect financial improvement the next few quarters
- In a long term perspective the opportunities and Q-Free's ability will enable long term growth
- Investment in new and competitive portfolio and building an international organisation will continue

Q&A


A 41
aeroporto 4
Matosinhos 8
(Porto 11)
(Viana C.lo 63)
120
TURISMO

20 MAJOR SHAREHOLDERS

SHAREHOLDERS PER 18TH OF AUGUST 2010	SHAREHOLDING %
ERSTE BANK DER OESTE SPARKASSEN AG	16.64
ODIN NORGE	9.02
SKAGEN VEKST	4.81
DNB NOR	3.51
HOLBERG NORGE V/HOLBERG FONDSFORVALTNING	3.42
JP MORGAN CHASE BANK	3.28
LARS ANDRESEN	2.71
KIKUT AS	2.58
REDBACK AS	2.48
BANK AUSTRIA	1.97
MONS HOLDING AS	1.73
VPS NORDEA KAPITAL	1.72
SEB Enskilda ASA	1.62
Vital Forsikring	1.58
VPF NORDEA	1.44
Deutche bank	1.24
DNB NOR	1.15
Warren Wicklund Norge	1.10
Statoil pensjon	1.00
NHO	1.00
SUM	**64 %**