



Dr. Øyvind Isaksen, President and CEO

- Joined Q-Free in 2006
- Previous experience as President of Nera Networks (2002-06), President of Roxar Flow Measurement, President in Fluenta AS and various management positions in ABB Research and Christian Michelsen Research
- Dr.scient in physics (University of Bergen 1994)



Dr. Hans Christian Bolstad, Vice President R&D

- Re-joined Q-Free in 2007 (also employed 1994-2001)
- Previous experience within research and development from both telecom, medical and offshore sectors through his work at NTNU, Sintef, Optomed, Optoplan and Q-Free ASA
- MSc. in Physics and Mathematics (1987) and a Ph.D. in physical electronics from NTNU (1994)

Q-FREE
LEADING THE WAY

IN ROAD USER CHARGING AND TRAFFIC SURVEILLANCE

” Developing a successful worldwide company - the story of Q-Free”

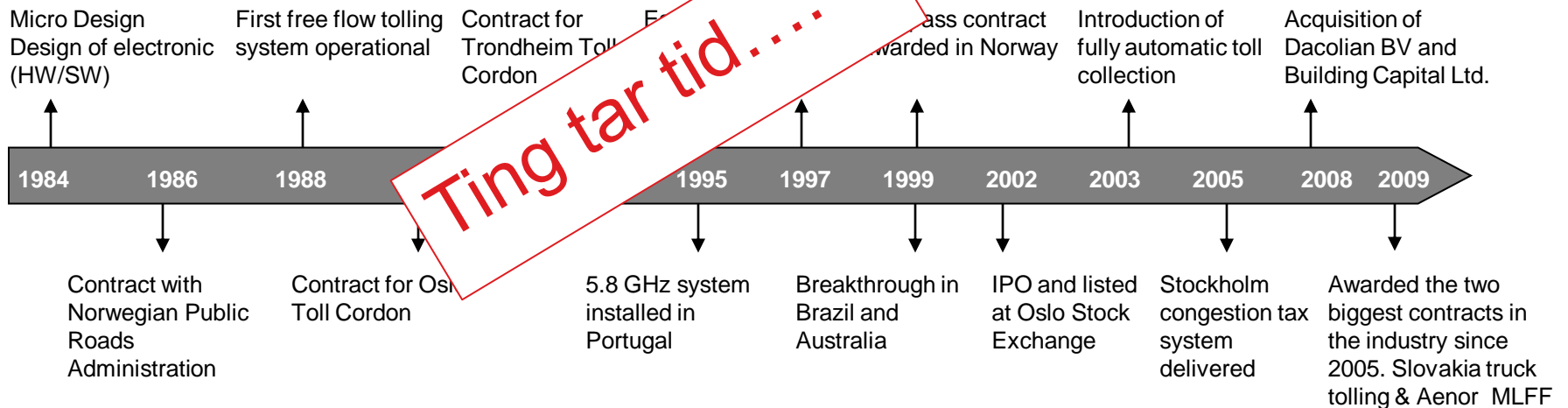
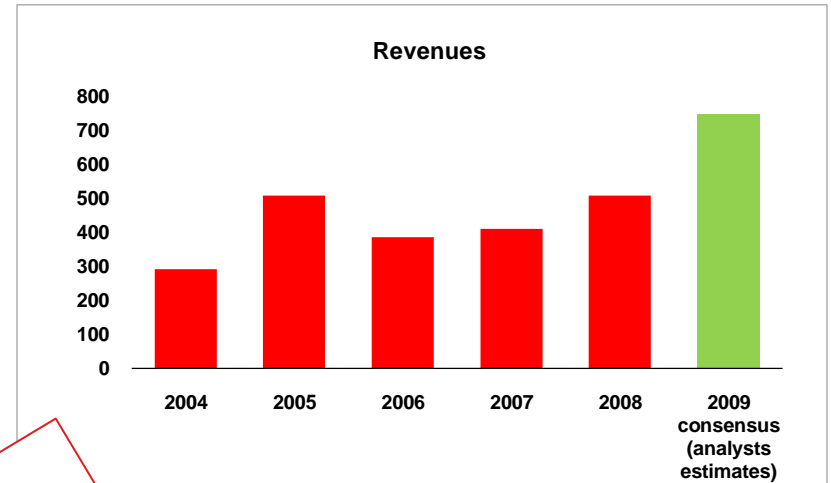
Øyvind Isaksen, CEO, and Hans Christian Bolstad, VP R&D

Outline

- Q-Free in short
- Critical Success Criteria to become a successful international company
 - General observations and Examples
- Summing up
- Q&A

Q-Free in short

- A first mover in Electronic Toll Collection with a strong project track record
- Established in 1984
- Present in 17 countries
- ~300 employees



Critical Success Criteria's to become a successful international company

- Establishing Market/Customer Understanding
- Decide on offering strategy (portfolio)
- World class Technology and Product Development
- Efficient Sales and Marketing organisation
- World class Manufacturing, Delivery & Support

Continuous improvement processes in all parts of the value chain

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Establishing Market/Customer Understanding

- Market Drivers for Q-Free's Business Areas

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



Critical Success Criteria's to become a successful international company

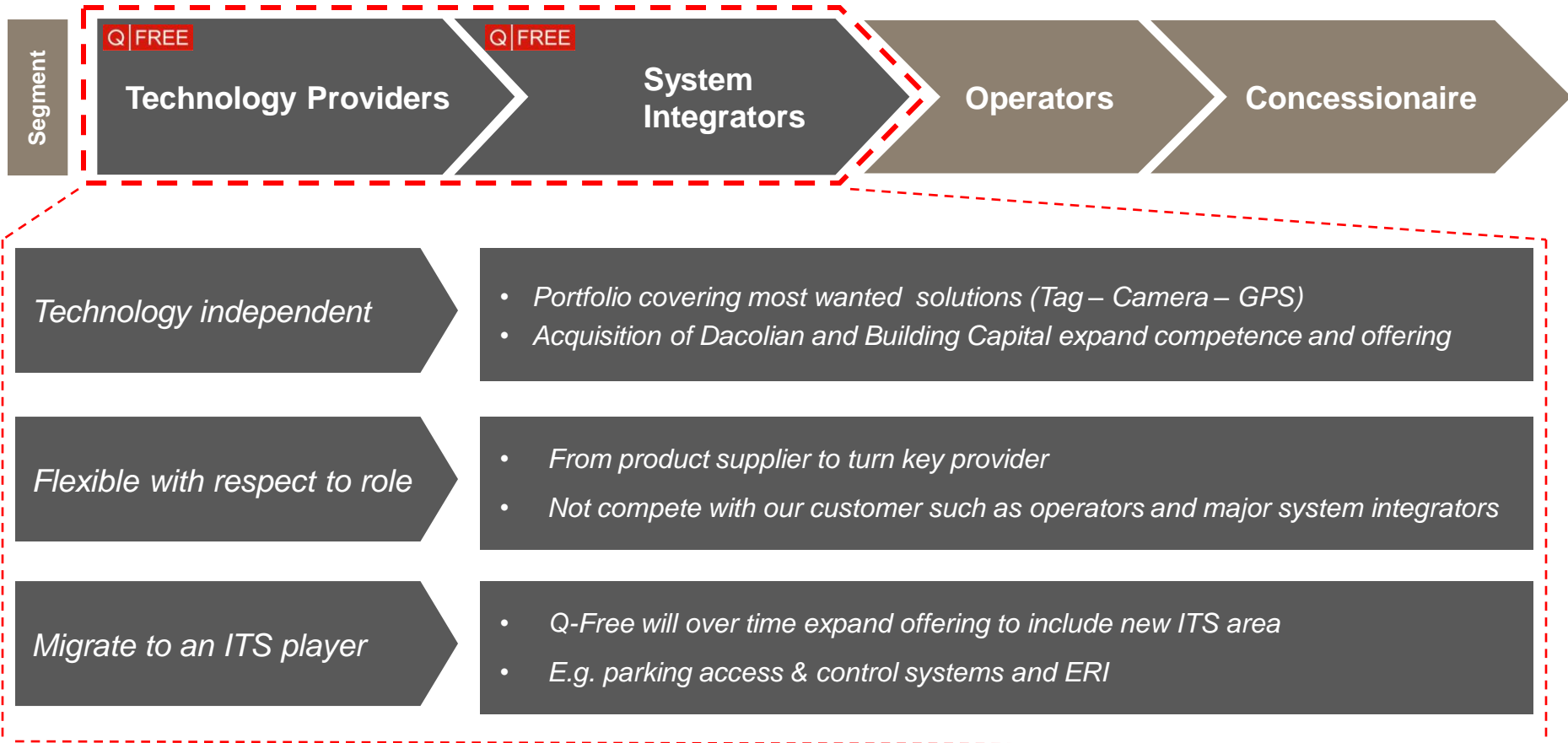
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Decide on offering strategy (portfolio)

- Avoid doing too many things at the same time to many places
- Avoid confusing customers (clear strategy)
- Establish recurring/underlying business

Vision and Strategic positioning

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



Q-Free's solution and product offering – Recurring business vs. projects

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 systems
- 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
- Over 11 million units supplied worldwide
- Recently released new OBU;
- Smallest on the market
- Longest battery lifetime
- Non intrusive appearance
- Fully secure transactions



Road side

- Recently released new single & multilane reader.
- 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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World Class Technology and Product Development

- Lack of defined goals always add development time and cost
- To high technology risk in a product development program always add time, cost and risk
- Technology and innovation programs should ideally be the basis for product development programs
- Processes for how to decide on new product development and/or change existing product portfolio need to be in place
 - Product /offering council on group level instead of ad-hoc decision some where in the organisation
- Measure time and progress on new development and time used on maintenance of existing products

Balancing short and long term



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Efficient Sales & Marketing

- To be close to clients early and often enough with the right skill sets
- This often implies that one need to establish offices (or partners) around the world
- The ideal sales person is very difficult to find – ideally it is a person understanding the product/technology and being a good relationship builder and deal closer
- Sell what we have for the right price

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World-class Manufacturing, Delivery & Support

- Coordination between sales & the delivery part of the organisation is crucial for customer satisfaction
- Local content
- Local support
- "Make/Buy"-strategy key to product cost and cost structure in the company

Summing up

- Clear and well thought through strategy and loyalty towards it
- Avoid ad hoc management
- Think globally and act locally
- Commitment and effort on all levels



Q-FREE Q&A
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