

FARA

FARA ASA

Presentation Q1, 2011

Jan P. Grimnes, Chairman
Ørjan Kirkefjord, CFO



Agenda



- Highlights
- Company development
- Sales & Market Update
- Business development
- FARA Outlook
- Financial Review
- Q&A

Highlights Q1 2011



(MNOK)	Q1 11	Q1 10	YTD 11	YTD 10
Revenue	22,4	34,5	22,4	34,5
EBITDA	-5,7	0,2	-5,7	0,2
Cash flow			-3,6	3,8
Net Order Inflow	26	23	26	23
Order Backlog	88	78	88	78

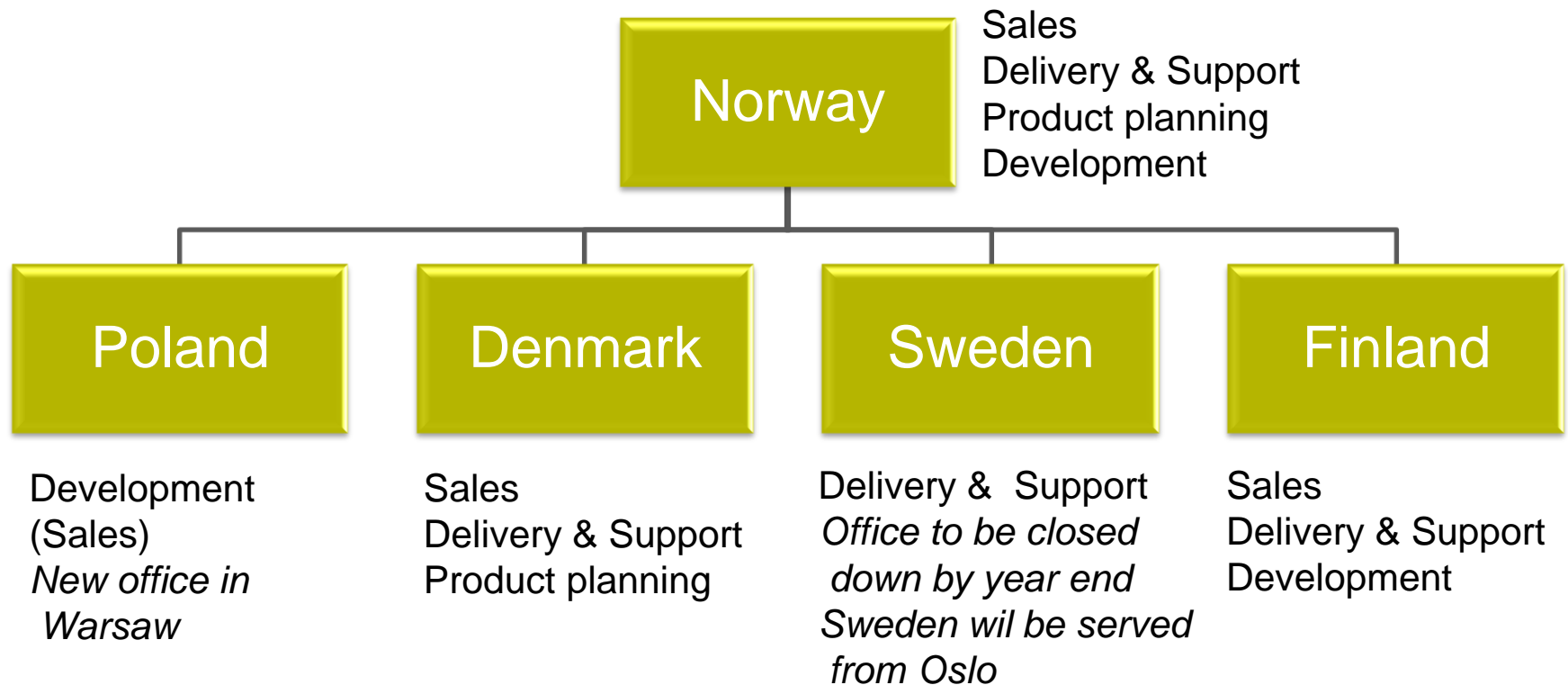
- Accumulated gross margin 80 % (73 %)
- Development and introduction of the new product portfolio is on track – finalized during first half year 2011

Company Development

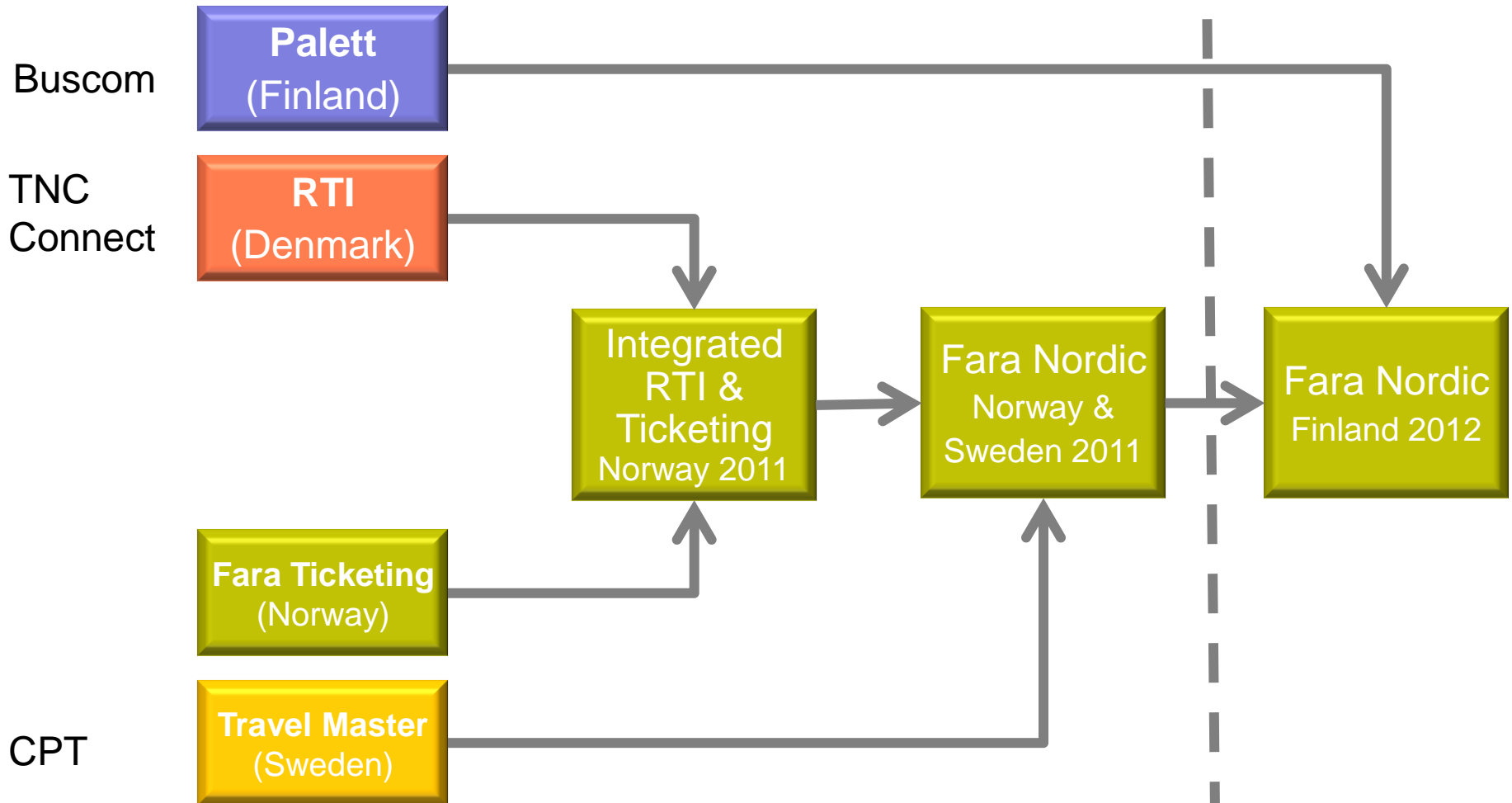
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Company Development

The FARA organization



Company Development Product Roadmap



- The Nordic ticketing solution
 - Fit for purpose in Sweden
 - Add-on products for all customers
- Working with our customers
 - Large demand for add-ons

- The projects of migrating Kalmar and Jämtland Läns have started
 - Kalmar Phase I in operation since fall of 2010
 - Kalmar Phase II due in the summer
 - Jämtland on-track

Company Development

Integrated Ticketing & RTI



- First pilots in operation
 - Oppland fylke since late 2010
 - More deployments to follow
 - Integrated platform ready 2011
- First phase RTI deployments
 - Norway
 - Denmark
 - Sweden

Sales & market update

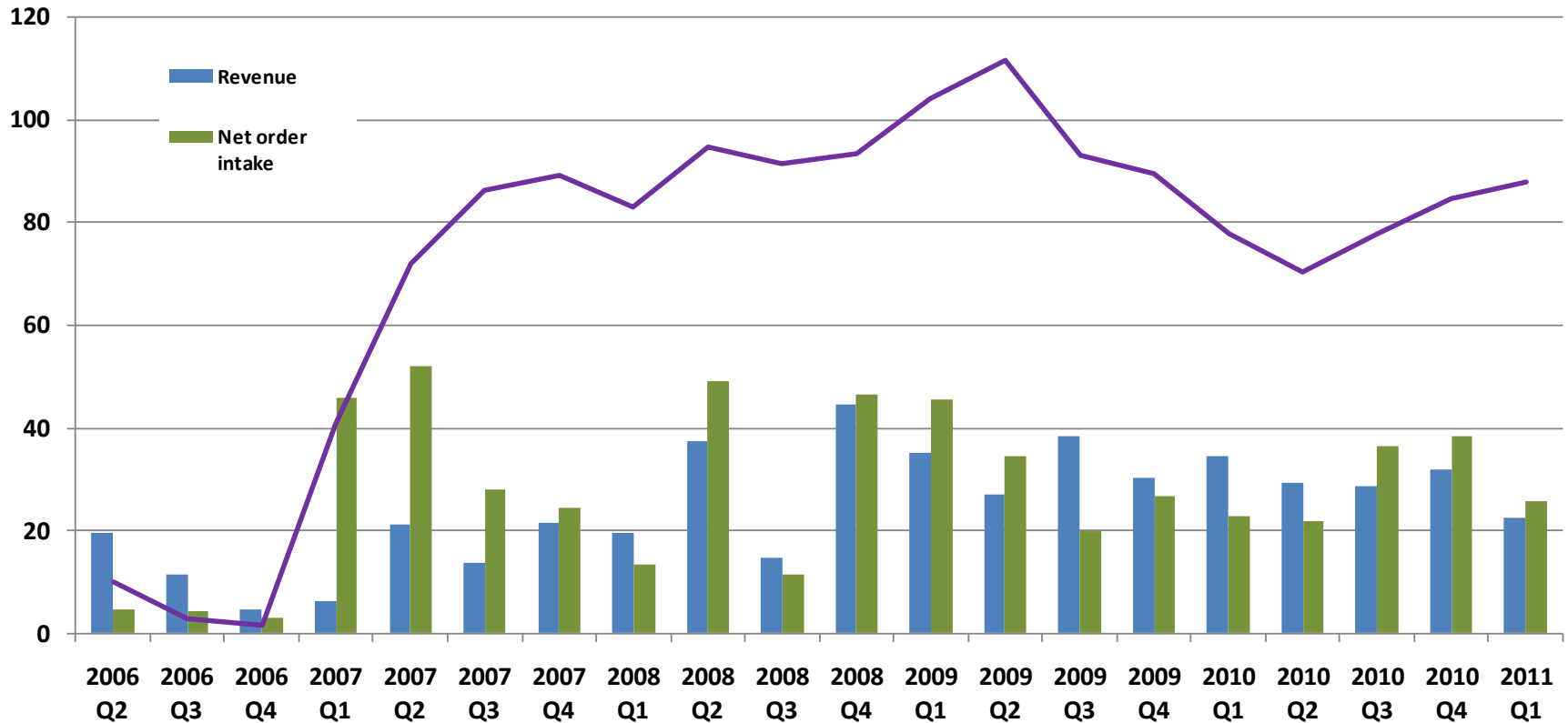
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ØRJAN KIRKEFJORD

- High level of marketing activity
 - Promoting our solution in key markets
- Good feedback
 - Our track record for delivery of new installation is very good
 - Interesting opportunities opening up
- Backlog increasing
 - New sales in home market
 - Add-on sales

- FARA strengthen the sales team exploiting new markets
- Competition increases outside our home market
- FARA “cash out of the bus” modules are appreciated in the market
- Helsinki will be decided upon in March 2012
- FARA increases its presence establishing FARA Polska

Sales & market update

Order inflow & backlog



Only the value of one year of all service & maintenance contracts is included in the order backlog. Most customers have signed up for multiple years service & maintenance.

Book Build (order intake/revenue); accumulated Q1 2011: 1,16
 accumulated Q4 2010: 1,16

Business Development

Business Development

Partnering up for growth



- Implementing our strategy
 - Direct sales of medium size projects
 - Partner sales of large implementations
 - Teaming up with partners in new markets

Business Development

Focus on quality of our solution



- Teaming up with technology providers
 - Hardware vendors
 - Other software vendors
 - IT-integrators
 - Support and service providers
- Focus on life cycle cost
 - Identifying high quality vendors of standard solutions
 - Industry solutions

Fara Outlook

2011

- FARA is engaged in several interesting sales processes
 - In the Nordic countries
 - Eastern Europe
- The investment program of consolidating the ticketing products and the integration of the RTI products are approaching finalization
- FARA is well positioned to grow in 2011

Financial Review

STATUS

Financial review



CFO Ørjan Kirkefjord

KNOK

Revenues

Sum operating expenses before depreciation

Profit after tax

Gross margin

Order backlog

Q1 2011	Q1 2010	YTD 2011	YTD 2010	31.12.2010
22 362	34 533	22 362	34 533	124 641
23 583	25 072	23 583	25 072	93 283
-8 180	-2 126	-8 180	-2 126	-8 659
80 %	73 %	80 %	73 %	76 %
88	78	88	78	84

Profit & loss statement



KNOK	Q1 2011	Q1 2010	YTD 2011	YTD 2010	31.12.2010
Revenues	22 362	34 533	22 362	34 533	124 641
Cost of goods sold (COGS)	4 453	9 218	4 453	9 218	30 406
Gross margin	17 909	25 315	17 909	25 315	94 235
Payroll expenses	13 827	14 683	13 827	14 683	52 159
Other operating expenses	9 755	10 389	9 755	10 389	41 124
Sum operating expenses before depreciation	23 583	25 072	23 583	25 072	93 283
Operating result before depreciation EBITDA	-5 674	244	-5 674	244	952
Depreciation	2 196	2 096	2 196	2 096	8 422
Operating result EBIT	-7 870	-1 853	-7 870	-1 853	-7 470
Net financial items	310	263	310	263	1 189
Pretax profit	-8 180	-2 116	-8 180	-2 116	-8 659
Tax	0	10	0	10	
Profit after tax	-8 180	-2 126	-8 180	-2 126	-8 659
Gross margin	80 %	73 %	80 %	73 %	76 %
EBITDA margin	-25 %	1 %	-25 %	1 %	1 %
EBIT margin	-35 %	-5 %	-35 %	-5 %	-6 %
Order inflow	26	23	26	23	119
Order backlog	88	78	88	78	84

Financial review

Balance sheet - assets



KNOK	31.03.2011	31.12.2010
<i>Capitalized development</i>	4 564	6 167
<i>Acquired R&D</i>	4 929	5 343
<i>Goodwill</i>	10 711	10 711
Intangible fixed assets	20 205	22 221
Machinery, fixtures, fittings	1 886	1 906
Fixed assets	1 886	1 906
Leasing	15	130
Financial fixed assets	15	130
Total fixed assets	22 106	24 257
Inventories	5 494	5 633
Accounts receivables	15 815	24 716
Work in progress	5 985	3 742
Other receivables	3 780	3 802
Receivables	25 580	32 260
Cash	0	0
Total current assets	31 074	37 893
Total assets	53 180	62 150

KNOK	31.03.2011	31.12.2010
<i>Subscribed share capital</i>	3 156	3 156
<i>Other paid in capital</i>	69 278	56 689
<i>Total paid in capital</i>	72 434	59 845
<i>Other equity</i>	-54 728	-34 268
<i>Total retained earnings</i>	-54 728	-34 268
Total equity	17 706	25 578
Pension provision	8	8
Total long term debt	8	8
Bank overdraft	11 590	7 834
Accounts payable	9 895	11 666
Public duties payable	3 006	4 354
Other short term liabilities	10 975	12 709
Total short term liabilities	35 466	36 565
Total liabilities	35 474	36 573
Total equity and liabilities	53 180	62 150

Financial review

Cash flow



KNOK	31.03.2011	31.03.2010	31.12.2010
<i>Net cash flow from operations</i>	-3 598	3 849	4 493
<i>Net cash flow from investments</i>	-158	-	-2 306
<i>Net cash flow from financing</i>	-	-15	-424
Net change in cash in the period	-3 756	3 835	1 762
<i>Cash opening balance</i>	-7 834	-9 596	-9 596
Cash closing balance	-11 590	-5 761	-7 834
<i>Guarantees</i>	-13 887	-5 262	-13 887
<i>Average revolving credit</i>	40 000	40 000	40 000
Total funds and revolving credit	14 523	28 977	18 279

Major shareholders



Beholdning	Andel	Navn
7 020 199	22,24	REDBACK AS
2 800 000	8,87	UBS (LUXEMBOURG) S.A ORDINARY ACCOUNT
2 578 426	8,17	SABARO INVESTMENTS L JOHN CASELY
1990 400	6,31	RAMS AS
1379 940	4,37	KLP AKSJE NORGE VPF
1308 850	4,15	KOMMUNAL LANDSPENSJO
1024 300	3,25	VPF NORDEA VEKST JPMORGAN EUROPE LTD,
848 000	2,69	MP PENSJON PK
744 600	2,36	WARRENWICKLUND NORGE
602 000	1,91	POLAR ELECTRO OT- PAL
600 000	1,9	DANSKE INVEST NORGE
510 400	1,62	TERRA NORGE VPF
476 740	1,51	VPF NORDEA SMB C/O JPMORGAN EUROPE
465 000	1,47	KIKUT AS ARNE NILSEN
400 000	1,27	HANDELSBANKEN MARKET MARKET- MAKING DERIVA
353 000	1,12	OLE JOHAN OLSEN INVE
350 000	1,11	LOGIKA AS
307 200	0,97	JPMBLSA NORDEA LUX LENDING A
245 105	0,78	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE
220 815	0,7	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE
24.224.975	76,77	



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Q&A