

FARA ASA REPORT

Q2 2009

HIGHLIGHTS

- FARA achieved an EBITDA in Q2 2009 of MNOK -3,5 (-3,3) in Q2 2009
- A order inflow of MNOK 34 in Q2 2009 (49,3)
- Order back log increased to MNOK 111 (104 in Q1 2009) + 6,7%
- Revenue was MNOK 27,0 (37,4) in Q2 2009
- Successfully raised MNOK 56,3 of new equity
- A number of major Norwegian funds subscribed

REVENUE

Revenue in Q2 2009 was MNOK 27,0 compared to MNOK 37,4 for the same period in 2008, a decrease of 27,8%. This is in general due to lower production in ongoing projects. The main reason for this is customers needing more time to prepare for the operation of the new ticketing solutions.

Order in-flow in Q2 2009 was MNOK 34 compared to 45,0 in Q1 2009 and 49,3 in Q2 2008.

OPERATING RESULT - EBITDA

EBITDA was minus MNOK 3,5 in Q2 2009 compared to minus MNOK 3,3 in Q2 2008.

Personnel costs have increased during first half year due to the acquisition of CPT Nordic AB in December 2008, and the strengthening of the sales and project delivery operations. The sales organisation is designed to support FARA's ambitious sales strategy.

BALANCE SHEET

Total assets 30.06.2009 increased by MNOK 1,9 compared to 31.12.2008.

Accounts receivable and work in progress decreased by MNOK 6,8 from Q1 2009 due to lower production during Q2 2009. FARA continues to focus on reducing, and increasing the efficiency of capital employed.

CASH FLOW AND FUNDS

Cash at hand was MNOK 22,4 compared to an overdraft of MNOK 21,1 ending Q1 2009 and MNOK 12,1 as of 31.12.2008. Total drawing facilities includes an additional MNOK 40,0 as of 30.06.2009.

FARA ASA has completed a successful issuance of a total of 56.635.000 new shares at NOK 1 per share. Reference is made to the stock exchange announcements dated 27 April, 14 May, 19 May, 28 May and 8 June 2009 regarding the commencement of the issuance consisting of 46.635.000 shares and the subsequent repair issue consisting of up to 10,000,000 new shares in FARA ASA (the "repair offering"). The number of shares outstanding in FARA ASA is increased from 101.172.573 to 157.807.573 shares, each with a nominal value of NOK 0.02.

The order back-log was MNOK 111 compared to 104 at Q1 2009 and 93,5 at 31.12.2008. New sales in Q2 2009 added up to MNOK 34 compared to 45 in Q1 2009 and 49,3 in Q2 2008.

For service & maintenance contracts, only the value of the first year is included in the order backlog.

OUTLOOK

FARA expects to increase market share in all main markets in the next couple of years.

Revenue throughout the year will vary but FARA expect to achieve a positive EBITDA for 2009. FARA had an order inflow of MNOK 34 in Q2, and the sales pipeline for the rest of 2009 looks very promising.

In the Nordic countries, Sweden and Finland are the most promising markets for 2009. Sweden will be the first country where FARA's new migrated ticketing solution will be implemented. The new ticketing solution is a combination of the existing solution developed in Norway and part of the solution developed in Sweden. The plan is to migrate all customers to this solution by the end of 2011.

31% of FARA's sales pipeline in 2009 is now in Central and Eastern Europe. Even though one should expect a lower hit

rate in bids in new markets, FARA expects to have some quite significant sales in this region over the coming 6-12 months. For now Poland is the most promising country for FARA in this region.

During the next 3-5 years FARA plans to establish itself as one of the major vendors in this region.

Infotainment (Real Time Passenger Information, commercials, news, weathercasts etc) is expected to be the fastest growing product segment for FARA. The market is growing quite rapidly and FARA aims to be among the dominant suppliers of this technology. By the 1st of July FARA had its new Infotainment business unit in place. As at 1st July approximately 15% of the sales pipeline for 2009 consists of Infotainment cases. It is expected that this proportion will grow and that within 2-4 years Infotainment will be as important for FARA as Ticketing currently is. There are already signed Infotainment contracts in Denmark, Finland and Germany.

In Germany the partnership with Trend Network will probably develop in a direction where the companies enter the markets in partnership, instead of FARA being a sub contractor to Trend. This will give FARA a more direct connection to the end customer.

The combination of a professional sales organisation and an effective delivery organization will ensure that FARA continues its organic growth in 2009.

DECLARATION FROM THE BOARD OF DIRECTORS;

We confirm that, to the best of our knowledge, the condensed set of financial statements for the accumulated Q2 of 2009 which has been prepared in accordance with IAS 34 Interim financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5 -6 fourth paragraph.

Oslo, July 9 2009

The Board of Directors in FARA ASA

For further information, please contact:

*Øivind Kirksæter, CEO, tel +47 977 07 990, ok@FARA.no
Ørjan Kirkefjord, CFO, tel +47 950 84 730, orjan.kirkefjord@FARA.no*

PROFIT AND LOSS STATEMENT

NOK 1.000	FARA GROUP Q2 2009	FARA GROUP Q2 2008	FARA GROUP YTD 2009	FARA GROUP YTD 2008	FARA GROUP 12/31/2008
Revenues	26 986	37 398	62 074	57 023	116 411
Cost of goods	11 997	21 468	23 365	27 408	49 038
Gross margin	55,5 %	42,6 %	62,4 %	51,9 %	57,9 %
Payroll expenses	10 948	8 393	25 503	19 511	45 923
Other operating expenses	7 511	10 879	16 072	21 565	41 019
Total operating expenses before depreciation	18 459	19 272	41 575	41 076	86 942
Operating result before depr. - EBITDA	(3 470)	(3 342)	(2 866)	(11 461)	(19 569)
Depreciation	1 474	2 255	4 069	4 433	8 914
Operating result - EBIT	(4 944)	(5 597)	(6 935)	(15 894)	(28 483)
Net financial items	238	483	448	-683	2 191
Pretax profit	(5 182)	(6 080)	(7 383)	(16 577)	(30 674)
Tax					
Profit after tax	(5 182)	(6 080)	(7 383)	(16 577)	(30 674)
All numbers are according to IFRS					
EBITDA margin	-18,5 %	-8,9 %	-7,1 %	-20,1 %	-16,8 %
EBIT margin	-24,0 %	-15,0 %	-13,6 %	-27,9 %	-24,5 %
EBT margin	-24,9 %	-16,3 %	-14,4 %	-26,7 %	-26,3 %

All figures are in accordance with IFRS. The company uses the same principles in reporting throughout the year as the financial statements at year end. The interim reports are in accordance with IAS 34. For YTD 2007, the subsidiaries are consolidated March through December in accordance with IFRS.

BALANCE SHEET ASSETS

NOK 1.000	FARA GROUP 6/30/2009	FARA GROUP 6/30/2008	FARA GROUP 12/31/2008
Capitalized development	13 341	19 687	16 465
Acquired R&D	7 827	9 483	8 655
Goodwill	10 711	10 711	10 711
Total intangible fixed assets	31 879	39 881	35 831
Machinery, fixtures and fittings	1 920	1 576	2 059
Total fixed assets	1 920	1 576	2 059
Leasing	155	63	49
Total financial fixed assets	155	63	49
Total fixed assets	33 954	41 520	37 939
Inventories	14 354	5 963	14 678
Total inventories	14 354	5 963	14 678
Accounts receivables	21 878	27 147	34 088
Work in progress	-	3 500	1 566
Other receivables	2 939	2 956	5 363
Total receivables	24 818	33 603	41 017
Cash	22 362	1 035	-
Total current assets	61 534	40 602	55 696
Total assets	95 488	82 122	93 635

All numbers are according to IFRS

BALANCE SHEET EQUITY AND DEBT

NOK 1.000	FARA GROUP 6/30/2009	FARA GROUP 6/30/2008	FARA GROUP 12/31/2008
Subscribed share capital	3 156	1 703	2 023
Other paid in capital	68 347	28 639	35 294
Total paid in capital	71 503	30 342	37 318
Other Equity	(5 851)	(12 121)	(20 641)
Total retained earnings	(5 851)	(12 121)	(20 641)
Total equity	65 651	18 221	16 676
Loans from financial institutions		779	503
Pension provision	8	8	8
Total long term debt	8	787	511
Bank overdraft		24 373	12 087
Other short term interest bearing debt			3 600
Accounts payable	1 586	21 923	17 335
Public duties payable	5 912	3 598	6 266
Other short term liabilities	22 329	13 220	37 158
Total short term liabilities	29 828	63 114	76 446
Total liabilities	29 836	63 901	76 959
Total equity and liabilities	95 491	82 122	93 635

All numbers according to IFRS

CASH FLOW STATEMENT

NOK 1.000	FARA GROUP 01.01-30.06.09	FARA GROUP 01.01-30.06.08
Net cash flow from operations	-19 616	-4 416
Net cash flow from investments	-290	-631
Net cash flow from financing	54 356	-16 033
Net change in cash in the period	34 450	-21 080
Cash opening balance 31.12.08	-12 087	-2 258
Cash closing balance	22 363	-23 338
Guarantees	-5 262	-13 684
Average revolving credit	40 000	40 000
Total funds and revolving credit	57 101	2 978

All numbers are according to IFRS

RECONCILIATION EQUITY

	FARA Group				Total
	Subscr. share cap	Share prem. res	Other paid in capital	Other equity	
1/1/2009	2 023	88 650	2 274	-76 271	16 676
Share issues/conversion of debt	1 133	53 223			54 356
Cost for share-based payment			216		216
Conversion difference				1 786	1 786
Profits				-7 383	-7 383
6/30/2009	3 156	141 873	2 490	-81 868	65 652

Summary of risk;

Readers of this quarterly report should carefully consider all of the information contained herein, which may affect some or all of the Company's activities, and which may make an investment in the Company one of high risk. This list is not exhaustive. Other risks not discussed may adversely affect the Company. The actual results of the Company could differ materially from those anticipated as a consequence of many factors, including the risks described below and elsewhere in this report. Investors should consider carefully each of the following risks and the other information contained in this report and make an independent evaluation before making an investment decision. The information herein is presented as of the date of this report, and is subject to change, completion or amendment without further notice;

Competition, technology and products

The Company's market is characterized by large players administering high-end technology products. The competition in the market is expected to increase, especially due to the deregulation of the public sector. It is critical that the Company's products and services are considered competitive with a view to implementation, price, services and performance. It is further important that the products continuously fulfill current market requirements. The Company's ability to meet the competition in the market and its skill in future strategic adaptation will have significant consequences for the Company's future development. The failure of the Company's ability to maintain a competitive product and services offering could have material adverse effect on the Company's business, operating results or financial condition.

Dependence on key personnel

The Company depends upon key individuals in the organization. If such key individuals were to leave the Company together, this could short term lead to negative consequences for the future development of the Company. The Company endeavours to increase staff loyalty through incentive schemes such as competitive wages and share option programs. The Company may not be able to retain key employees, or may need to pay higher compensation, which could adversely affect operating results.

Financing risks

The Company pursues a strategy of strong growth. The Company has invested significant amounts with regards to product development and

marketing. Additional investments may be required to pursue further growth and to respond to technological innovations and competition. There is no guarantee that the Company will be able to obtain additional funds on favourable terms or funds at all. Failure to obtain additional financing may adversely affect the Company's operations, financial condition, profitability and ability to maintain growth.

Market risks

Market risk refers to the risk of fluctuations in the factor and product markets. The product markets are tracked through monthly follow-up of the order backlog, as well as an overview of potential transactions. No specific strategies exist for follow-up of labour beyond day-to-day management practices. Although the Company expects the market for its products to grow for a long time, the future development of the market might look different. New systems or alternatives could be developed, and outpace FARA's product offering.

Macro economic fluctuations

FARA is exposed to the economic cycle, and changes in the general economic situation could affect demand for the Company's products and services.

Operational risk

Operational risk is the risk of loss resulting from inadequate technical or human processes in the company. This is managed through FARA's system for quality assurance and internal control. FARA is certified to ISO 9001:2000, and periodically undergoes external audits of its internal routines.

Control by major shareholder

Jan Pihl Grimnes controls through Redback AS 20,98% of the Shares in the Company. Accordingly, Mr. Grimnes has the ability to significantly influence the outcome of matters submitted for the vote of shareholders of the Company, including the election of members of the board of directors. Mr. Grimnes interest may also have an adverse impact on the liquidity of Shares in the Company.