

CASH FLOW STATEMENT

NOK 1.000	FARA GROUP 01.01-31.12.09	FARA GROUP 01.01-31.12.08
Net cash flow from operations	-49 137	-13 840
Net cash flow from investments	-741	-8 067
Net cash flow from financing	52 369	12 078
Net change in cash in the period	2 491	-9 829
Cash opening balance 31.12.08	-12 087	-2 258
Cash closing balance	-9 596	-12 087
Guarantees	-4 441	-4 262
Average revolving credit	40 000	40 000
Total funds and revolving credit	25 963	23 651

All numbers are according to IFRS

RECONCILIATION EQUITY

	FARA Group				Total
	Subscr. share cap	Share prem. res	Other paid in capital	Other equity	
01.01.2009	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			1 267		1 267
Conversion difference				1 612	1 612
Profits				-40 734	-40 734
31.12.2009	3 156	141 873	3 541	-115 392	33 178

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 through Redback AS, is a major owner and 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.

FARA ASA REPORT

Q4 2009

HIGHLIGHTS

- FARA revenue in Q4 2009 was MNOK 30,4 (44,6)
- Total revenue 2009 was MNOK 130 (116)
- EBITDA in Q4 2009 of MNOK -22,8 (+2,4)
- Postponed project deliveries
- Heavy investment in product development
- An order inflow of MNOK 27 (46,9)
- Order back log is MNOK 90 (94)
- New contract and additional orders both for ticketing and RTI/Infotainment
- Established a market making agreement with Orion

Figures in brackets are 2008 numbers

REVENUE

Revenue in Q4 2009 was MNOK 30,4 compared to MNOK 44,6 for the same period in 2008.

Order in-flow in Q4 2009 was MNOK 27 compared to MNOK 46,9 in Q4 2008.

OPERATING RESULT - EBITDA

EBITDA ended negative in Q4 2009, as announced 18.12.2009, with MNOK 22,8 compared to a positive result of MNOK 2,4 in Q4 2008.

Gross margin in Q4 2009 was affected by a relatively higher proportion of hardware deliveries in Q4 2009.

Gross margin year to date has increased from 57,9 % to 60,1 %. Personnel costs have increased due to the acquisition of CPT Nordic AB in December 2008.

FARA is investing in the development of a new product platform which integrates and extends all existing systems. These costs have been expensed in the operating result.

BALANCE SHEET

Total receivables and inventory have increased by MNOK 2,6 from 31.12.2008.

FARA continues to focus on reducing capital employed and increasing the efficiency of liquidity.

CASH FLOW AND FUNDS

Cash overdraft was MNOK 9,6 compared to an overdraft of MNOK 12,1 at the end of Q4 2008. Total drawing facilities totalled MNOK 40,0 at 31.12.2009.

The order back-log was MNOK 90 compared to 94 at Q4 2008. New sales in Q4 2009 added up to MNOK 27 compared to MNOK 46,9 in Q4 2008.

For Service & Maintenance contracts, only the value of the 12 months is included in the order backlog. Most customers have signed up for multiple years service & maintenance.

OUTLOOK

As announced on the 18 December FARA experienced delays in revenue in the last quarter of 2009. These delays were caused by late deliveries from sub suppliers of hardware, and by certain customers postponing implementation of new fare collection systems. This, in addition to low sales in the second half of 2009 resulted in a lower result for FARA than we had earlier predicted.

The reason for the low sales in the second half of 2009 was mainly due to the fact that there were almost no bids issued in the Nordics in the period. This situation is about to change, and the activity in the market is now much higher.

The disappointing result for Q4 also demonstrates that FARA is still very dependent on ongoing sales and projects due to the fact that we are a young company still building up recur-

ring revenue. The 12 months value of recurring is currently at about 40 NOK mill compared to MNOK 30 at year end 2008. This will continue to grow through 2010.

In 2009 FARA had an underlying profitable operation delivering, maintaining and supporting existing customers. If it was not for the fact that FARA was in a heavy investment phase, EBITDA would have been positive in 2009.

There are two main areas of investment undertaken in 2009 that are reflected in the result. FARA has built up a sales and delivery organization for RTI and Infotainment that was under development during 2009. This investment is expected to give positive results in 2010.

In addition FARA is investing heavily in a new Nordic Ticketing system replacing the 4 existing systems. This development will result in lower maintenance cost, but also in new products and functionality that will be sold to existing customers. This investment is being undertaken to fulfil the Kalmar project that is due to be finalized by the end of 2010. Both the Kalmar project and sales of the new functionality will result in a positive cash flow during 2010. The migration of customer to the new platform and introduction of new functionality will start in 2010 and continue through 2011.

The largest sales case known to be due for tender in 2010 is Helsinki.

DECLARATION FROM THE BOARD OF DIRECTORS;

We confirm that, to the best of our knowledge, the condensed set of financial statements for the accumulated Q4 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, 15 February 2010
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 Q4 2009	FARA GROUP Q4 2008	FARA GROUP YTD 2009	FARA GROUP YTD 2008	FARA GROUP 31.12.2008
Revenues	30 369	44 571	130 777	116 411	116 411
Cost of goods	12 755	15 859	52 172	49 038	49 038
Gross margin	58,0 %	64,4 %	60,1 %	57,9 %	57,9 %
Payroll expenses	19 803	15 889	59 950	45 923	45 923
Other operating expenses	20 659	10 448	50 782	41 019	41 019
Total operating expenses before depreciation	40 462	26 337	110 733	86 942	86 942
Operating result before depr. - EBITDA	(22 848)	2 375	(32 128)	(19 569)	(19 569)
Depreciation	2 173	2 275	8 312	8 914	8 914
Operating result - EBIT	(25 021)	100	(40 440)	(28 483)	(28 483)
Net financial items	-997	1 076	299	2 191	2 191
Pretax profit	(24 024)	(975)	(40 739)	(30 674)	(30 674)
Tax	-27		4		
Profit after tax	(23 997)	(975)	(40 734)	(30 674)	(30 674)
All numbers are according to IFRS					
EBITDA margin	-75,2 %	5,3 %	-24,6 %	-16,8 %	-16,8 %
EBIT margin	-82,4 %	0,2 %	-30,9 %	-24,5 %	-24,5 %
EBT margin	-79,1 %	-2,2 %	-31,2 %	-26,3 %	-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.

BALANCE SHEET ASSETS

NOK 1.000	FARA GROUP 31.12.2009	FARA GROUP 31.12.2008
Capitalized development	10 262	16 465
Acquired R&D	6 999	8 655
Goodwill	10 711	10 711
Total intangible fixed assets	27 972	35 831
Machinery, fixtures and fittings	2 268	2 059
Total fixed assets	2 268	2 059
Leasing	73	49
Total financial fixed assets	73	49
Total fixed assets	30 314	37 939
Inventories	8 079	14 678
Total inventories	8 079	14 678
Accounts receivable	30 749	34 088
Work in progress	14 260	1 566
Other receivables	5 229	5 363
Total receivables	50 238	41 017
Cash	-	-
Total current assets	58 317	55 696
Total assets	88 630	93 635

All numbers are according to IFRS

BALANCE SHEET EQUITY AND DEBT

NOK 1.000	FARA GROUP 31.12.2009	FARA GROUP 31.12.2008
Subscribed share capital	3 156	2 023
Other paid in capital	67 508	35 294
Total paid in capital	70 664	37 318
Other Equity	(37 486)	(20 641)
Total retained earnings	(37 486)	(20 641)
Total equity	33 178	16 676
Loans from financial institutions	424	503
Pension provision	8	8
Total long term debt	432	511
Bank overdraft	9 596	12 087
Other short term debt	3 600	3 600
Accounts payable	11 709	17 335
Public duties payable	4 092	6 266
Other short term liabilities	26 022	37 158
Total short term liabilities	55 019	76 446
Total liabilities	55 452	76 959
Total equity and liabilities	88 630	93 635

All numbers according to IFRS