



Agendum See Design



INTERIM FINANCIAL REPORTING 3RD QUARTER 2008

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SIMRAD OPTRONICS ASA
3RD QUARTER 2008

- 84% growth in revenues in Q308 compared to Q307.
- 155% growth in EBITDA in Q308 compared to Q307.
- SOASA continued reducing delays in deliveries in Q3.
- Strong order backlog of MNOK 707, down 1% from Q208, compared to all time high in Q208.

- SOASA maintains the guiding from Q108 in expect-ing revenue of approximately MNOK 550 in 2008, with expected EBITDA between MNOK 70 and MNOK 80, most likely in the lower end of the interval.

Operational progress

The main operational task in Q3 was to continue reducing the delay in deliveries reported in Q1 and to establish new sales channels in one or two regions this year. In October 2008, Simrad Optronics ASA has established Vingtech Australia Pty Ltd, a joint venture in Australia. This company will strengthen sales efforts in Australia and New Zealand. Simrad Optronics group will be able to offer better service for our customers in this region by providing training, maintenance and repair & overhaul locally, services that are important to the end customers.

Vingtech Corp. had an operational progress also in Q308 and continued to deliver a satisfying result. The company had a revenue of MNOK 30.4 in Q308 and EBITDA of MNOK 3.8 in Q308.

Product group developments in Q3:

- **RWS**
 - Still increasing demand.
 - The Protector RWS is sold to 14 countries.
 - We have finalized building up our assembly capacity.
 - Further development of supplier chain.
- **Electro Optics**
 - On time with development of laser target designator for FOI.
 - Received two small contracts for Vingmate.
 - Delivered part II of contract trainer and received new contract with USA army.
 - Night vision assembly runs at maximum capacity.
- **Weapon Improvement Systems**
 - Steady, but still slow order intake.
 - We expect increase of orders.

- **Vehicle Systems**
 - On time with development contract for one missile launcher for SAAB.
 - Focus on tenders and a lot of vehicle programs.

Financial position

Total revenues in Q308 were MNOK 132.6, an 84 % increase from Q307.

Simrad Optronics still expects growth in revenue in 2008 compared to 2007 from MNOK 471 to MNOK 550.

Simrad Optronics experienced a steady order flow in the third quarter, which resulted in a strong order backlog of MNOK 707, down 1% from Q208, compared to all time high in Q208.

Simrad Optronics reports an EBITDA of MNOK 15.8 for the third quarter, up from reported MNOK 6.2 in last year's third quarter. Expected EBITDA for the year 2008 between MNOK 70 and MNOK 80, most likely in the lower end of the interval.

EBT for the third quarter was MNOK 8.6, up from reported MNOK -7.5 in the same period last year.

Outlook / Going forward

Demand for defense goods is driven mainly by overseas threats and domestic politics. Norwegian defense budget for 2009 is larger than 2008, but material investments are slightly reduced. However, large material programs for armed vehicles and artillery will be put forward to the Norwegian parliament in the Spring of 2009. The US military budget for 2009 is larger than 2008 and The U.S. military wants an increase of \$57 billion in fiscal 2010, about 13.5 growth from 2009. Norwegian purchase of fighter planes is another important event. SOASA has signed an industrial cooperation agreement with SAAB AB to establish a joint venture com-pany provided the Norwegian Ministry of Defense decides to purchase Gripen Aircraft. SOASA will own more than 50% of the shares in that company. SAAB and SOASA have identified possible programs for the first 10 years to more than seven billion NOK.

The growth in 2008 is financed through existing credit facilities, and the tight cash flow will improve significantly during Q4.

The market potential for all four business areas is still strong and SOASA expects a further growth in 2009.

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Figures in NOK 1,000

	Periodic			Year-to-date				
	Q308	Q307	Q307	Q308	Q307	Q307	31.12.07	31.12.07
Profit and Loss	Actual	Proforma ¹⁾	Reported	Actual	Proforma ¹⁾	Reported	Proforma ¹⁾	Reported
Operating income	132 642	71 875	68 548	385 828	341 356	333 864	471 159	458 386
Operating expenses	116 855	65 690	65 456	352 155	288 131	285 767	403 636	396 320
EBITDA	15 787	6 185	3 092	33 673	53 225	48 097	67 523	62 066
Depreciation	3 622	2 959	2 902	9 708	8 443	8 335	11 289	11 125
Amortization of Excess Values	6 552	7 275	8 875	19 656	21 825	26 625	29 100	29 100
EBIT	5 613	-4 049	-8 685	4 309	22 957	13 137	27 134	21 841
Net financial items	3 009	-3 411	-3 453	-9 101	-9 237	-9 363	-14 279	-14 446
EBT	8 622	-7 460	-12 138	-4 792	13 720	3 774	12 855	7 395
Tax on ordinary profit	1 923	-4 632	-4 566	-322	0	0	-6 926	-7 057
Profit after taxes	6 699	-2 828	-7 572	-4 470	13 720	3 774	19 780	14 452

Balance Sheet

Intangible fixed assets	304 602	328 271	319 375	320 584	318 088
Tangible fixed assets	38 521	26 758	26 502	36 176	35 920
Financial fixed assets	1 973	2 073	2 073	1 973	1 973
Total fixed assets	345 096	357 102	347 950	358 733	355 981
Inventories	121 691	81 239	81 239	87 808	87 808
Accounts receivable	123 468	56 389	55 137	88 247	86 995
Other receivables	28 005	44 899	44 580	29 371	29 052
Cash and cash equivalents	1 562	5 442	985	2 035	2 035
Total current assets	274 726	187 969	181 941	207 461	205 890
Total assets	619 822	545 071	529 891	566 194	561 871
Shareholders' equity	232 206	237 257	225 529	242 760	237 432
Long term bank borrowing	103 000	133 000	105 000	133 000	133 000
Other long term liabilities	61 054	69 503	69 543	61 362	61 402
Total long term liabilities	164 054	202 503	174 543	194 362	194 402
Bank overdraft	50 547	0	0	21 579	26 036
Accounts payables	88 237	36 323	35 753	64 099	63 529
Other short-term liabilities	84 778	68 988	94 066	43 394	40 472
Total short-term liabilities	223 562	105 311	129 819	129 072	130 037
Total liabilities and shareholders' equity	619 822	545 071	529 891	566 194	561 871

Cash Flow Statement

Cash flow from operating activities	2 700	-42 935	-97 392	-26 118	-24 413
Cash flow from investing activities	-18 479	-120 008	-20 008	-139 515	-136 763
Cash flow from financing activities	15 306	164 939	114 939	164 222	159 765
Net change in cash and cash equivalents	-473	1 996	-2 461	-1 411	-1 411
Cash and cash equivalents at the beginning of period	2 035	3 446	3 446	3 446	3 446
Cash and cash equivalents at the end of period	1 562	5 442	985	2 035	2 035


Equity Reconciliation


Equity at the beginning of period	237 432	18 049	18 049	18 049	18 049
Discontinued operation ²⁾	0	-13 101	-13 099	-13 101	-13 101
Equity issue expenses, net of tax	0	0	0	-1 606	-1 606
Paid in share capital and/or dividends paid	0	218 924	216 690	218 924	218 924
Share purchase for employees, imputed salary	0	260	260	260	260
Net income for the period	-4 470	13 720	3 774	19 780	14 452
Effect of change in exchange rates	-756	-595	-145	454	454
Equity at the end of period	232 206	237 257	225 529	242 760	237 432


This report is prepared according to IAS34 applying the same principles as the annual report of 2007


1) In proforma figures Nauteknik Defence and Security AS is included. Simrad Optronics Ltd (liquidated in 2007) and Vinghøg Obsima AS (sold in 2007) are excluded. Proforma figures Q107 are also adjusted for change in amortization of excess values revised in Q407, ref. Q407 report.
2) Fire & Gas division discontinued operation part of Simrad Optronics in 2006 and de-merged from January 1st 2007.


Oslo, August 22, 2008
The Board of Simrad Optronics ASA



Ove Gusevik
Chairman of the Board

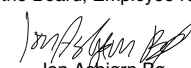

Ingvald Myhre
Member of the Board


Lisa Cooper
Member of the Board


Terje Eidsmo
Vice Chairman of the Board


Helle Rønningen
Member of the Board, Employee representative


Stig Landrø
Member of the Board, Employee representative


Jon Asbjørn Bø
President and CEO