

Simrad Optronics ASA

3rd Quarter 2009 Presentation

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President & CEO

October 29th 2009

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- **Highlights and Financial Results**

- Operations and Events in Q3

- Going Forward /
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Q3 Highlights

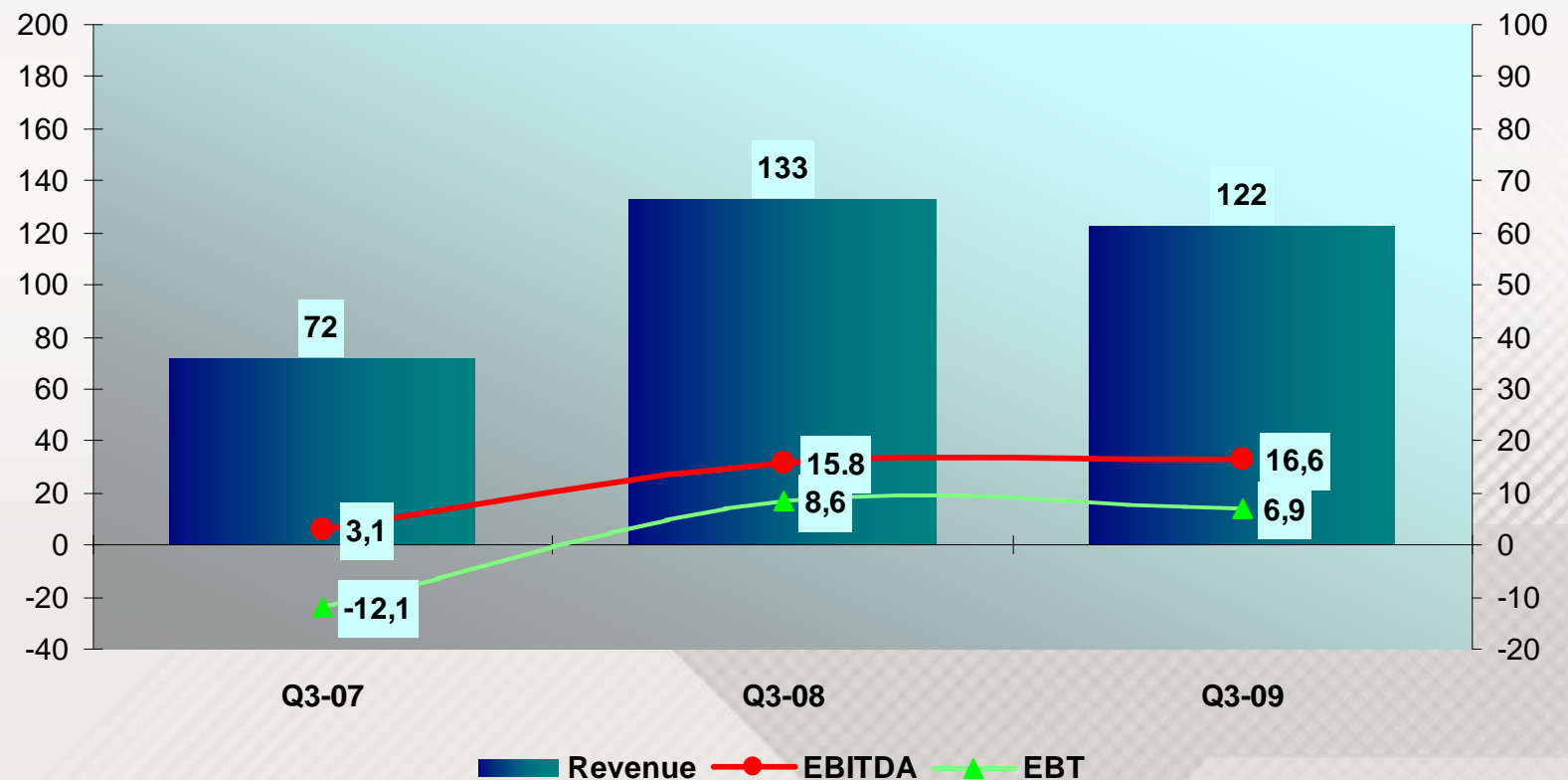
- Order backlog up 9.6 % to MNOK 630.0
- Available cash (incl. undrawn credit facilities) up 30.0 % to MNOK 47.8
- Simrad Optronics ASA expects increase in revenues in 2009 compared with 2008

Q3 Highlights

- Q3-2009 revenues of MNOK 122.4, down from MNOK 132.6 in Q3-08
- Q3-09 EBITDA of MNOK 16.6, up from MNOK 15.8 in Q3-08
- Q3-09 EBT of MNOK 6.9, down from MNOK 8.6 in Q3-08
- YTD Q3-09 revenues of MNOK 437.2, up from MNOK 385.8 in 2008
- YTD Q3-09 EBITDA of MNOK 46.0, up from MNOK 33.7 in 2008
- YTD Q3-09 EBT MNOK 19.1, up from MNOK -4.8 in 2008

Q3 Financial Results

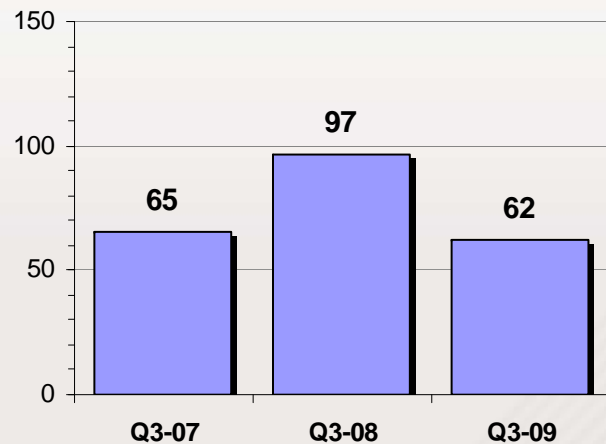
Figures in NOK 1 000	Q3-08	Q3-09
Operating income	132 642	122 363
EBITDA	15 787	16 636
EBIT	5 614	6 935
EBT	8 623	6 860
EBITDA margin	12 %	14 %



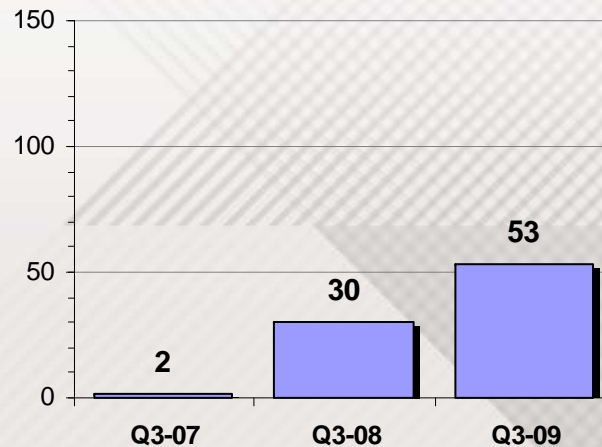
Q3 Operating Income per segment

<i>Figures in NOK 1 000</i>	Q3-07	Q3-08	Q3-09
Operations Norway, total revenue	65 437	114 847	99 546
Internal revenue	-347	-18 282	-37 261
Operations Norway, external revenue	65 090	96 565	62 285
Operations US	1 822	30 438	53 258
Operations other	4 963	5 639	6 820
Eliminations	0	0	0
Total operating income	71 875	132 642	122 363

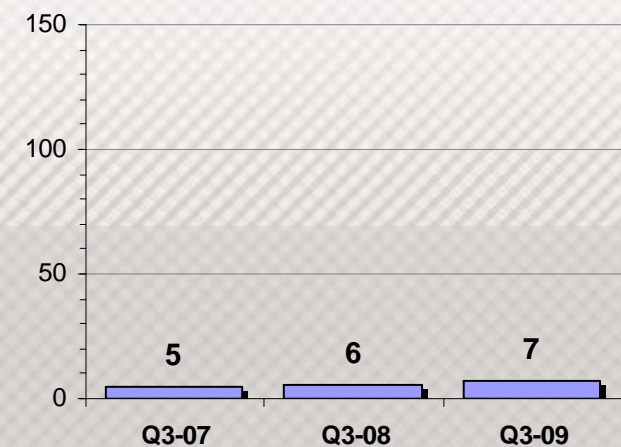
Operations Norway



Operations US



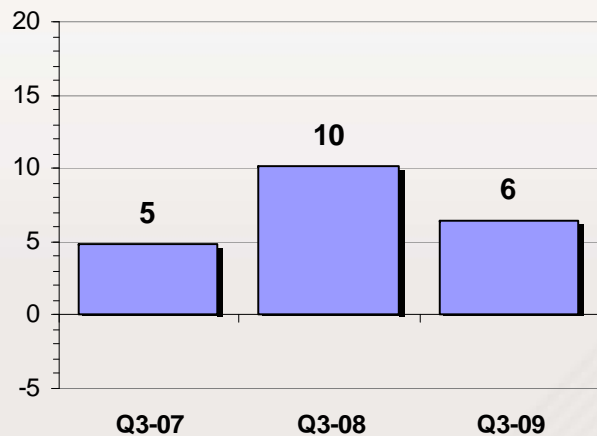
Operations other



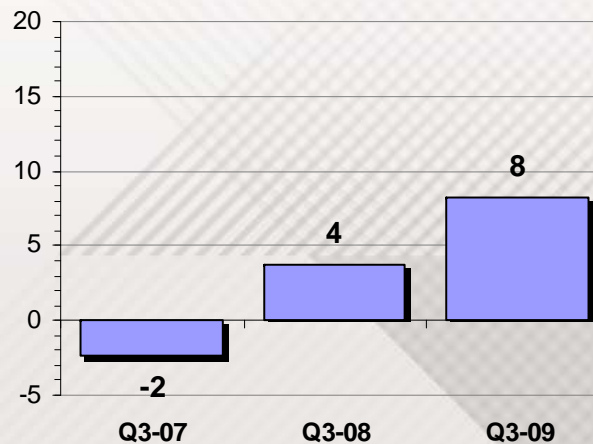
Q3 EBITDA per segment

<i>Figures in NOK 1 000</i>	Q3-07	Q3-08	Q3-09
Operations Norway	4 835	10 144	6 460
Operations US	-2 296	3 795	8 254
Operations other	1 931	1 782	2 297
Eliminations	1 715	67	-375
Total EBITDA	6 185	15 788	16 636

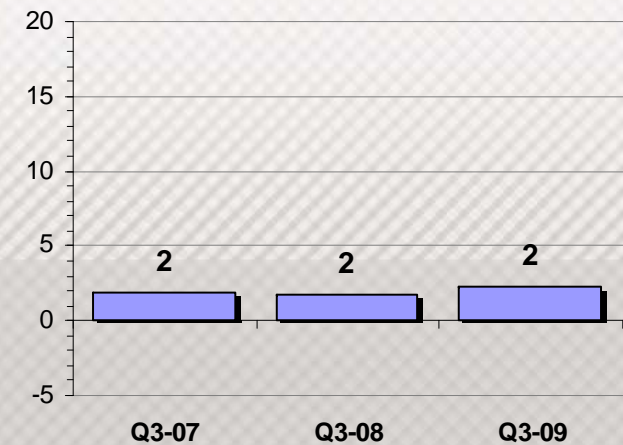
Operations Norway



Operations US



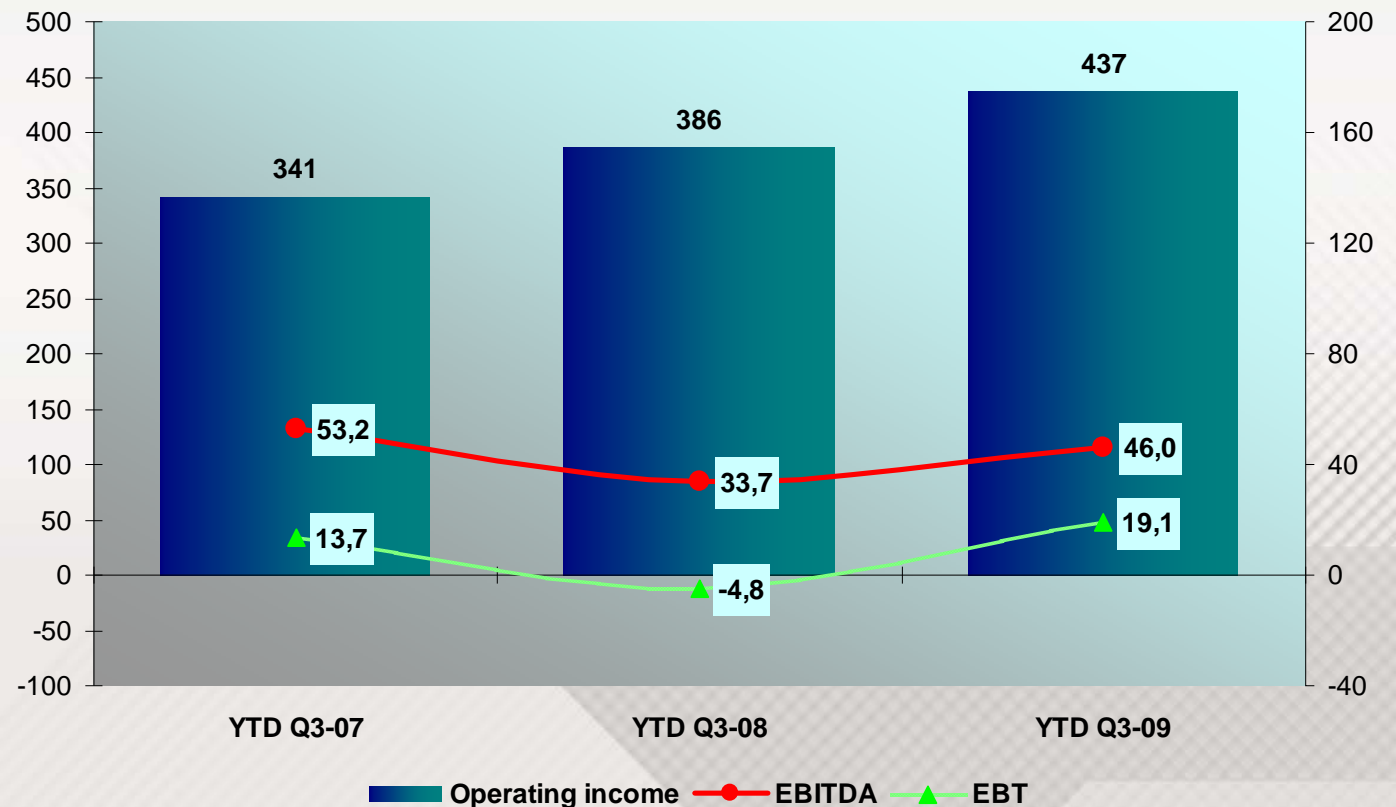
Operations other



YTD Q3 Financial Results

Figures in NOK 1 000

	YTD Q3-08	YTD Q3-09
Operating income	385 828	437 173
EBITDA	33 674	46 043
EBIT	4 309	16 874
EBT	-4 792	19 146
EBITDA margin	9 %	11 %

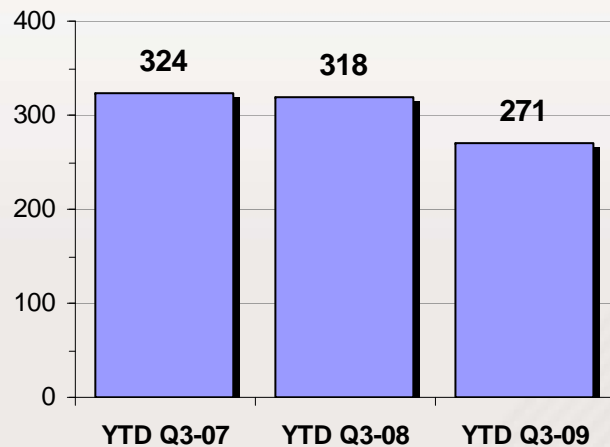


YTD Q3 Operating Income per segment

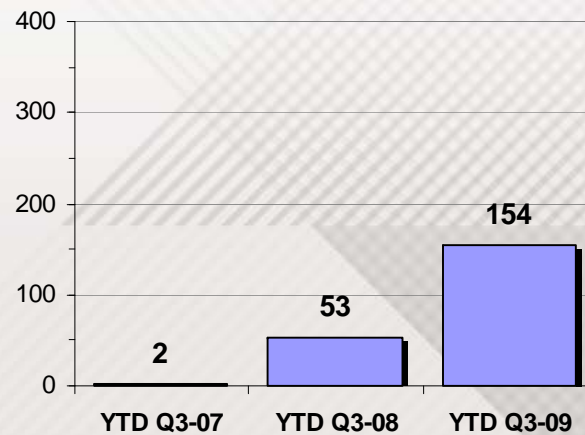
Figures in NOK 1 000

	YTD Q3-07	YTD Q3-08	YTD Q3-09
Operations Norway, total revenue	326 645	364 167	370 832
Internal revenue	-3 056	-45 728	-99 753
Operations Norway, external revenue	323 589	318 439	271 079
Operations US	1 822	53 466	153 586
Operations other	15 945	13 923	12 508
Eliminations	0	0	0
Total operating income	341 356	385 828	437 173

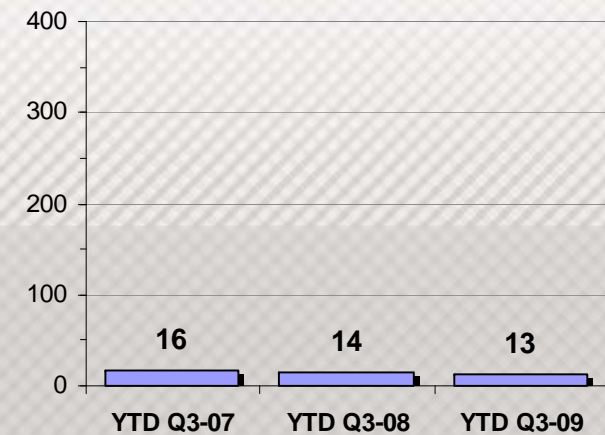
Operations Norway



Operations US



Operations other

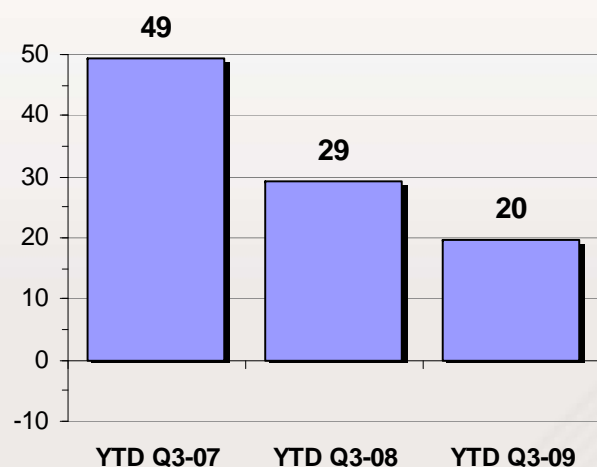


YTD Q3 EBITDA per segment

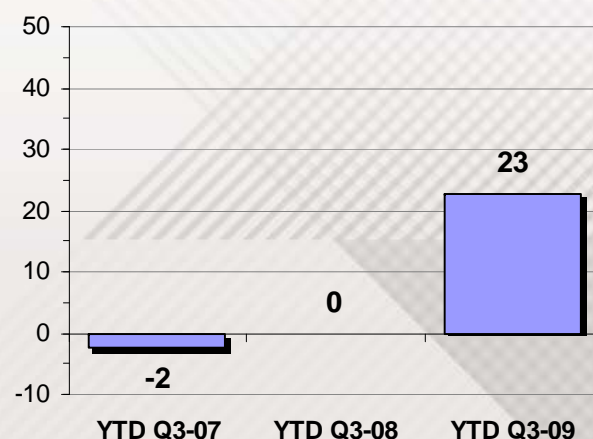
Figures in NOK 1 000

	YTD Q3-07	YTD Q3-08	YTD Q3-09
Operations Norway	49 408	29 251	19 602
Operations US	-2 296	-285	22 802
Operations other	6 113	4 709	4 028
Eliminations	0	-1	-389
Total EBITDA	53 225	33 674	46 043

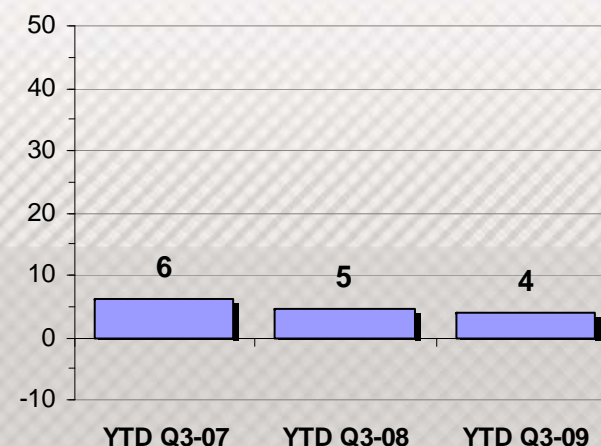
Operations Norway



Operations US



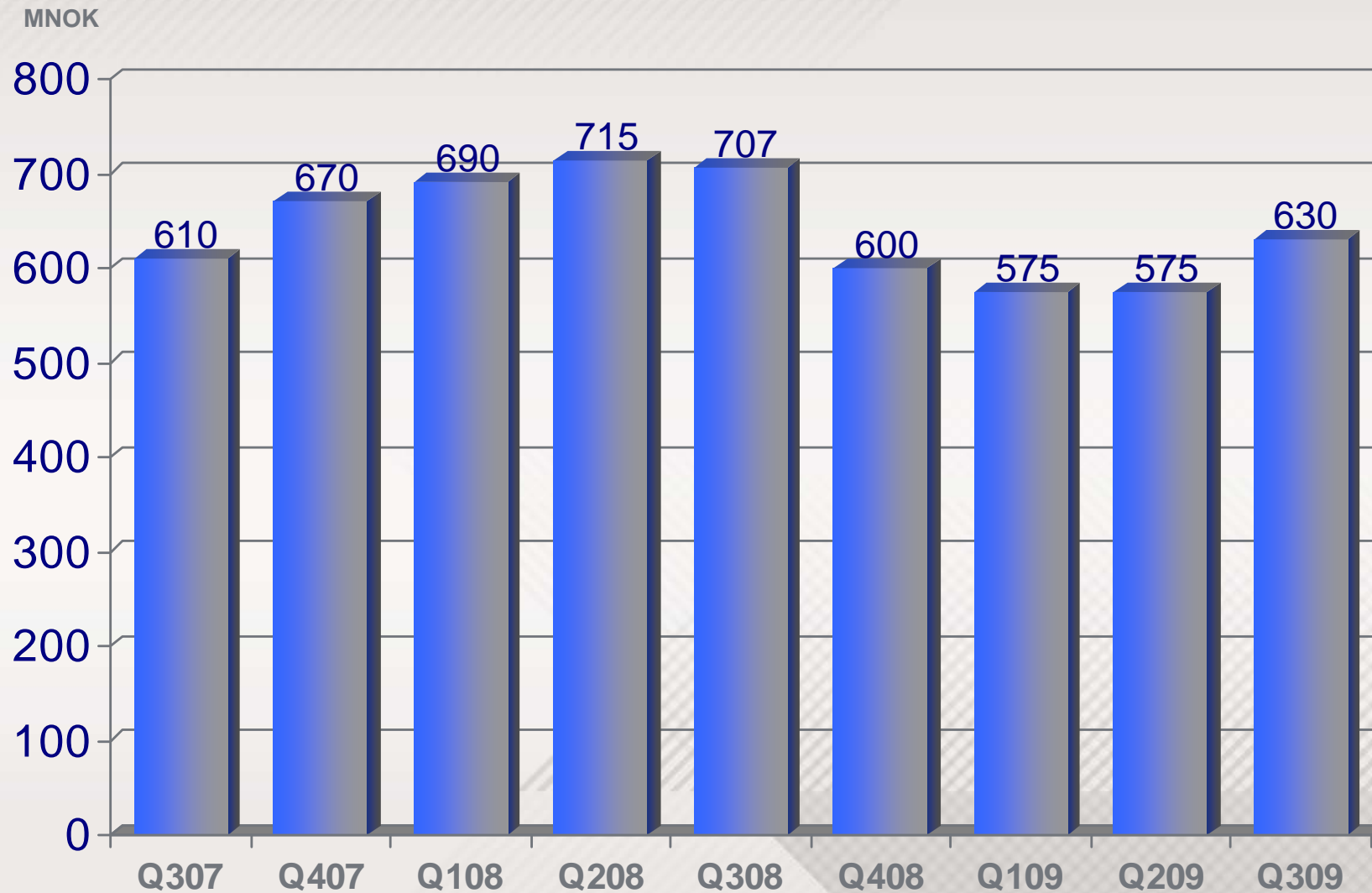
Operations other



Balance Sheet

<i>Amounts in 1 000 NOK</i>	30.09.09 Unaudited	31.12.08 Audited	30.09.08 Unaudited
Fixed assets	310 021	341 949	345 096
Inventories	111 094	133 702	121 691
Accounts receivable	86 835	124 914	123 468
Other receivables	11 478	14 328	28 005
Cash	10 871	1 908	1 562
Total assets	530 299	616 801	619 822
Equity	263 859	244 298	232 206
Long term borrowing	59 000	89 000	103 000
Other long term liabilities	61 049	60 168	61 054
Bank overdraft	33 110	35 237	50 547
Accounts payables	40 710	79 599	88 237
Other short-term liabilities	72 571	108 499	84 778
Total equity and liabilities	530 299	616 801	619 822

Order Backlog

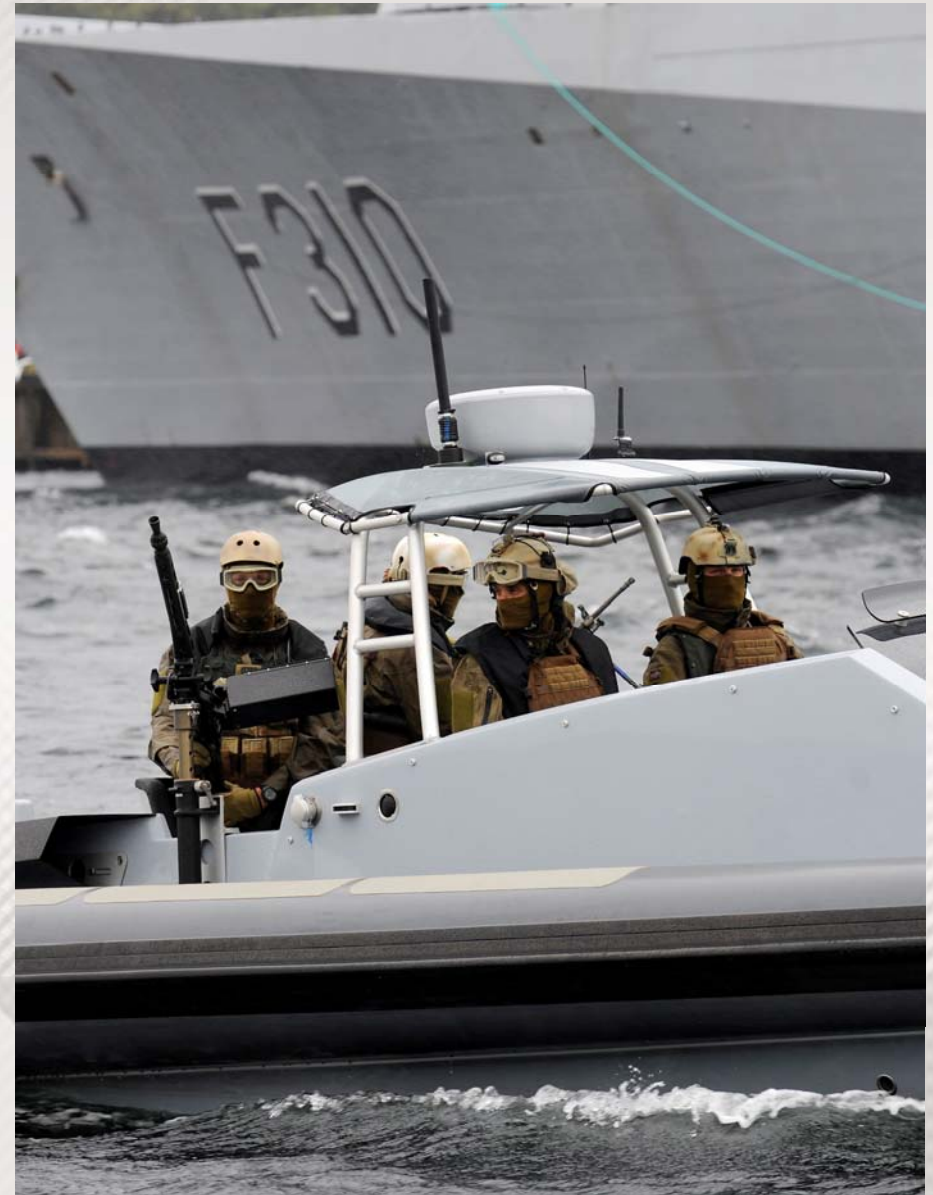


Financial Position

- In compliance with bank covenants
- Improved cash position
 - Available cash MNOK 47.8, up MNOK 11.0 in Q3-09 and up MNOK 31.1 YTD Q3-09.
 - Long term loan MNOK 103.0. A down payment of MNOK 10.0 done in Q3, and MNOK 44.0 in the next 12 months.
- Currency and interest forward contracts secures future cash flows
 - MNOK 13.2 recognized in P&L YTD Q3-09 as gain on financial instruments.

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Product Developments in Q3

RWS

- Teamed up with the world leading supplier of RWS, Kongsberg Protech Systems.
- Increasing demand, strong order intake.
- US budget increase for RWS in 2010.
- Increased turnover for after sales repairs and overhauls.
- Focus on further product development and enhancing the supply chain.



Electro Optics

- Slightly delayed with development of the laser target designator for FOI.
- Received grants from Innovation Norway as well as other partners for funding of new product development. Start up in Q4-09.

Product Developments in Q3

Weapon Improvement

- Frame agreement signed for Weapon Improvement products with The Norwegian Armed Forces, and first order already delivered.
- Development program for new products started. Industrial partners in place. Received additional funding from Innovation Norway.
- New Combi Softmount HK GMG/M2 ready for launching in Q4-09.



Vehicle Systems

- Important Vingpos contract signed with The Swedish Armed Forces in Q2-09 for their mortar systems. One more country is expected to join before year end.
- Positive market outlook for Vingtaqs, some minor development contracts already received. Some contracts expected in 2010, but substantial growth not until a few years ahead.

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2009 Priorities

- **Further growth in revenue – maintain margins**
 - Achieved growth in year-to-date revenues, and expect growth for the whole year compared to 2008.
 - Year-to-date margins above YTD Q3-08 margins. FY09 margins expected to end up on level with FY08.
- **Strong focus on Working Capital items, improve financial position through cash from operating activities**
 - Working Capital reduced with MNOK 29.8 in Q3-09 and MNOK 21.8 YTD Q3-09.
 - Available cash increased with MNOK 11.0 in Q3-09 and MNOK 47.8 YTD Q3-09.
- **Further development of our subsidiaries abroad**
 - Vingtech US is now responsible for the Group's RWS deliveries.
- **Strong focus on product development**
 - Development programs are ongoing in all four business areas.
 - Achieved external funding for selected development programs.

Outlook

- Focus on productivity, capacity and efficiency, in addition to working capital, and an improved cash position, has brought Simrad Optronics ASA in line with its goals and priorities for 2009.
- For the whole year 2009 Simrad Optronics ASA expects a slightly increase in revenues compared to 2008. The growth in revenues is expected to continue during next year, making year 2010 the sixth consecutive year with growth in (proforma) revenues.
- Simrad Optronics ASA still expects quarterly fluctuations in revenues going forward. With the order backlog and the newly initiated development programs, combined with further cost reductions programs, the Group has a strong platform for further growth in the years to come.

We welcome any questions

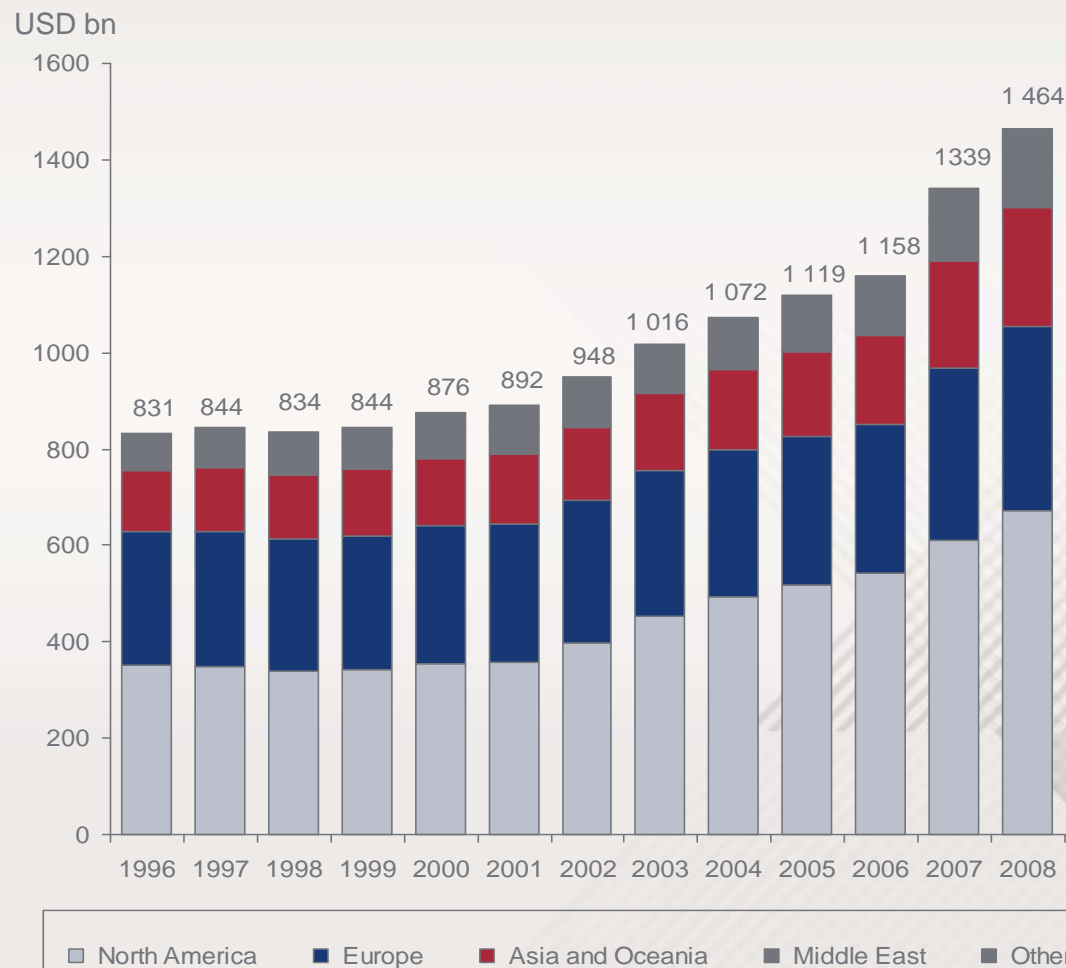
Welcome Back:

4th Quarter Results Presentation
February 23rd, 2010 at 10:00 am
at Felix Conference Center, Oslo

Appendix

Market trends favours suppliers of advanced military equipment

Global military expenditure 1996-2008



- Global military market is increasing due to war on terror and new conflict areas, as well as from increased spending in emerging countries
- “Urban warfare” and focus on minimizing casualties increase the demand for highly sophisticated weapon systems and technology
- Increasing use of re-purchase agreements between countries related to military purchases
- Increased use of partnerships with suppliers (CLS)

World Military Expenditure

World military expenditure in 2008 is estimated to have reached \$1 464 billion in current US dollars. This represents increases in real terms of 4.0 % between 2007 and 2008 and 45.0 % between 1999 and 2008.

The top 10 military spenders in 2008

Country	Total military spending (US\$ b.)	World share (%)
USA	607.0	41.5
China	84.9 *	5.8
France	65.7	4.5
UK	65.3	4.5
Russia	58.6 *	4.0
Germany	46.8	3.2
Japan	46.3	3.2
Italy	40.6	2.8
Saudi Arabia	38.2	2.6
India	30.0	2.1
Sub-total	1 083.4	74.0
World	1 464.0	100.0

*) Estimates

Four Product Areas

Remote Weapon Systems (RWS)	Electro Optics	Weapon Improvement Products	Vehicle Systems
<ul style="list-style-type: none"> • <i>CCD cameras, weapon integration, firing solenoids and lasers for Remote Weapon Stations.</i> • <i>In cooperation with KDA</i> 	<ul style="list-style-type: none"> • <i>Advanced observation and surveillance systems. Laser range finders and sight systems for various applications.</i> 	<ul style="list-style-type: none"> • <i>Integration of a wide range of small - and medium caliber guns to vehicle and ground mounted systems.</i> 	<ul style="list-style-type: none"> • <i>High-end observation and target acquisition systems for light and heavy military vehicles, including system integration.</i>

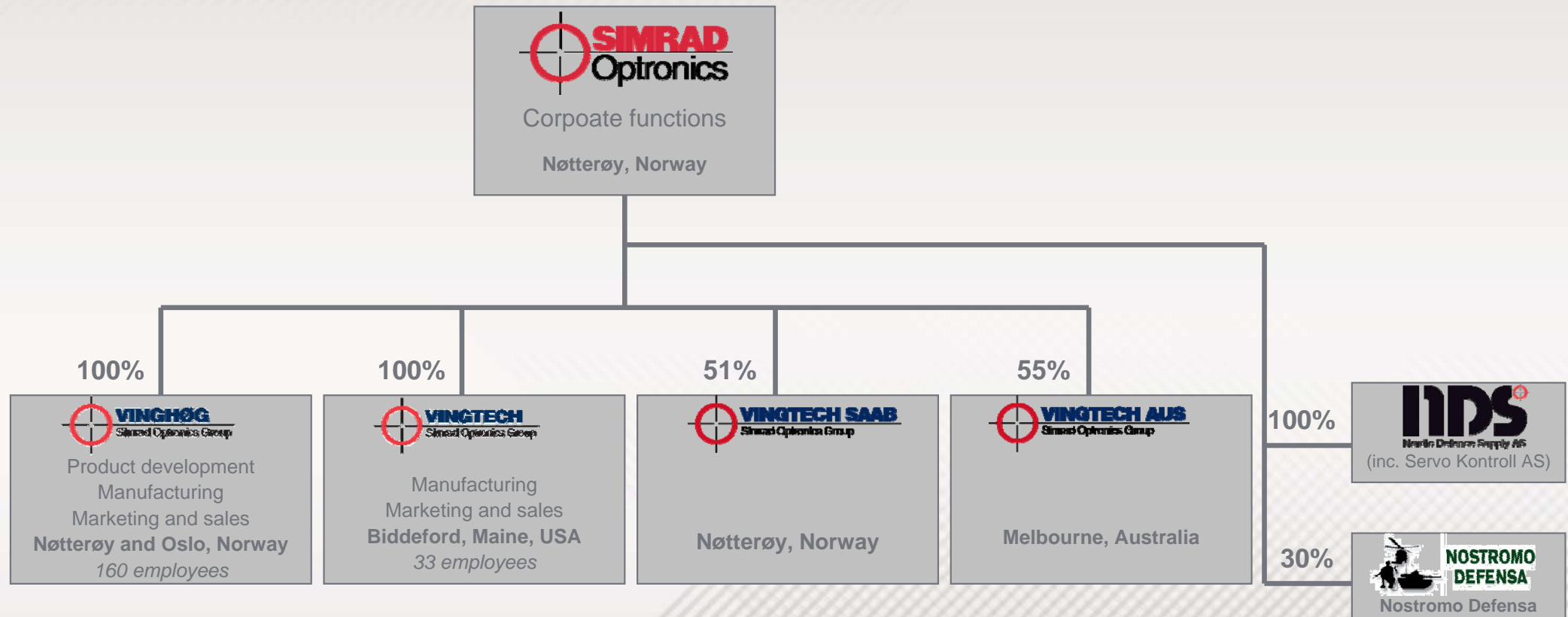


Four Directional Business Model

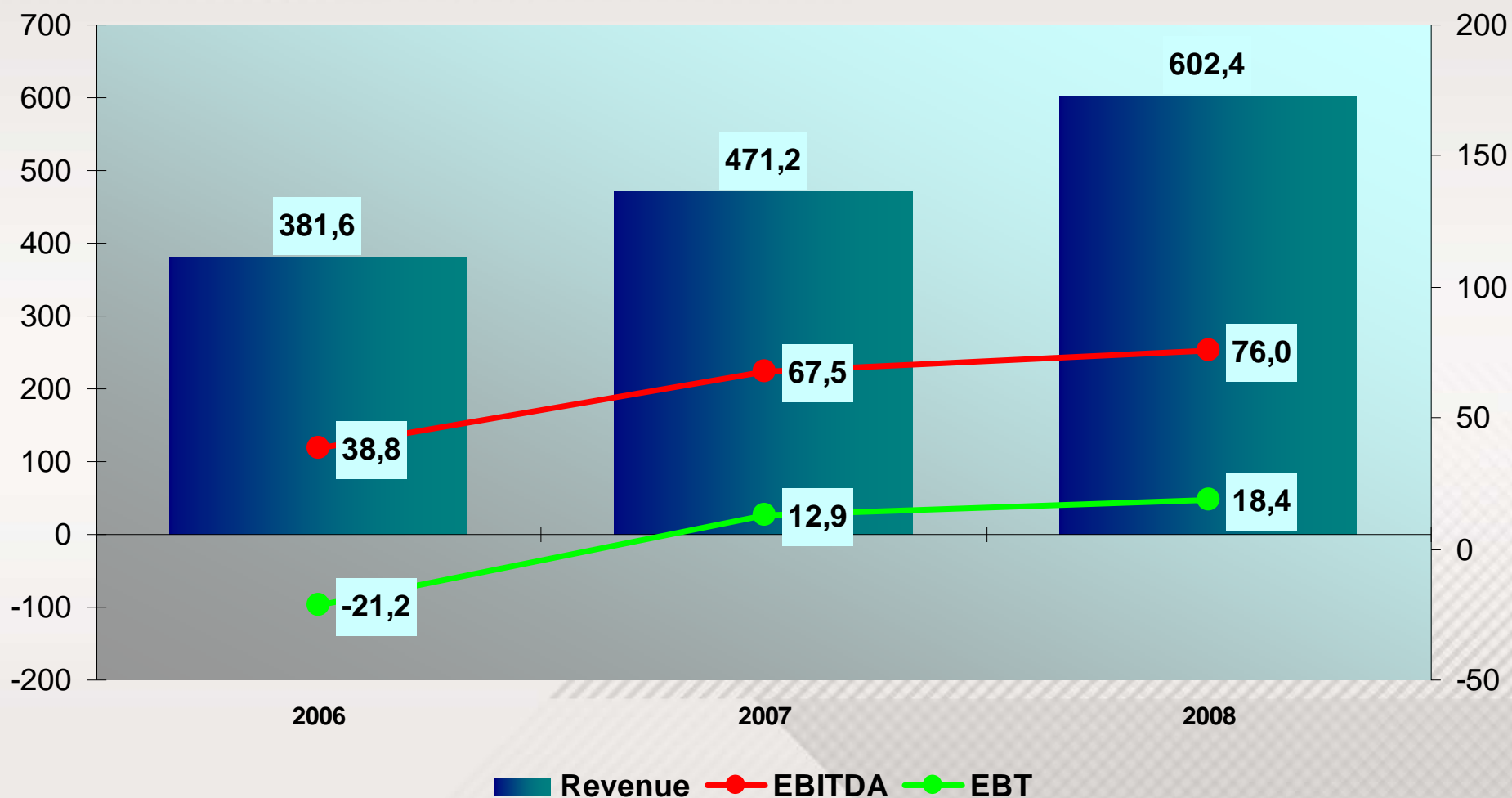
- **Direct sales** to end users
- **Teaming up** with major defense contractors
- Supplier of products and modules to **defense product integrators**
- **Development contracts** with end users



Corporate Structure



Financial development



Shareholder Structure per October 23rd 2009

Name	No of shares	%	Acc type	Nat
JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	6 139 463	8,58	NOM	GBR
LINDHOLMVEIEN 14 AS	3 455 311	4,83		NOR
SATURN AS	3 414 609	4,77		NOR
RUNESTAD INVESTERING C/O RUNE RUNESTAD	3 281 000	4,58		NOR
CUBIC INVEST A/S	3 214 609	4,49		NOR
HUGIN MANAGEMENT AS	3 094 609	4,32		NOR
GKI AS	3 064 609	4,28		NOR
ULVE INVEST AS	2 994 609	4,18		NOR
MP PENSJON	2 598 556	3,63		NOR
DNB NOR SMB VPF	2 575 000	3,60		NOR
HEM STEINAR OLAV	2 474 609	3,46		NOR
NORDISK INDUSTRIUTVI	1 793 000	2,50		NOR
BANK OF NEW YORK MEL S/A MELLON NOMINEE 1	1 511 000	2,11	NOM	USA
HESNES INVESTMENT AS	1 289 000	1,80		NOR
HUI AS	1 218 000	1,70		NOR
SKAGEN VEKST	1 020 000	1,42		NOR
INGEFO 1 AS	952 000	1,33		NOR
KAFA AS V/FREDRIK ANDERSEN	895 500	1,25		NOR
BARØFOSS INVEST AS	611 000	0,85		NOR
STATE STREET BANK & A/C CLIENT FUND NUMB	523 000	0,73	NOM	USA
Total for the 20 largest shareholders	46 119 484	64,41		
Other shareholders	25 467 711	35,59		
Total	71 587 195	100,00		

Per 12-OCT-2009 total number of shareholders was 1 945 (31-DEC-2008: 2 048), whereof 1 896 (2008: 1 996) were domestics and 49 (2008: 52) were foreigners.

Price Development and Liquidity

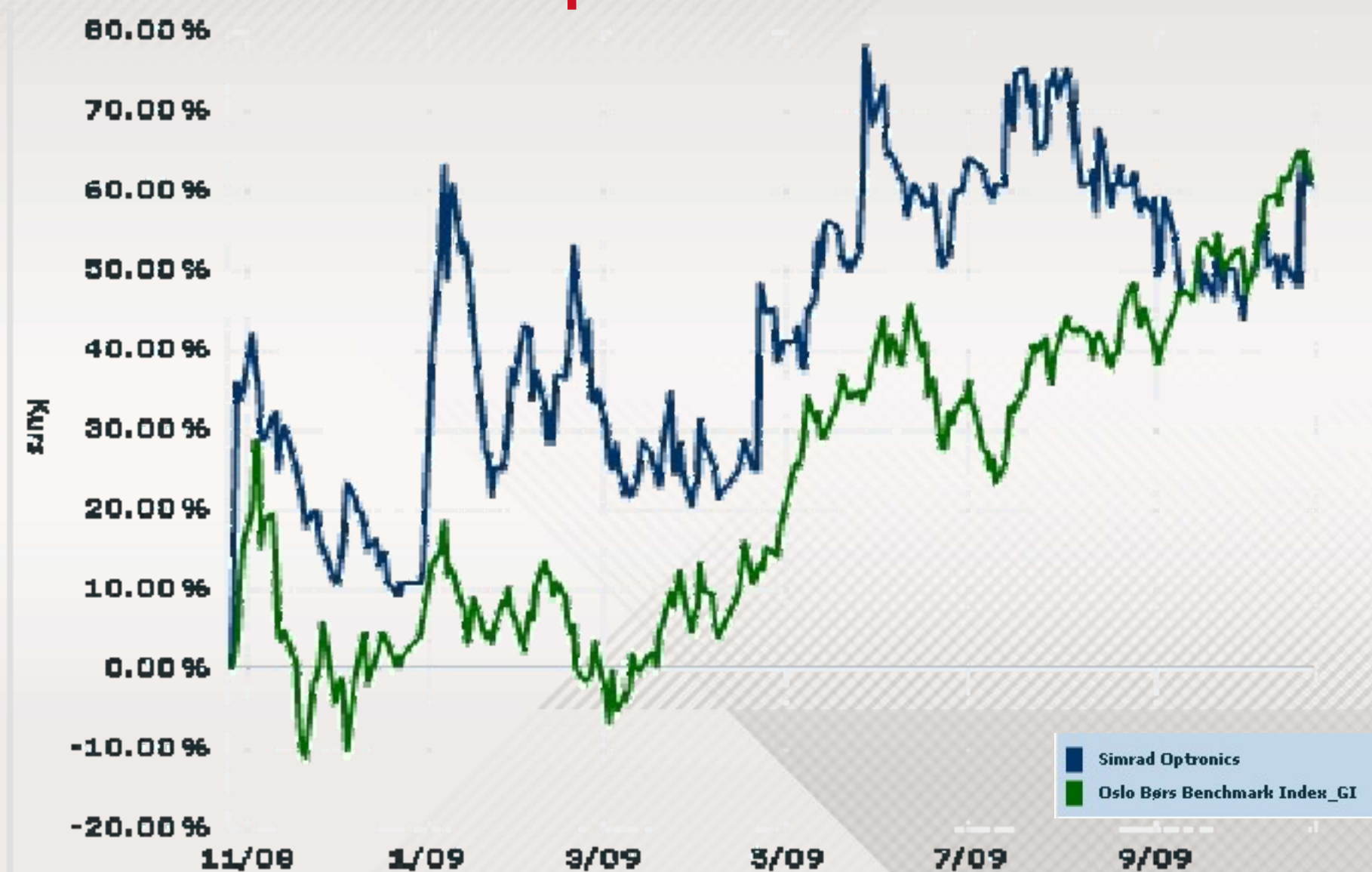
As per October 23rd 2009:

Share price: **NOK 4.50**

Market value: **MNOK 322.1**



Share Price Developments compared to Index



Board of Directors

Name	Position	Background
Terje Morten Eidsmo	Chairman	Managing director Bryggeriparken AS and Runestad Holding AS. Long term experience from different Norwegian financial institutions.
Ingvild Ragna Myhre	Member	Member of several boards including the National Insurance Fund (Folketrygdfondet). Long term management experience from defense and telecommunications companies.
Lisa Ann Cooper	Member	Managing Director of Leadership foundation. Long term management experience from defense and telecommunications companies.
Helle Rønningen	Member	Employees' representative at the board.
Stig Endre Landrø	Member	Employees' representative at the board.

Analyst Coverage and Recommendations

Company	Analyst	Phone (dir)	Date last analysis	Recommendation	Target price (NOK)
First Securities ASA	Hans Erik Jacobsen	+47 23 23 82 54	August 27th, 2009	Buy	6,00
Orion Securities ASA	Giedrius Rudis	+370 52 46 15 52	September 1st, 2009	Hold	4,80