



A GLOBAL MILITARY SUPPLIER

# Simrad Optronics ASA

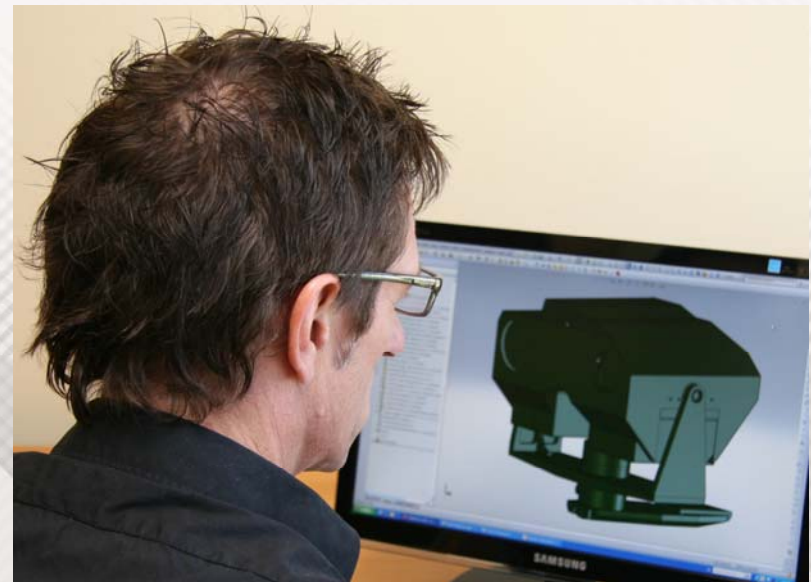
## 1st Quarter 2009 Presentation

Jon Asbjørn Bø, CEO

14 May 2009

# Contents

- **Highlights and Financial Results**
- Operations and Events in Q1
- Going Forward / Market Outlook
- Appendix

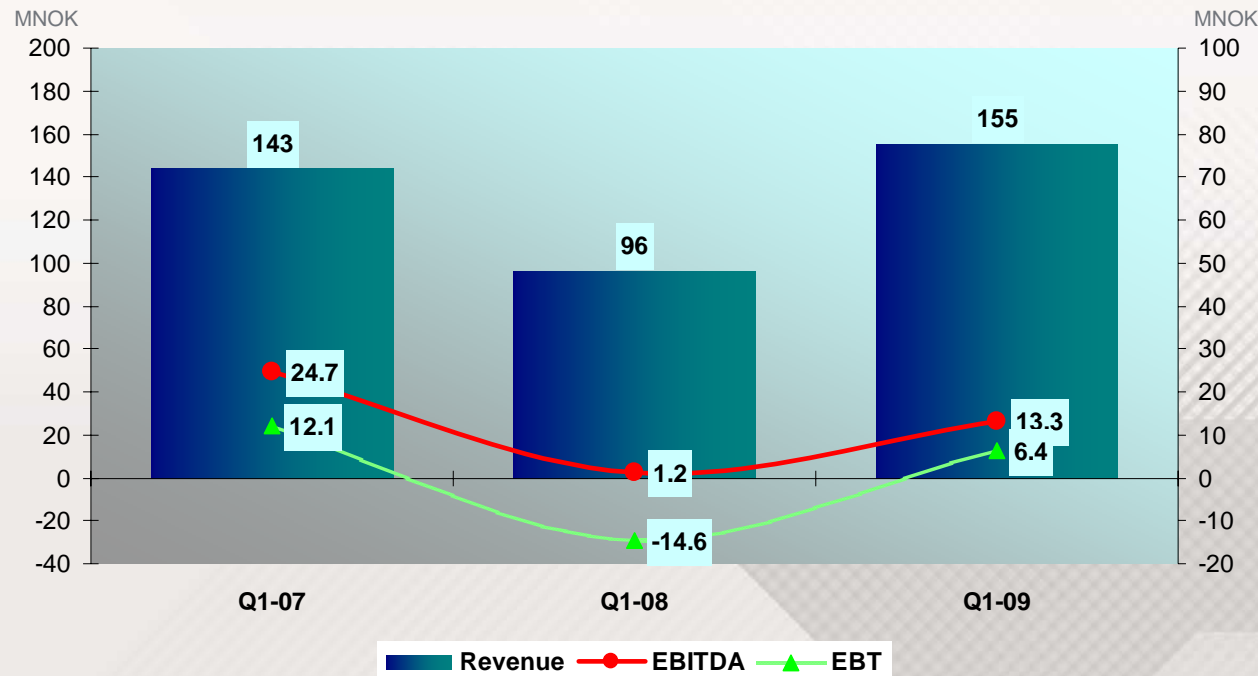


## Q1 Highlights:

- Q1-2009 revenues of MNOK 155.2, up from MNOK 96.5 in Q1-2008.
- Q1-2009 EBITDA of MNOK 13.3, up from MNOK 1.2 in Q1-2008. Q1-2009 EBITDA margin of 9%, up from 1% in Q1-2008.
- Q1-2009 EBT of MNOK 6.4, up from MNOK -14.6 in Q1-2008.

# Q1 Financial Results

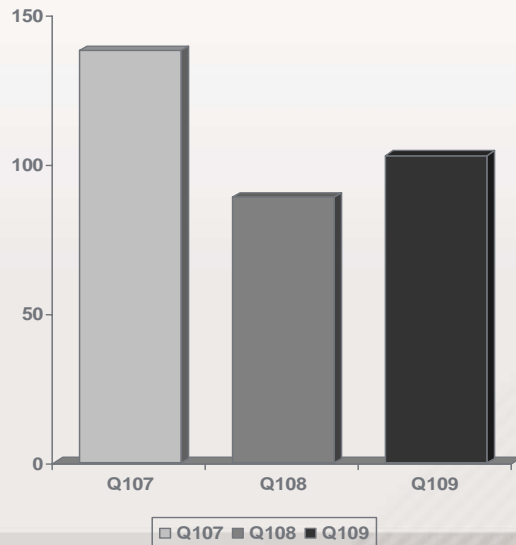
<i>Amounts in NOK 1 000</i>	Q1-09 Actual	Q1-08 Actual
Operating income	155,218	96,474
EBITDA	13,308	1,221
EBIT	3,563	-8,256
EBT	6,447	-14,602
EBITDA margin	9%	1%



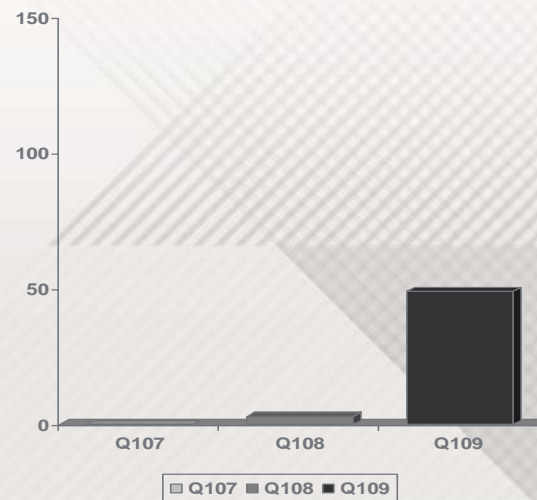
# Q1 Operating Income per segment

<i>Amounts in NOK 1 000</i>	Q1-09 Actual	Q1-08 Actual
Operations Norway, total revenue	125,450	98,709
Internal revenue	-22,260	-9,352
Operations Norway, external revenue	103,190	89,357
Operations USA	48,684	3,034
Operations other	3,344	4,083
Other / Eliminations	0	0
<b>Total revenue</b>	<b>155,218</b>	<b>96,474</b>

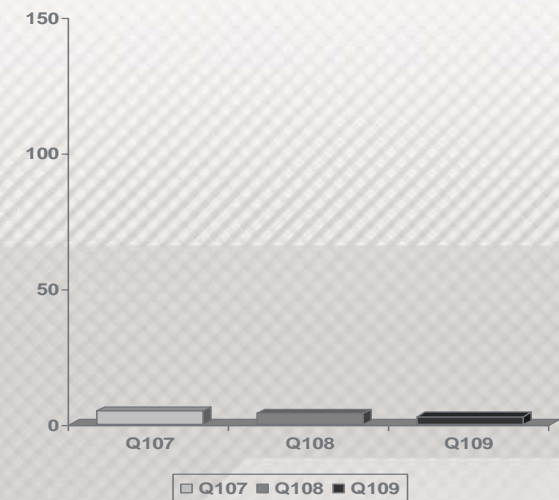
### Norway



### USA



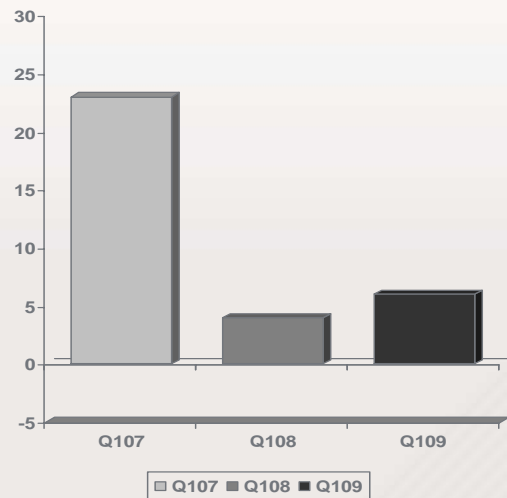
### Others



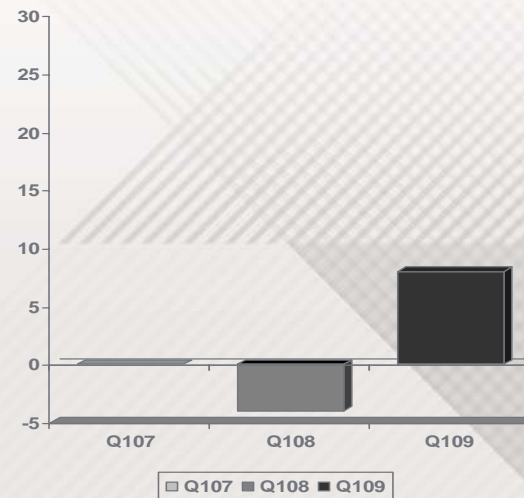
# Q1 EBITDA per segment

<i>Amounts in NOK 1 000</i>	Q1-09 Actual	Q1-08 Actual
Operations Norway	6,258	3,701
Operations USA	8,422	-4,024
Operations other	1,150	1,544
Other / Eliminations	-2,522	0
<b>Total</b>	<b>13,308</b>	<b>1,221</b>

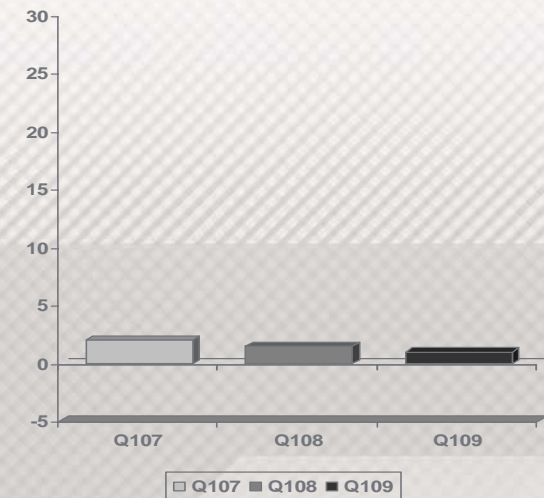
Norway



USA



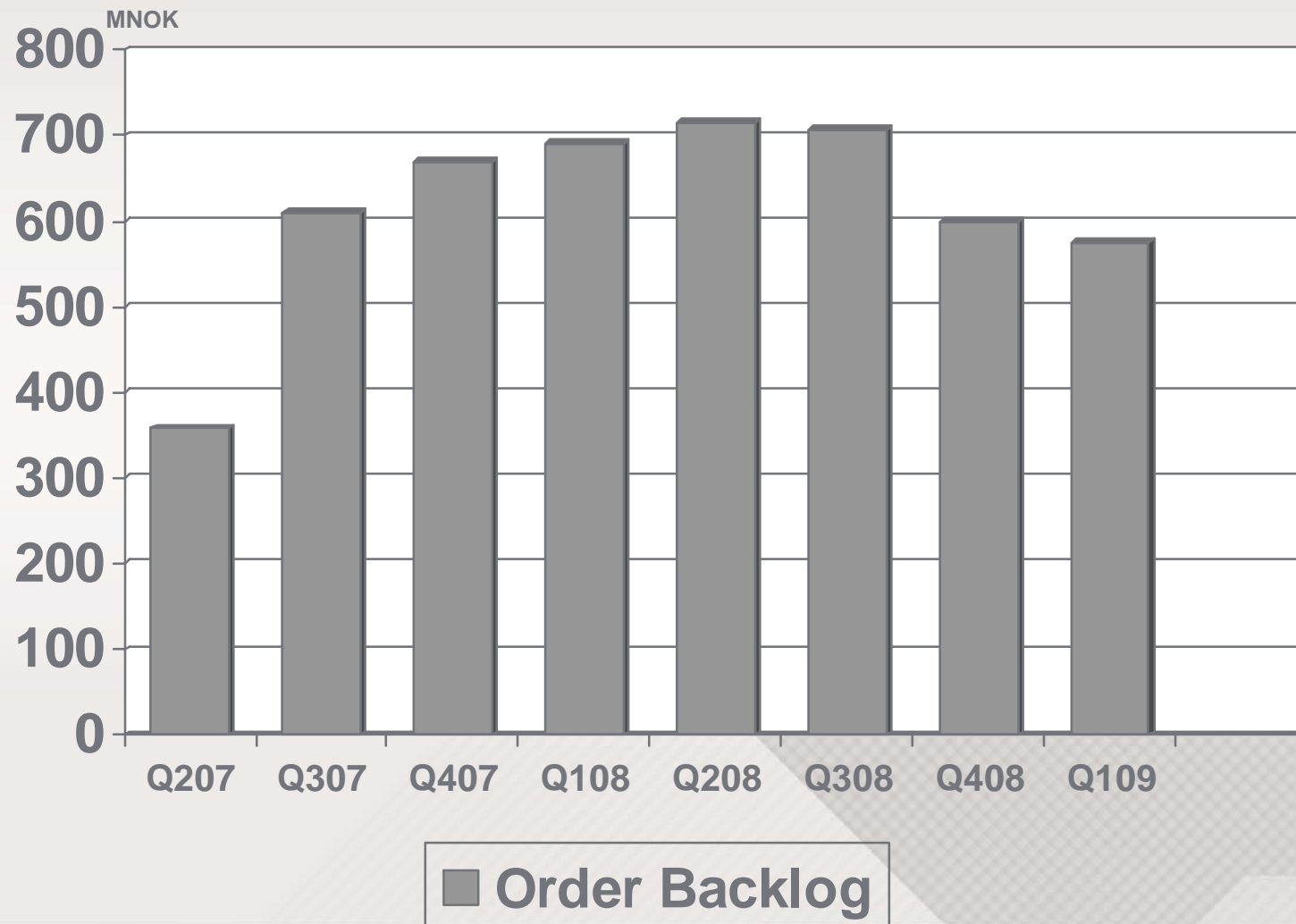
Others



## Balance Sheet Summary

	31.03.09	31.12.08	31.03.08
Amounts in 1 000 NOK	Actual	Actual	Actual
Fixed assets	332,024	341,949	356,184
Inventories	134,718	133,702	105,715
Accounts receivable	109,120	124,914	85,633
Other receivables	9,285	14,328	17,165
Cash	2,969	1,908	528
Total assets	588,116	616,801	565,225
Equity	250,876	244,298	226,495
Long term liabilities	139,122	149,168	191,694
Short term liabilities	198,117	223,335	147,036
Total equity and liabilities	588,116	616,801	565,225

# Order Backlog



# Financial Situation

- In compliance with bank covenant.
- Long term loan MNOK 123. A down payment of MNOK 10 was done in Q1, and MNOK 44 in the next 12 months.
- Line of credit is MNOK 50.
- Tight cash position expected also in 2009, as was the case in 2008.
- The variation of revenues in the different quarters is a challenge, as was the case in 2008.

# Contents

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# Four Product Areas

## Remote Weapon Systems (RWS)

- *CCD cameras, weapon integration, firing solenoids and lasers for Remote Weapon Stations.*
- *In cooperation with KDA*

## Electro Optics

- *Advanced observation and surveillance systems. Laser range finders and sight systems for various applications.*

## Weapon Improvement Products

- *Integration of a wide range of small - and medium caliber guns to vehicle and ground mounted systems.*

## Vehicle Systems

- *High-end observation and target acquisition systems for light and heavy military vehicles, including system integration.*



# Product Developments in Q1

- **RWS**
  - Still high demand.
  - Focus on further development of products and supplier chain.
- **Electro Optics**
  - Basically On time with development of laser target designator for FOI.
  - Good order income of electro optical products in Q1.



# Product Developments in Q1

- **Weapon Improvement Systems**
  - Still slow/low order intake.
  - Positive outlook for second half of 2009.
- **Vehicle Systems**
  - Further development on Vingtaqs II and Vingpos.
  - Positive market outlook.
- **UAV**
  - Good development progress.



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# 2009 Priorities

- **Further growth in revenue – maintain margins**
- **Strong focus on Working Capital items, improve financial position through cash from operating activities.**
- **Further development of our subsidiaries abroad**
- **Strong focus on product development**

# Outlook

- As was the case in 2008, also for the remaining part of 2009, it is the Group's opinion that the ongoing recession and financial crises are having little impact on military spending.
- For the whole year, SOASA expects further growth, but not at the same speed as was the case from 2006 to 2007 and from 2007 to 2008.
- SOASA expects quarterly fluctuations in revenues also in 2009.

# We welcome any questions



Situational awareness

Aim and hit

Protect own troops

Reduce collateral damage

**Welcome Back:**

**2<sup>nd</sup> Quarter Results Presentation**

**August 27<sup>th</sup> , 2009**

**1000 hrs at Felix Conference Center,  
Oslo**



Situational awareness

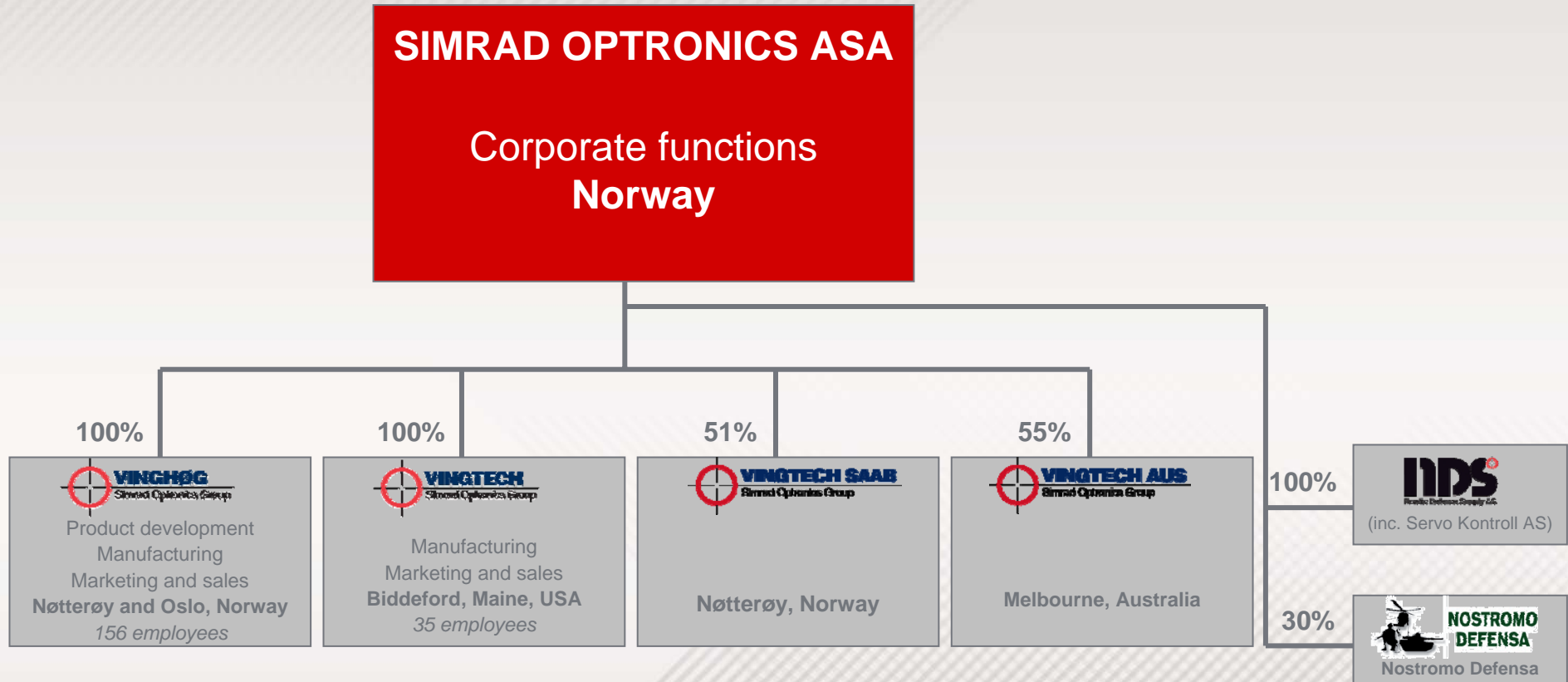
Aim and hit

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# Appendix

# Corporate Structure



- A focused organization going forward
  - *Product development*
  - *Brand building, marketing and sales*
  - *Alliances and integrated projects*
  - *Efficient manufacturing*
- A structure for growth

# 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



# Shareholder Structure as per 13.05.09 Share price development last year

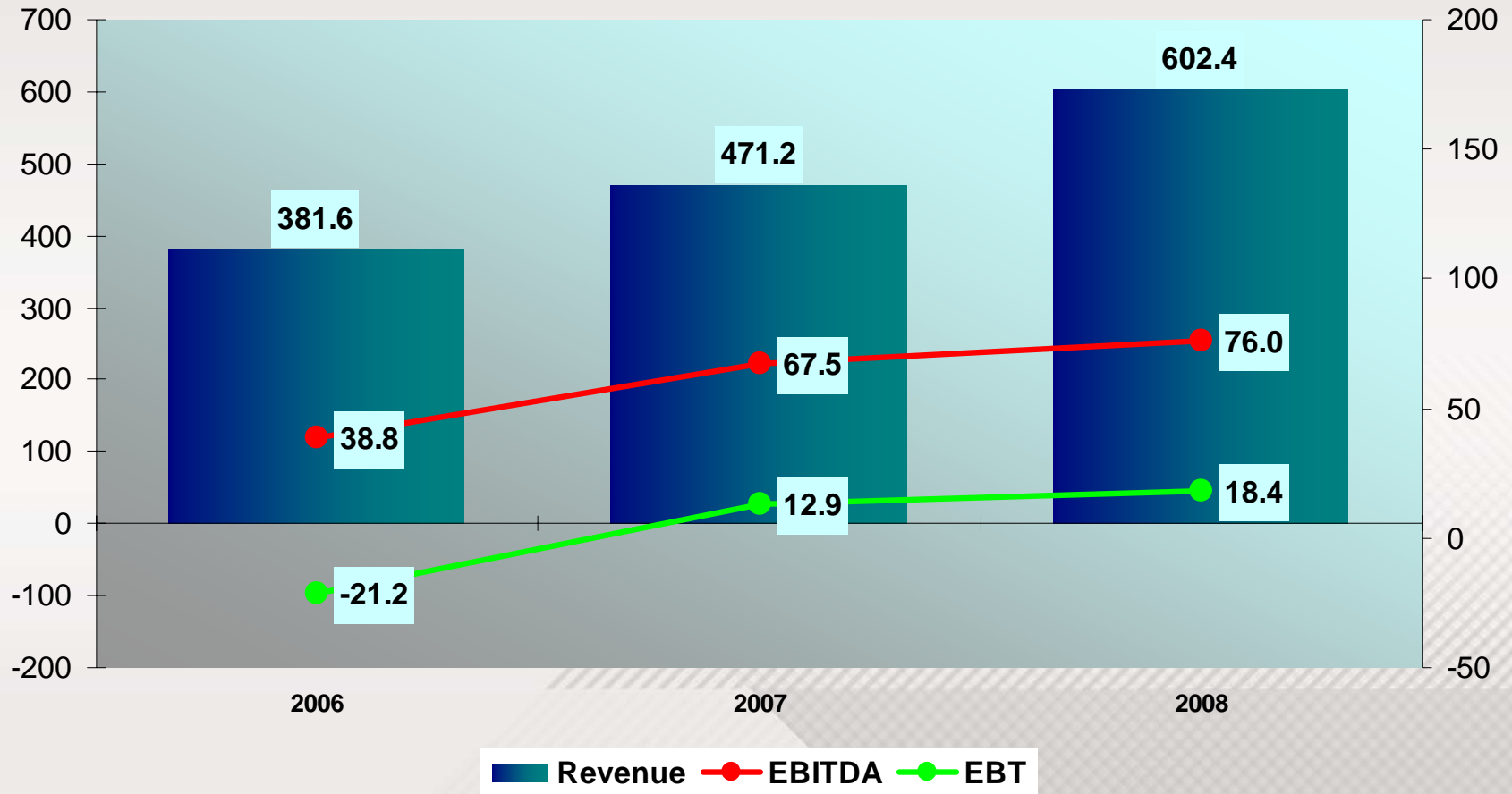
No of shares	%	Name	Acc. Type	Nationality
6 139 463	8,58	JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	NOM	GBR
3 455 311	4,83	LINDHOLMMEI EN 14 AS		NOR
3 414 609	4,77	SATURN AS		NOR
3 281 000	4,58	RUNESTAD I NVESTERING C/O RUNE RUNESTAD		NOR
3 214 609	4,49	CUBI C INVEST A/S		NOR
3 094 609	4,32	HUGIN MANAGEMENT AS		NOR
3 064 609	4,28	GKI AS		NOR
2 994 609	4,18	ULVE INVEST AS		NOR
2 598 556	3,63	MP PENSJON		NOR
1 994 609	2,79	HEMSTEINAR OLAV		NOR
1 793 000	2,50	NORDISK I INDUSTRI UTVI		NOR
1 688 000	2,36	BANK OF NEW YORK MEL S/A MELLON NOMINEE 1	NOM	USA
1 600 000	2,24	DNB NOR SMB VPF		NOR
1 289 000	1,80	HESNES I INVESTMENT AS		NOR
1 218 000	1,70	HUI AS		NOR
1 000 000	1,40	SKAGEN VEKST		NOR
1 000 000	1,40	CATWALK COMPANY AS		NOR
952 000	1,33	INGEFO 1 AS		NOR
857 500	1,20	KAFA AS		NOR
551 000	0,77	BARØFOSS INVEST AS		NOR
<b>45.200.484</b>	<b>63,15</b>			

SIT compared to indexes from 01.04.08 to 31.03.09



- Per end of 2008 total number of shareholders was 2 048 (2007: 2 227), whereof 1 996 (2007: 2 176) were domestics and 52 (2007: 51) were foreigners.

# Financial development



Situational awareness

Aim and hit

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# Military Expenditure

- World military expenditure in 2006 is estimated to have reached \$1204 billion in current US dollars. This represents increases in real terms of 3.5 per cent between 2005 and 2006 and 37 per cent between 1997 and 2006.

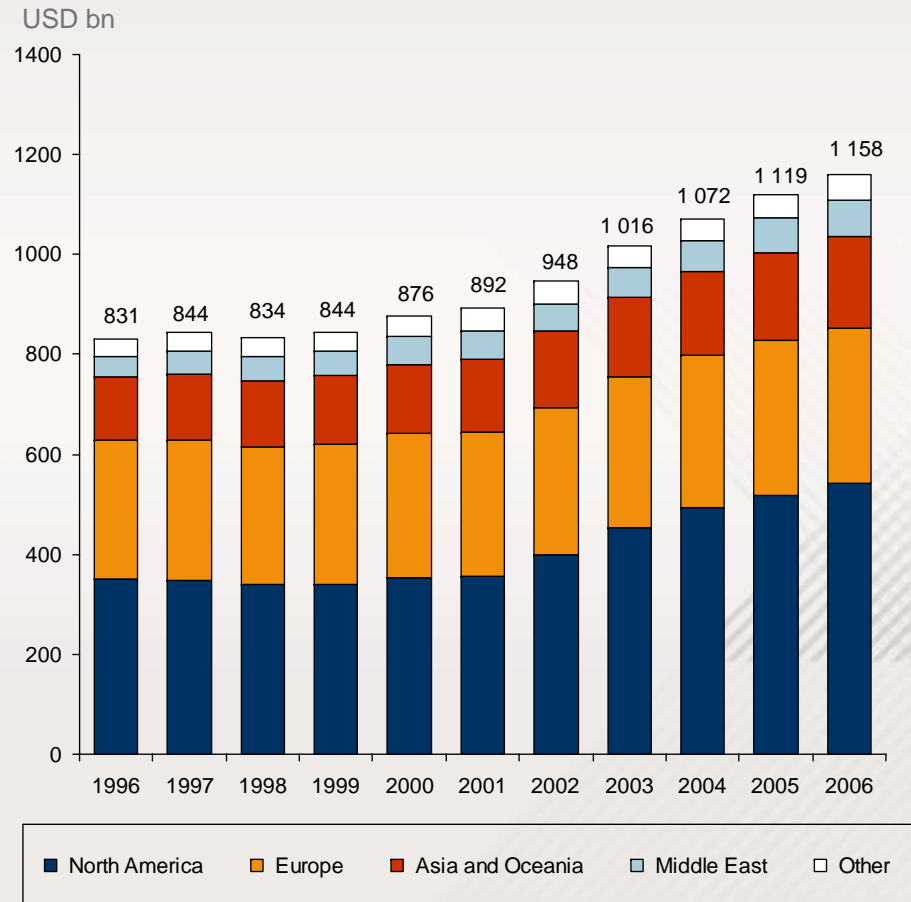
## *The top 10 military spenders in 2006*

Values are in constant (2005) US dollars.

Country	Total military spending (US\$ b.)	Military spending per capita (US\$)	World share (%)
USA	528.7	1 756	46
UK	59.2	990	5
France	53.1	875	5
China	49.5	37	4
Japan	43.7	341	4
Germany	37.0	447	3
Russia	34.7	244	3
Italy	29.9	514	3
Saudi Arabia	29.0	1 152	3
India	23.9	21	2
Sub-total	888.7	-	77
World	1 158.0	-	100

# Market trends favors suppliers of advanced military equipment

Global military expenditure 1996-2006<sup>1)</sup>



- 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)

# Board of Directors

Name	Position	Background
Ove Gusevik	Chairman	Runs his own investment and advisory company Global Network Systems AS. Long term experience from investment banks such as Alfred Berg (ABN Amro) and First Securities
Terje Morten Eidsmo	Vice 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)
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	23.02.09	Buy	6,00
Orion Securities ASA	Giedrius Rudis	+370 52 46 15 52	25.02.09	Buy	4,80