



A GLOBAL MILITARY SUPPLIER

Simrad Optronics ASA

1st Quarter 2008 Presentation

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Contents

- **Highlights and Financial Results**
- Operations and Events in Q1
- Going Forward

Q1 Highlights:

- Postponement of deliveries in Vinghøg led to drop in revenue and EBITDA in Q1
- Order backlog increased to MNOK 690
- SOASA expecting revenue of approximately MNOK 550 in 2008, with EBITDA between MNOK 70 and MNOK 80.
- MNOK 4.8 (22.8 %) drop in other operating expenses in Q1-08 compared to Q1-07

Q1 Financial Results

NOK 1 000	Q1-08 Actual	Q1-07 Proforma	FY-07 Proforma
Operating Income	96 474	143 479	471 159
EBITDA	1 221	24 703	67 523
EBIT	-8 256	14 884	27 134
EBT	-14 602	12 124	12 855
 EBITDA margin	 1 %	 17 %	 14 %

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.

Q1 Operating Income per legal entity

NOK 1 000	Q1-08 Actual	Q1-07 Proforma	FY-07 Proforma
Simrad Optronics ASA	0	0	0
Vinghøg AS	98 709	140 173	450 952
Vingtech Corp	3 034	0	3 186
Nordic Defence and Security AS	4 083	5 398	21 868
Eliminations	<u>-9 353</u>	<u>-2 092</u>	<u>-4 847</u>
Total	<u>96 474</u>	<u>143 479</u>	<u>471 159</u>

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.

Q1 EBITDA per legal entity

NOK 1 000	Q1-08 Actual	Q1-07 Proforma	FY-07 Proforma
Simrad Optronics ASA	-98	0	0
Vinghøg AS	4 342	23 042	65 688
Vingtech Corp	-4 528	0	-7 116
Nordic Defence and Security AS	1 505	1 949	8 519
Eliminations	0	-288	432
Total	1 221	24 703	67 523

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.

Balance Sheet Summary

NOK 1 000	31.03.08	31.12.07	31.03.07
	Actual	Proforma	Proforma
Fixed assets	356,184	358,733	357,507
Inventories	105,715	87,808	74,580
Accounts receivable	85,633	88,247	98,315
Other receivables	17,165	29,371	51,925
Cash	528	2,035	2,537
Total assets	565,225	566,194	584,864
Equity	226,495	242,760	173,273
Long term liabilities	191,695	194,362	227,158
Short term liabilities	147,035	129,072	184,433
Total equity and liabilities	565,225	566,194	584,864

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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.*



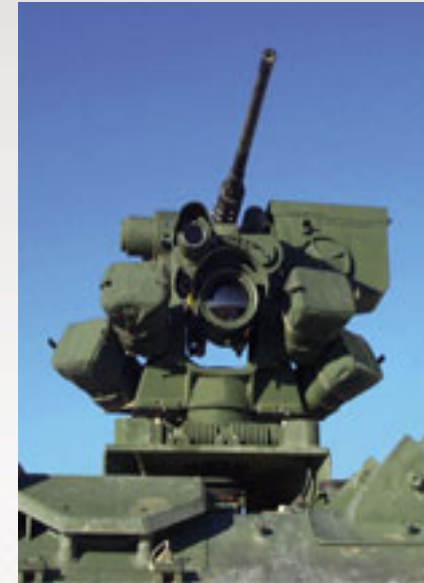
Operational developments in Q1 - I

- RWS

- *Increased order intake.*
- *Assembly in Norway (Vinghøg) and USA (VingTech).*
- *Delay in deliveries.*

- Electro Optics

- *Steady production and sales of night goggles and sniper sights in addition to the NOK 58 million contract of night goggles.*
- *On schedule on the development of a laser target designator Norwegian and Swedish armed forces*

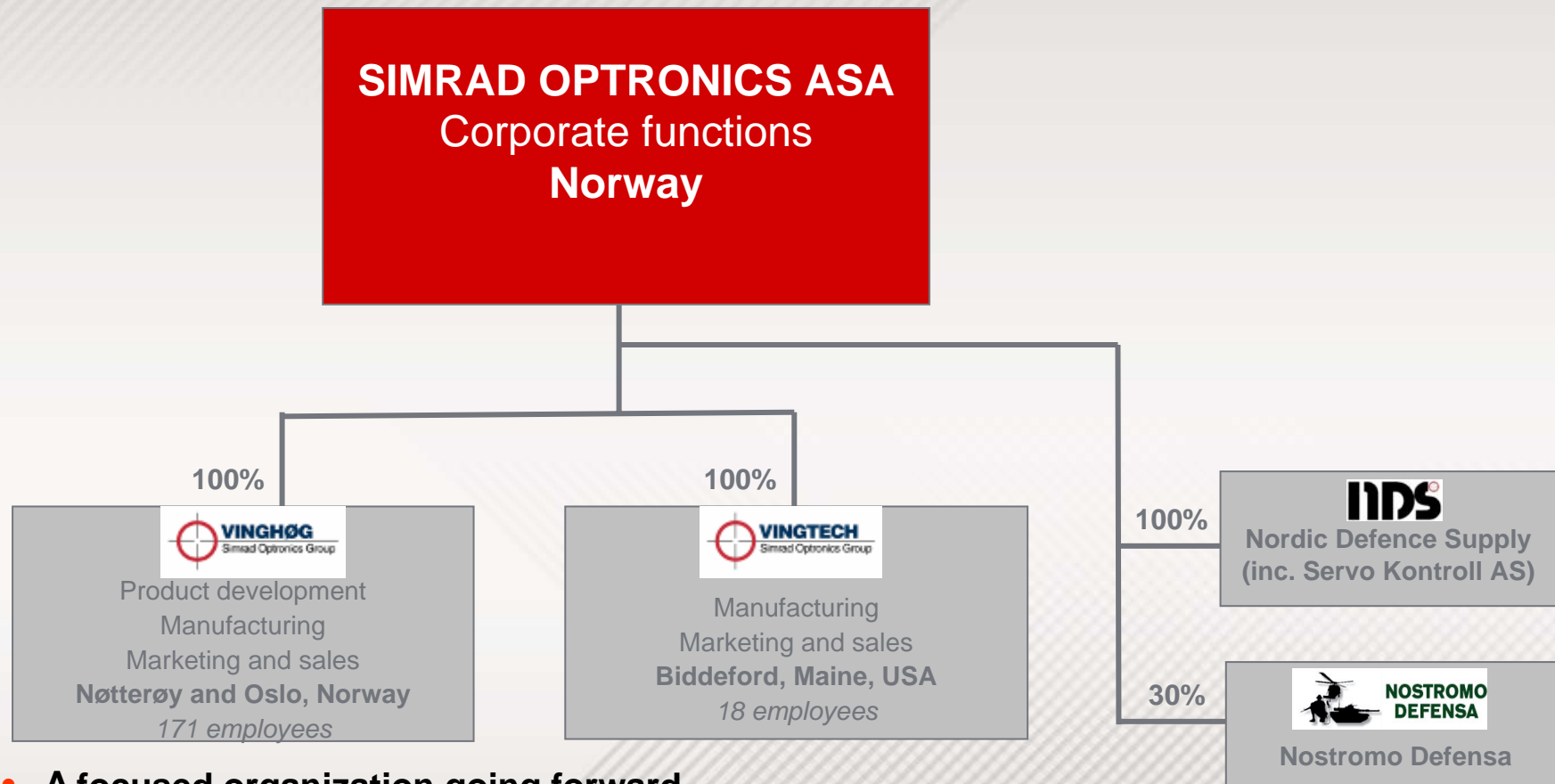


Operational developments in Q1 - II

- Weapon Improvement Systems
 - *Steady order flow, but a little less than last year so far.*
 - *On time with deliveries*
- Vehicle Systems
 - *The M109 contract was finalized and delivered in Q1 08.*
 - *Second Vingtaqs II systems including stabilization on track.*
- UAV
 - *Nostroma Defensa has received an important contract.*



New Corporate Structure



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

US Subsidiary , VingTech Corp.

- Activities:
 - Perform sale and assembly of Simrad Optronics' Group products in the US market
 - Develop own products together with the end-user and other defense partners in the US
 - Enter the homeland security market
- Progress to date:
 - Full production for RWS CROWS
 - Already some sales of Weapon improvement products
 - Received ISO approval
- Management estimates:
 - Turn over in 2008 will be close to \$ 20 million. Expected to increase over the next years



Industrial Cooperation agreement with SAAB

- SOASA has entered in to an industrial cooperation agreement with SAAB AB
- The agreement includes a set up of a joint venture company in Norway if Norway purchase JAS GRIPEN fighters
- SAAB and SOASA have identified possible programs for the first 10 years to more than seven billion NOK, that is covered under this agreement.
- The identified business areas includes among other:
 - tactical UAV
 - advanced electro optics
 - various platforms for radars and missiles.
- One of the industrial reasons for the merger between Vinghøg and SOASA was to position us better for the offset market. This agreement proves that we are able to achieve that.

2008 Priorities – Status Report

- Increase sales – Maintain margins
 - Temporary setback, but will be achieved during 08
 - Already reduced delayed deliveries with 25 % to date since end Q1.
 - SOASA expecting revenue of approximately MNOK 550 in 2008, with EBITDA between MNOK 70 and MNOK 80
- Establish new sales channels in one or two regions
 - On track, news expect to be released Q4
- Further develop our US subsidiary Vingtech Corp
 - Positive development during Q1, achieved a good assembly capacity and ISO certificate.

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Order Backlog and market outlook

- Order backlog
 - *Order backlog of NOK 690 million per 01.04.08*

- Market outlook
 - *The military market is still growing.*
 - *The demand for SOASA products are still high*
 - *The development of new sales channels is on track*

We welcome any questions

Welcome Back:

2nd Quarter Results Presentation

August 19th, 2008

0800 hrs at Felix Conference Center, Oslo