



INTERIM FINANCIAL REPORTING  
1ST QUARTER 2009

Simrad Optronics Group's mission is to help our customers with:

- Situational awareness
- Aim and hit
- Protect own troops
- Reduce collateral damage

# SIMRAD OPTRONICS GROUP

## 1ST QUARTER 2009

- **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.**

### Operational progress

Q1-2009 is the fourth running Quarter with increased revenues and the third running Quarter with increased EBITDA relative to the corresponding Quarter previous year.

Q1-2009 results are according to plan. Q1-2009 revenues came to MNOK 155.2, a 61% increase over Q1-2008.

On segment level both "Operations Norway" and "Operations US" report positive progress in revenues and EBITDA relative to the corresponding Quarter previous year.

The Group entities experienced a steady order flow in the first quarter, which resulted in an order backlog of MNOK 575, down 4% compared to year end 2008.

In particular, the Group experienced a good order income of electro optical products.

### Product group development in Q1-2009:

- **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.
- **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.

### Financial position

At end of Q1-2009 total assets came to MNOK 588.1 and total equity to MNOK 250.9. At end of Q1-2009 the equity ratio is 42.7% relative to 39.6% at year end 2008.

Q1-2009 net financial items are affected by MNOK 5 as agio/gain related to financial instruments.

Q1-2009 tax on ordinary profit is affected by the fact that a major part of the taxable Q1-2009 result is made in foreign entities where there are still tax assets related to loss carryforwards.

Long term loan is reduced with MNOK 10 in Q1-2009 and the total loan balance per end of Q1-2009 is MNOK 123, of which MNOK 44 become due during the next 12 months, and are reported as a short-term liability.

### Outlook / Going forward

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. The market potential for all four product areas is still strong and the Group expects further growth in 2009, but not at the same level as was the case from 2007 to 2008. Quarterly fluctuations in revenues are expected also in 2009.

### Simrad Optronics priorities for 2009 are:

- 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.

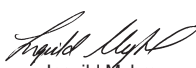
In the Group's opinion, it is strategically important to have presence in the US market and to further develop this in other areas as well.

Oslo, May 13th, 2009

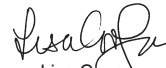
The Board of Simrad Optronics ASA



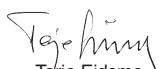
Ove Gusevik  
Chairman of the Board



Ingvild Myhre  
Member of the Board



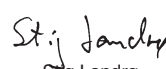
Lisa Cooper  
Member of the Board



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

# SIMRAD OPTRONICS GROUP

## 1ST QUARTER 2009

### Profit and Loss Account

Figures in NOK 1,000

	Note	Q1-09 Actual	Q1-08 Actual	FY-08 Actual
Operating income	2	155 218	96 474	602 406
Operating expenses	3	141 910	95 253	526 377
EBITDA		13 308	1 221	76 029
Depreciation		3 194	2 863	12 247
Amortization of Excess Values		6 551	6 614	26 662
EBIT		3 563	-8 256	37 120
Net financial items		2 884	-6 346	-18 726
EBT		6 447	-14 602	18 394
Tax on ordinary profit		-46	-2 681	7 629
Profit after taxes		6 493	-11 921	10 765
Earnings per share (NOK 1)		0,09	-0,17	0,15
Earnings per share, diluted (NOK 1)		0,09	-0,17	0,15

### Balance Sheet

Figures in NOK 1,000

	Note	31.03.09 Actual	31.03.08 Actual	31.12.08 Actual
Intangible fixed assets		283 825	318 722	291 393
Tangible fixed assets		42 734	35 489	44 943
Financial fixed assets		5 464	1 973	5 614
Total fixed assets		332 024	356 184	341 949
Inventories		134 718	105 715	133 702
Accounts receivable		109 120	85 633	124 914
Other receivables		9 285	17 165	14 328
Cash and cash equivalents		2 969	528	1 908
Total current assets		256 092	209 041	274 852
Total assets		588 116	565 225	616 801
Total equity		250 876	226 495	244 298
Long term bank borrowing		79 000	133 000	89 000
Other long term liabilities		60 122	58 694	60 168
Total long term liabilities		139 122	191 694	149 168
Bank overdraft		48 944	35 816	35 237
Accounts payables		52 927	51 713	79 599
Other short-term liabilities		96 246	59 507	108 499
Total short-term liabilities		198 117	147 036	223 335
Total equity and liabilities		588 116	565 225	616 801

# SIMRAD OPTRONICS GROUP

## 1ST QUARTER 2009

### Cash Flow Statement

<i>Figures in NOK 1,000</i>	Note	31.03.09 Actual	31.03.08 Actual	31.12.08 Actual
Cash flow from operating activities		-2 466	-22 401	10 979
Cash flow from investing activities		-180	-9 680	-20 307
Cash flow from financing activities		3 707	30 574	9 201
Net change in cash and cash equivalents		1 061	-1 507	-127
Cash and cash equivalents at the beginning of period		1 908	2 035	2 035
Cash and cash equivalents at the end of period		2 969	528	1 908

### Statement of Recognized Income and Expenses

<i>Figures in NOK 1,000</i>	Note	31.03.09 Actual	31.03.08 Actual	31.12.08 Actual
Profit (loss) after tax		6 493	-11 921	10 765
Foreign exchange translation differences		85	984	-3 843
Net profit (loss) recognized directly in equity		85	984	-3 843
Total recognized income and expense for the period		6 578	-10 937	6 922

### Statement of changes in Equity

<i>Figures in NOK 1,000</i>	Note	31.03.09 Actual	31.03.08 Actual	31.12.08 Actual
Equity at the beginning of period		244 298	237 432	237 432
Total recognized income and expense for the period		6 578	-10 937	6 922
Reversal of share option plan		0	0	-367
Merger difference from merger subsidiary		0	0	311
Equity at the end of period		250 876	226 495	244 298

# SIMRAD OPTRONICS GROUP

## 1ST QUARTER 2009

### Notes

#### 1. General and accounting principles

The consolidated financial statements have been prepared in accordance with IAS 34 (interim financial reporting). The Q1 interim financial information for 2009 and 2008 are unaudited.

The accounting policies used in the preparation of the financial statements are consistent with those disclosed in the annual financial statements for the year ended 31 December 2008. Effective Q1-09 also the following standards are adopted; revised IAS 1 (presentation of financial statements), IFRS 2 (share-based payments), IFRS 8 (segment reporting) and revised IAS 23 (borrowing costs).

The consolidated financial statements should be read in conjunction with the 2008 annual financial statements which include a full description of the Group's accounting policies.

The consolidated financial statements of the Group for the year ended 31 December 2008 is available upon request from the company's registered office at Lindholmveien 14, 3106 Nøtterøy, Norway, or at [www.simrad-optronics.com](http://www.simrad-optronics.com).

#### 2. Segment information

Disclosure of segment information is prepared under the approach required by IFRS 8 and based on the internal reports regularly reviewed by the Group's Chief Operating Decision Makers in order to assess each segment's performance and to allocate resources to them. Effective Q1-09 Simrad Optronics has divided its primary reporting format into three segments; 'Operations Norway', 'Operations US' and 'Operations other'. The split is based upon the risk- and return profile of the Group's operations, also taking into consideration the Group's internal reporting structure.

- 'Operations Norway' consists of operating activities in Vinghøg AS which is development, manufacturing and sales of remote-controlled weapon station (RWS) equipment, electro-optical equipment, weapon improvement products and vehicle systems for military use.
- 'Operations US' consists of operating activities in Vingtech Corp, which is manufacturing and sales of military equipment to the North American market.
- 'Operations other' consists of sales agencies (Nordic Defence Supply AS and Servo Kontroll AS), and other emerging activities (Vingtech Saab AS, Vingtech AUS Pty Ltd).

Internal revenue between segments is presented explicit. A major part of corporate overhead costs are divided and included in each segment's operating expenses.

During Q1-09 there are no major changes in related parties compared to what is described in the Annual report 2008 note 11. There have been no significant transactions with related parties during Q1-09 other than regular transactions such as sales/purchase of goods and royalty, as described in the Annual report 2008 note 11.

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## 1ST QUARTER 2009

<b>Revenue per segment</b>	<b>Q1-09</b>	<b>Q1-08</b>	<b>FY-08</b>
<i>Figures in NOK 1,000</i>	Actual	Actual	Actual
Operations Norway, total revenue	125 450	98 709	566 846
Internal revenue	-22 260	-9 352	-70 966
Operations Norway, external revenue	103 190	89 357	495 880
Operations US	48 684	3 034	87 360
Operations other	3 344	4 083	20 402
Other / eliminations	0	0	-1 235
Total revenue	155 218	96 474	602 407

<b>EBITDA per segment</b>	<b>Q1-09</b>	<b>Q1-08</b>	<b>FY-08</b>
<i>Figures in NOK 1,000</i>	Actual	Actual	Actual
Operations Norway	6 258	3 701	67 686
Operations US	8 422	-4 024	3 395
Operations other	1 150	1 544	7 171
Other / eliminations	-2 522	0	-2 223
Total revenue	13 308	1 221	76 029

<b>Total assets per segment</b>	<b>Q1-09</b>	<b>Q1-08</b>	<b>FY-08</b>
<i>Figures in NOK 1,000</i>	Actual	Actual	Actual
Operations Norway	400 602	308 420	389 330
Operations US	94 873	31 505	88 831
Operations other	17 463	27 411	20 411
Other / eliminations	75 178	197 889	118 229
Total revenue	588 116	565 225	616 801

### 3. Operating Expenses

	<b>Q1-09</b>	<b>Q1-08</b>	<b>FY-08</b>
<i>Figures in NOK 1,000</i>	Actual	Actual	Actual
Cost of materials	89 894	47 614	326 708
Payroll and related cost	33 790	31 581	117 422
Other operating expenses	18 226	16 058	82 247
Total operating expenses	141 910	95 253	526 377

The dispute in Note 21 in the Annual report 2008 is settled in Q1 and the cost related to that is booked in Q1.



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