



4TH QUARTER 2007

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SIMRAD OPTRONICS ASA
Q4 2007

- Continued revenue growth in the Fourth quarter compared to same quarter in 2006
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- Improved profit in 2007 compared to 2006
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- Increased order backlog with 194 % from Q4 2006 to NOK 670 million
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- LTDI contract awarded from the Norwegian and Swedish armies.
Contract value NOK 126 million
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- New Corporate structure in place
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SIMRAD OPTRONICS ASA

Q4 2007

Simrad Optronics had a positive development in the fourth quarter. Revenue went up 12.6% compared to the fourth quarter last year. Margins were also improved in the fourth quarter.

Simrad Optronics' revenue and profitability for the year 2007 was considerably up from last year (all 2006 figures are pro forma; including Vinghøg, excluding the former Fire & Gas Division).

For the year 2007 net revenue came in at NOK 458.4 million, a 20.1% increase over 2006.

Simrad Optronics experienced a steady order flow also in the fourth quarter, which resulted in order backlog of NOK 670 million, which is up 10% from the third quarter, and 194% from Q4 2006.

Profitability

Simrad Optronics reports an EBITDA of NOK 14.2 million for the fourth quarter, up from NOK -4.3 million in last year's fourth quarter. For the year 2007, EBITDA was up NOK 23.5 million to NOK 62.3 million. Simrad Optronics' EBITDA margin went up from 10.2% last year to 13.6% in 2007.

Profit before taxes for the fourth quarter was NOK -1.2 million (2006: NOK -17.1 million). For the year 2007 profit before taxes was NOK 7.4 million (2006: NOK -21.2 million).

Operational progress

Simrad Optronics had a positive development during 2007; particularly products for the Remote Weapon Systems (RWS), in addition to the contract for development and deliveries of Laser Target Designators (LTDI) with the Norwegian and Swedish armed forces were important in the fourth quarter.

Simrad Optronics' new manufacturing facility in Biddeford, Maine, USA was finalized in 2007. VingTech Corp will assemble and deliver the Crows contract from March 2008 as a subcontractor to KDA.

Other operational developments in the year 2007 included:

Remote Weapon Systems (RWS):

- Frame agreement until 2012 as a sub supplier to KDA.
- Increased order intake.
- Assembly in Norway (Vinghøg) and USA (VingTech).
- Deliveries on time.

Electro Optics:

- Steady production and sales of night goggles and sniper sights in addition to the NOK 25 million contract to UK for sniper sights.
- Both Vingmate and IS2000 are short listed for different programs in Australia.
- NOK 126 million contract awarded from the Norwegian and Swedish armed forces for development and delivery of a laser target designator.

Weapon Improvement Products:

- Steady order flow
- Record sales in 2007

Vehicle Systems:

- The M109 contract will be finalized and delivered in Q1 08.
- Second Vingtaqs II systems including stabilization to be delivered in Q2 08.

New organizational structure

The Board of Directors has approved a new organizational structure. Simrad Optronics ASA will remain the parent company focusing on corporate functions, while all operations will be carried out by the subsidiaries Vinghøg AS in Norway and Vingtech in the USA.

The business area for agent sales to the Norwegian market will be organized in a separate subsidiary "Nordic Defence Supply".

All operating activities in SOASA and the daughter company Vinghøg AS have been merged in a joint company under the name Vinghøg AS. The restructuring has also produced significant cost reduction. The total saving will be more than NOK 10 million per year. The cost reduction for 2008 will be NOK 7 million.

Change in amortization of excess values

The company has, in accordance with IFRS 3, revised the amortization schedule of excess values, related to the acquisition of Vinghøg AS. As a result the amortizations per quarter in 2007 have been reduced by NOK 1.6 million.

Strong financial position

The company has NOK 237.4 million of equity, corresponding to an equity ratio of 42,2%. This provides Simrad Optronics with a sound financial basis for further expansion.

Oslo, February 18, 2008
The Board of Simrad Optronics ASA

P&L AND BALANCE SHEET

SIMRAD OPTRONICS GROUP

Profit and Loss Account (NOK 1,000)	Q407	Proforma Q406	31-12-07	Proforma 31-12-06
	Group	Group 3)	Group	Group 3)
Operating income	124 522	110 543	458 386	381 640
Operating expenses	110 343	114 847	396 110	342 862
EBITDA	14 179	-4 304	62 276	38 778
Depreciation	2 999	-327	11 334	7 905
Amortization of Excess Values 4)	7 275	7 969	29 100	34 281
EBIT	3 905	-11 946	21 842	-3 408
Net financial items	-5 082	-5 187	-14 445	-17 772
EBT	-1 177	-17 133	7 397	-21 180
Tax on ordinary profit	-7 000	2 672	-7 000	7 455
Profit after taxes	5 823	-19 805	14 397	-28 635

Balance Sheet (NOK 1,000)

	31-12-07	31-12-06
Intangible fixed assets	318 088	348 142
Tangible fixed assets	35 920	15 074
Financial fixed assets	1 973	141
Total fixed assets	355 981	363 357
Inventories	87 808	66 113
Accounts receivable	86 996	92 179
Other receivables	29 052	60 987
Cash and cash equivalents	2 035	25 689
Total current assets	205 891	244 968
Assets related to discontinued operations		
Total assets	561 872	608 325
Shareholders' equity	237 362	163 689
Long term bank borrowing	155 000	77 340
Other long term liabilities	61 473	69 206
Total long term liabilities	216 473	146 546
Bank overdraft	4 036	
Accounts payables	63 529	114 165
Other short-term liabilities	40 472	183 925
Total short-term liabilities	108 037	298 090
Liabilities related to discontinued operations		
Total liabilities and shareholders' equity	561 872	608 325

Cash Flow Statement

	31-12-07	31-12-06
Cash flow from operating activities	-30 863	82 389
Cash flow from investing activities	-33 514	-18 304
Cash flow from financing activities	40 723	-40 607
Net change in cash and cash equivalents	-23 654	23 478
Cash and cash equivalents at the beginning of period	25 689	2 211
Cash and cash equivalents at the end of period	2 035	25 689

Equity reconciliation

	Q406	31-12-07	31-12-06
Equity at the beginning of period	179 954	18 049	183 694
Estimated cost	2 837		9 880
Allocated earned share option 1)			367
Pro-forma equity movements	3 293		14 374
F&G discontinued operation 2)	-2 587	-13 099	-15 573
Paid in share capital and/or dividends paid		216 690	-564
Tax on cost related to share purchase		625	
Share purchase for employees, estimated cost		260	
Net income for the period	-19 805	14 397	-28 635
Effect of change in exchange rates	-3	440	146
Equity at the end of period	163 689	237 362	163 689

This report is prepared according to IAS34 applying the same principles as the annual report of 2006

1) 200.000 shares to Nordisk Industriutvikling AS, a company partly owned by the Chairman of the board of directors

2) Pro forma figures includes Defense & Security division of SOASA, Vinghøg and pro forma adjustments

3) Fire & Gas discontinued operation part of SOASA in 2006 and de-merged from 1 jan 2007, and excluded in pro forma figures

4) The company has, in accordance with IFRS 3, revised the amortization schedule of excess values, related to the acquisition of Vinghøg AS. As a result the amortizations per quarter in 2007 have been reduced by NOK 1.6 million.


Ove Gusevik
Chairman of the Board


Ingvild Myhre
Member of the Board


Lisa Cooper
Member of the Board


Terje Eidsmo
Deputy Chairman of the Board


Tove Steen
Member of the Board, Employee representative


Stig Landrø
Member of the Board, Employee representative


Jon Asbjørn Bø
President and CEO

P&L AND BALANCE SHEET PER QUARTER

SIMRAD OPTRONICS GROUP

Profit and Loss Account (NOK 1,000)	Q407	Restated Q406	Q406	Restated Q406	Proforma Q406	31-12-07	Restated 31-12-06	31-12-06	Restated 31-12-06	Proforma 31-12-06
	Group	D&S 2)	F&G 3)	Group 4)	Group 5)	Group	D&S 2)	F&G 3)	Group 4)	Group 5)
Operating income	124 522	35 025	20 700	55 725	110 543	458 386	129 131	77 347	206 478	381 640
Operating expenses	110 343	56 355	21 125	77 480	114 847	396 110	163 141	79 727	242 868	342 862
EBITDA	14 179	-21 330	-425	-21 755	-4 304	62 276	-34 010	-2 380	-36 390	38 778
Depreciation	2 999	-1 753	826	-927	-327	11 334	3 762	2 080	5 842	7 905
Amortization of Excess Values 6)	7 275				7 969	29 100				34 281
EBIT	3 905	-19 577	-1 251	-20 828	-11 946	21 842	-37 772	-4 460	-42 232	-3 408
Net financial items	-5 082	-2 602	-680	-3 282	-5 187	-14 445	-6 357	-1 745	-8 102	-17 772
EBT	-1 177	-22 179	-1 931	-24 110	-17 133	7 397	-44 129	-6 205	-50 334	-21 180
Tax on ordinary profit	-7 000	1 054		1 054	2 672	-7 000	1 054		1 054	7 455
Profit after taxes	5 823	-23 233	-1 931	-25 164	-19 805	14 397	-45 183	-6 205	-51 388	-28 635
Balance Sheet (NOK 1,000)						31-12-07	31-12-06	31-12-06	31-12-06	31-12-06
Intangible fixed assets						318 088	44 977	13 786	58 763	348 142
Tangible fixed assets						35 920	8 027	1 863	9 890	15 074
Financial fixed assets						1 973	4 126	207	4 333	141
Total fixed assets						355 981	57 130	15 856	72 986	363 357
Inventories						87 808	45 512	15 484	60 996	66 113
Accounts receivable						86 996	55 709	18 884	74 593	92 179
Other receivables						29 052	31 564	2 816	34 380	60 987
Cash and cash equivalents						2 035	2 081	1 365	3 446	25 689
Total current assets						205 891	134 866	38 549	173 415	244 968
Assets related to discontinued operations										
Total assets						561 872	191 996	54 405	246 401	608 325
Shareholders' equity						237 362	4 950	13 099	18 049	163 689
Long term bank borrowing						155 000	17 340	20 000	37 340	77 340
Other long term liabilities						61 473	2 750	4 913	7 663	69 206
Total long term liabilities						216 473	20 090	24 913	45 003	146 546
Bank overdraft						4 036	38 485		38 485	
Accounts payables						63 529	91 537	10 872	102 409	114 165
Other short-term liabilities						40 472	36 934	5 521	42 455	183 925
Total short-term liabilities						108 037	166 956	16 393	183 349	298 090
Liabilities related to discontinued operations										
Total liabilities and shareholders' equity						561 872	191 996	54 405	246 401	608 325
Cash Flow Statement						31-12-07	31-12-06	31-12-06	31-12-06	31-12-06
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Cash flow from investing activities						-33 514	-15 425	-1 400	-16 825	-18 304
Cash flow from financing activities						40 723	35 663		35 663	-40 607
Net change in cash and cash equivalents						-23 654	11 104	-9 700	1 404	23 478
Cash and cash equivalents at the beginning of period						25 689	-9 023	11 065	2 042	2 211
Cash and cash equivalents at the end of period						2 035	2 081	1 365	3 446	25 689
Equity reconciliation		Q406	Q406	Q406	Q406	31-12-07			31-12-06	31-12-06
Equity at the beginning of period		30 650	12 100	42 750	179 954	18 049			63 025	183 694
Estimated cost		367		367	2 837					9 880
Allocated earned share option 1)									367	367
Pro-forma equity movements					3 293					14 374
F&G discontinued operation 2)		-2 587	2 587		-2 587	-13 099				-15 573
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Tax on cost related to share purchase						625				
Share purchase for employees, estimated cost						260				
Net income for the period		-23 601	-1 563	-25 164	-19 805	14 397			-51 388	-28 635
Effect of change in exchange rates		96		96	-3	440			145	146
Equity at the end of period		4 925	13 124	18 049	163 689	237 362			18 049	163 689

This report is prepared according to IAS34 applying the same principles as the annual report of 2006

- 200.000 shares to Nordisk Industriutvikling AS, a company partly owned by the Chairman of the board of directors
- Restated 2006 accounts of Defence & Security division of SOASA, ref.annual report 2006
- Fire & Gas discontinued operation part of SOASA in 2006 and de-merged from 1 jan 2007, and excluded in pro forma figures
- Restated 2006 accounts of total SOASA including de-merged Fire & Gas division, ref. annual report 2006
- Pro forma figures includes Defense & Security division of SOASA, Vinghog and pro forma adjustments
- The company has, in accordance with IRFS 3, revised the amortization schedule of excess values, related to the acquisition of Vinghog AS. As a result the amortizations per quarter in 2007 have been reduced by NOK 1.6 million.