



1ST QUARTER 2007

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P&L AND BALANCE SHEET

SIMRAD OPTRONICS GROUP

Profit and Loss Account (NOK 1,000)	Q107	Restated Q106 2)	Q106 3)	Restated Q106 4)	Proforma Q106 5)	Restated 31.12.06 2)	31.12.06 3)	Restated 31.12.06 4)	Proforma 31.12.06 5)
	Group	D&S	F&G	Group	Group	D&S	F&G	Group	Group
Operating income	140 619	34 882	15 743	50 625	70 559	129 131	77 347	206 478	381 575
Operating expenses	117 128	37 275	18 649	55 924	60 441	163 141	79 727	242 868	342 840
EBITDA	23 491	-2 393	-2 906	-5 299	10 118	-34 010	-2 380	-36 390	38 735
Depreciation	2 503	2 090	216	2 306	3 404	3 762	2 080	5 842	7 859
Amortization of Excess Values	8 875				8 570				34 280
EBIT	12 113	-4 483	-3 122	-7 605	-1 856	-37 772	-4 460	-42 232	-3 404
Net financial items	-2 802	-661	-266	-927	-3 334	-6 357	-1 745	-8 102	-17 819
EBT	9 311	-5 144	-3 388	-8 532	-5 190	-44 129	-6 205	-50 334	-21 223
Tax on ordinary profit	-2 680				1 796	-1 054		-1 054	-7 455
Profit after taxes	6 631				-3 393	-45 183		-51 388	-28 678
Balance Sheet (NOK 1,000)	Q107			Q106	Q106	31.12.06	31.12.06	31.12.06	31.12.06
Intangible fixed assets	338 849			47 796	376 248	44 977	13 786	58 763	348 187
Tangible fixed assets	15 186			10 350	18 193	8 027	1 863	9 890	15 074
Financial fixed assets	720				-3 974	4 126	207	4 333	141
Total fixed assets	354 755			58 146	390 467	57 130	15 856	72 986	363 402
Inventories	74 580			55 460	72 639	45 512	15 484	60 996	65 575
Accounts receivable	97 063			55 075	85 268	55 709	18 884	74 593	92 179
Other receivables	51 606			57 097	104 835	31 564	2 816	34 380	61 525
Cash and cash equivalents	62 951			2 934	9 055	2 081	1 365	3 446	64 174
Total current assets	286 200			170 566	271 797	134 866	38 549	173 415	283 453
Total assets	640 955			228 712	662 264	191 996	54 405	246 401	646 855
Shareholders' equity	170 521			54 525	186 709	4 950	13 099	18 049	163 679
Long term bank borrowing	105 000			30 000	94 703	17 340	20 000	37 340	77 340
Other long term liabilities	72 198			9 742	77 717	2 750	4 582	7 663	69 515
Total long term liabilities	177 198			39 742	172 420	20 090	24 582	45 003	146 855
Bank overdraft	68 395			18 906	160 158	38 485	-	38 485	38 485
Accounts payables	65 111			93 682	105 786	91 537	10 872	102 409	114 189
Other short-term liabilities	159 730			21 857	37 190	36 934	5 850	42 455	183 647
Total short-term liabilities	293 236			134 445	303 135	166 956	16 722	183 349	336 321
Total liabilities and shareholders' equity	640 955			228 712	662 264	191 996	54 405	246 401	646 855
Cash Flow Statement	Q107					31.12.06	31.12.06	31.12.06	31.12.06
Cash flow from operating activities	-56 546					-9 134	-8 300	-17 434	82 389
Cash flow from investing activities	-2 731					-15 425	-1 400	-16 825	-18 304
Cash flow from financing activities	58 054					35 663		35 663	-2 122
Net change in cash and cash equivalents	-1 223					11 104	-9 700	1 404	61 963
Cash and cash equivalents at the beginning of period	64 174					-9 023	11 065	2 042	2 211
Cash and cash equivalents at the end of period	62 951					2 081	1 365	3 446	64 174
Equity reconciliation	Q107			Q106	Q106			31.12.06	31.12.06
Equity at the beginning of period	23 196			63 025	183 694			63 025	183 694
Estimated interest cost					2 470				9 880
Allocated earned share option 1)								367	367
Proforma equity movements					3 906				14 374
F&G discontinued operation 4)	-18 404								-15 573
Paid in share capital and/or dividends paid	158 773							5 900	-564
Share purchase for employees, estimated cost	260								
Net income for the period	6 631			-8 532	-3 393			-51 388	-28 678
Effect of change in exchange rates	65			32	32			145	179
Equity at the end of period	170 521			54 525	186 709			18 049	163 679

1) 200.000 shares to Chairman of the board of director

2) Restated 2006 accounts of Defence & Security division of SOASA

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

4) Restated 2006 accounts of total SOASA including de-merged Fire & Gas division

5) Proforma figures includes Defense & Security division of SOASA, Vinghøg and proforma adjustments

SIMRAD OPTRONICS ASA

Q1 2007

- **First quarter with combined Simrad Optronics/Vinghøg organization**
- **Operating income of NOK 140.6 million (99.2% growth)**
- **EBITDA of NOK 23.5 million (16.7% margin)**
- **VingTech Corporation (US) established; progress according to plan**
- **Signed additional contract with KDA on the development of new RWS, renewal of main contract for additional two years**
- **Vingtaqs I contract renegotiated which results in new marked possibilities.**
- **New CEO appointed; new management team in place**
- **New accounting policy established**

Simrad Optronics ASA experienced growth and improved profitability in the first quarter of 2007. The integration of Vinghøg AS was completed during the first quarter. Following the demerger of Simtronics, this was Simrad Optronics' first quarter as a focused defense products Company.

Simrad Optronics posted operating income of NOK 140.6 million in the first quarter. Compared to the same period of 2006 (proforma figures, including Vinghøg, excluding former Fire & Gas Division), the Company's revenue increased by 99.2%.

New accounting policy established

Simrad Optronics ASA has decided to change accounting policy according to a recommendation from the Norwegian Financial Supervisory Authority (Kredittilsynet), related to deferral of income. The accounts for 2004, 2005, and 2006 will be restated in line with the new accounting policy. The effect on EBITDA from 2004, 2005 and 2006 is NOK -0.6 mill., NOK -5.5 mill., and NOK -14.8 mill respectively. Most of this will reappear as positive EBITDA already in 2007, evenly distributed during the year.

Positive Q1 results

Simrad Optronics reported an EBITDA of NOK 23.5 million for the first quarter of 2007 (2006: NOK 10.1 million proforma). Simrad Optronics net profit after financial items was NOK 9.3 million in the first quarter and profit after taxes was NOK 6.6 million.

Operations

The initial integration of Simrad Optronics and Vinghøg (acquired December 2006) was completed in the first quarter. Simrad Optronics' CEO for the last eight years, Tore Amundsen, decided to retire as CEO. The Board appointed Jon Asbjørn Bø as new CEO. Following the merger of the two companies, a new management team took position in the first quarter.

Operational performance developed well in the first quarter. Simrad Optronics US subsidiary, VingTech Corporation, was successfully established. US production is expected to come on-stream in October.

Other operation developments in the first quarter included:

Remote Weapon Systems (RWS)

Signed additional contract with KDA on the development of new RWS, renewal of main contract for additional two years.

Electro Optics

Positive order outlook and qualification of Vingmate is on track.

Weapon Improvement Products

Still high demand for SoftMounts. First prototype SoftMont for MK-47 successful tested and delivered.

Vehicle Systems

Vingtaqs I is delivered on time and will also be implemented on a new vehicle type and on the Norwegian-Russian border.

2007 priorities

The market outlook for Simrad Optronics' products is still positive. In general, defense spendings have turned more positive and a number of new development programs are being prepared worldwide. The Company will towards the end of 2007 also be in a position to benefit from its US operations.

Simrad Optronics' priorities for 2007 are these:

- Complete the post merger integration
- Further improve the precision of our deliveries
- Establish our US manufacturing facility
- Further increase sales and maintain margins

Accounting policies

Following Kredittilsynet's review, and the Company's internal assessment and the restating of previous accounts, it is Simrad Optronics' opinion that all accounts now are in line with Kredittilsynet's interpretation of the IFRS standard, and the accounting principles previously adapted by Vinghøg. Going forward, Simrad Optronics will adhere to these principles.

Oslo, 2 May 2007

The Board of Simrad Optronics ASA



Ove Gusev
Chairman of 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 Landro
Member of the Board, Employee representative



Jon Asbjørn Bø
President and CEO