INTERIM FINANCIAL REPORTING
4TH QUARTER 2008

SIMRAD OPTRONICS GROUP
4TH QUARTER 2008

- **Q4-2008 revenues reached all time high of MNOK 217, up from MNOK 130 in Q4-2007.**
- **Q4-2008 EBITDA of MNOK 42, up from MNOK 14 in Q4-2007. Q4-2008 EBITDA margin of 20%, up from 11% in Q4-2007.**
- **2008 revenues of MNOK 602, up from MNOK 471 in 2007. 2008 EBITDA of MNOK 76 (13%), compared with MNOK 68 (14%) in 2007.**
- **2008 EBT of MNOK 18, up from MNOK 13 in 2007.**
- **Strong order backlog of MNOK 600, down 15% compared to all time high.**

Operational progress

2008 began with postponement of deliveries mainly due to delays from suppliers. During the year, the entire organisation has worked systematically to improve delivery precision and to reduce postponement in deliveries. Q4-2008, with record high revenue, proves that SOASA has succeeded and that the restructuring of the group and expansion of production capacity during the two last years has had a positive impact operationally.

SOASA informed the market at the onset of 2008 of three priorities for the year. During 2008 SOASA reached all targets:

- **Increase sales – maintain margins**
  - Sales increased by 28 % in 2008 compared to 2007, despite a slow start in 2008.
  - EBITDA margin slightly down, but EBIT and EBIT-margins slightly up in 2008 compared to 2007.
- **Establish new sales channels in one or two regions**
  - SOASA has established a new sales channel through Vingtech Australia.
- **Further development of our US subsidiary Vingtech Corp.**
  - Despite a slow start in 2008, Vingtech has delivered a positive EBITDA for the whole year.
  - Complete organization in place and ISO certificate obtained.

The Board of SOASA views it as strategically important to have presence in the US market. The US market is, by far, the largest military market in the world, and therefore, SOASA is particularly satisfied with having achieved positive EBITDA numbers in year 1 of operation in its US subsidiary, Vingtech.

SOASA has also established a joint venture with SAAB at the end of 2008; a strategic move that SOASA believes will strengthen its position in the Nordic market for the coming years.

Financial position

Total revenues in Q4-2008 were MNOK 217, a 67 % increase from Q4-2007. The total revenues in 2008 were MNOK 602, an increase of 28% from 2007.

SOASA experienced a steady order flow in the fourth quarter, which resulted in a strong order backlog of MNOK 600, down 15% compared to all time high.

SOASA reports an EBITDA of MNOK 42 for the fourth quarter, up from reported MNOK 14 in last year's fourth quarter. The EBITDA for 2008 is MNOK 76, an increase of 12% from 2007. EBT in 2008 is MNOK 18, compared with MNOK 13 in 2007.

The growth in 2008 is financed through existing credit facilities, and the tight cash flow position has improved during Q4-2008.

Product group developments in Q4

- **RWS**
  - Still high demand
  - Further development of supplier chain
- **Electro Optics**
  - On time with development of laser target designator for FOI
  - Received two small contracts for Vingmate
  - Delivered final version of the trainer to US Army
- **Weapon Improvement Systems**
  - Still slow/low order intake
  - SOASA expects increase of orders
- **Vehicle Systems**
  - Received small delivery contracts
  - Further development on Vingtaqs II

Outlook / Going forward

The ongoing recession and financial crises seem so far to have had little impact on military spending. The market potential for all four product areas is still strong and SOASA expects further growth in 2009, but not at the same level as was the case from 2007 to 2008 and from 2008 to 2009. Quarterly fluctuations in revenues are expected also in 2009.

Oslo, February 20, 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

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Figures in NOK 1,000		Periodic				
	Q308	Q407	Q407	2008	2007	2007
Profit and Loss	Actual	Proforma[1)]	Reported[2)]	Actual	Proforma[1)]	Reported
Operating income	216 579	129 803	124 522	602 407	471 159	458 386
Operating expenses	174 223	115 505	110 553	526 378	403 636	396 320
EBITDA	42 356	14 298	13 969	76 029	67 523	62 066
Depreciation	2 539	2 846	2 790	12 247	11 289	11 125
Amortization of Excess Values	7 006	7 275	2 475	26 662	29 100	29 100
EBIT	32 811	4 177	8 704	37 120	27 134	21 841
Net financial items	-9 625	-5 042	-5 083	-18 726	-14 279	-14 446
EBT	23 186	-865	3 621	18 394	12 855	7 395
Tax on ordinary profit	7 951	-6 926	-7 057	7 629	-6 926	-7 057
Profit after taxes	15 235	6 060	10 678	10 765	19 780	14 452
Earnings per share (NOK 1)				0,15		0,21

	31.12.08	31.12.07	31.12.07
Balance Sheet	Actual	Proforma[1)]	Reported
Intangible fixed assets	291 393	320 584	318 088
Tangible fixed assets	44 943	36 176	35 920
Financial fixed assets	5 614	1 973	1 973
Total fixed assets	341 950	358 733	355 981
Inventories	133 702	87 808	87 808
Accounts receivable	124 914	88 247	86 995
Other receivables	14 327	29 371	29 052
Cash and cash equivalents	1 908	2 035	2 035
Total current assets	274 851	207 461	205 890
Total assets	616 801	566 194	561 871
Shareholders' equity	244 298	242 760	237 432
Long term bank borrowing	89 000	133 000	133 000
Other long term liabilities	60 168	61 362	61 402
Total long term liabilities	149 168	194 362	194 402
Bank overdraft	35 237	21 579	26 036
Accounts payables	79 599	64 099	63 529
Other short-term liabilities	108 499	43 394	40 472
Total short-term liabilities	223 335	129 072	130 037
Total liabilities and shareholders' equity	616 801	566 194	561 871

Cash Flow Statement			
Cash flow from operating activities	52 695	-26 118	-24 413
Cash flow from investing activities	-21 297	-139 515	-136 763
Cash flow from financing activities	-31 525	164 222	159 765
Net change in cash and cash equivalents	-127	-1 411	-1 411
Cash and cash equivalents at the beginning of period	2 035	3 446	3 446
Cash and cash equivalents at the end of period	1 908	2 035	2 035

Equity Reconciliation			
Equity at the beginning of period	237 432	18 049	18 049
Discontinued operation[3)]	0	-13 101	-13 101
Equity issue expenses, net of tax	0	-1 606	-1 606
Paid in share capital and/or dividends paid	0	218 924	218 924
Share purchase for employees, imputed salary	0	260	260
Net income for the period	10 765	19 780	14 452
Effect of mergers and similar transactions	-56	0	0
Effect of change in exchange rates	-3 843	454	454
Equity at the end of period	244 298	242 760	237 432

This report is prepared according to IAS34 applying the same principles as the annual report of 2007.

1) In proforma figures Nauteknik Defence and Security AS is included. Simrad Optronics Ltd (liquidated in 2007) and Vinghøg Obsima AS (sold in 2007) are excluded.
Proforma figures Q107 are also adjusted for change in amortization of excess values revised in Q407, ref. Q407 report.

2) Periodic Q407 Reported = deviation between YTD Q307 according to interim report Q307 and Full Year 2007 according to Annual Report 2007.

3) Fire & Gas division discontinued operation part of Simrad Optronics in 2006 and de-merged from January 1st 2007.

Agendum See Design

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