

Simrad Optronics ASA

4th Quarter 2007 Presentation

Jon Asbjørn Bø, CEO

19, February 2008

- Highlights and Financial Results
- Operations and Events in Q4
- Going Forward

Q4 Highlights: Back on Track

- Continued growth in revenues the Fourth quarter
 - *12.6% growth in Q4 compared to Q4 2006*
 - *20% growth in 2007 compared to 2006*
- Further improvement of profitability
 - *11.4% EBITDA margin in Q4*
 - *13.6% EBITDA margin in 2007*
- Order reserve up 10% from third quarter to NOK 670 million and up 194% from Q4 2006
- LTDI contract awarded from the Norwegian and Swedish armies. Contract value NOK 126 million.

Q4 Financial Results

NOK million

	Q4 2007	Q4 2006 Pro forma	Change (%)	Q4 2006 "Old SIT"
Operating income	124,5	110.5	12.6%	55.7
EBITDA	14.2	-4.3		-21.6
EBIT	3.9	-11.9		-20.8
EBT	-1.2	-17.1		-24.1
EBITDA margin	11.4%	-3.9%		na

Pro forma Q4 2006 figures reflect current activities; Vinghøg included, former Fire & Gas Division not included, adjusted for restating of 2006 results.

"Old SIT" are results as they were presented after Q4 2006, including Fire & Gas division and without Vinghøg

Year to Date Financial Results

NOK million

	YTD 2007	YTD 2006 Pro forma	Change (%)	YTD 2006 "Old SIT"
Operating income	458.4	381.6	20%	206,5
EBITDA	62.3	38.7	61%	-36.4
EBIT	21.8	-3.4	na	-42.2
EBT	7.4	-21.2	na	-50.3
EBITDA margin	13.7%	10.1%	3.6%	na

Pro forma 2006 figures reflect current activities; Vinghøg included, former Fire & Gas Division not included, adjusted for restating of 2006 results.

"Old SIT" are results as they were presented after Q4 2006, including Fire & Gas division and without Vinghøg

Balance Sheet Summary

NOK million

	31.12.2007	31.12.2006
Fixed assets	356.0	363.4
Receivables	116.0	153.2
Other assets	87.8	66.1
Cash	2.0	25.7
Total assets	561.9	608.3
Equity	229.7	163.7
Long term liabilities	224.1	146.5
Short term liabilities	108.0	298.1
Equity and liabilities	561.9	608.3

Balance Sheet per 31.12.2006 is pro forma; incl. Vinghøg, excl. former Fire & Gas Division

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Four Product Areas

Remote Weapon Systems (RWS)	Electro Optics	Weapon Improvement Products	Vehicle Systems
<ul style="list-style-type: none"> • CCD cameras, weapon integration, firing solenoids and lasers for Remote Weapon Stations. • In cooperation with KDA 	<ul style="list-style-type: none"> • Advanced observation, laser and sight systems for various applications. 	<ul style="list-style-type: none"> • Integration of a wide range of small - and medium caliber guns to vehicle and ground mounted system 	<ul style="list-style-type: none"> • High-end observation and target acquisition systems for light and heavy military vehicles
			

- RWS
 - *Frame agreement until 2012 as a subcontractor to KDA*
 - *Increased order intake*
 - *Assembly in Norway (Vinghøg) and US (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 armies for development and delivery of a laser target designator.*



- **Weapon Improvement Systems**

- *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.*

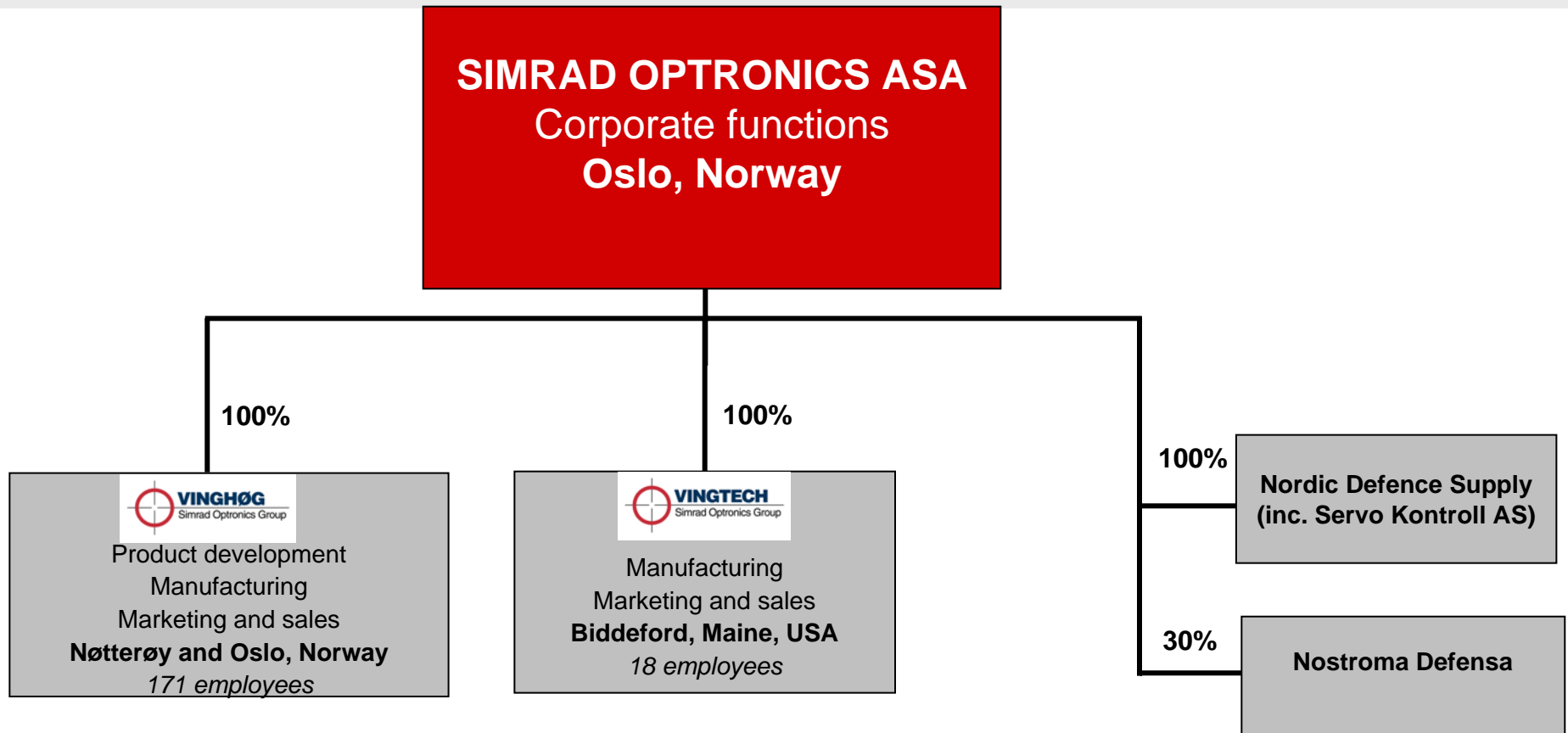


- **UAV**

- *Nostroma Defensa is on track with final product development.*
- *US distribution and sales channels established.*



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**

Financial Impact Restructure

- As of January 1, 2008 the following Simrad Optronics balance sheet items will be transferred to Vinghøg AS:
 - *Intangible assets*
 - *Fixed assets*
 - *Working capital, except items related to income tax*
 - *Pension and holiday pay provisions and obligations*
 - *Overdraft*
- Simrad Optronics will assume direct ownership in Vinghøg subsidiaries Vingtech AS and Servokontroll AS
- Balance sheet figures per 31.12.2007 establish transfer value
- The net transaction amount will appear as an inter company receivable in Simrad Optronics' balance sheet against Vinghøg AS.
- The transaction will increase Simrad Optronics' dividend capabilities from fiscal year 2008.

- Expected sales in 2008: USD 20 million.
- Qualified for deliveries to the Crows program (RWS).
- VingTech Corp will assemble and deliver the Crows contract from March 2008.
- 19 employees, training completed.



Pictured Jon Asbjorn Bo, CEO of Simrad Optronics and Senator Susan Collins (Maine)

- Complete post merger integration
 - *Completed – new organizational structure*
 - *Sales organization successfully restructured*
- Improve delivery precision
 - *Achieved with 95% success*
- Establish US manufacturing facility
 - *Done*
- Increase sales – maintain margins
 - *20% revenue increase YTD – 3.6% increased EBITDA margin*

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Order Backlog and marked outlook

- Order backlog
 - *Order backlog of NOK 670 million per 01.01.08*
- Marked outlook
 - *The outlook is positive in all of SOASAs four product areas.*
 - *With the new organization in place, we have a focused organization going forward*

- Increase sales – Maintain margins
- Establish new sales channels in one or two regions
- Further develop our US subsidiary Vingtech Corp

We welcome any questions

Welcome Back:

1st Quarter Results Presentation

15 May 2008

0800 hrs at Felix Conference Center, Oslo