



A GLOBAL MILITARY SUPPLIER

Simrad Optronics ASA

2nd Quarter 2008 Presentation

Jon Asbjørn Bø, CEO

19 August 2008

Contents

- **Highlights and Financial Results**
- Operations and Events in Q2
- Going Forward
- Appendix



Q2 Highlights:

- SOASA had a revenue of NOK157 mill in Q2 and EBITDA of NOK16.7 mill.
- Postponement of deliveries in Vinghøg is reduced from MNOK 40 to MNOK 10 during Q2.
- Order backlog of MNOK 715, up 4% from Q108.
- SOASA maintains the guiding from Q1 in expecting revenue of approximately MNOK 550 in 2008, with EBITDA between MNOK 70 and MNOK 80.

Q2 Financial Results

Amounts in 1 000 NOK	Periodic		Year to date		FY-07 Proforma
	Q2-08	Q2-07	Q2-08	Q2-07	
	Actual	Proforma	Actual	Proforma	
Operating income	156 713	126 002	253 186	269 481	471 159
EBITDA	16 666	22 337	17 886	47 040	67 523
EBIT	6 952	12 122	-1 304	27 006	27 134
EBT	1 188	9 056	-13 415	21 180	12 855
EBITDA margin	11 %	18 %	7 %	17 %	14 %

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Q2 Operating Income per legal entity

Amounts in 1 000 NOK	Periodic		Year to date		FY-07 Proforma
	Q2-08	Q2-07	Q2-08	Q2-07	
	Actual	Proforma	Actual	Proforma	
Simrad Optronics ASA	0	0	0	0	0
Vinghøg AS	150 612	121 532	249 321	263 989	450 952
Vingtech Corp	19 994	0	23 028	0	3 186
Nordic Defence and Security AS	4 201	5 583	8 284	10 981	21 868
Eliminations	-18 094	-1 113	-27 446	-5 489	-4 847
Total	156 713	126 002	253 187	269 481	471 159

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Q2 EBITDA per legal entity

Amounts in 1 000 NOK	Periodic		Year to date		FY-07 Proforma
	Q2-08	Q2-07	Q2-08	Q2-07	
	Actual	Proforma	Actual	Proforma	
Simrad Optronics ASA	30	0	-68	0	0
Vinghøg AS	14 765	21 530	19 107	44 572	65 688
Vingtech Corp	448	0	-4 080	0	-7 116
Nordic Defence and Security AS	1 423	2 234	2 927	4 182	8 519
Eliminations	0	-1 427	0	-1 714	432
Total	16 666	22 337	17 886	47 040	67 523

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Balance Sheet Summary

	30.06.08	31.12.07	30.06.07
Amounts in 1 000 NOK	Actual	Proforma	Proforma
Fixed assets	349 382	358 733	346 995
Inventories	101 630	87 808	74 866
Accounts receivable	129 954	88 247	135 842
Other receivables	11 258	29 371	27 988
Cash	405	2 035	31 518
Total assets	592 629	566 194	617 209
Equity	227 153	242 760	233 030
Long term liabilities	192 131	194 362	179 109
Short term liabilities	173 345	129 072	205 070
Total equity and liabilities	592 629	566 194	617 209

Proforma figures reflects current activities. In proforma figures NDS is included. Simrad Optronics Ltd and Vinghøg Obsima are excluded.

Contents

- Highlights and Financial Results
- **Operations and Events in Q2**
- Going Forward
- Appendix



Operational developments in Q2

- **RWS**
 - Still growth in order intake.
 - On track with deliveries.
 - Strong market outlook.
- **Electro Optics**
 - On schedule on the development of a laser target designator Norwegian and Swedish armed forces.
 - Good demand for night equipment.
- **Weapon Improvement Systems**
 - On time with deliveries.
 - Stable but a little slow order income.
- **Vehicle Systems**
 - Vingtaqs II on track and high interest during the Eurosatory exhibition in June.
 - Strong interest for position system for M109
- **UAV**
 - Nostromo Defensa has started the work with the contract they received from INDRA.



Simrad Optronics Subsidiaries

- **Vinghøg**

- The additional 1600m² of assembly and office area at Nøtterøy is finalized
- Still focusing on the supply chain

- **Vingtech**

- The company has increased from 20 to 35 employees
- Evaluating to rent more space, possible increase from 2400m² to 3300m²
- Positive EBITDA already in second quarter of operation

- **NDS**

- Increased portefolio of companies they represent in Norway

2008 Priorities – Status Report

- **Increase sales – Maintain margins**
 - Basically on track with deliveries
 - SOASA maintains the guiding from Q1 in expecting revenue of approximately MNOK 550 in 2008, with EBITDA between MNOK 70 and MNOK 80
- **Establish new sales channels in one or two regions**
 - Currently evaluating 3-4 possibilities in different areas
 - On track, expected news to be released in Q4
- **Further development of our US subsidiary Vingtech Corp**
 - Increased production
 - Several new tenders submitted in the US during Q2
 - Important exhibition in Washington in October (AUSA)

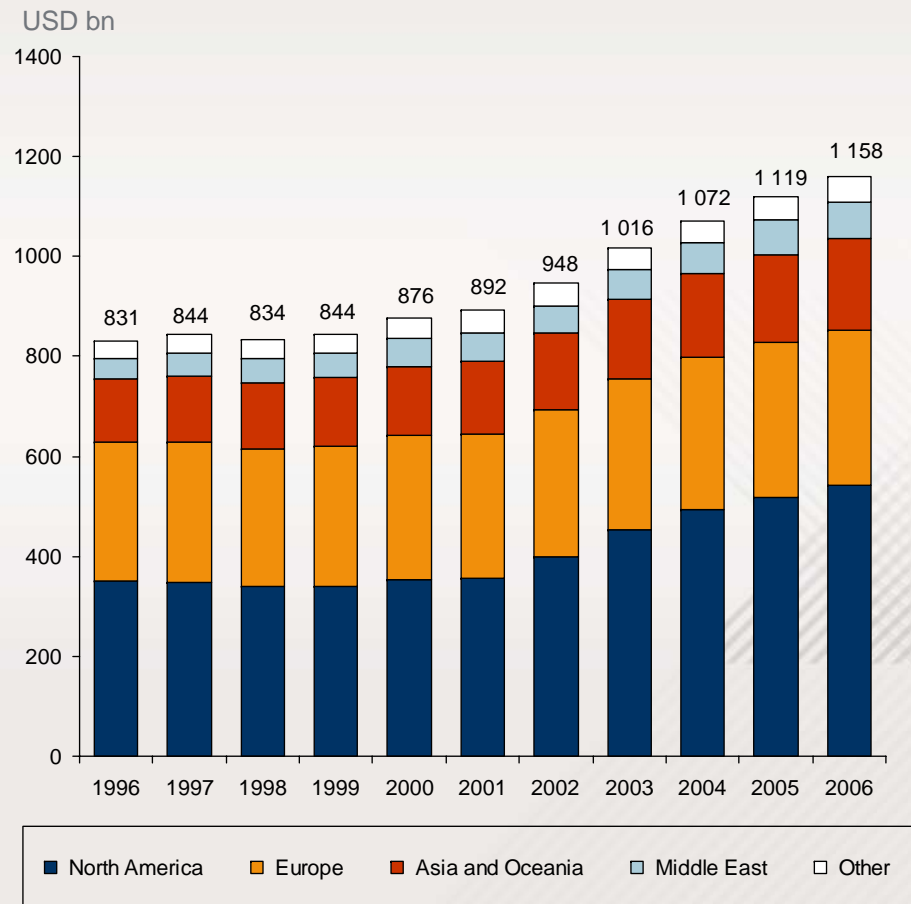
Contents

- Highlights and Financial Results
- Operations and Events in Q2
- **Going Forward**
- Appendix



Market trends favors suppliers of advanced military equipment

Global military expenditure 1996-2006¹⁾



- Global military market is increasing due to war on terror and new conflict areas, as well as from increased spending in emerging countries
- “Urban warfare” and focus on minimizing casualties increase the demand for highly sophisticated weapon systems and technology
- Increasing use of re-purchase agreements between countries related to military purchases
- Increased use of partnerships with suppliers (CLS)

Military expenditure

- World military expenditure in 2006 is estimated to have reached \$1204 billion in current US dollars. This represents increases in real terms of 3.5 per cent between 2005 and 2006 and 37 per cent between 1997 and 2006.

The top 10 military spenders in 2006

Values are in constant (2005) US dollars.

Country	Total military spending (US\$ b.)	Military spending per capita (US\$)	World share (%)
USA	528.7	1 756	46
UK	59.2	990	5
France	53.1	875	5
China	49.5	37	4
Japan	43.7	341	4
Germany	37.0	447	3
Russia	34.7	244	3
Italy	29.9	514	3
Saudi Arabia	29.0	1 152	3
India	23.9	21	2
Sub-total	888.7	-	77
World	1 158.0	-	100

Going forward business areas

- **RWS**
 - Focus on handling growing demand and strengthen the supply chain.
- **Electro optics**
 - Focus on development of LTDI and the trainer for 40mm
 - High focus on bringing the Vingmate (40mm sight) to the market
- **Weapon improvement**
 - Expect growth in sales for the next year
 - Start development of next generation crew served softmounts
- **Vehicle systems**
 - Follow up the huge interest on Eurosatory exhibition
 - Focus on integration of Vingtaqs II into different types of vehicles.
- **UAV**
 - Focus on developing new models in cooperation with INDRA.

Going forward subsidiaries

- Vinghøg
 - Continuous focus on developing supplier chain.
 - Focus on new development and integrate Vingtaqs II in new vehicle.
- Vingtech
 - Increase production and turn over.
 - Focus on sales and marketing in US.
- NDS
 - Establish more companies to be sales representative for.
 - Marketing and sales for the companies they are sales representative for.

Going forward SOASA group

- SAAB Agreement:
 - The agreement includes a set up of a joint venture company in Norway if Norway purchase JAS GRIPEN fighters
 - The estimated value is NOK7 billion
 - The identified business areas includes among other:
 - tactical UAV
 - advanced electro optics
 - various platforms for radars and missiles.
- New channels and partners:
 - Currently evaluating 3-5 opportunities to team up with other partners in defferent areas around the world
 - Expect some decisions during the second half of 08

We welcome any questions



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Welcome Back:

3rd Quarter Results Presentation

October 23rd, 2008

0800 hrs at Felix Conference Center, Oslo



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Appendix



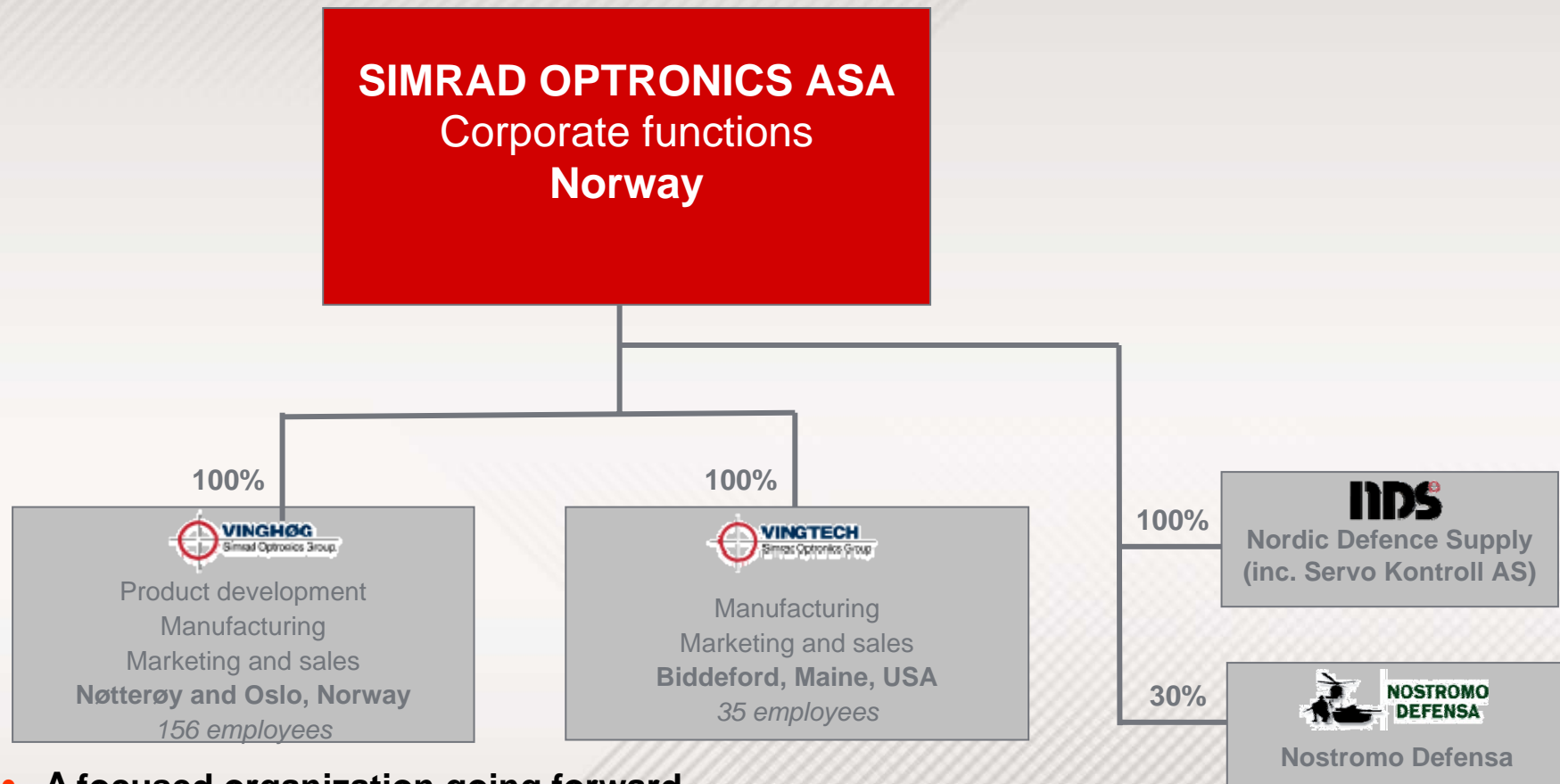
Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Corporate Structure



- **A focused organization going forward**
 - **Product development**
 - **Brand building, marketing and sales**
 - **Alliances and integrated projects**
 - **Efficient manufacturing**
- **A structure for growth**

Four Product Areas

Remote Weapon Systems (RWS)

- *CCD cameras, weapon integration, firing solenoids and lasers for Remote Weapon Stations.*
- *In cooperation with KDA*

Electro Optics

- *Advanced observation and surveillance systems. Laser range finders and sight systems for various applications.*

Weapon Improvement Products

- *Integration of a wide range of small - and medium caliber guns to vehicle and ground mounted systems.*

Vehicle Systems

- *High-end observation and target acquisition systems for light and heavy military vehicles, including system integration.*



Provide situation awareness

Aim and hit target

Protect own troops

Reduce collateral damage

Shareholder structure as per 18.08.08

<u>No of shares</u>	<u>%</u>	<u>Name</u>	<u>Acc. Type</u>	<u>Nationality</u>	<u>Insider ownership</u>
6 139 463	8,58	JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	NOM	GBR	
3 455 311	4,83	LINDHOLMVEIEN 14 AS		NOR	
3 294 609	4,60	SATURN AS		NOR	Jon Asbjørn Bø-PRESIDENT & CEO
3 281 000	4,58	RUNESTAD INVESTERING C/O RUNE RUNESTAD		NOR	
3 094 609	4,32	HUGIN MANAGEMENT AS		NOR	Harald Lunde-EVP Business Development
3 064 609	4,28	CUBIC INVEST A/S		NOR	Lars H. Henriksen-VP Engineering, Vinghøg
3 064 609	4,28	GKI AS		NOR	Gudmund Kjærheim-VP Business Development, Vinghøg
2 994 609	4,18	HEM STEINAR OLAV		NOR	
2 994 609	4,18	ULVE INVEST AS		NOR	Trygve Egenes-CEO, Vinghøg
2 598 556	3,63	MP PENSJON		NOR	
1 523 000	2,13	NORDISK INDUSTRIUTVI		NOR	Ove Gusevik-Chairman of the Board
1 426 439	1,99	DNB NOR SMB VPF		NOR	
1 218 000	1,70	HUI AS		NOR	
1 191 935	1,67	MELLON BANK AS AGENT MELLON BANK NA A/C MELLON NOMINEE 1	NOM	USA	
1 000 000	1,40	SKAGEN VEKST		NOR	
952 000	1,33	INGEFO 1 AS		NOR	
845 000	1,18	KAFA AS		NOR	
576 000	0,80	STATE STREET BANK AN A/C CLIENT OMNIBUS D	NOM	USA	
503 000	0,70	BARØFOSS INVEST AS		NOR	
500 000	0,70	MYKLAND INVEST AS		NOR	
43.717.358	61,06				

- Per end of 2007, total number of shareholders was 2 227, whereof 2 176 were domestics and 51 were foreigners.

Board of directors

Name	Position	Background
Ove Gusevik	Chairman	Runs his own investment and advisory company Global Network Systems AS. Long term experience from investment banks such as Alfred Berg (ABN Amro) and First Securities
Terje Morten Eidsmo	Vice Chairman	Managing director Bryggeriparken AS and Runestad Holding AS. Long term experience from different Norwegian financial institutions
Ingvild Ragna Myhre	Member	Managing Director Network Norway AS. Member of several boards including the National Insurance Fund (Folketrygdfondet)
Lisa Ann Cooper	Member	Managing Director of Leadership foundation. Long term management experience from defense and telecommunications companies
Helle Rønningen	Member	Employees' representative at the board
Stig Endre Landrø	Member	Employees' representative at the board

Analyst coverage and recommendations

Company	Analyst	Phone (dir)	Date last analysis	Recommendation	Target price (NOK)
First Securities ASA	Hans Erik Jacobsen	+47 23 23 82 54	16.05.08	Strong Buy	9,0
Orion Securities ASA	Andrej Rodionov	+370 52 46 19 65	19.05.08	Buy	8,00