

Oslo 21 August 2008
Niklas Hermansson, CEO
Kjell Ove Hatlem, CFO

REACHING FURTHER THROUGH PEOPLE AND INNOVATION

Comrod Communication ASA
First half and second quarter 2008

The growth
continues



AGENDA



- I. **Highlights and introduction**
- II. Financials
- III. Business Areas
- IV. Summary + Q&A



COMPANY PROFILE

COMROD COMMUNICATION GROUP – GLOBAL NO. 1



No.1 player globally on tactical antennas

Leading market positions within defense masts and power supplies

Preferred supplier to the major defense radio communication manufacturers. Sales to more than 60 countries.

Leading edge technology based on radio communication, composite competence and skills.

Strong R&D focus



BUSINESS MODEL AND STRATEGIC TARGET



Core competencies	<ul style="list-style-type: none">• Design• Manufacturing
Product development	<ul style="list-style-type: none">• Strong focus• Future technology
Key customers	<ul style="list-style-type: none">• Communication equipment manufacturers
Customers	<ul style="list-style-type: none">• Demanding• Long term relationship
Contracts	<ul style="list-style-type: none">• Large defense communication programs• National or multinational. Contracts 3-5 years+
Growth platform	<ul style="list-style-type: none">• Established market foothold• Continuous launch of new products• Increased use of advanced IT solutions
Turnover target	<ul style="list-style-type: none">• NOK 500 million by 2010-2011

HIGHLIGHTS SINCE Q1 PRESENTATION



- NOK 81.8 million revenues (+23% from Q2/2007)
- Good margins on antennas and masts
- Unique new antenna product developed
- UK bridgehead established
- Two new European strategic antenna contracts
- NOK 30 million Investment for increased capacity in Norway

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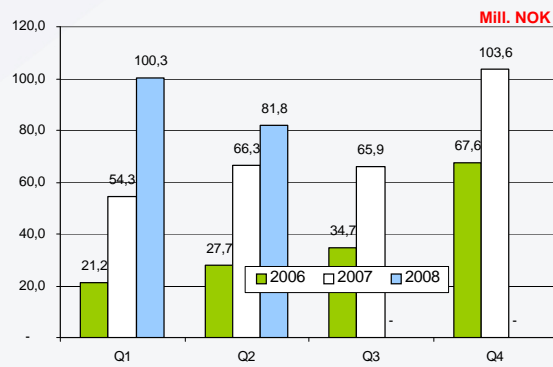
Q2 and 1H - MAIN FINANCIAL RESULTS

1000 NOK

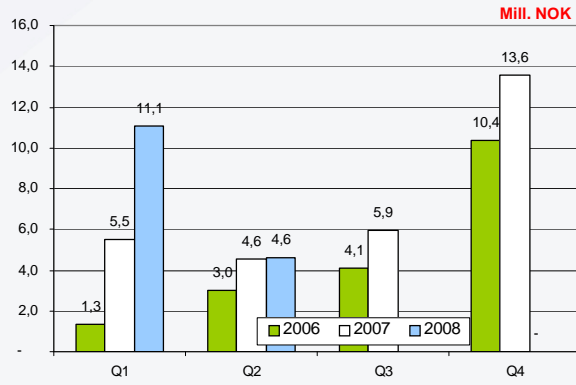
Q2 2008	Q2 2007		1H 2008	1H 2007	Change 1H 08 - 1H 07	2007
Unaudited	Unaudited		Unaudited	Unaudited		Audited
81 771	66 300	OPERATING REVENUES	182 100	120 619	51 %	289 937
5 638	7 580	EBITDA	20 087	16 060	25 %	40 750
2 414	4 574	EBIT	13 469	10 059	34 %	29 575
3 %	7 %	EBIT - %	7 %	8 %		10 %
6 %		EBIT - % adjusted*	9 %			

*) Adjusted for one time costs related to change of CEO

OPERATING REVENUES BY QUARTER

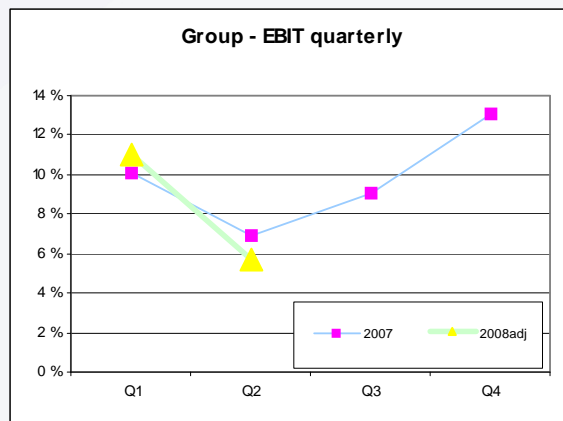


EBIT BY QUARTER (adjusted*)



Comments:
 i) Q2/2008 adjusted for NOK 2.2 million of one-time costs for change of CEO
 ii) Corporate costs for Q1 and adjusted corporate costs for Q2 are NOK 0.5 and NOK 1.2 mill above respective 2007 figures.

GROUP – EBIT-margin by quarter



2008adj = figures excluding one time cost change of CEO

BALANCE SHEET

(All figures in 1000 NOK)	30.06.2008	30.06.2007	31.12.2007
Total Capital	327 006	253 825	303 906
Equity	92 261	88 631	95 045
Net interest-bearing liabilities	126 413	73 654	104 676
Property, Plant and Equipment	69 540	54 996	61 981
Intangible assets	73 903	65 907	69 722

CASH FLOW STATEMENT

(NOK 1000)	30.06.2008	30.06.2007	31.12.2007
Profit before tax	10 415	4 941	18 154
Depreciation and write-downs	6 618	6 001	11 175
Other non-cash elements	1 265	5 461	5 091
Change in working capital	(7 343)	7 180	(26 949)
Net cash flow from operations	10 955	23 584	7 471
Net cash flow from investment activities	(15 955)	21 812	10 548
Net cash flow from financing activities	1 098	(28 895)	(11 888)
Net change in cash and cash equivalents	(3 902)	16 502	6 130
Cash and cash equivalents at start of period	9 314	3 184	3 184
Cash and cash equivalents at end of period	5 413	19 685	9 314

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REVENUES AND EBIT PER OPERATING SEGMENT

Q2 2008	Q2 2007			1H 2008	1H 2007	1000 NOK
Unaudited	Unaudited			Unaudited	Unaudited	2007 Audited
		Antennas				
58 873	31 627		Revenues	131 400	63 305	170 965
5 930	508		EBIT	17 817	4 511	18 792
10 %	2 %		EBIT %	14 %	7 %	11 %
		Masts				
14 957	16 402		Revenues	29 396	23 333	54 398
2 285	2 441		EBIT	2 800	2 019	6 832
15 %	15 %		EBIT %	10 %	9 %	13 %
		Industrial Products				
6 700	9 263		Revenues	14 884	16 293	33 002
(293)	89		EBIT	(27)	1 048	2 374
-4 %	1 %		EBIT %	0 %	6 %	7 %
		Power Supply				
2 673	9 025		Revenues	7 851	17 730	33 516
(875)	2 450		EBIT	158	4 954	7 548
-33 %	27 %		EBIT %	2 %	28 %	23 %

Notes:

1. Figures for the operating segments doesn't include elimination of internal sales
2. Administration costs incurred in the parent company and development costs not related to The operating segments are unallocated.

BUSINESS AREA

ANTENNAS – HIGHLIGHTS



Comrod antennas for the defense, civilian and commercial market

Improved financial results driven by growth in turnover and improved efficiency

High activity level continued also in the second quarter of 2008

Ramped up production at Tau factory; output capacity now doubled compared to 2006

Manufacturing of several of the most labour intensive and low margin products are moved (in progression) to Norworks, Hungary

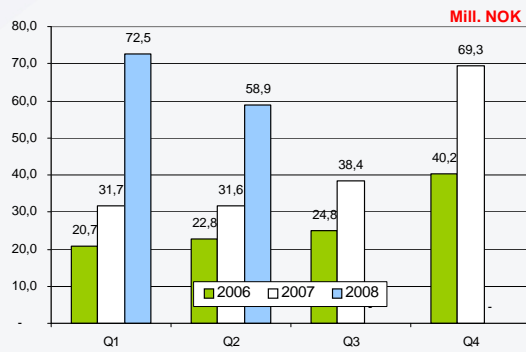
New HF Loop antenna introduced to the market

High activity on the commercial market. Revenue + 108 y-o-y for 1st Half

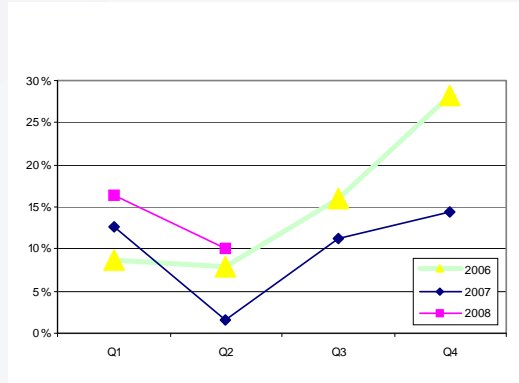
Order book indicate high sales also in the next quarters of 2008

OPERATING REVENUES BY QUARTER – BA ANTENNAS

Comrod antennas for the defense, civilian and commercial market



BA Antennas – EBIT-margin by quarter



Note: 2006 figures are proforma figures

BUSINESS AREA
MASTS – HIGHLIGHTS

Telescopic, sleeve, man-pack, manual and motorized masts.



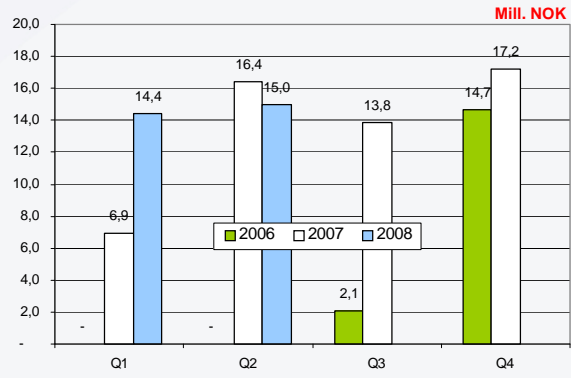
Business Area EBIT is 15% for quarter and 10% for first half

Increased use of systems related to Battle Field Surveillance and Line Of Sight main driver for the growth in the market for masts

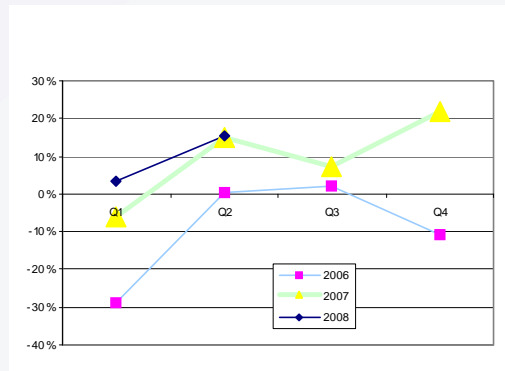
Existing contracts and order book indicates continued good sales in the next quarters

OPERATING REVENUES BY QUARTER – BA MASTS

Telescopic, sleeve, man-pack, manual and motorized masts.



BA Masts – EBIT-margin by quarter



Note: 2006 figures are proforma figures

BUSINESS AREA

INDUSTRIAL PRODUCTS – HIGHLIGHTS

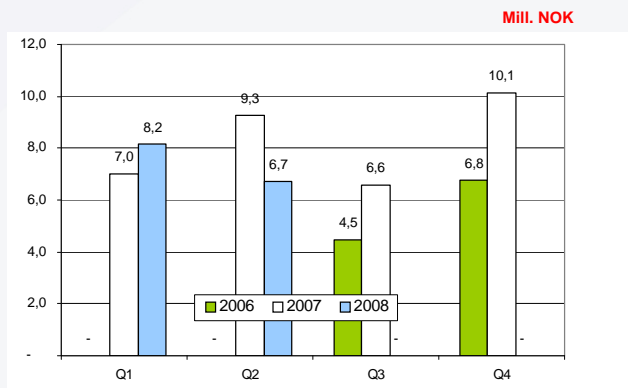
Custom designed products for commercial and defense applications



Revenue growth related to the offshore application business, however, slower activity than expected

Insulator products profitability improvement program is running. Q2 and first half profitability for these products are not satisfactory

OPERATING REVENUES BY QUARTER – BA Industrial Products



BUSINESS AREA

POWER SUPPLY – HIGHLIGHTS

Experience from more than 130 OEM projects worldwide.



As expected the revenues for the both periods were lower than corresponding periods in 2007.

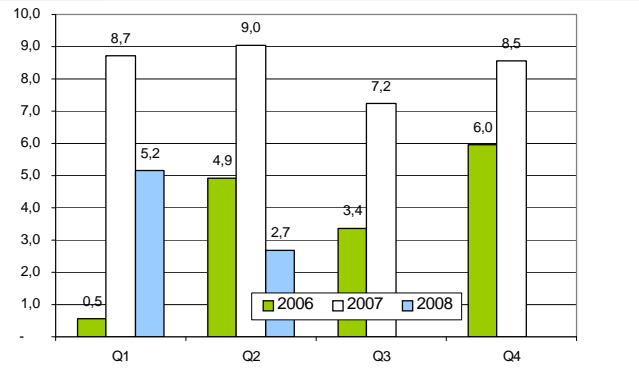
Important new contract with Harris RF Communication. First delivery scheduled in August 2008

Outlook

- short term: reduction in turnover
- medium term:
 - leverage on the Groups customer network.
 - strategic contracts already achieved
- significant increase in requests for offers

OPERATING REVENUES BY QUARTER – BA Power Supply

Mill. NOK



Unmanned Systems Norway/Unmanned Aerial Vehicle



UMS Bold Viking

Prototype to be tested in 2nd half of 2008

MOU signed with global industrial partner for further development.

NEW PRODUCTS TO BE LAUNCHED....



Global No. 1 position enhanced through continuous focus on product development

New products:

- **HF Loop antenna** – launched into the market with positive feed-back
- **Panel mounted antennas for navy applications**
- **Multiband/wide band antennas, incl. jamming versions**
- **ComPact** – next generation power supply
- **Various antenna control systems**

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SUMMARY AND OUTLOOK



In line with plans

- The improvements of last quarters continues in 2008
- Increasing market penetration and new contracts
 - Secure margin levels as Hungary ramps up
 - UK bridgehead established

Outlook:

- Revenues for second half expected to be 10% above 2007 level
- EBIT-margin for full year, in line with 2007 performance
- Increase revenues to NOK 500 million by 2010-2011

Questions & Answers
