

Stavanger 21 August 2009

Niklas Hermansson, CEO

Kari Duestad, CFO

## REACHING FURTHER THROUGH PEOPLE AND INNOVATION

Comrod Communication ASA

First half and second quarter 2009

Solid



## AGENDA

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

COMPANY PROFILE

## COMROD COMMUNICATION GROUP – GLOBAL NO. 1

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**No.1 player globally** on tactical antennas

**Leading market positions** within defense masts and power supply

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

## HIGHLIGHTS SINCE Q1 PRESENTATION

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- **NOK 87.0 million revenues (+6.4% from Q2/2008)**
- **BU Antennas receives 2 “direct” orders 1 from US Army and 1 from SPAWAR**
- **BU Antennas; Spare-parts order to the French Army**
- **BU Power Supply receives first order for ComPact 2400 AC/DC**
- **BU Industrial Products signs 5 years supplier contract**
- **BU Masts; MIDS / Terre optional order**
- **First influence from the “financial crisis”**
- **Decision to stop further activities within UMS Norway AS**

## AGENDA

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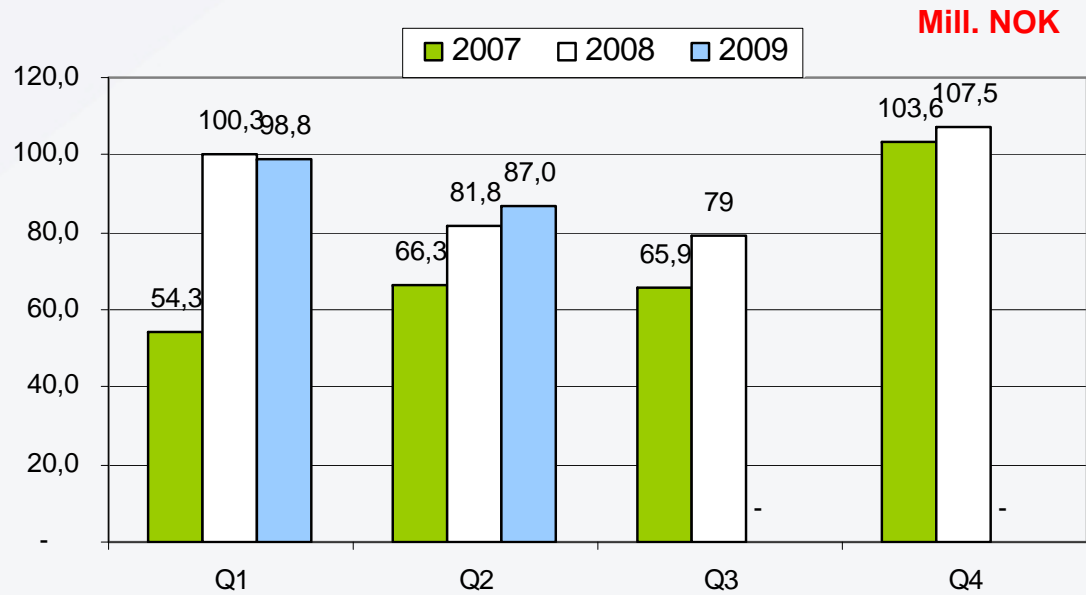
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## Q2 and 1H - MAIN FINANCIAL RESULTS

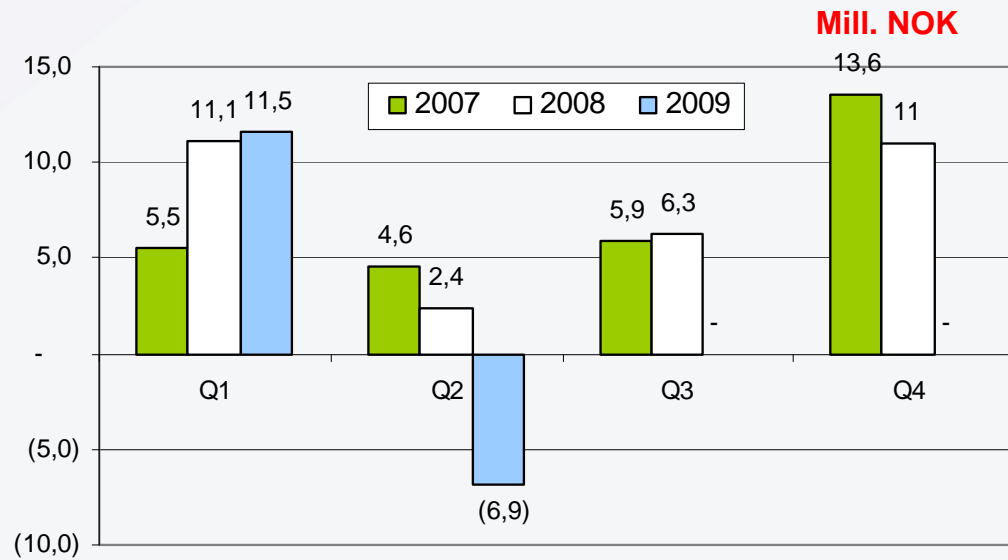
1000 NOK

<b>Q2 2009</b>	<b>Q2 2008</b>		<b>1H 2009</b>	<b>1H 2008</b>	<b>Change 1H 09 - 1H 08</b>	<b>2008</b>
Unaudited	Unaudited		Unaudited	Unaudited		Audited
87 027	81 771	OPERATING REVENUES	185 793	182 100	2 %	368 631
9 312	5 638	EBITDA	25 019	20 087	25 %	44 353
(6 880)	2 414	EBIT	4 665	13 469	-65 %	30 743
-8 %	3 %	EBIT - %	3 %	7 %		8 %
5 099		EBIT - adjusted*	16 645			
6 %		EBIT - % adjusted*	9 %			
*)Adjusted for one time costs related to amortization of UMS assets						

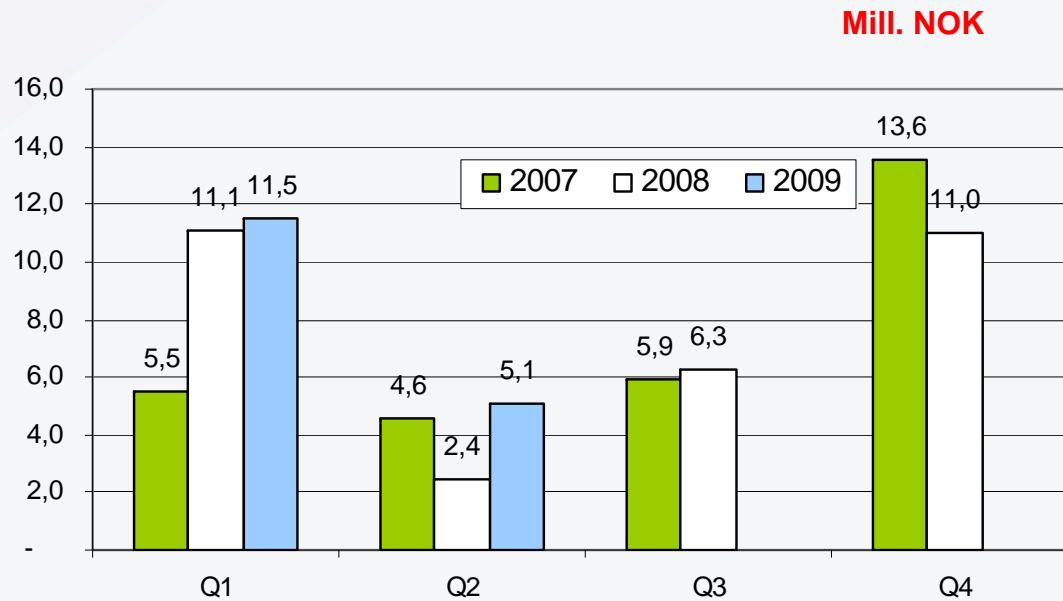
## OPERATING REVENUES BY QUARTER



## EBIT BY QUARTER



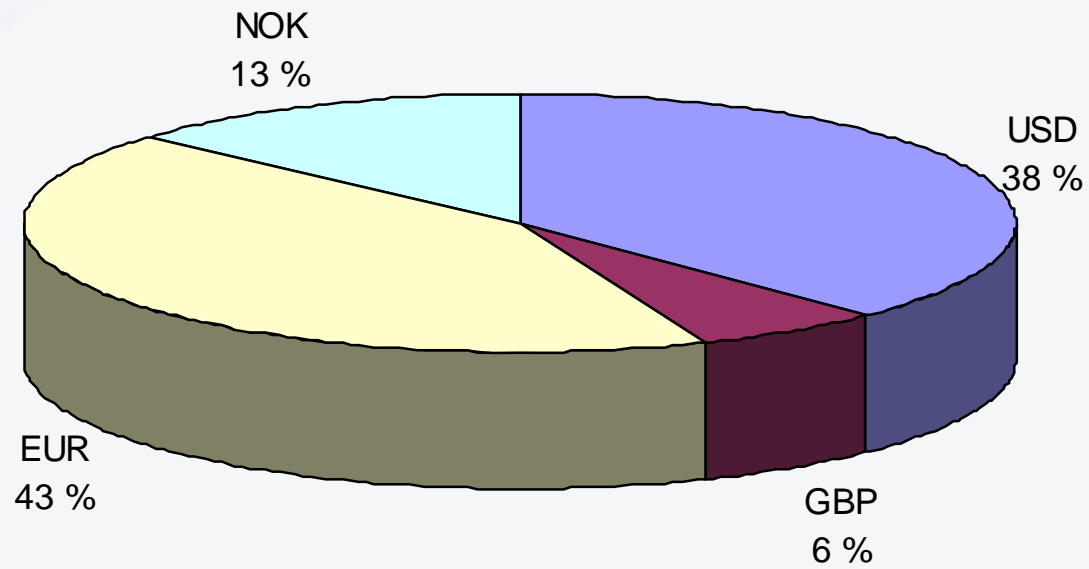
## EBIT BY QUARTER - adjusted



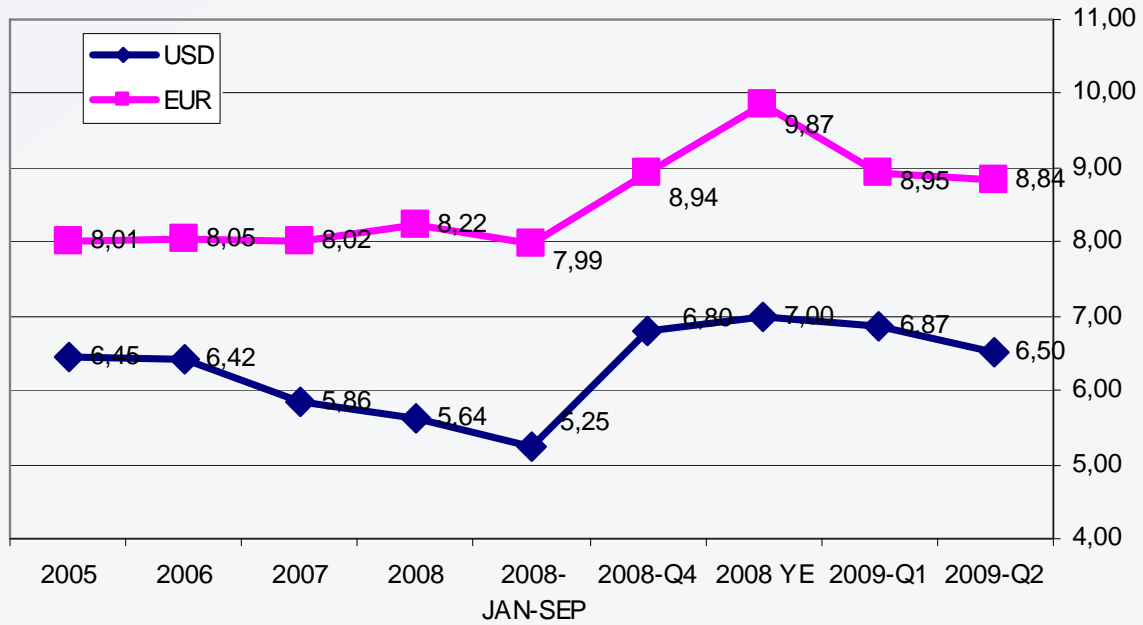
## GROUP REVENUES – CURRENCY EXPOSURE



Revenues 2009 by currency



## Average exchange rates



## BALANCE SHEET

(All figures in 1000 NOK)	30.06.2009	30.06.2008	31.12.2008
<b>Total Capital</b>	331 337	327 006	358 492
<b>Equity</b>	110 299	92 261	109 725
<b>Net interest-bearing liabilities</b>	131 296	126 413	141 711
<b>Property, Plant and Equipment</b>	89 074	69 540	85 652
<b>Intangible assets</b>	75 971	73 903	90 362

## CASH FLOW STATEMENT

( NOK 1000)	30.06.2009	30.06.2008	31.12.2008
Profit before tax	8 136	10 415	15 061
Depreciation and write-downs	20 353	6 618	13 610
Other non-cash elements	(3 549)	1 265	16 451
Change in working capital	(8 274)	(7 343)	3 346
<b>Net cash flow from operations</b>	<b>16 668</b>	<b>10 955</b>	<b>48 468</b>
Net cash flow from investment activities	(16 925)	(15 955)	(27 846)
Net cash flow from financing activities	(3 177)	1 098	(20 954)
<b>Net change in cash and cash equivalents</b>	<b>(3 434)</b>	<b>(3 901)</b>	<b>(333)</b>
Cash and cash equivalents at start of period	8 981	9 314	9 314
<b>Cash and cash equivalents at end of period</b>	<b>5 547</b>	<b>5 413</b>	<b>8 981</b>

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## REVENUES AND EBIT PER OPERATING SEGMENT

		1000 NOK				
<b>Q2 2009</b>	<b>Q2 2008</b>			<b>1H 2009</b>	<b>1H 2008</b>	<b>2008</b>
Unaudited	Unaudited			Unaudited	Unaudited	Audited
		<b>Antennas</b>				
60 712	58 873		Revenues	135 325	131 400	259 601
7 367	5 930		EBIT	21 183	17 817	35 389
12 %	10 %		EBIT %	16 %	14 %	14 %
		<b>Masts</b>				
17 256	14 957		Revenues	25 704	29 396	64 650
1 720	2 285		EBIT	1 101	2 800	9 531
10 %	15 %		EBIT %	4 %	10 %	15 %
		<b>Industrial Products</b>				
6 279	6 700		Revenues	15 065	14 884	29 277
(1 137)	(293)		EBIT	(972)	(27)	(1 173)
-18 %	-4 %		EBIT %	-6 %	0 %	-4 %
		<b>Power Supply</b>				
2 803	2 673		Revenues	9 755	7 851	18 062
(500)	(875)		EBIT	392	158	(693)
-18 %	-33 %		EBIT %	4 %	2 %	-4 %

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

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**Improved financial results** driven by growth in turnover and improved efficiency

**High activity** level through the first half

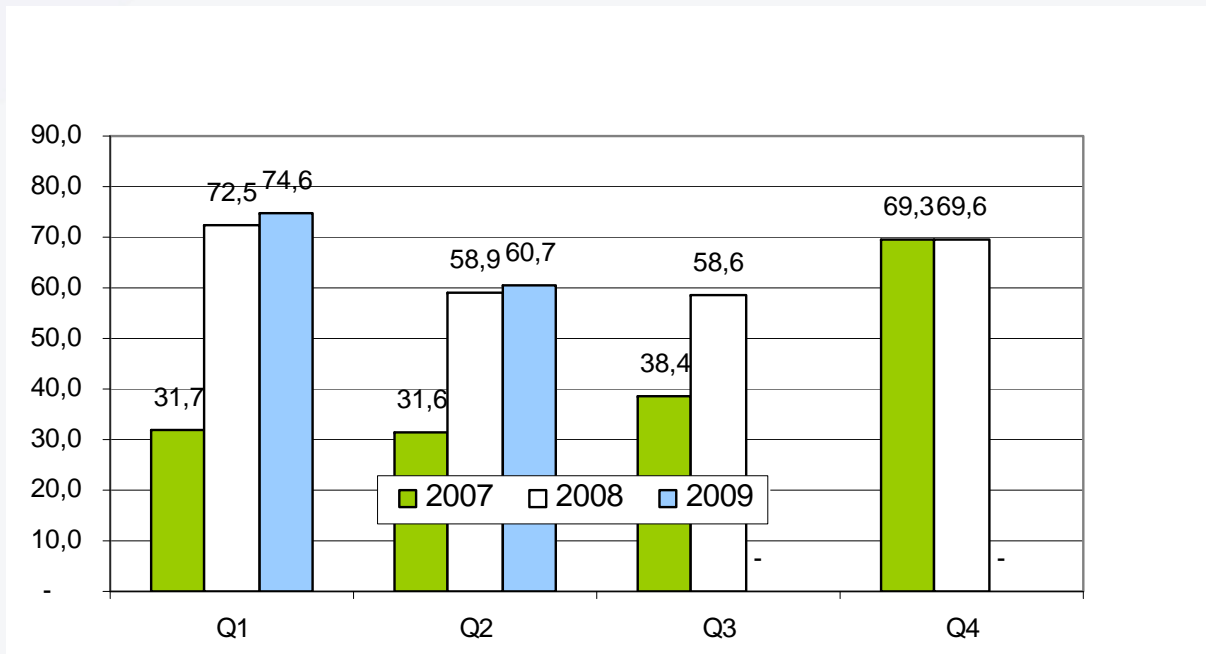
**First HF Loop antenna** received (US Army)

**Growth possibilities** in new market areas

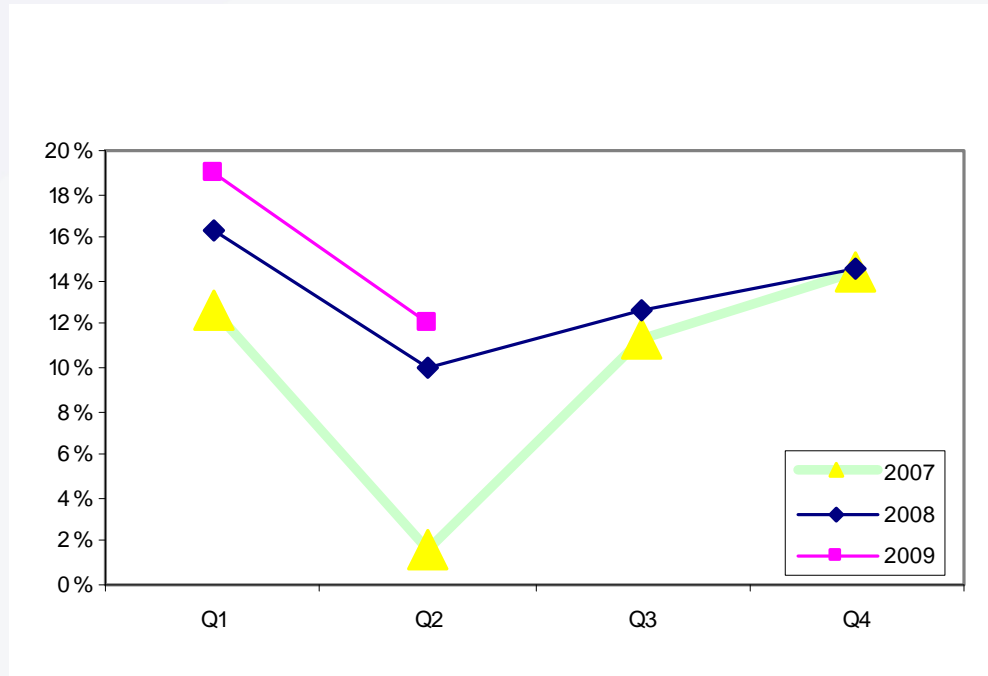
## OPERATING REVENUES BY QUARTER – BA ANTENNAS

Comrod antennas for the defense, civilian and commercial market

Mill. NOK



## BA Antennas – EBIT-margin by quarter



BUSINESS AREA

## **MASTS – HIGHLIGHTS**

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**Slow start with revenues** due to periodical variations

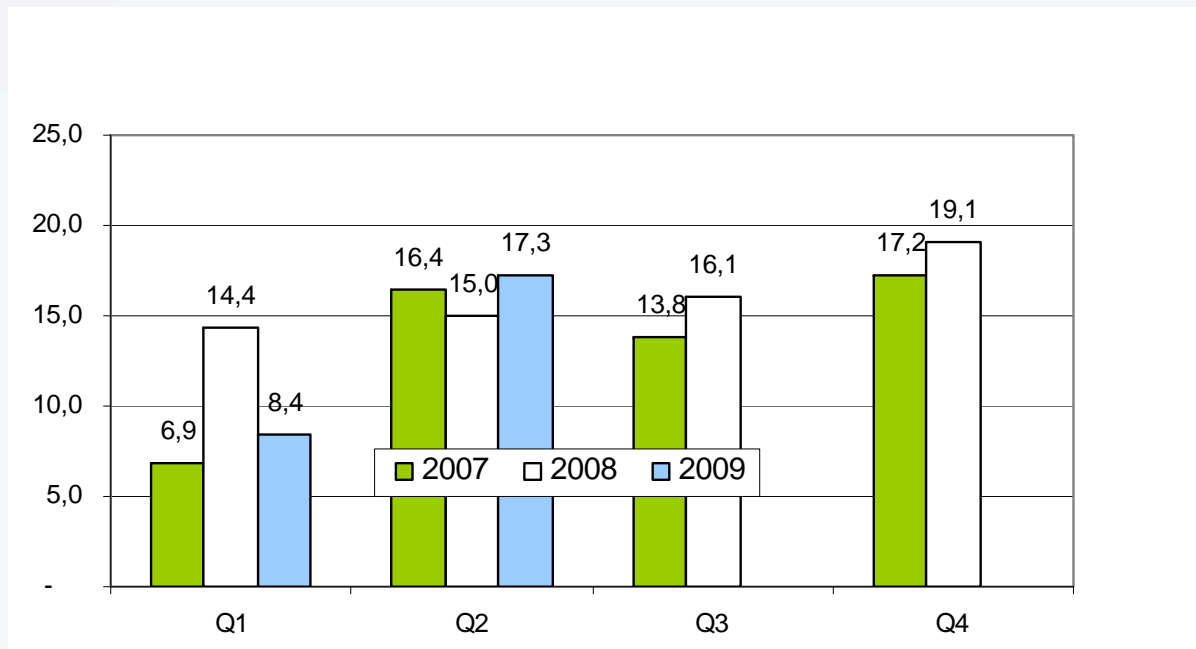
**MIDS / Terre contract** with start up deliveries in Q2

**Significant increase** in requests for offers

## OPERATING REVENUES BY QUARTER – BA MASTS

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

Mill. NOK



BUSINESS AREA

## INDUSTRIAL PRODUCTS – HIGHLIGHTS

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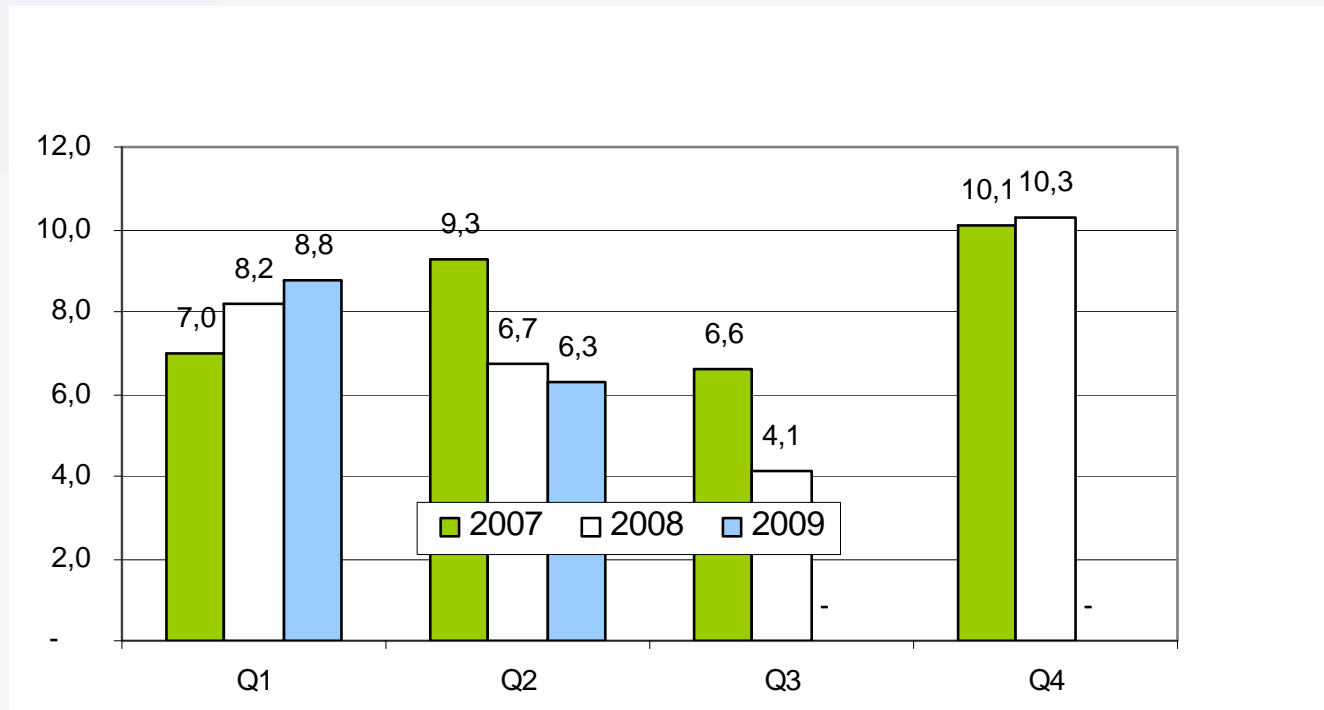
**Financial development** effected by poor product mix, high content of insulators

**Signing of a 5 year supplier contract** for a French defense company

**Insulator closing down** activities ending within Q3/Q4

## OPERATING REVENUES BY QUARTER – BA Industrial Products

Mill. NOK



BUSINESS AREA

## POWER SUPPLY – HIGHLIGHTS

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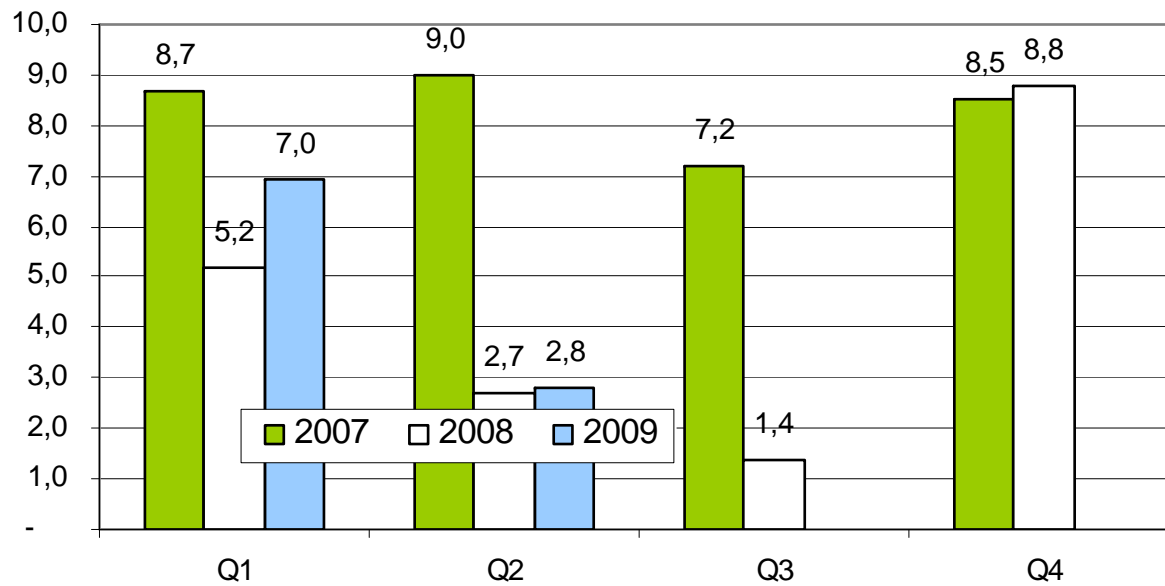


**The revenues** for both quarters were slightly above than corresponding periods in 2008

**Important new contract** for ComPact 2400 AC/DC

## OPERATING REVENUES BY QUARTER – BA Power Supply

Mill. NOK



## Unmanned Systems Norway AS

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**UMS Norway AS has in the** first half of 2009 continued to seek for a new strategic or financial partner

**Unfortunately the** global financial crisis has made it difficult to find any new partner for further development

**Decision taken to stop** all further activities

## NEW PRODUCTS TO BE LAUNCHED....



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

### **New products:**

- "Communications on the move"
- New telescopic masts series – IDTM
- 15 meter aluminum telescopic mast
- Multiband/wide band antennas, incl. jamming versions
- Various antenna control systems

## SUMMARY AND OUTLOOK

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- First half in line with plans
- Affected by the “financial crisis” during Q2
- Postponements for international contracts

### Outlook:

- Turnover for the full year expected slightly below last year
- EBIT-margin for full year before amortization of UMS, in line with 2008 performance