



Stavanger 6 November 2008

Niklas Hermansson, CEO

Kjell Ove Hatlem, CFO

REACHING FURTHER THROUGH PEOPLE AND INNOVATION

Comrod Communication ASA

Third 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 LAST PRESENTATION

- Best Q3 and YTD EBIT ever
- Q3 revenues up 20% from LY
- YTD revenues up 40% from LY
- First strategic order from India
- Power supply order from Swedish defense
- Strong cash flow

AGENDA



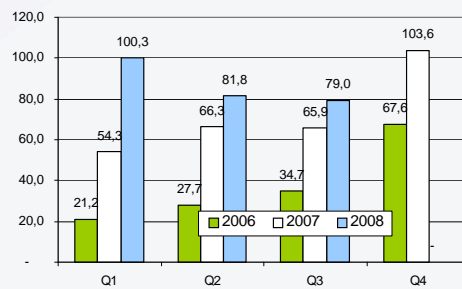
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Q3 and YTD - MAIN FINANCIAL RESULTS

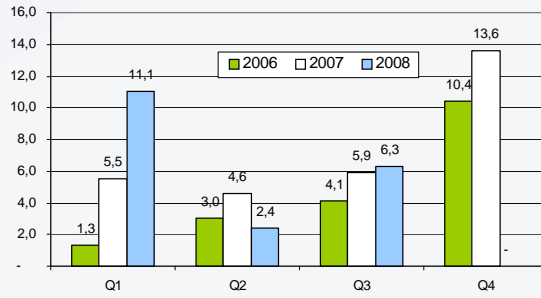
1000 NOK

Q3 2008	Q3 2007		YTD 2008	YTD 2007	Change	2007
Unaudited	Unaudited		Unaudited	Unaudited	YTD 08 -	Audited
					YTD 07	
79 037	65 932	OPERATING REVENUES	261 137	186 550	40 %	289 937
9 470	8 599	EBITDA	29 557	24 659	20 %	40 750
6 255	5 939	EBIT	19 724	15 997	23 %	29 575
8 %	9 %	EBIT - %	8 %	9 %		10 %

OPERATING REVENUES BY QUARTER



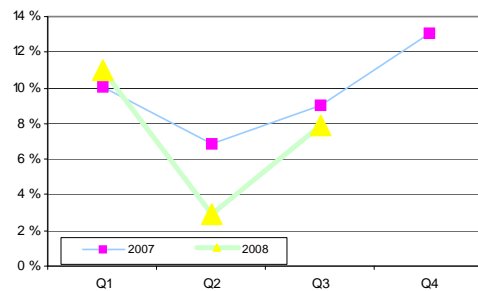
EBIT BY QUARTER



Comments:

- i) Corporate costs for Q3 are MNOK 2.2 (2007: MNOK 0.8).
- ii) Q2/2008 impacted by MNOK 2.2 of one-time costs for change of CEO

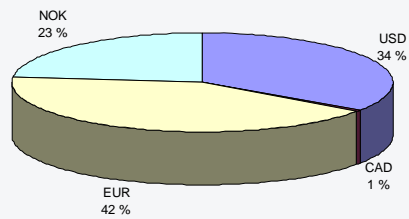
GROUP – EBIT-margin by quarter



GROUP – CURRENCY EXPOSURE



Revenues YTD by currency



- With avr. 2007 USD exchange rates vs. NOK, the EBIT YTD September had increased by MNOK 11.2
- With avr. Oct. 2008 USD exchange during all 2008, the EBIT YTD September had increased by MNOK 21.6
- Lower EBIT impact of EUR-flucuations as 85-90% of EUR revenues are from Lerc.

BALANCE SHEET

(All figures in 1000 NOK)	30.09.2008	30.09.2007	31.12.2007
Total Capital	300 444	260 831	303 906
Equity	95 944	88 490	95 045
Net interest-bearing liabilities	117 236	85 207	104 676
Property, Plant and Equipment	72 821	58 973	61 981

CASH FLOW STATEMENT

(NOK 1000)	30.09.2008	30.09.2007	31.12.2007
Profit before tax	11 487	7 402	18 154
Depreciation and write-downs	9 833	8 662	11 175
Other non-cash elements	8 890	9 325	5 091
Change in working capital	13 009	(17 020)	(26 949)
Net cash flow from operations	43 220	8 369	7 471
Net cash flow from investment activities	(28 111)	23 239	10 548
Net cash flow from financing activities	(19 468)	(29 427)	(11 888)
Net change in cash and cash equivalents	(4 360)	2 180	6 130
Cash and cash equivalents at start of period	9 314	3 184	3 184
Cash and cash equivalents at end of period	4 955	5 364	9 314

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REVENUES AND EBIT PER OPERATING SEGMENT

Q3 2008	Q3 2007			YTD 2008	YTD 2007	1000 NOK
Unaudited	Unaudited			Unaudited	Unaudited	Audited
		Antennas				
58 632	38 352		Revenues	190 033	101 657	170 965
7 393	4 324		EBIT	25 210	8 834	18 792
13 %	11 %		EBIT %	13 %	9 %	11 %
		Masts				
16 126	13 834		Revenues	45 522	37 167	54 398
2 712	1 031		EBIT	5 512	3 050	6 832
17 %	7 %		EBIT %	12 %	8 %	13 %
		Industrial Products				
4 104	6 589		Revenues	18 987	22 882	33 002
(870)	555		EBIT	(897)	1 603	2 374
-21 %	8 %		EBIT %	-5 %	7 %	7 %
		Power Supply				
1 447	7 242		Revenues	9 298	24 972	33 516
(410)	1 199		EBIT	(251)	6 154	7 548
-28 %	17 %		EBIT %	-3 %	25 %	23 %

Notes:

- Figures for the operating segments doesn't include elimination of internal sales
- 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

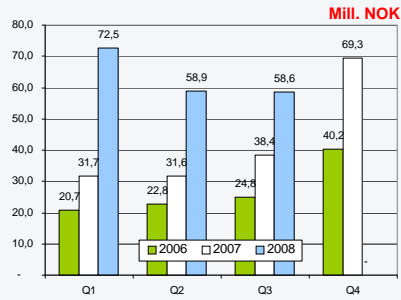
High activity level continued also in the third quarter of 2008

Norworks, Hungary now established in the new facilities

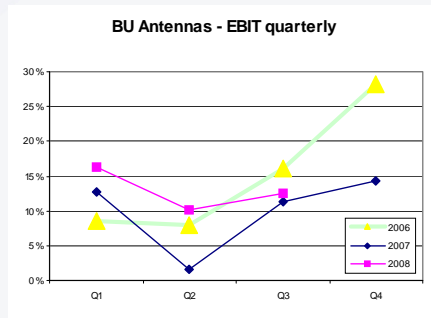
New HF Loop antenna introduced to the market with positive feed back

Comrod UK secures first strategic order to India.

OPERATING REVENUES BY QUARTER – BA ANTENNAS



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 17% for the quarter

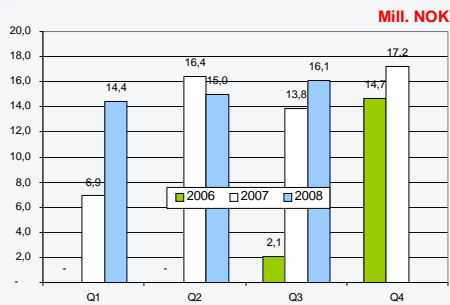
First order delivered to the French DGA MIDS program

Increased use of Battle Field Surveillance and Line Of Sight

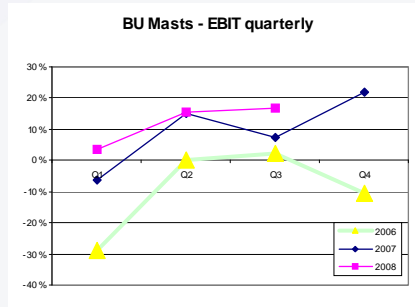
Existing contracts and order book indicates continued good sales

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

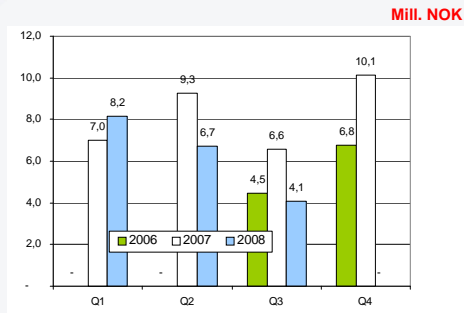
Custom designed products for commercial and defense applications



Revenue growth related to slower activity than expected

Insulator products profitability - improvement program ongoing and is expected to show positive results for Q4

OPERATING REVENUES BY QUARTER – BA Industrial Products



BUSINESS AREA

POWER SUPPLY – HIGHLIGHTS

Experience from more than 130 OEM projects worldwide.



As expected Q3 revenues are lower than same quarter last year

First delivery to Harris RF Communication in Q3, high expectations to this new product

New order 5 MNOK from Swedish defense forces

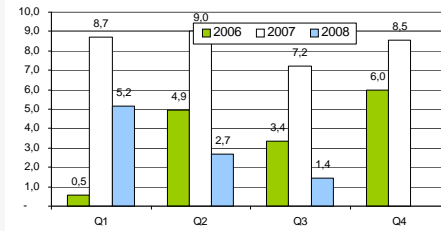
Outlook

- 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



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
- Telescopic mast series
- 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 Q3

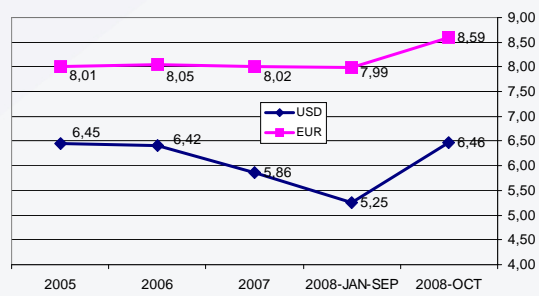
- Increasing market penetration and new contracts
- Secure margin levels as Hungary ramps up

Outlook:

- Q4 revenues similar to Q4 last year
- EBIT-margin for Q4 expected to be 2-3 percentage points above Q3 level
- Continued high USD will have strong positive impact on EBIT margin
- Order backlog YE expected to be at same level as last year
- Increase revenues to NOK 500 million by 2010-2011

Questions & Answers

USD and EUR Exchange rates from Norges Bank



Norges Bank - Average rates vs NOK

	USD	EUR
2008-OCT	6,46	8,59
2008-JAN-SEP	5,25	7,99
2007	5,86	8,02
2006	6,42	8,05
2005	6,45	8,01