

Stavanger 27 October 2009

Niklas Hermansson, CEO

Kari Duestad, CFO

## REACHING FURTHER THROUGH PEOPLE AND INNOVATION

Comrod Communication ASA

Third quarter 2009

Best ever



## 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 position** within defense masts

**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 LAST PRESENTATION

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- **NOK 79.1 million revenues (79.0 in Q3/2008)**
- **Best EBIT margin ever**
- **Continued strong performance within main business area antennas**
- **Improved margins in business area masts**
- **Comrod UK LTD secures Asian Defence contract**

## AGENDA

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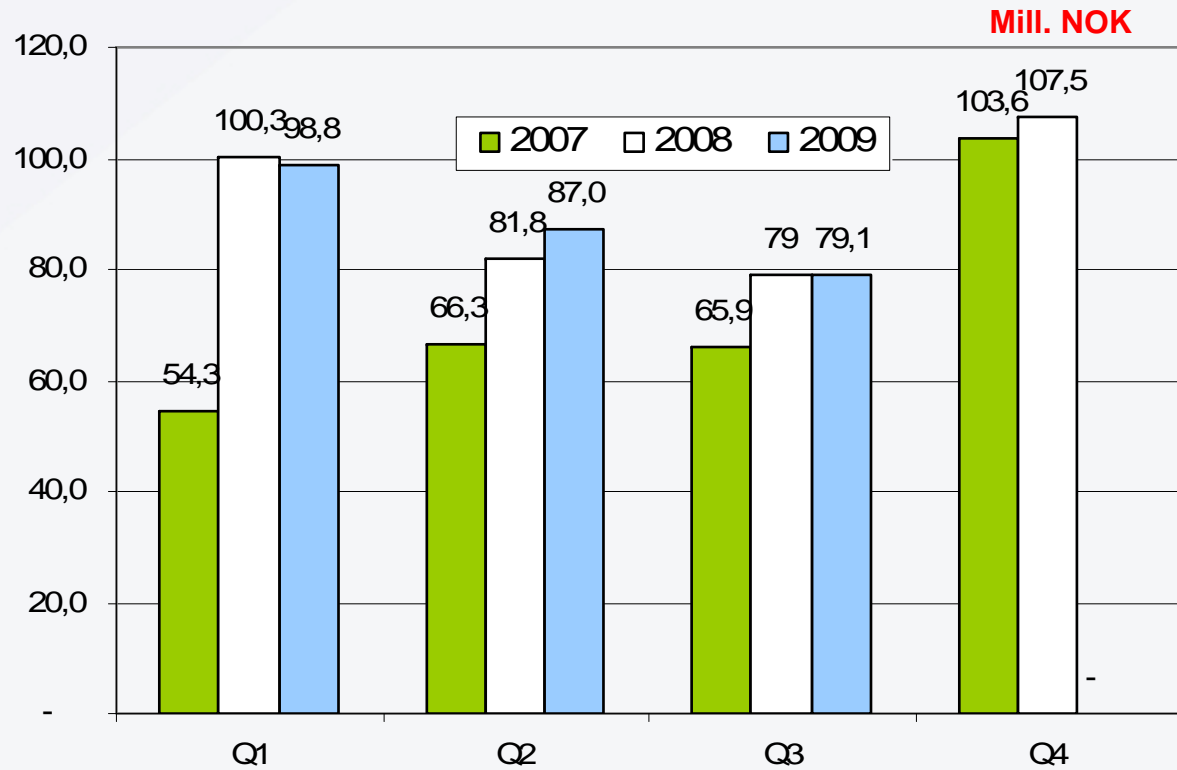
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## Q3 - MAIN FINANCIAL RESULTS

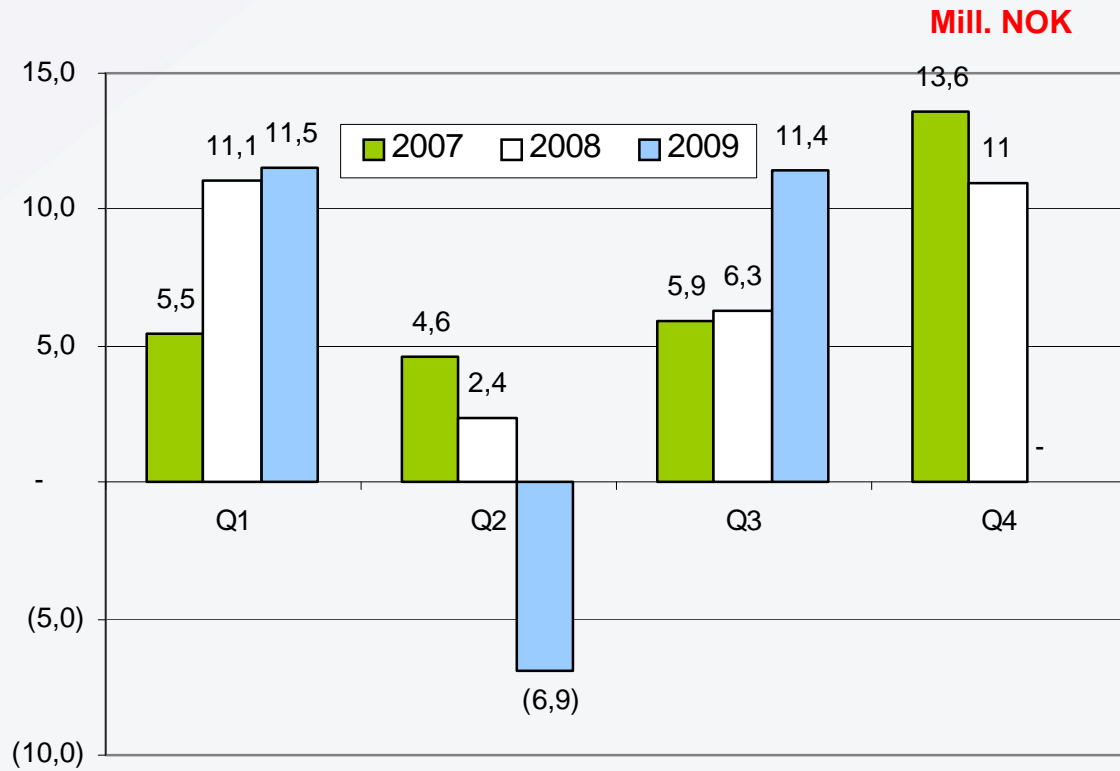
1000 NOK

<b>Q3 2009</b>	<b>Q3 2008</b>		<b>YTD Sept 2009</b>	<b>YTD Sept 2008</b>	<b>Change YTD 09 - YTD 08</b>	<b>2008</b>
Unaudited	Unaudited		Unaudited	Unaudited		Audited
79 071	79 037	OPERATING REVENUES	264 865	261 137	1 %	368 631
15 164	9 470	EBITDA	40 183	29 557	36 %	44 353
11 414	6 255	EBIT	16 080	19 724	-18 %	30 743
14 %	8 %	EBIT - %	6 %	8 %		8 %
		EBIT - adjusted*	28 060			
		EBIT - % adjusted*	11 %			
*)Adjusted for one time costs related to amortization of UMS assets						

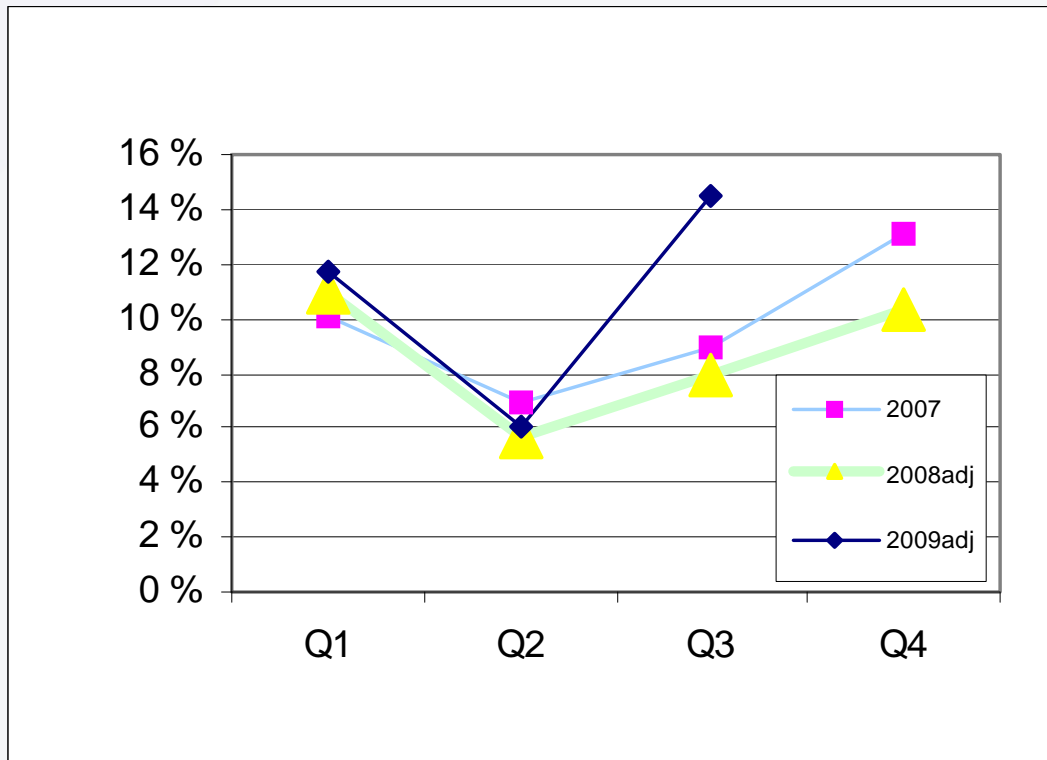
## OPERATING REVENUES BY QUARTER



## EBIT BY QUARTER



## GROUP – EBIT-margin by quarter



Note: Q2 2009 does not include amortization cost UMS. Q2 2008 figures does not include non-recurring costs related to change of CEO.

## BALANCE SHEET

(All figures in 1000 NOK)	30.09.2009	30.09.2008	31.12.2008
<b>Total Capital</b>	319 225	300 444	358 492
<b>Equity</b>	114 099	95 944	109 725
<b>Net interest-bearing liabilities</b>	119 834	117 236	141 711
<b>Property, Plant and Equipment</b>	84 340	72 821	85 652
<b>Intangible assets</b>	73 095	82 172	90 362

## CASH FLOW STATEMENT

( NOK 1000)	30.09.2009	30.09.2008	31.12.2008
Profit before tax	20 642	11 487	15 061
Depreciation and write-downs	24 103	9 833	13 610
Other non-cash elements	(3 832)	8 890	16 451
Change in working capital	(17 392)	13 009	3 346
<b>Net cash flow from operations</b>	<b>23 520</b>	<b>43 220</b>	<b>48 468</b>
Net cash flow from investment activities	(17 916)	(28 111)	(27 846)
Net cash flow from financing activities	(12 015)	(19 468)	(20 954)
<b>Net change in cash and cash equivalents</b>	<b>(6 411)</b>	<b>(4 359)</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>2 570</b>	<b>4 955</b>	<b>8 981</b>

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## REVENUES AND EBIT PER OPERATING SEGMENT



1000 NOK

Q3 2009	Q3 2008			YTD 2009	YTD 2008	2008
Unaudited	Unaudited			Unaudited	Unaudited	Audited
		<b>Antennas</b>				
56 901	58 632		Revenues	192 226	190 033	259 601
10 421	7 393		EBIT	31 604	25 210	35 389
18 %	13 %		EBIT %	16 %	13 %	14 %
		<b>Masts</b>				
11 541	16 126		Revenues	37 245	45 522	64 650
1 882	2 712		EBIT	2 983	5 512	9 531
16 %	17 %		EBIT %	8 %	12 %	15 %
		<b>Industrial Products</b>				
7 120	4 104		Revenues	22 186	18 987	29 277
850	(870)		EBIT	(122)	(897)	(1 173)
12 %	-21 %		EBIT %	-1 %	-5 %	-4 %
		<b>Power Supply</b>				
3 620	1 447		Revenues	13 375	9 298	18 062
(295)	(410)		EBIT	97	(251)	(693)
-8 %	-28 %		EBIT %	1 %	-3 %	-4 %

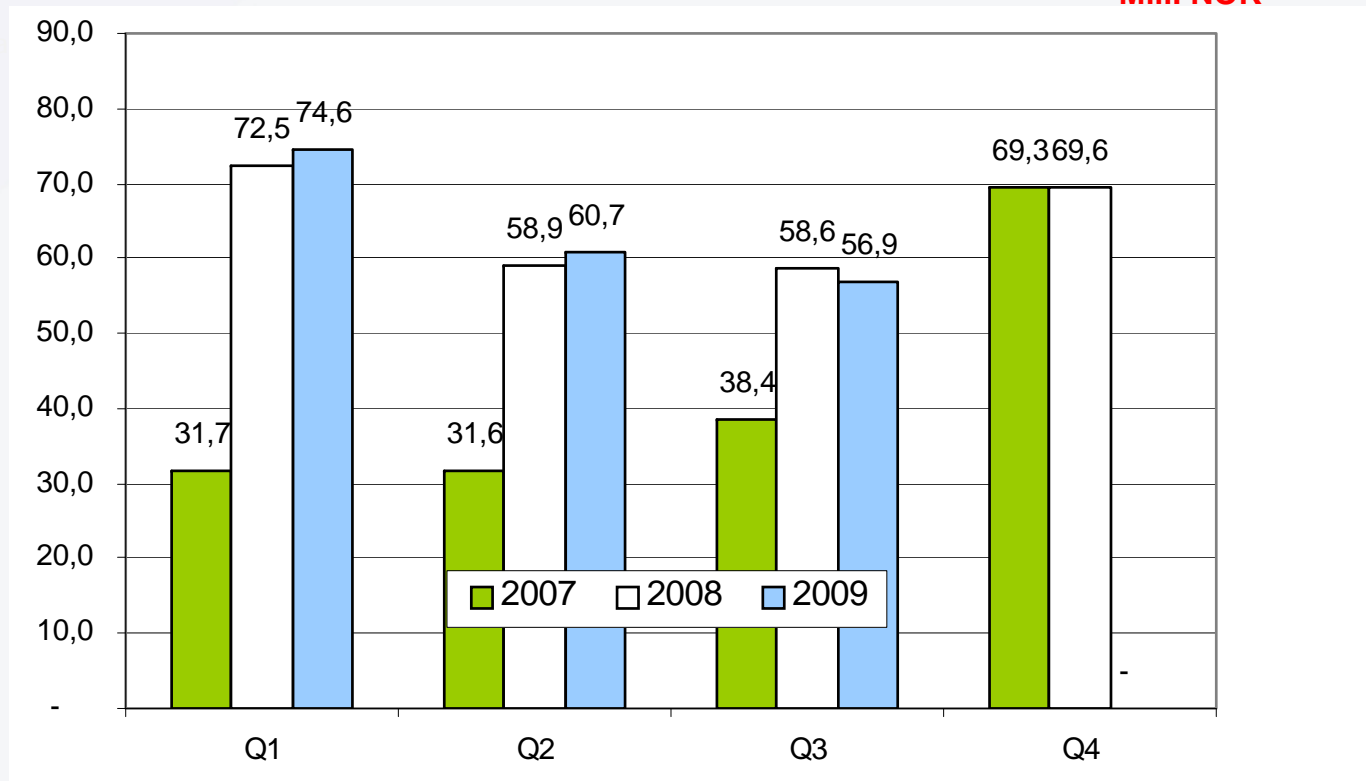
Notes:

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.

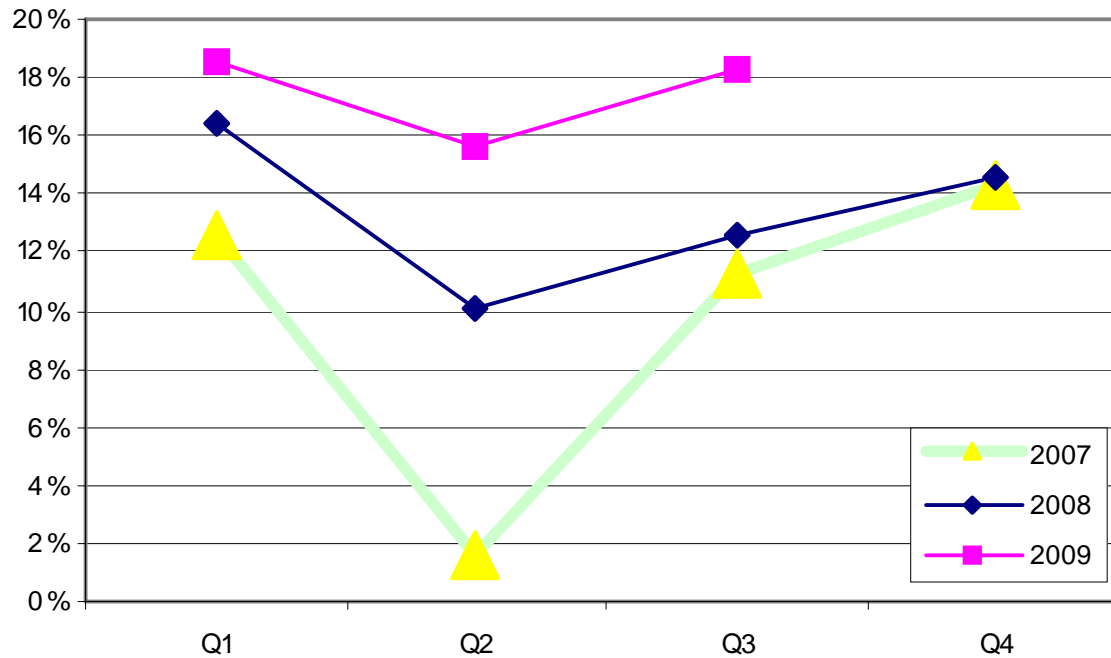
## OPERATING REVENUES BY QUARTER – BA ANTENNAS

Comrod antennas for the defense, civilian and commercial markets

Mill. NOK



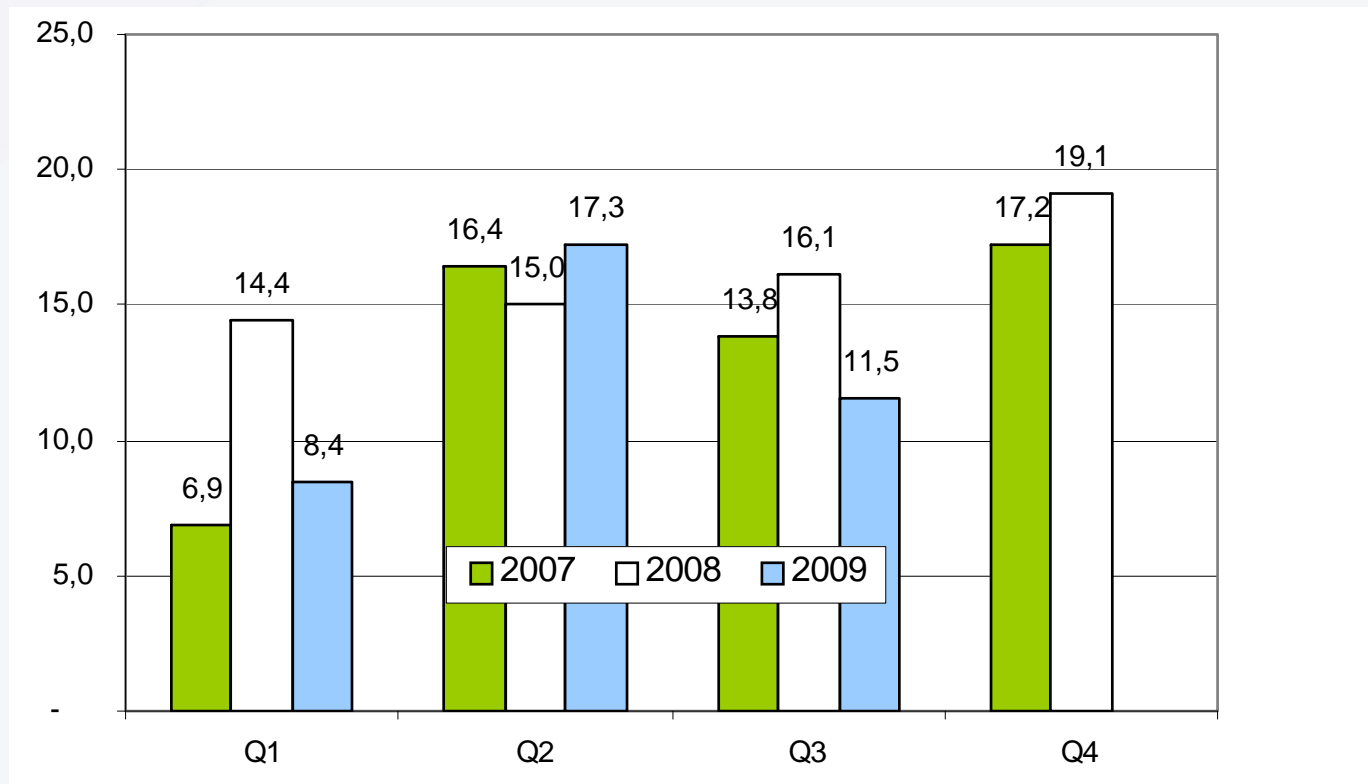
## BA Antennas – EBIT-margin by quarter



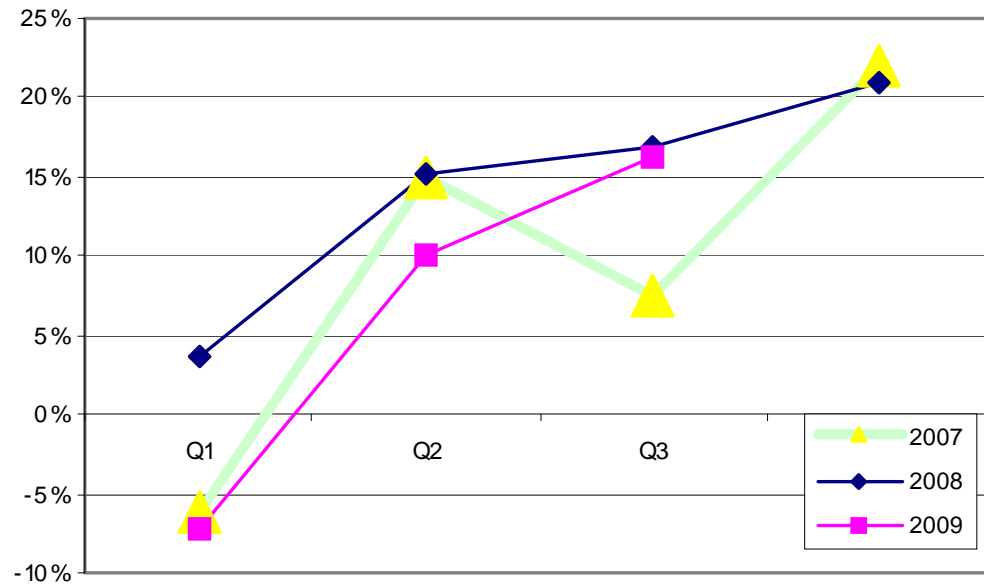
## OPERATING REVENUES BY QUARTER – BA MASTS

Telescopic, sleeve  
man-pack, manual  
and motorized  
masts

Mill. NOK

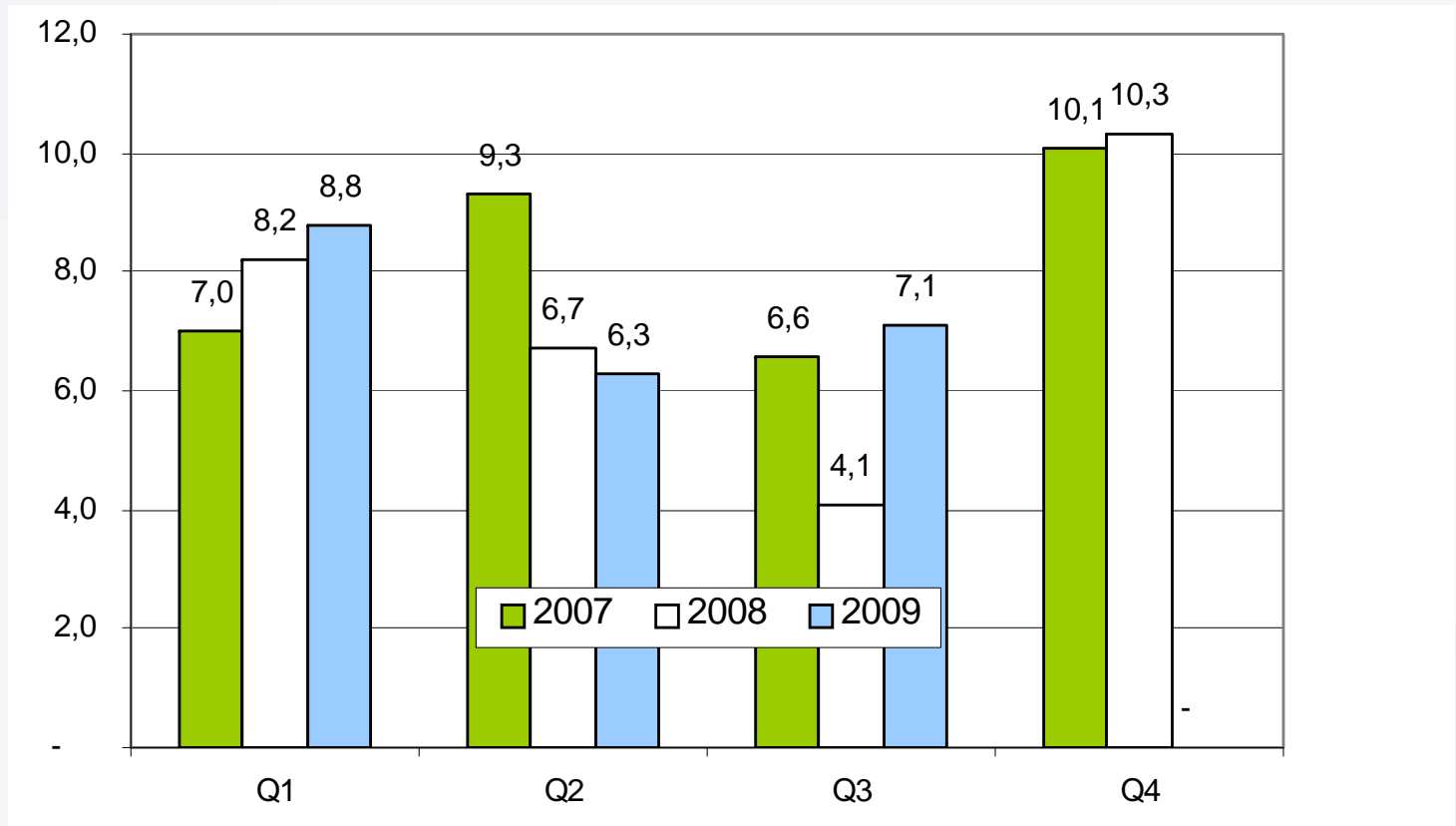


## BA Masts – EBIT-margin by quarter



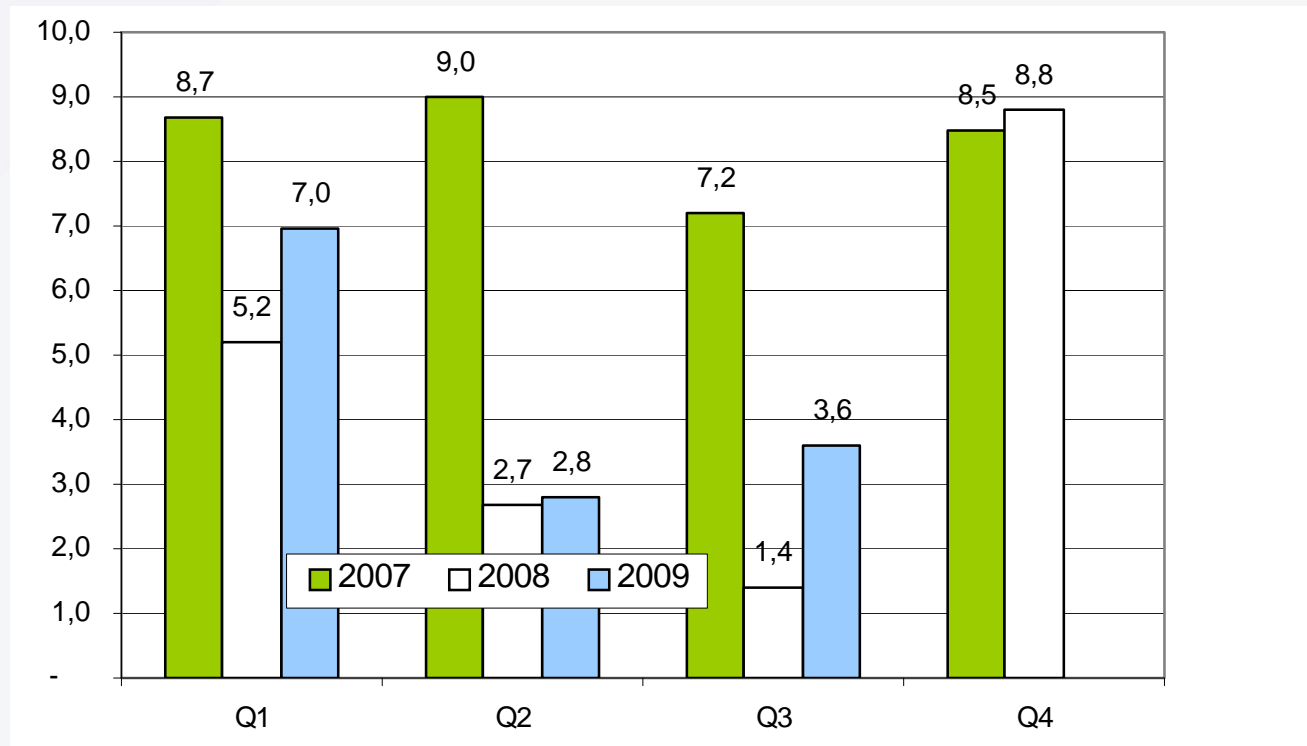
## OPERATING REVENUES BY QUARTER – BA Industrial Products

Mill. NOK



## 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:**

- "Communications on the move"
- New telescopic masts series – IDTM
- Band 4 parabolic antenna
- Multiband/wide band antennas, incl. jamming versions
- Various antenna control systems

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## SUMMARY AND OUTLOOK

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### Summary:

- Continued strong financial performance
- Best ever EBIT margin

### Outlook:

- Turnover for the full year expected to be slightly below last year
- EBIT-margin for full year before amortization of UMS, higher than 2008 performance

