FIRST QUARTER

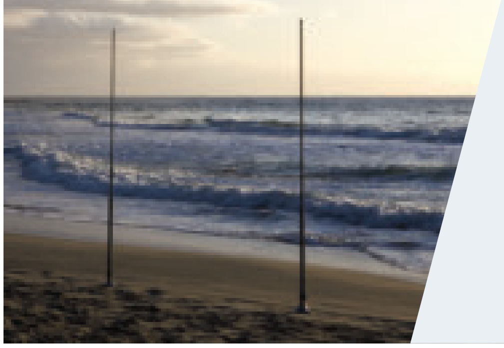
2009

Continued strong performance

REACHING FURTHER THROUGH PEOPLE AND INNOVATION

COMROD

COMROD COMMUNICATION GROUP



Highlights since Q4 reporting:

- Improved quarterly EBIT%
- Strong development from business areas antennas and power.
- Comrod UK secures order for UK Defence forces.
- First USA order for antenna control systems.
- HF Loop antenna order to US Army.

THE GROUP

Comrod Communication Group continues in Q1 the positive development from previous quarters.

Business Area Antennas shows a strong development. During Q1 Business Area Masts has focused on the start up manufacturing for deliveries to the MIDS/Terre contract.

First HF Loop antenna order to the US Army program HIMARS. There are high future expectations to this product. This is another international technology breakthrough.

Revenues for Q1 of 2009 were MNOK 98.8 (MNOK 100). (Figures for corresponding period of 2008 will hereafter be shown in brackets).

Operating profit (EBIT) for Q1 was MNOK 11.5 (MNOK 11.0).

Financial results indicate that the Group has achieved the planned operational efficiency at the new and higher turnover level, thus generating sound financial results overall.

BUSINESS AREAS

ANTENNAS

Sales and market

Revenues for Q1 of 2009 were MNOK 74.6 (MNOK 72.5) which is at a higher level than the record Q1 of 2008.

The recent order from Comrod UK to the UK defence forces shows the strength of having a close presence to the strategic markets.

Production and results

Operating Profit (EBIT) for Q1 was MNOK 13.8 (MNOK 11.9), while EBIT margin was 18.5% an increase from last years Q1 (16.4%).

Comrod in Hungary has in Q1 had a high level of manufacturing. This has improved the overall margins for the labour intensive antenna products.

MASTS

Sales and market

Revenues for Q1 of 2009 were MNOK 8.4 (MNOK 14.4).

This is according to expectations and the business area has had full focus on the ramp-up on deliveries to the MIDS /Terre contract. The deliveries are scheduled to begin in Q2 and will continue to the year end.

Production and results

Operating profit (EBIT) for Q1 was minus MNOK 0.6 (MNOK 0.5).

INDUSTRIAL PRODUCTS

Sales and market

Revenues for Q1 of 2009 were MNOK 8.8 (MNOK 8.2).

Production and results

Operating profit (EBIT) for Q1 was MNOK 0.2 (MNOK 0.3).

The Company is currently working with the phase out activities for the insulator products.

The product range within offshore related applications will continue, and have the full attention from the organization.

POWER SUPPLY

Sales and market

Revenues for Q1 of 2009 were MNOK 7.0 (MNOK 5.2).

The Business Area is currently in the last stage of developing the new ComPact. It is expected that the product will be finalised and ready for deliveries by the end of Q3/beginning of Q4.

Production and results

Operating profit EBIT for Q1 was MNOK 0.9 (MNOK 1.0), a positive development from previous quarters.

PARENT COMPANY

The operating costs of the parent company amounted to MNOK 2.5 (MNOK 2.1).

GROUP

Total balance sheet at the end of March was MNOK 339.8 (MNOK 358.5 as per 31.12.08), and the equity ratio was 33.4 % (32.4 %). Group liquidity remains satisfactory.

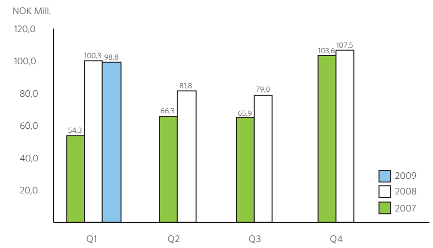
The Group fulfils financial covenants related to external financing.

OUTLOOK

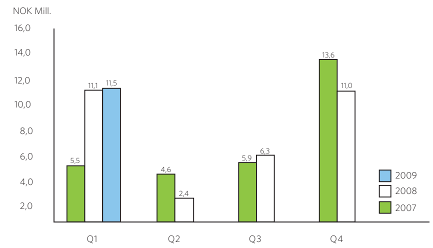
The Board is satisfied with the revenues in Q1 and the positive EBIT development of the two Business Areas, Antennas and Power. The Board expects that the Business Area Masts will improve.

Revenue and EBIT-level variations between quarters can be expected also in 2009. The Board expects higher revenues and EBIT for the year 2009 compared to 2008.

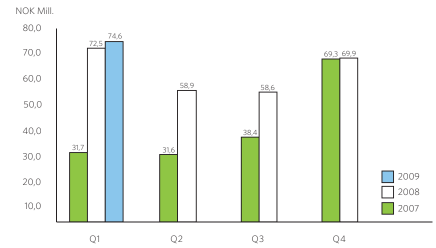
OPERATING REVENUE **GROUP**



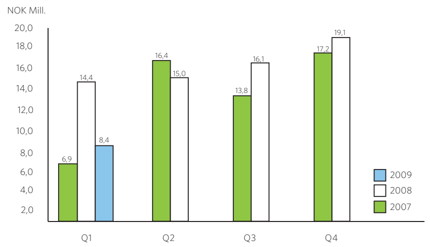
OPERATING PROFIT (EBIT) **GROUP**



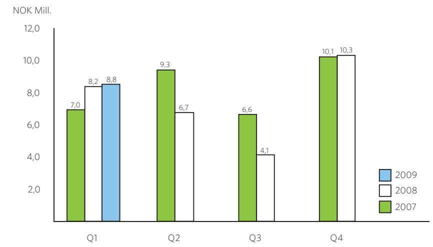
OPERATING REVENUES **ANTENNAS**



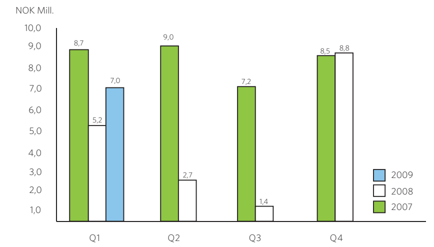
OPERATING REVENUES **MASTS**



OPERATING REVENUES **INDUSTRIAL PRODUCTS**



OPERATING REVENUES **POWER SUPPLY**



(NOK 1000)	Q1 2009 Unaudited	Q1 2008 Unautited	31.12.2008 Audited
CONSOLIDATED INCOME STATEMENT			
Operating revenues	98 766	100 329	368 631
Cost of materials	35 279	37 939	143 700
Payroll expenses	32 478	33 201	128 161
Other operating expenses	15 302	14 741	52 417
Operating profit before depreciation (EBITDA)	15 707	14 449	44 353
EBITDA-margin	16%	14%	12%
Depreciation	4 161	3 394	13 610
Operating profit (EBIT)	11 546	11 055	30 743
EBIT-margin	12%	11%	8%
Net financial items	2 264	(1 739)	(15 682)
Profit/loss before tax	13 810	9 316	15 061
Tax	(3 953)	(2 943)	(4 604)
Profit/(loss)	9 858	6 373	10 457
Attributable to:			
Equity holders of the parent	9 876	6 483	10 812
Minority interests	(18)	(111)	(355)
CONSOLIDATED BALANCE SHEET			
Intangible assets	85 632	72 859	90 362
Tangible fixed assets	85 609	62 880	85 652
Financial fixed assets	67	61	74
Inventories	76 248	67 808	71 040
Receivables	90 728	105 873	102 382
Bank deposits and cash	1 528	10 455	8 981
Total assets	339 813	319 935	358 492
Paid-in capital	70 254	69 507	70 216
Other equity	43 495	34 209	39 691
Minority interests	(199)	63	(181)
Provisions	20 358	18 784	16 914
Interest-bearing long-term liabilities	84 302	75 575	94 124
Interest-bearing current liabilities	38 060	33 702	56 568
Other current liabilities	83 543	88 095	81 161
Total liabilities and equity	339 813	319 935	358 492
CONSOLIDATED CASH FLOW STATEMENT			
Profit before tax	13 810	9 316	15 061
Depreciation and write-downs	4 161	3 394	13 610
Other Non cash elements	(2 694)	2 006	16 451
Change in net working capital	3 093	263	3 346
Net cash flow from operating activities	18 371	14 979	48 468
Net cash flow from investment activities	(8 124)	(5 982)	(27 846)
Net cash flow from financing activities	(17 700)	(7 856)	(20 954)
Net change in cash and cash equivalents	(7 453)	1 141	(333)
Cash and cash equivalents at start of period	8 981	9 314	9 314
Cash and cash equivalents at end of period	1 528	10 455	8 981

(NOK 1000)	Q1 2009	Q1 2008	31.12.2008
CONSOLIDATED EQUITY RECONCILIATION			
Equity at start of period	109 725	95 045	95 045
Profit/loss in period	9 858	6 373	10 457
Share based payment/Actuarial gain and losses	38	121	1 930
Forward exchange contracts	0	1 102	(190)
Translation effects	(6 071)	1 138	12 483
Dividends paid			(10 000)
Equity at end of period	113 550	103 779	109 725
KEY FIGURES			
Equity ratio	33.4%	32.4%	30.6%
Liquidity ratio I	1.4	1.5	1.3
Return on equity (annualised)	35.3%	25.6%	10.2%
Total return (annualised)	12.9%	5.9%	5.8%
Earnings per share	0.58	0.38	0.62
Diluted earnings per share	0.58	0.38	0.62
Cash flow from operations per share	1.08	0.88	2.86
Equity per share	6.70	6.13	6.48
Net interest-bearing liabilities	120 834	98 822	141 711
INFORMATION ON OPERATING SEGMENTS [1,2]			
Antennas			
Operating revenues	74 613	72 528	259 601
Operating profit before depreciation (EBITDA)	15 871	13 453	41 687
EBITDA-margin	21%	19%	16%
Operating profit (EBIT)	13 816	11 887	35 389
EBIT-margin	19%	16%	14%
Mast			
Operating revenues	8 448	14 439	64 650
Operating profit before depreciation (EBITDA)	94	1 220	12 319
EBITDA-margin	1%	8%	19%
Operating profit (EBIT)	(619)	515	9 531
EBIT-margin	(7%)	4%	15%
Industrial Products			
Operating revenues	8 787	8 183	29 277
Operating profit before depreciation (EBITDA)	1 018	961	1 320
EBITDA-margin	12%	12%	5%
Operating profit (EBIT)	165	266	(1 173)
EBIT-margin	2%	3%	(4%)
Power Supply			
Operating revenues	6 952	5 179	18 062
Operating profit before depreciation (EBITDA)	1 427	1 452	1 067
EBITDA-margin	21%	28%	6%
Operating profit (EBIT)	892	1 034	(693)
EBIT-margin	13%	20%	(4%)

[1] Figures for the business areas do not include elimination of internal sales.
[2] Administration costs incurred in parent company and development costs not related to the operating segments are un-allocated.

NOTES

NOTE 1 REPORTING ENTITY

Comrod Communication ASA is a company domiciled in Norway. The interim financial statements ending on 31 March 2009 comprise Comrod Communication ASA and its subsidiaries (collectively referred to as the Group).

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES AND STATEMENT OF COMPLIANCE

The accounting policies applied by the Group in these financial statements are the same as those applied by the Group for the year ended 31 December 2008. These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting. These statements do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Comrod Communication Group for the year ended 31 December 2008 and the above mentioned accounting principles.

NOTE 3 ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in preparing these interim financial statements when applying the Group's accounting policies and the key sources of estimate uncertainty are the same as those applied to the consolidated financial statements of the Group for the year ended 31 December 2008.

Design by Bouvet. Photo by Per Olav Lundbye and Roy Børkja.

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