



THIRD QUARTER 2009

Strong performance

REACHING FURTHER THROUGH PEOPLE AND INNOVATION

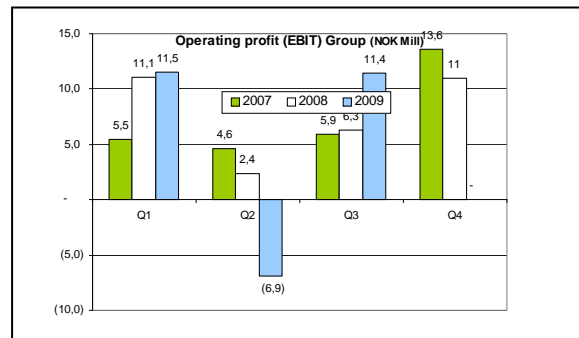
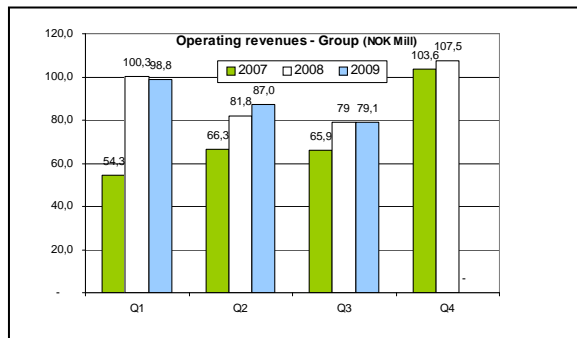


COMROD COMMUNICATION GROUP

REPORT FOR THIRD QUARTER OF 2009

Highlights since Q2 reporting:

- Best EBIT margin ever
- Continued strong development from business area antennas
- Comrod UK secures order for Asia
- Improved profitability within business area masts



THE GROUP

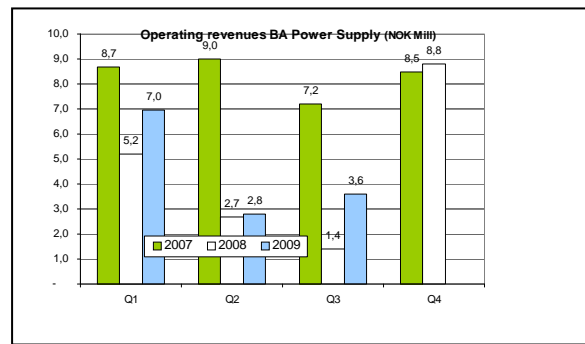
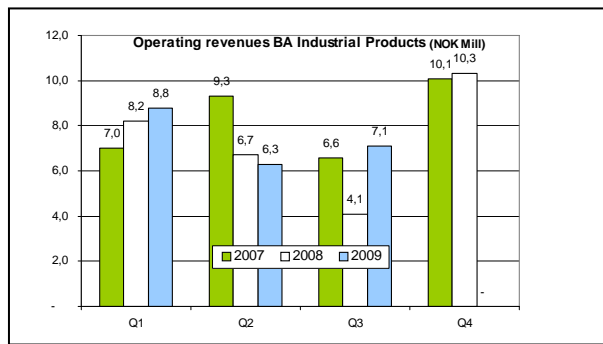
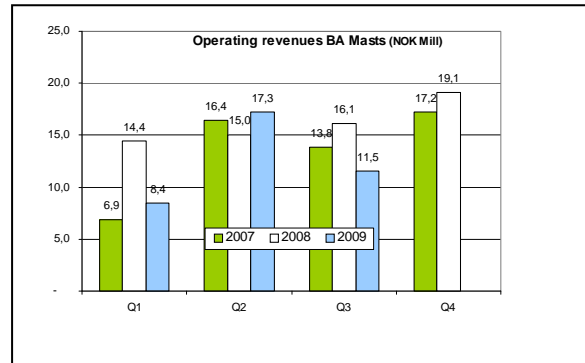
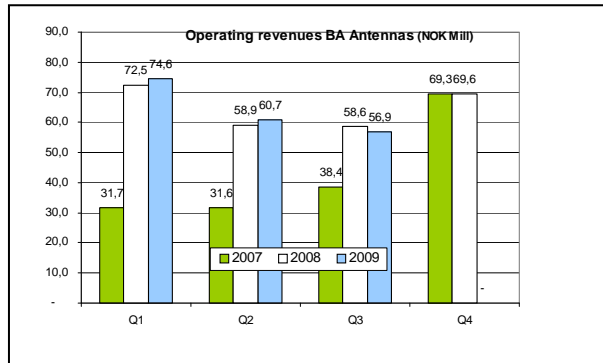
Comrod Communication achieved its best ever EBIT margin with 14.4% in Q3, reflecting the Groups solid market position and high operational efficiency.

The main business areas antennas and masts continue to deliver strong results.

Revenues for Q3 of 2009 were MNOK 79.1 compared with MNOK 79.0 in 2008. (Figures for corresponding period of 2008 will hereafter be shown in brackets). Revenues for first three quarters of 2009 were MNOK 264.9 (MNOK 261.1).

Operating profit (EBIT) for Q3 was MNOK 11.4 (MNOK 6.3). EBIT for the first three quarters of 2009 was MNOK 28.1 (MNOK 19.7) before the write-off of Unmanned Systems Norway AS with MNOK 12.

BUSINESS AREAS



ANTENNAS

Sales and market

Revenues for Q3 were MNOK 56.9 (MNOK 58.6). For the first three quarters revenues were MNOK 192.2 (MNOK 190.0).

Comrod UK secures a new order for Asia. This shows again the importance of a strategic UK presence for the Group.

Production and results

Operating Profit (EBIT) for Q3 was MNOK 10.4 (MNOK 7.4), while EBIT margin was 18.3% (12.6%). EBIT for the first three quarters was MNOK 31.6 (MNOK 25.2), an increase of 25% from the same period last year. The increased operating margin is a result of improved product efficiency and favourable product mix.

Business area antennas continue to be the main driver for the Group on both revenues and profit.

MASTS

Sales and market

Revenues for Q3 of 2009 were MNOK 11.5 (MNOK 16.1). Revenues for the first three quarters of 2009 were MNOK 37.2 (MNOK 45.5).

During the first three quarters the company has experienced a high level of new inquiries.

Production and results

Operating profit (EBIT) for Q3 was MNOK 1.9 (MNOK 2.7). EBIT for the first three quarters was MNOK 3.0 (MNOK 5.5).

INDUSTRIAL PRODUCTS

Sales and market

Revenues for Q3 of 2009 were MNOK 7.1 (MNOK 4.1). Revenues for the first three quarters were MNOK 22.2 (MNOK 19.0).

Production and results

Operating profit (EBIT) for Q3 was MNOK 0.9 (minus MNOK 0.9). EBIT for the first three quarters was minus MNOK 0.1 (minus MNOK 0.9).

POWER SUPPLY

Sales and market

Revenues for Q3 of 2009 were MNOK 3.6 (MNOK 1.4). Revenues for the first three quarters of 2009 were MNOK 13.4 (MNOK 9.3).

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 in early 2010.

Production and results

Operating profit (EBIT) for Q3 was minus MNOK 0.3 (minus MNOK 0.4). EBIT for the first three quarters was MNOK 0.1 (minus MNOK 0.3).

PARENT COMPANY

The operating costs of the parent company amounted to MNOK 1.5 (MNOK 2.2).

GROUP

Total balance sheet at the end of September was MNOK 319.2 (MNOK 300.4), and the equity ratio was 35.7 % (31.9 %). Group liquidity remains satisfactory.

The Group fulfils financial covenants related to external financing.

OUTLOOK

The Board is satisfied with the financial results in Q3 and the positive EBIT development of the two business areas, antennas and masts. For Q4 the Board expects slightly higher revenues than Q3. The Group expects revenues for the full year to be below last year. However, the financial results before write-down of UMS, is expected to be above last year.

Comrod Communication Group - Condensed interim financial information

3rd quarter		(All figures in NOK 1.000)	YTD September		Year
2009	2008	CONSOLIDATED INCOME STATEMENT	2009	2008	2008
Unaudited	Unaudited		Unaudited	Unaudited	Audited
79 071	79 037	Operating revenues	264 865	261 137	368 631
28 698	32 033	Cost of materials	100 080	100 436	143 700
23 588	25 194	Payroll expenses	86 331	90 553	128 161
11 622	12 340	Other operating expenses	38 271	40 591	52 417
15 164	9 470	Operating profit before depreciation (EBITDA)	40 183	29 557	44 353
19,2 %	12,0 %	<i>EBITDA-margin</i>	15,2 %	11,3 %	12,0 %
3 750	3 215	Depreciation	24 103	9 833	13 610
11 414	6 255	Operating profit (EBIT)	16 080	19 724	30 743
14,4 %	7,9 %	<i>EBIT-margin</i>	6,1 %	7,6 %	8,3 %
1 091	-5 183	Net financial items	4 562	-8 237	-15 682
12 506	1 072	Profit/loss before tax	20 642	11 487	15 061
-4 121	-312	Tax	-6 531	-3 985	-4 604
8 384	760	Profit/(loss)	14 111	7 503	10 457
		Attributable to:			
8 389	788	Equity holders of the parent	14 918	7 761	10 812
-4	-29	Minority interests	-807	-258	-355

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2009	2008		2009	2008	2008
Unaudited	Unaudited		Unaudited	Unaudited	Audited
8 384	760	Profit/(loss)	14 111	7 503	10 457
0	0	Change in actuarial gain/(loss) (Net of tax)	0	0	1 624
3 392	-1 628	Change in gain/(loss) on hedge of net investment (Net of tax)	8 207	-2 288	-11 884
0	-8	Change in gain/(loss) on cash flow hedges (Net of tax)	0	-264	-190
-7 993	4 439	Exchange differences on translation of foreign operations	-18 023	5 586	24 367
-4 601	2 803	Other comprehensive income/(loss) for the period (Net of tax)	-9 816	3 034	13 917
3 783	3 562	Total comprehensive income/(loss) for the period (Net of tax)	4 295	10 537	24 374
		Attributable to:			
3 788	3 591	Equity holders of the parent	5 102	10 795	24 729
-4	-29	Minority interests	-807	-258	-355

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2009	2008	2008
	Unaudited	Unaudited	Audited
Intangible assets	73 095	82 172	90 362
Tangible fixed assets	84 340	72 821	85 652
Financial fixed assets	0	63	74
Inventories	61 549	69 306	71 040
Receivables	97 670	71 127	102 382
Bank deposits and cash	2 570	4 955	8 981
Total assets	319 225	300 444	358 492
Paid-in capital	70 295	69 507	70 216
Other equity	43 804	26 437	39 510
Minority interests	0	0	0
Provisions	22 261	17 521	16 914
Interest-bearing long-term liabilities	78 202	82 822	94 124
Interest-bearing current liabilities	44 203	39 369	56 568
Other current liabilities	60 461	64 788	81 161
Total liabilities and equity	319 225	300 444	358 492

CONSOLIDATED STATEMENT OF CASH FLOW

	2009	2008	2008
	Unaudited	Unaudited	Audited
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 net working capital	-17 392	13 009	3 346
Net cash flow from operating activities	23 520	43 220	48 468
Net cash flow from investment activities	-17 916	-28 111	-27 846
Net cash flow from financing activities	-12 015	-19 468	-20 954
Net change in cash and cash equivalents	-6 411	-4 359	-333
Cash and cash equivalents at start of period	8 981	9 314	9 314
Cash and cash equivalents at end of period	2 570	4 955	8 981

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2009	2008	2008
	Unaudited	Unaudited	Audited
Equity at start of period	109 725	95 045	95 045
Profit/loss in period	14 111	7 503	10 457
Other comprehensive income/(loss)	-9 816	3 034	13 917
Share based payment	79	363	306
Dividends paid	0	-10 000	-10 000
Equity at end of period	114 099	95 944	109 725

KEY FIGURES

	2009	2008	2008
	Unaudited	Unaudited	Audited
Equity ratio	35,7 %	31,9 %	30,6 %
Liquidity ratio I	1,5	1,4	1,3
Return on equity (annualised)	16,8 %	10,5 %	10,2 %
Total return (annualised)	7,0 %	8,2 %	5,8 %
Earnings per share	0,83	0,44	0,62
Diluted earnings per share	0,83	0,44	0,62
Cash flow from operations per share	1,39	2,68	2,86
Equity per share	6,74	5,66	6,48
Net interest-bearing liabilities	119 834	117 236	141 711

Comrod Communication Group - Condensed interim financial information

3rd quarter		(All figures in NOK 1.000)	YTD September		Year
2009	2008	INFORMATION ON OPERATING SEGMENTS	2009	2008	2008
Unaudited	Unaudited		Unaudited	Unaudited	Audited
Antennas:					
56 901	58 632	Operating revenues	192 226	190 033	259 601
12 445	8 927	Operating profit before depreciation (EBITDA)	37 772	29 857	41 687
21,9 %	15,2 %	<i>EBITDA-margin</i>	19,6 %	15,7 %	16,1 %
10 421	7 393	Operating profit (EBIT)	31 604	25 210	35 389
18,3 %	12,6 %	<i>EBIT-margin</i>	16,4 %	13,3 %	13,6 %
Mast:					
11 541	16 126	Operating revenues	37 245	45 522	64 650
2 492	3 406	Operating profit before depreciation (EBITDA)	5 160	7 545	12 319
21,6 %	21,1 %	<i>EBITDA-margin</i>	13,9 %	16,6 %	19,1 %
1 882	2 712	Operating profit (EBIT)	2 983	5 512	9 531
16,3 %	16,8 %	<i>EBIT-margin</i>	8,0 %	12,1 %	14,7 %
Industrial Products:					
7 120	4 104	Operating revenues	22 186	18 987	29 277
1 431	-324	Operating profit before depreciation (EBITDA)	2 050	889	1 320
20,1 %	-7,9 %	<i>EBITDA-margin</i>	9,2 %	4,7 %	4,5 %
850	-870	Operating profit (EBIT)	-122	-897	-1 173
11,9 %	-21,2 %	<i>EBIT-margin</i>	-0,6 %	-4,7 %	-4,0 %
Power Supply:					
3 620	1 447	Operating revenues	13 375	9 298	18 062
233	20	Operating profit before depreciation (EBITDA)	1 686	1 039	1 067
6,4 %	1,4 %	<i>EBITDA-margin</i>	12,6 %	11,2 %	5,9 %
-295	-410	Operating profit (EBIT)	97	-251	-693
-8,2 %	-28,3 %	<i>EBIT-margin</i>	0,7 %	-2,7 %	-3,8 %

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

NOTE 1: REPORTING ENTITY

Comrod Communication ASA is a company domiciled in Norway. The interim financial statements ending on 30th September 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.