

Annual Report 2007



SIMTRONICS

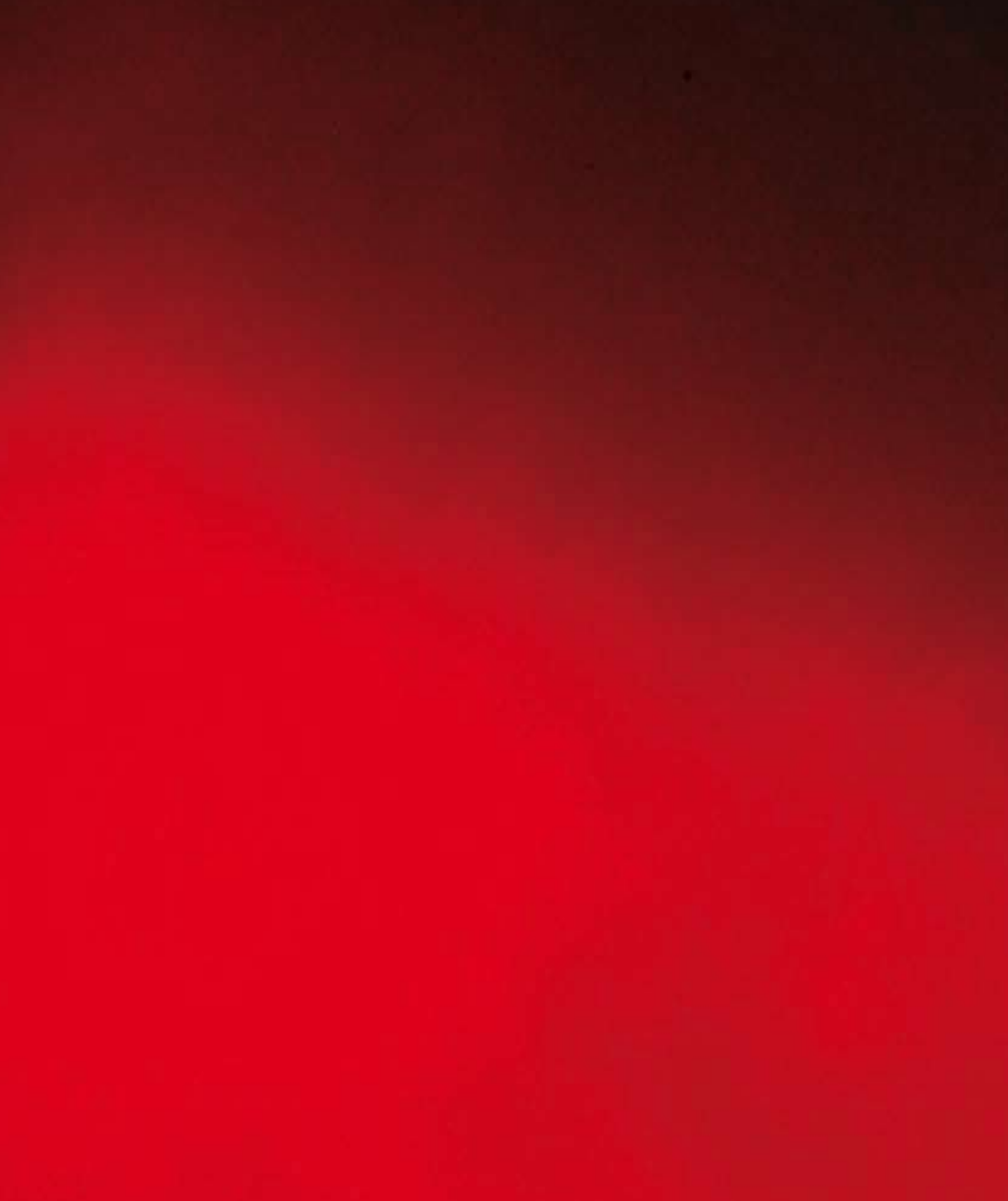


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Simtronics Network



2007 highlights

Growth strategy

In April, Simtronics acquired Water Mist Engineering (WME) and in doing so expanded its business model from detection to extinguishing, according to the Company's strategy. The acquisition of WME creates considerable synergies, particularly in terms of distribution power and engineering capabilities.

Simtronics took a major step in implementing its growth and diversification strategy in the fourth quarter. In December, the company entered into an agreement to acquire 100% of ETech Process AS and also signed a letter of intent aiming at the acquisition of a 51% stake in Fire Eater A/S. Both acquisitions was completed in February and March 2008. In doing so, Simtronics becomes a full scope fire and gas safety company, offering detection, extinguishing and fire prevention solutions. The acquisitions are expected to provide considerable synergies in the form of access to new markets, cross sales and improved operational efficiency.

New markets

In the second quarter Simtronics also received an order from Electricité de France (EDF) for revamping of hydrogen gas detection in 35 nuclear reactors in power plants in France. The NOK 22 million order is the largest single order ever received by the Company and strengthens Simtronics' long term relationship with EDF.

A number of new contracts in the new and promising FPSO segment were awarded for both Detection systems and Extinguishing solutions. The Company also entered into a framework agreement with ABB, opening up the global ABB organisation to Simtronics systems and products portfolio and received a service and maintenance contract for all permanent extinguishing solutions on StatoilHydro's offshore platforms and onshore terminals. In the third quarter Simtronics also entered into a new and exciting segment, being awarded a contract for fire and gas products at the Guyana Space Centre in French Guyana, which is currently being upgraded.

Going forward

Simtronics will continue to follow a growth strategy in building on 2007 achievements.

The combined business model will provide additional growth benefits from improved market penetration, cross sales and improved efficiency.

Double digit top line growth will be maintained. 2008 sales expected to exceed MNOK 350.

Margins are expected to be maintained or slightly improved, reaching 10% EBIT in 2010.

We had a dream

Simtronics has travelled a long way in the course of 2007. We started out with a dream. We wanted to create a world class fire and gas safety company. The dream is about to come true.

Our markets have historically been extremely segmented, with a large number of small vendors supplying single components to the customers' safety infrastructure. However, the demands from our customers are changing rapidly. We now face more sophisticated safety requirements, based on changing customer needs as well as regulatory changes.

The new demand for state-of-the-art and integrated safety solutions opened a window of opportunity, and we started dreaming.

Only a few months ago, Simtronics was a small supplier of detectors, alarming the surroundings in cases of toxic or explosive gas, or even fire. Our detectors are the most sophisticated in the market and we have an impressive position in the world's most demanding safety market; the North Sea oil and gas industry.

Our dream went beyond detectors and way past the North Sea. We wanted to assist in a multitude of ways to prevent disasters from happening. Our dream encompassed active explosion and fire prevention as well as fire extinguishing, and we started designing a broader product portfolio. We sought beyond our traditional customer groups in order to find new applications for our technology. And we wanted to become a global player

The first leg of our journey was to establish a sound strategic and financial basis. The Company was spun off from its parent com-

pany and listed on the Oslo Stock Exchange in January. During 2007 a total of NOK 58 million in new equity was raised, significantly improving the financial status of our small company. A number of initiatives were introduced internally, taking operational efficiency to unprecedented heights. The turnaround proved successful.

The second leg included a broadening of the product offering. Three strategic acquisitions were carried out in 2007 and into 2008. Simtronics has successfully secured proprietary and advanced technology in all of our new product areas, like low pressure water mist extinguishing, INERGEN gas extinguishing and air stabilization products based on sophisticated nitrogen membrane technology.

Our dream is about to come true. The combined Simtronics offering has been warmly welcomed by the market. Our order intake has never been higher and we have moved into a number of new and attractive segments, like FPSOs and the space industry.

We still have our dreams, and they grow bigger with our achievements. We see numerous growth opportunities in our European home markets. And we have just started on our Asian endeavours, having established footholds in Singapore, South Korea and China.

Simtronics will post sales of more than NOK

350 million in 2008. We have barely started taking advantage of all the synergies created by the recent acquisitions. New markets are wide open to our technology. We are still dreaming.

Rune Martini
Chief Executive Officer



Rune Martini
CEO

Corporate governance

Integrity, transparency and equal treatment of all shareholders are cornerstones of Simtronics' corporate governance principles. Based on an industrial perspective on all company activities, Simtronics' main focus is to deliver value to its shareholders.

Equity and dividends

Simtronics values the importance of a strong balance sheet with sufficient equity.

The Company is currently in a period of strong growth, organically as well as through acquisitions. The Board intends to use Simtronics' financial results and excess liquidity to invest in further growth. The Board does not foresee dividend in the near future.

In considering dividend payments in the longer perspective, the Board will evaluate the Company's dividend capacity, the need for maintaining a responsible level of equity and the financial resources needed for future growth. According to the Norwegian public limited liability companies' act, the basis for determining the dividend capacity is the equity available for distribution («free» equity) in the parent company Simtronics ASA. The AGM 2007 authorised the board to increase total number of shares by 50%.

Equal treatment of shareholders

Simtronics has only one class of shares and all shareholders have the same rights; one share qualifies for one vote at general meetings.

All shares are publicly traded at the Oslo Stock Exchange and there are no trade barriers. All Simtronics shareholders are entitled to the same dividend payments, and have equal rights in the event of share capital increases (unless waived by the general meeting).

The Company has currently no share buy-back programme and does not trade in own shares.

Inside information

Simtronics emphasizes equal treatment of shareholders and has a special focus on transparency when it comes to price sensitive information. Inside information is disclosed to the general public as required by Oslo Stock Exchange regulations. In order to enable the market to fully understand and evaluate the Company, information is disclosed as early as practically possible. All disclosed information is made available to the entire market simultaneously through efficient communications channels.

Responsibility for the Company's investor relations rests with the chief executive officer.

General meetings

The company's shareholder meetings are open to all shareholders. Shareholders can be represented either in person or through a proxy holder. Participation or voting through the Internet is not possible.

There are no ownership limitations and no known shareholder agreements. The notice of the shareholder meeting will be distributed with 14 days prior notice, in accordance with Norwegian legislation. Minutes of general meetings are made available through the stock exchange information system and on the Company's web site.

Board nomination and remuneration

The current Board of Directors was nominated by the Company's previous owner, Simrad Optronics ASA, prior to the de-merger and listing of Simtronics in January 2007. The election period for all Board members ends in 2009.

A procedure for nomination of board members, in keeping with good corporate governance practice, will be established prior to the 2009 general meeting.

The Board members' remuneration is decided by the Annual General Meeting. Remuneration of the Board members is at a competitive level in order to ensure the desired composition of the Board. The Board comprises three shareholder-elected members, who have been elected for a two year period by the AGM and one representative from the employees. Details of remuneration to the Board for 2007 are described in the notes to the financial statement.

Simtronics ASA is a young company with significant organic growth in a market with attractive consolidation opportunities. This requires active participation from our Board. To compensate for this, a modest stock option programme for external Board members has been established. These options are to be approved by the 2007 AGM. This programme is described in the notes to the financial statement.

Board of Directors

Simtronics ASA does not have a corporate assembly and the members of the Board are elected by the shareholders in the AGM. The Company aims to ensure a balanced composition of the Board taking into account the competence, experience and relevant background of the individuals as well as legal requirements. It is also desirable that the structure of the board of directors reflects both the ownership of the company as well as the need for neutral, independent representation without specific shareholder affiliation.

Simtronics' executive management is not represented on the Board.

The Board of directors receives a monthly report on the Company's financial performance. The Board reviews the Company's financial and operational performance and financial status in bi-monthly board meetings. The Board is involved in acquisitions and other significant projects at an early stage and reviews the Company's strategy at least once a year.

Risk management and internal control

Risk management and internal control is performed through various processes within the Company, both on a board level and in the daily management of the company.

An annual planning and budgeting process which ends with a budget approved by the

Board sets the framework for the coming year. In this process, the Board carries out a review of the company's most important areas of exposure to risk. Annually, the Board approves a proposal for the annual report and dividend payment to the general meeting. Risk management and internal control on a management level is carried out through monthly reviews of financial performance.

Financial risk management and internal control procedures are carried out both on a group level and in each subsidiary. The company has established financial control guidelines and procedures for this purpose.

Remuneration of the executive management

The remuneration of Simtronics' President and CEO is decided by the Board. The remuneration of the other members of the executive team is decided by the CEO and reported to the Board. The remuneration is based on a fixed as well as variable elements. The variable elements reflect the Company's financial and operational performance. For further information we refer to the notes to the financial statement.

Take-overs

The Board's primary objective is to deliver the best possible long term return on investment for our shareholders. Unless specific conditions apply, the board will not prevent or make obstacles in the event that a bid is made for the company or its shares. In such

situations, the board will evaluate the offer(s) and make a statement which is communicated to the shareholders. The final decision is made by the shareholders.

Auditor

Simtronics uses the same firm of auditors in the parent company and all subsidiaries of significance. To the extent that it is not in conflict with the independence regulations, the auditors are also used as advisors for financial due diligence in connection with the acquisition of new businesses and in connection with the preparation of tax returns and tax advice in general. The auditors are not used as advisors for strategic issues or in connection with operational tasks for the company.

The audit fees are approved at the annual general meeting and are described in the notes to the financial statements.



The board of directors

John Afseth Chairman

Dr. Afseth has worked as Vice President of Marketing and Business Development of Photocure ASA in Oslo since 1998. Prior to this he worked as a general manager at Abbot Labs in Denmark, Norway and Iceland in the period 1995 to 1997. He was the managing director of Medinnova in the period from 1992 to 1995. Dr. Afseth started his career in business by taking a marketing manager position at Dynal AS in Oslo in 1986 where he worked until 1992. Before his industrial career, Dr. Afseth had an academic career as Associate Professor in Microbiology at the University of Oslo and holds a PhD from this institution.

Currently Dr. Afseth serves as a board member of Orion Securities AS, Orion Baltics UAB, Orion AS, Fibroline SA, and partner in Merchant Venture Investments NV. Dr. Afseth is also Chairman of the board of Carpe Diem AS, Verdispar Baltic Development Property I AS and a board member of Verdispar Baltic Development Property II AS as well of Verdispar Emerging Europe CPAS.

Tore Amundsen Board Member

Mr. Amundsen was CEO of Simrad Optronics from 1999 to 2007 and is now an independent business consultant. Before this, Mr. Amundsen held several leading positions within Kværner. Among other things, he was responsible for Kværner's activities in China, and CEO of Kværner Energy AS. Mr. Amundsen is educated from the Norwegian School of Economics and Business Administration (NHH) in 1975, and also has additional education within project management and strategy. He has been a board member of NHO and TBL.

Valborg Lundegaard Board Member

Lundegaard is Project Director in Aker Kværner and is currently responsible for business development projects in Aker ASA. She has earlier held several leading positions in Aker Kværner. Among other things, she has been CEO of Aker Kværner Engineering AS. Lundegaard is educated from Norsk Teknisk Høyskole (1983), followed by education within management and project management. Lundegaard is currently board member of PETRAD (International Program for Petroleum Management and Administration). In addition, she has experience as a board member of several of the daughter companies of Aker Kværner.

Svein Roar Sivertsen

Board Member (Employee representative)

Mr. Sivertsen holds the title Sales Manager of the Fire & Gas Division in Simtronics ASA. He is responsible for sale of gas, flame detectors and F & G Systems to the Offshore-/ petrochemical - Industry.

Mr. Sivertsen started his career as Supervisor/Foreman and industrial plumber at Kvaerner Rosenberg AS (AkerKvaerner).

During recent years he worked as customer engineer in Firetech AS where he later became Office Manager (for suppression systems).

Mr. Sivertsen has also worked as Sales Manager (for suppression systems) in NOHA Norway AS and Autronica Fire & Security AS, (three latest a UTC Fire & Security Company). Mr. Sivertsen is educated as a plumber (journeyman), with craft certificate for plumbing (building) & industrial plumbing.



John Afseth
Chairman



Tore Amundsen
Board Member



Valborg Lundegaard
Board Member



Svein Roar Sivertsen
Board Member
(Employee representative)

Board of directors' report

Simtronics is a fire and gas safety group of companies, providing disaster prevention, detection and extinguishing systems. The Company's products represent the most accurate, reliable and robust safety technology available and are used by the oil and gas industry as well as in shipping, petrochemical and other process industries, mining and an increasing number of other applications. Simtronics has a well established market base in Europe with Norway, France, UK and Germany as the single most important markets.

Simtronics is headquartered in Oslo, Norway with manufacturing and sales facilities throughout Europe and in Asia. Simtronics is the former Fire & Gas division of Simrad Optonics ASA and was divested per 1 January 2007. The Company was listed on the Oslo Stock Exchange on 5 January 2007.

Highlights for 2007 were:

- Successful turnaround
- 84% revenue growth; 8% EBITDA margin
- A number of successful acquisitions broadening the product offering and doubling the revenue going forward
- Strong financial basis secured
- Good order flow
- Listing on the Oslo Stock Exchange

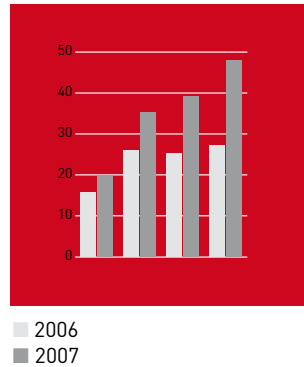
Financial results

Simtronics posted operating income of NOK 142.5 million in 2007, which is 84% growth over 2006 operating income of NOK 77.3 million.

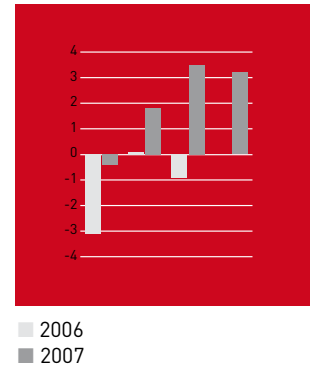
The Company's operating expenses increased by only 64%, which led to an EBITDA of NOK 11.1 million for 2007 (2006 EBITDA was NOK -2.5 million).

Earnings before taxes were NOK 5.1 million (2006: NOK -6.2 million) and profit for the year ended at NOK 5.5 million in 2007, compared to a loss of NOK -6.2 million the previous year.

Quarterly revenue development



Strong EBIT improvement



Simtronics equity and cash position developed favorably in 2007, due to successful equity issues as well as positive cash flow from operations.

Equity issues in February and August provided total net proceeds of NOK 58.0 million and positive cash flow from operations were NOK 7.5 million in 2007. At year-end, total cash and cash equivalents amounted to NOK 69.3 million, compared to NOK 1.4 million at the beginning of the year. Simtronics' equity ratio reached 42.0% at the end of 2007.

No material post balance sheet events have in any way had negative impact on the financial position of the company. The acquisitions of ETech Process AS and Fire Eater A/S, completed in February 2008 (see below) have further strengthened the Company's position.

Simtronics ASA (The parent company) posted operating income of NOK 62.2 million in 2007, which is 40% growth over 2006 operating income of NOK 44.4 million. The Company's operating expenses increased by only 35%, which lead to an EBITDA of NOK 0.7 million for 2007, compared to a loss of NOK -1.1 million the previous year.

All operational costs related to group management, marketing, distribution, IT, personnel, project guarantees, project financing and financial cost have been carried by Simtronics ASA.

Earnings before taxes were NOK -8.9 million (2006: NOK -3.2 million) and profit for the year ended at NOK -6.9 million in 2007, compared to NOK -3.2 million the previous year. Earnings before taxes are heavily influenced by the conversion of debt to equity and subsequent write down of the shares of Simtronics SAS with a total of NOK 6.8 million.

Proposed coverage of the loss for 2007 for the parent company

The loss for 2007 for Simtronics ASA was NOK -6.934 million. The board proposes that the loss for 2007 is covered as follows:

from other paid-in capital	-422.000
from share premium reserve	-6.512.000
Total	-6.934.000

The company did not have any distributable reserves as of 31 December 2007.

Going concern

The Board confirms that the going-concern assumption is met and that the financial statements have been prepared under the going concern principle. The profit expectations for 2008, as well as the group's strong liquidity position and unique technology and product offering, have been used as a basis for this assessment.

Market developments

Simtronics' markets developed favorably in 2007. The Company saw a steady and increasing demand. Simtronics' growth and

diversification strategy proved relevant and attractive to the market. Throughout the year a number of cross sales and unserved market sales opportunities became available. The implementation of the strategy also made a significantly wider market available to Simtronics.

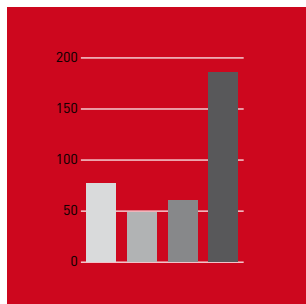
At the beginning of the year, the global market for Simtronics' products was estimated at approximately NOK 2-3 billion. Estimated total global market for Simtronics' current product range, following acquisitions, is NOK 5-6 billion. Simtronics estimates that its current markets have an annual growth rate of approximately 3-5%, due to the general economic development as well as new regulatory initiatives.

Operations

Simtronics operations changed significantly in 2007, due to a strong order intake, organic growth and the extension of the product offering/acquisition of Water Mist Engineering AS (WME).

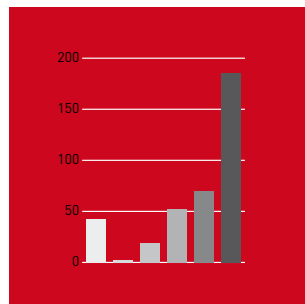
WME was acquired in April and the acquisition was Simtronics' first step in implementing the growth strategy. Having previously been a provider of sophisticated detectors only, the acquisition moved Simtronics into fire extinguishing. WME represents a strong technology base, in particular in the area of low pressure water mist extinguishing. The acquired company has demonstrated a strong performance and an attractive order backlog.

Equity and debt per 31.12.07



■ Total equity
 ■ Total non-current liability
 ■ Total current liability
 ■ Total equity and liability

Assets per 31.12.07



■ Intangible non-current
 ■ Tangible/Fin non-current
 ■ Inventories
 ■ Receivables
 ■ Bank deposits
 ■ Total assets

In December, Simtronics announced the acquisitions of the Norwegian company ETech Process AS and the Danish company Fire Eater A/S. The acquisitions were completed in February 2008 and March 2008 respectively. The two companies are highly complementary to Simtronics' existing product offering and significant cross sales and synergies are expected. ETech Process represents state-of-the art nitrogen based air stabilizing systems, preventing explosions and fires on board vessels and on offshore installations. Fire Eater represents the leading INERGEN nitrogen based extinguishing solutions. The acquisitions are expected to double Simtronics' revenue going forward. Reference is made to note 24 and 25 in the financial statements.

Order intake was strong in 2007. At the end of the year, Simtronics has a conservatively estimated order backlog of NOK 98 million. The order intake in 2007 enforced Simtronics' position in its core markets as well as opening new markets and segments.

Simtronics' position in the North Sea based oil and gas industry was further strengthened in 2007, through a number of new contracts and in particular the maintenance contract for StatoilHydro's fire and gas safety systems offshore and on land terminals. This is Simtronics' largest single contract to date.

Simtronics also entered the attractive FPSO market in 2007, through contracts providing

fire and gas safety systems to a number of new FPSOs now being built.

The space industry emerged as a new and attractive segment in 2007. Simtronics is currently providing fire and gas safety systems to the European Space Agency's launch pads in French Guyana. The turbine market opened up to Simtronics in 2007 and the company also secured a global framework agreement with ABB.

The group continued its development of new products within gas detection. In 2007 a total of NOK 6,6 million was spent on research and development activities, of which NOK 5,1 million has been capitalized as development costs.

Organisation

Following the acquisitions of Water Mist Engineering AS in April 2007 and of ETech Process AS and Fire Eater A/S in February 2008, Simtronics has been organized into three business areas:

- Detection Systems
- Extinguishing Solutions
- Fire Prevention Systems

Detection Systems represents the original Simtronics prior to the 2007 acquisitions. The business area has manufacturing and sales facilities in Norway, France and UAE. The business unit has strong focus on R&D and for 2007 the cost / investments in R&D and

certification of products represented close to 10% of the business unit's operating income.

Extinguishing Solutions consists of Water Mist Engineering AS and Fire Eater A/S. The business area has manufacturing in Norway and Denmark and sales operations in Poland, Czech Republic, Hungary, Russia and Singapore. A presence in China is in the process of being established.

Fire Prevention Systems consists of ETech Process AS. The business area has Norway based manufacturing and sales and is currently preparing a local presence in South Korea.

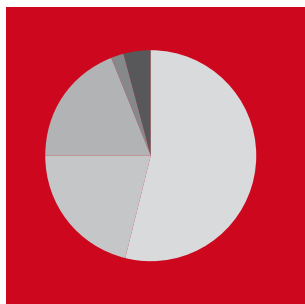
Employees and the environment

Relying on highly skilled and motivated employees to succeed, Simtronics is constantly working to maintain an attractive and rewarding working environment. At the end of 2007, 70 employees worked in Simtronics group (2006: 54 employees), out of which 26 in Simtronics ASA (2007: 22).

Although no employee undertakes hazardous tasks at Simtronics, the company is committed to maintaining high standards for health, environment and safety. The group's activities do not represent dangers to the environment in any way.

The registered level of short time absence during 2007 was 1.2 per cent for Simtronics ASA. One employee was absent for a longer

Geographical segmentation Q4



Europe
 Asia/Pacific
 Norway
 Other
 France

time. No accidents or injuries occurred during the year.

Simtronics strives to be an equal opportunity employer with regards to gender and ethnic background. For Simtronics ASA 53.8 per cent of the employees are women. Simtronics will continue to work for a better gender balance among its employees and maintains an equal salary policy. The Board of Directors has a balanced representation of both genders, as required by Norwegian legislation.

Risk factors

As long as investment in industrial production grows and economy flourishes, it fuels demand for Simtronics' products. However, if the economy should slow down, this would influence Simtronics' financial position.

With oil and gas industry being Simtronics group's largest customer segment, any changes in the activity of this industry will impact the Company.

All key technologies creating the basis for Simtronics' products are subject to international IP protection to the extent necessary for its business operations.

Cost and organizational control are key issues in a period of strong growth. Growth increases the risk of higher cost increase than assumed and organizational disruption. Growth also requires development of the Company's administrative systems and routines. Further expansion in Simtronics' business will place significant demand on its management, engineering, support, operations, legal, accounting, sales and marketing personnel and other resources.

The Company's competitors will always be a possible threat to the Company's performance. The Company operates in international markets with open competition. Should a large competitor enter the market niches currently occupied by Simtronics, reduced profitability could be an effect.

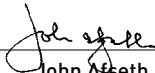
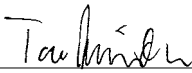
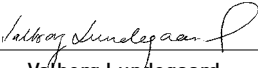
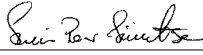

Outlook for 2008

The combined Company, following recent acquisitions, is expected to benefit from extensive cross sales and synergy effects. Simtronics' product offering and market penetration has been significantly improved during 2007, preparing the Company for continued growth and increased profitability in 2008.

Based on the acquisitions and the current order backlog, Simtronics expects total sales to exceed NOK 350 million in 2008.

Simtronics will continue to pursue its growth strategy. Going forward, the Company expects a further strengthening of its positions in current markets and segments and successful introduction to new customer groups and geographical areas.

Oslo, 26 March 2008
The Board of Directors of Simtronics ASA

 John Afseth Chairman of the Board	 Tore Amundsen Member of the Board	 Valborg Lundegaard Member of the Board	 Svein Roar Sivertsen Member of the Board	 Rune Martini President and CEO
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Income statement

Simtronics ASA			Simtronics group				
2007	2006*	2005*		Notes	2007	2006*	2005*
(Figures in NOK 1 000)							
62 236	44 370	31 336	Sales revenues	2, 8	142 477	77 347	51 521
62 236	44 370	31 336	Total operating income		142 477	77 347	51 521
34 073	21 032	15 378	Cost of materials	6	77 317	38 284	25 910
16 377	14 007	11 346	Payroll and related cost	11, 19	34 700	26 279	18 215
479	468	823	Depreciation	9, 10	3 129	2 009	1 720
11 106	10 419	5 394	Other operating expenses		19 320	15 236	9 063
62 036	45 926	32 941	Total operating expenses		134 466	81 808	54 908
200	(1 556)	(1 605)	Profit (loss) from operations		8 012	(4 461)	(3 387)
2 168	595	116	Interest income		1 983	368	31
2 099	1 368	618	Other financial income		2 142	1 595	341
2 836	2 605	1 116	Interest expense		2 837	2 692	1 163
10 510	987	96	Other financial expense		4 193	1 016	121
(9 080)	(1 629)	(478)	Net financial costs	7	(2 905)	(1 745)	(912)
(8 879)	(3 185)	(2 083)	Profit (loss) before tax		5 106	(6 206)	(4 299)
(1 945)	-	-	Income tax expense (benefit)	20	(404)		
(6 934)	(3 185)	(2 083)	Profit (loss) after tax		5 510	(6 206)	(4 299)
Distribution of year's result							
(422)	-	-	Paid-in capital				
(6 512)	-	-	Share premium reserve				
-	(3 185)	(2 083)	Other equity	17			
(6 934)	(3 185)	(2 083)	Total distributed				
Basic earnings per share							
				17	0,100	(0,158)	(0,109)
Diluted earnings per share							
				17	0,098	(0,158)	(0,109)

* The comparative figures are for the business that was demerged from Simrad Optronics ASA with effect in the financial statements from 1 January 2007. See note 1, paragraph on basis of preparation, section (e).

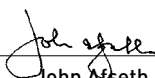
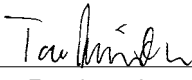
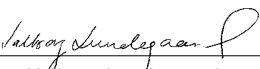
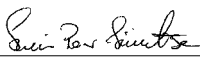

Balance sheet as at 31 December

Simtronics ASA		Simtronics group			
31.12.2007	31.12.2006*		Notes	31.12.2007	31.12.2006*
(Figures in NOK 1 000)					
ASSETS					
Intangible assets					
-	-	Goodwill	9	22 691	-
3 057	-	Deferred tax asset	21	823	-
7 589	3 858	Development costs	9	16 986	13 652
-	-	Order backlog	9	712	-
1 201	-	Other intangible assets	9	1 358	134
11 846	3 858	Total intangible fixed assets		42 569	13 786
766	549	Property, plant and equipment	10	1 962	1 863
766	549	Total tangible fixed assets		1 962	1 863
1 133	19 072	Long term receivables	5	901	908
36 391	397	Investments in subsidiaries	5, 14	-	-
20 000	-	Restricted cash reserves	5, 23	20 000	-
57 524	19 469	Total financial fixed assets		20 901	908
70 136	23 876	Total fixed assets		65 432	16 557
9 703	9 818	Inventories	6	18 468	15 484
18 354	12 466	Accounts receivables	4, 18	28 758	18 884
-	-	Unbilled revenue from long-term contracts	4, 8	16 853	-
5 598	618	Other receivables	4	5 910	2 114
23 952	13 084	Total receivables		51 522	20 998
39 201	-	Cash and cash equivalents	23	49 298	1 365
72 856	22 902	Total current assets		119 287	37 847
142 992	46 779	TOTAL ASSETS		184 719	54 404

EQUITY AND LIABILITIES					
Equity					
8 879	5 984	Share capital		8 879	5 984
62 702	12 957	Share premium reserve		62 702	12 957
71 581	18 941	Total paid-in capital		71 581	18 941
(537)	(537)	Retained earnings		6 228	(5 840)
(537)	(537)	Total other capital		6 228	(5 840)
71 043	18 404	Total equity	17	77 808	13 101
Non-current liabilities					
28 425	20 000	Liabilities to financial institutions	15	28 425	20 000
319	930	Pension liabilities	19	988	1 720
-		Deferred tax liabilities	21	2 574	2 862
10 000		Other non-current liabilities	14, 24	10 000	-
38 744	20 930	Total non-current liabilities		41 987	24 582
Current liabilities					
12 576	-	Liabilities to financial institutions	15	20 655	-
7 642	4 492	Accounts payables and other payables	4	25 608	10 872
1 689	172	Public duties payable		6 875	2 693
354	-	Provisions	22	853	330
10 944	2 781	Other short-term liabilities		10 932	2 826
33 204	7 445	Total current liabilities		64 923	16 721
142 992	46 779	TOTAL EQUITY AND LIABILITIES		184 719	54 404

* The comparative figures are for the business that was demerged from Simrad Optronics ASA with effect in the financial statements from 1 January 2007. See note 1, paragraph on basis of preparation, section (e).

Oslo, 26 March 2008
The Board of Directors of Simtronics ASA

				
John Afseth Chairman of the Board	Tore Amundsen Member of the Board	Valborg Lundegaard Member of the Board	Svein Roar Sivertsen Member of the Board	Rune Martini President and CEO

Statement of cash flow

Simtronics ASA			Simtronics group	
2007	2006*		2007	2006*
		(Figures in NOK 1 000)		
		Cash flow from operating activities		
(8 880)	(3 185)	Profit before tax	5 106	(6 206)
323	83	Depreciation	1 775	462
156	385	Depreciation of capitalised development costs	1 366	1 551
(611)	177	Difference between pension costs and pensions paid	(732)	177
115	(2 389)	Changes in inventory	201	(412)
(5 888)	(6 220)	Changes in accounts receivables	(5 821)	(4 044)
3 150	1 561	Changes in accounts payable	11 797	1 478
-	-	Changes in accrued, not invoiced revenue	(14 284)	-
5 830	(9 669)	Changes in other balance sheet items	8 297	(7 810)
-	-	Taxes paid in this period	-	-
68	(2 010)	Interest income/interest expense	(159)	(2 324)
6 808	-	Items classified as investing or financing activities	-	-
1 071	(21 267)	Net cash flow from operating activities	7 547	(17 127)
		Cash flow from investing activities		
(1 740)	(105)	Acquisition of property, plant and equipment	(1 943)	(370)
(3 887)	(1 601)	Capitalized development costs	(5 079)	(2 502)
(15 291)	-	Acquisition of subsidiaries, net of cash acquired	(15 155)	-
(20 000)	-	Restricted cash reserves	(20 000)	-
(40 918)	(1 706)	Net cash flow from investment activities	(42 177)	(2 873)
		Cash flow from financing activities		
58 047	-	Net proceeds from the issue of share capital	58 047	-
-	2 973	Changes in short-term loan to subsidiaries	-	-
8 425	20 000	Increased long-term borrowings	8 434	20 000
12 576	-	Net change in overdraft facility and other short-term financing	16 083	-
79 048	22 973	Net cash flow from financing activities	82 564	20 000
39 201	-	Net change in cash and cash equivalents	27 933	-
-	-	Cash and cash equivalents 1 January	1 365	1 365
39 201	-	Cash and cash equivalents 31 December ¹⁾	29 298	1 365

* The comparative figures are for the business that was demerged from Simrad Optronics ASA with effect in the financial statements from 1 January 2007. See note 1, paragraph on basis of preparation, section (e).

1) Includes cash balances not available for use, in total NOK 0 for Simtronics ASA and NOK 342 for Simtronics group. See note 23

Statement of changes in equity

Simtronics ASA			Simtronics group	
2007	2006*		2007	2006*
		(Figures in NOK 1 000)		
-	-	Foreign exchange translation differences	(377)	146
-	-	Net income (expense) recognised directly in equity	(377)	146
(6 934)	(3 185)	Profit (loss) for the period	5 510	(6 206)
(6 934)	(3 185)	Total recognised income and expense for the period	5 133	(6 060)
		Attributable to:		
(422)	-	Paid-in capital		-
(6 512)	-	Share premium reserve		-
-	(3 185)	Other equity	5 133	(6 060)
-	-	Minority interest	-	-
(6 934)	(3 185)	Total recognised income and expense for the period	5 133	(6 060)

* The comparative figures are for the business that was demerged from Simrad Optronics ASA with effect in the financial statements from 1 January 2007. See note 1, paragraph on basis of preparation, section (e).

Notes

NOTE 1 CONSOLIDATION AND ACCOUNTING PRINCIPLES

Reporting entity

Simtronics ASA has its headquarters in Oslo, Norway. The company is engaged in the development, production and marketing of gas and flame detection systems. Simtronics ASA is the group's parent company. As at 31 December 2007 the group consists of two business segments and three legal entities.

Detection Systems:

Simtronics ASA (Oslo, Norway)
Simtronics SAS (Aubagne, France)

Extinguishing Solutions:

Water Mist Engineering AS (Kristiansand, Norway)

Basis of preparation

The financial statements for 2007 were completed as at 31 December 2007. The financial statements comprise the income statement, balance sheet, statement of recognised income and expense, cash flow statement and notes to the accounts.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with EU-adopted International Financial Reporting Standards (IFRS) and accompanying interpretations, and the additional Norwegian disclosure requirements as required by the Norwegian Accounting Act and by Stock Exchange rules and regulations, in effect at 31 December 2007.

The proposed financial statements were approved by the Board of Directors and CEO on 26 March 2008. The financial statements will be proposed for approval by the annual general assembly (AGM) 14 May 2008 for final approval.

(b) Basis of preparation of the accounts

The financial statements are prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations and consistency. Exempt from the historic cost basis is the accounting for derivative financial instruments which are stated at their fair value through profit or loss. The preparation is based on the going concern assumption and is applied consistently for all accounting periods presented in the consolidated financial statements.

Transactions are recorded at their value at the time of transaction. Income is recognised

at the time of delivery of goods or services sold. Costs are expensed in the same period as the income to which they relate is recognised.

(c) Functional currency and presentation currency

The financial statements are presented in NOK, which is the parent company's functional currency, and the group's presentation currency. All financial information presented in NOK is rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and underlying assumptions are based on historic experience and other factors considered reasonable under the circumstances. The estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values can not be derived from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the changes affect future periods, the effect of the changes is allocated between the current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that may have material effect on the amount recognised in the financial statements, are described in the following notes:

- * Note 8 revenue recognition for construction contracts
- * Note 9 impairment test for intangible assets
- * Note 13 measurement of share-based payments
- * Note 19 measurement of defined benefit obligations
- * Note 24 purchase price allocation on acquisitions

(e) Comparative figures in the 2007 financial statements

The company was established on 28 August

2006, with the purpose of acquiring the Fire & Gas business demerged from Simrad Optronics ASA. The company had no activity in 2006, and the demerger was carried out with effect on the financial statements from 1 January 2007. In order to present comparative figures in the income statement and balance sheet, the comparative figures are prepared based on the following fundamental principles:

The income statement for the parent company and the group for 2006 and 2005 are prepared with the purpose of displaying the turnover, costs and results that the acquired company had as part of Simrad Optronics ASA in 2006 and 2005.

In preparing the income statements for 2006 and 2005 the revenues and expenses have, in principle, been divided between Simtronics' and Simrad Optronics' operations according to which of the operations they actually relate to. Where it has not been possible to carry out an exact distribution in this way, a proportional calculation has been made based on Simtronics' operations relative share of the total operations in Simrad Optronics.

The balance sheets for the parent company and the group for 2006 have been prepared based on the demerger balance sheet which was produced as at 1 January 2007 in connection with the carrying out of the demerger.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation

Consolidated companies

The consolidated accounts include the parent company Simtronics ASA and companies in which the parent company has a controlling influence. Subsidiaries acquired or sold during the course of the year are included in the profit and loss statement as from the date of purchase, or up to and including the date of sale.

Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, po-

tential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Shares in subsidiaries are eliminated in consolidation. The difference between the book value of shares in subsidiaries and book value of the subsidiaries' equity at the time such shares were acquired is analyzed and posted to the balance sheet items to which the excess amounts relate. Goodwill represents the excess of the purchase price paid for acquisitions above the fair value net assets acquired, and is tested for impairment at least on an annual basis.

Transactions eliminated on consolidation Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currency are translated at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to NOK by using the exchange rate at the reporting date. Foreign exchange rate differences which occur at translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to NOK at the exchange rate at the date that the fair value was determined.

Foreign operations

The assets and liabilities for foreign operations, including goodwill and fair value adjustments arising at consolidation, are translated to NOK at exchange rates at the reporting date. The income and expenses of foreign operations are translated to NOK at exchange rates at the date of the transactions. Foreign exchange rate differences which arise as a result of translations are recognised directly in equity, as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant foreign exchange rate difference in equity is recognised in the income statement.

(c) Financial instruments

Investments in shares

Investments in shares intended for long-term ownership are recorded in the balance sheet under long-term financial fixed assets. These are valued at acquisition cost, unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

Share capital

Costs directly attributable to the issuance of ordinary shares and share options are recognised as a reduction of equity.

(d) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are entered in the accounts at cost, with deductions for accumulated depreciation and impairment losses. Cost includes costs directly attributable to the purchase of the asset. If the recoverable amount of property, plant and equipment is lower than book value, and the decline in value is not temporary, the asset is written down to fair value. Based on the acquisition cost, straight-line depreciation is applied over the economic life of the non-current assets. When relevant, the acquisition cost includes future dismantling costs.

Where components of an item of property, plant and equipment have different useful lives, they are depreciated and accounted for separately.

Subsequent costs

The carrying amount of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to Simtronics and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation

Depreciation is charged to the income statement based on a straight-line basis over the estimated useful lives of items of property, plant and equipment. See note 10 of the financial statements for estimated useful lives for the different types of property, plant and equipment.

(e) Intangible assets

Goodwill

All business combinations are accounted for using the purchase method. Goodwill represents amounts arising on acquisition

of subsidiaries, and consists of the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognised in the income statement as an expense as incurred.

Expenditures on development activities, where research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible and the group has sufficient resources to complete development. The capitalised cost includes the cost of materials, direct labour and a proportional share of overhead costs. Other development expenditures are recognised in the income statement as an expense as incurred. Capitalised development expenditures are stated at cost less accumulated depreciation and impairment losses.

Other intangible assets

Other intangible assets that are acquired are stated at cost less accumulated depreciation and impairment losses.

Expenditures on internally generated goodwill and brands are recognised in the income statement as an expense as incurred.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the income statement as an expense as incurred.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Goodwill and intangible assets with an indefinite useful life are tested for impairment at 31.12. Other intangible assets are amortised from the date they are available for use. See note 9 of the financial statements for esti-

mated useful lives for the different classes of intangible assets.

(f) Leased assets

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of future lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy that the group uses for such assets.

Other leases are operating leases.

(g) Inventory

Inventories of raw materials are valued at the lower of the cost of acquisition and the net realisable value. Work in progress and finished products are valued at the lower of the cost to manufacture or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Spare parts and parts held by service agents are valued at cost. A deduction is made for obsolescence when necessary.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(h) Construction work in progress

Construction work in progress represents unbilled revenue expected to be received from customers for work completed up to the reporting date. Measurement is at cost plus profit recognised to reporting date less progress billings, with a reduction for foreseeable losses. Cost includes all direct and indirectly related contract expenditure.

Long-term contracts are presented as part of short-term receivables in the balance sheet. If the group receives advance payments which exceed the recognised income, the difference is presented as deferred income in the balance sheet.

(i) Impairment

Impairment test

The carrying amounts of the group's assets, other than inventory and deferred tax as-

sets (see separate accounting policies), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. A cash-generating unit is the smallest identifiable group of assets that generates cash flows, and that largely are independent from cash inflows from other assets or groups of assets.

Impairment losses recognised in respect of cash-generating units are allocated such that the carrying amount of any goodwill in the cash-generating unit is reduced first. Subsequently, impairment losses are allocated to the carrying amount of other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount for goodwill, assets with an indefinite useful life, and intangible assets not yet available for use, is calculated annually at the reporting date.

The recoverable amount of assets is the greater of their net selling price and value in use. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Cash and cash equivalents

The balance sheet item cash and cash

equivalents also comprises money market funds and other short term investments with an original duration of three months or less. Bank overdrafts are included as part of cash flow from financing activities in the statement of cash flows.

(k) Employee benefits

Defined benefit plans

Pension obligations related to defined benefit plans are calculated separately for each benefit plan by making an estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These future benefits are discounted in order to determine the present value, and the fair value of plan assets is deducted in order to determine pension obligations. See note 19 for further information regarding the assumptions made in estimating the value of pension obligations and assets. The calculations are prepared by an actuary, and are based on a linear model.

All actuarial gains and losses as at 1 January 2004, at the time of the group's transition to IFRS, were recognised in the statement of changes in equity. Actuarial gains and losses that arise on the calculation of the group's liabilities for pension plans adopted after 1 January 2004 are recognised in the income statement over the estimated remaining service period to the extent that the accumulated actuarial gains and losses exceed 10% of the greater of net present value of pension liabilities and the fair value of pension assets. Otherwise no actuarial gains and losses are recognised.

When the pension calculations result in a net asset for the group, the recognition of the asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Share-based payment transactions

The group has share-option plans which give certain employees and Board members the possibility to buy shares in the company. The fair value of granted options is recognised as a payroll expense, with a corresponding increase in equity. Fair value is measured at grant date and is allocated over the period until the option holder is unconditionally entitled to exercise the options. The fair value of options granted are measured based on the Black & Scholes model. The recognised expense is adjusted to reflect the actual number of share options that vest, except from those instances where the options

lapse as a result of the development in the share price. A provision for social security tax is recognised if the share-options are «in the money».

Short-term benefit obligations

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount and the obligation can be estimated reliably.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(m) Trade and other short term payables

Trade and other payables are stated cost.

(n) Provisions

In general

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Warranty allocations

A provision for future warranty costs is recognised in the balance sheet when the related products or services are sold. The provision is based on historical information on warranty costs and by a weighting of all possible outcomes with their associated probabilities.

Restructuring

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is estimated based on the lower of the net present value of the costs of exiting from the contract and the net present value of the costs of fulfilling the contract. Before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets dedicated to that contract.

(o) Revenue recognition

Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Normally this will be at the date of delivery. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, if it is probable that goods will be returned or in such cases where the group retains right of use over the delivered goods.

Long-term contracts

If the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to the relation between contract costs incurred and expected total contract costs. This calculation is assessed together with other relevant information and figures that indicate the progress in the construction work.

If a loss on a contract is expected, a provision is made for the expected loss, irrespective of the stage of completion of the contract activity.

Commissions

When the group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the group.

Government grants

A government grant is recognised in the bal-

ance sheet as deferred income provided that there is reasonable assurance that it will be received and that the group will comply with the conditions attaching to it. Grants that compensate the group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred. Investment grants are recognised in the balance sheet on a systematic basis over the useful life of the asset. Investment grants are recognised either as deferred income, or recognised through deduction from the asset's carrying value.

(p) Lease payments

Lease payments under operational lease Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

Lease payments under financial lease Minimum lease payments made under finance leases are allocated between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(q) Financial income and financial expense

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange gains and losses, dividends received, and gains and losses on financial instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

(r) Taxes

The tax expense in the income statement includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. The tax effect on items that are recognised directly in equity, is recognised directly in equity.

Deferred taxes are taxes determined on the basis of the accumulated result, and which fall due for payment in future periods. Deferred taxes are calculated on net positive temporary differences between accounting and tax balance sheet values, after losses carried forward under the liability method. See note 20 and 21. The amount of deferred tax provided is based on the expected man-

ner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Discontinued operations

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also meet these criteria.

When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

(t) Earnings per share

The group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shares, by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shares, and the weighted average number of ordinary shares outstanding during the period, for the effects of all dilutive potential ordinary shares (for example outstanding share-options/rights).

(u) Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments. The group has identified two business segments Detection Systems and Extinguishing Solutions.

(v) Cash flow statement

The cash flow statement is compiled using the indirect method. Cash and cash equiva-

lents include cash, bank deposits, and other short-term and liquid positions which may be readily convertible with an insignificant risk of exchange rate change to a known amount of cash, and which have an original maturity of three months or less from the date of acquisition.

(w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2007, and have not been applied in preparing these consolidated financial statements.

IFRS 8 Operating Segments introduces the «management approach» for business segment reporting. IFRS 8 is effective for annual periods beginning on or after 1 January 2009, and requires disclosure of information on operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. Currently, segment information is presented for business segments and geographical segments (see Note 2).

The revised IAS 23 Borrowing Costs removes the option of immediately expensing the borrowing costs that relate to qualifying assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should, therefore, be capitalised. These revisions are effective for annual periods beginning on or after 1 January 2009, but are not expected to have a significant effect on the financial statements. The revised IAS 23 applies to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009.

IAS 1 Presentation of Financial Statements will affect the presentation of the statement of changes in equity as a result of transactions with the shareholders, and the statement of recognised income and expense. When the entity applies an accounting policy retrospectively, reclassifies balance sheet items or corrects errors in previous periods, the entity shall present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements. The revised IAS 1 is effective for annual periods beginning on or after 1 January 2009.

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions. Transactions involv-

ing group and treasury shares that require a share-based payment arrangement, in which an entity receives goods or services as consideration for its own equity-instruments, are to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC 11 is effective from 2008 and is to be applied retrospectively. It is not expected to have an effect on the consolidated financial statements.

IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that grant loyalty award credits to customers. It covers programmes where entities provide free or discounted goods or services ('awards') to customers who redeem award credits. IFRIC 13 is effective from 2008, but is not expected to have an effect on the consolidated financial statements.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions relating to a defined benefit asset shall be considered as available, as well as providing guidance on the effect of statutory or contractual minimum funding requirements, and when such requirements give rise to a liability. The potential effect on the financial statements has not yet been assessed by the group.

Measurement of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes.

(i) Property, plant and equipment

The fair value of plant and equipment is based on observable market prices, or fair value assessment based on the present value of expected future cash flows. See note 24 regarding acquisitions.

(ii) Intangible assets

The fair value of intangible assets is based on the present value of expected future cash flows. See note 24 regarding acquisitions.

(iii) Trade and other receivables

The fair value of trade and other receivables,

other than accrued income from construction contracts, is assessed based on the present value of expected future cash flows.

(iv) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for

the residual maturity of the contract.

(v) Share based payments

The fair value of employee share-options is measured using a binominal model - Black & Scholes. Measurement inputs in the model include share price on measurement date, exercise price of the instrument, expected volatility, expected life of the instruments, expected dividends, and the risk free interest rate.

NOTE 2 SEGMENT REPORTING

General

Segment information is presented in respect of the group's business and geographical segments. The primary reporting format, business segments, is based on the group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on the basis of a reasonable distribution formula. Segment capital expenditures are the total costs incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

As at 31 December 2007 the group had the following business segments:

The business segment «Detection Systems» covers the company's activity in the area of development and production of gas detectors for use in the shipping, oil and mining and other industries.

The business segment «Extinguishing Solutions» was established in 2007 through the acquisition of Water Mist Engineering AS. WME produces fire-extinguishing systems which use «water mist» technology. The oil and offshore industries are also the most important markets for this business segment.

Geographical segments

Simtronics products are exported to approximately 25 countries world wide through a global network of agents and distributors. The segments are managed from Norway, but have activities and markets worldwide. Manufacturing facilities are operated in Norway and France, with sales offices in Norway, France, the UK, UAE, and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The company has not identified impairment losses.

	Detection Systems			Extinguishing Solutions			Consolidated		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
(Figures in NOK 1 000)									
Revenue from external customers									
Norway	18 004	9 842	8 303	42 851	-	-	60 854	9 842	8 303
France	18 141	16 218	10 613	214	-	-	18 355	16 218	10 613
The Netherlands	13 789	12 328	8 068						
Rest of Europe	30 911	27 635	18 085	9 783	-	-	40 694	27 635	18 085
Other	8 346	11 323	6 452	438	-	-	8 784	11 323	6 452
Total revenue from external customers	89 191	77 347	51 521	53 286	-	-	142 477	77 347	51 521
Cost of materials	46 273	38 284	25 910	30 994			77 268	38 284	25 910
Depreciation	2 344	2 009	1 720	1 048			3 392	2 009	1 720
Other operating expenses	42 921	41 515	27 278	10 886	-	-	53 806	41 515	27 278
Operating profit (loss)	(2 347)	(4 461)	(3 387)	10 357	-	-	8 012	(4 461)	(3 387)
Net financing costs							(2 905)	(1 745)	(912)
Income tax expense							(404)	-	-
Profit (loss)							5 510	(6 206)	(4 299)

	Detection Systems		Extinguishing Solutions		Consolidated	
	2007	2006	2007	2006	2007	2006
(Figures in NOK 1 000)						
Segment assets						
Norway	91,5	25,7	59,5	-	151,0	25,7
France	33,7	28,7	-	-	33,7	28,7
Consolidated total assets	125,2	54,4	59,5	-	184,7	54,4
Segment liabilities	85,9	41,3	21,1	-	106,9	41,3
Consolidated total liabilities	85,9	41,3	21,1	-	106,9	41,3
Capital expenditures						
Norway	4,6	1,7	24,7	-	29,3	1,7
France	2,4	1,0	-	-	2,4	1,0
Consolidated capital expenditures	7,0	2,7	24,7	-	31,7	2,7

There are no significant segment revenues from transactions with other segments. All segments are continuing operations.

NOTE 3 PRO-FORMA FINANCIAL INFORMATION

In April 2007, Simtronics ASA acquired all shares in Water Mist Engineering AS (WME). In the income statement for 2007, WME is consolidated as from 1 April 2007. The 2006 pro-forma financial information for the group is presented below as if WME was acquired as from 1 January 2006.

Income Statement	Notes	Pro-forma 2007	Pro-forma 2006
(Figures in NOK 1 000)			
Operating income		144 736	99 127
Operating profit		7 721	-5 429
Net financial items		-2 981	-2 720
Profit before tax		4 740	-8 149
Income tax expense		-573	-727
Profit after tax		5 314	-7 423

Description of the assumptions made in preparing the pro-forma figures

In order to provide information concerning the effect of the acquisition of WME, pro-forma figures have been prepared on the basis of pro-forma comparative figures as mentioned above. In the preparation of pro-forma figures, the following significant assumptions have been made (for further information see note 24):

- WME is consolidated as if the acquisition took place on 1 January 2006, and as if the cash consideration of NOK 15 000 was financed by a long-term loan
- It is assumed that both the additional payment of NOK 4 000 and conditional payment of NOK 6 000 are liabilities as at 31 December in both years
- Excess value other than goodwill is amortised in 2006 according to the same plan as for 2007

NOTE 4 SHORT-TERM RECEIVABLES

Simtronics ASA		Short-term receivables	Simtronics group	
2007	2006		2007	2006
(Figures in NOK 1 000)				
10 720	10 153	Accounts receivables, external, gross	28 882	18 929
7 709	2 313	Accounts receivables, intra group	0	-
(76)	-	Provision for bad debt	(124)	(45)
-	-	Unbilled revenue from long-term contracts	16 853	-
1 590	619	Other external short term receivables	5 910	2 114
4 008	-	Other intra-group short term receivables	-	-
23 952	13 084	Total short-term receivables	51 522	20 998

Simtronics ASA		Short-term liabilities	Simtronics group	
2007	2006		2007	2006
		(Figures in NOK 1 000)		
12 576	-	Liabilities to financial institutions	20 655	-
7 580	4464	Accounts payable, external	25 608	10 872
63	28	Accounts payable, intra group	-	-
1 689	172	Public duties payable	6 875	2 693
354	-	Provisions	853	330
8 128	-	Advance payments from DnB Factoring	8 128	-
2 816	2 781	Other short-term liabilities	2 804	2 826
33 204	7 445	Total short-term liabilities	64 923	16 721

Advance payments from DnB comprise payments received through a factoring system. In the balance sheet the accounts receivable are presented gross.

NOTE 5 FINANCIAL NON-CURRENT ASSETS

Simtronics ASA			Simtronics group	
2007	2006		2007	2006
		(Figures in NOK 1 000)		
432	18 371	Loan to Simtronics SAS	-	-
701	701	Other long-term receivables, external	901	908
25 291	-	Investment in Water Mist Engineering AS	-	-
11 100	397	Investment in Simtronics SAS	-	-
20 000	-	Cash deposits, restricted	20 000	-
57 524	19 469	Total financial non-current assets	20 901	908

Simtronics ASA

At 31 December 2006, Simtronics SAS had a long-term loan from Simtronics ASA denominated in Euro. During 2007, the principal was converted to shareholders' equity in the subsidiary. The remaining amount of NOK 432 represents accrued interest up to this conversion. Following the conversion, a write-down of the investment for NOK 6 808 was carried out. See notes 7 and 14.

In conjunction with the company's loan agreement, the company has committed itself to establishing a cash deposit of NOK 20 000. See note 15 for further information.

Simtronics group

The long term receivables of NOK 901 (2006: NOK 908) in Simtronics group consist of NOK 200 (2006: NOK 207) and relates to a deposit for operational rent of offices in Simtronics SAS, and a long term receivable of NOK 701 (2006: NOK 701) from Technor ASA.

NOTE 6 INVENTORIES AND COST OF MATERIALS

Simtronics ASA			Simtronics group			
2007	2006	2005		2007	2006	2005
(Figures in NOK 1 000)						
Cost of goods sold						
33 958	23 421	15 680	Cost of goods sold, gross	80 301	38 696	27 737
115	(2 389)	(302)	Change in inventory	(2 984)	(412)	(1 827)
34 073	21 032	15 378	Cost of goods sold, net	77 317	38 284	25 910
Inventories						
1 510	6 557	5 591	Raw materials	9 230	10 673	9 684
0	1 235	610	Work in progress	1 045	2 785	4 160
8 193	2 026	1 228	Finished goods	8 193	2 026	1 228
9 703	9 818	7 429	Total inventories	18 468	15 484	15 072
9 703	9 818	7 429	Of which valued at initial cost	18 468	15 484	15 072
-	-	-	Of which valued at net realisable value	-	-	-

Cost of materials includes a write down of inventory of NOK 0 (2006: NOK 0) for Simtronics ASA and NOK 77 for Simtronics group (2006: NOK 0).

Simtronics ASA has put up security in the form of inventories for the use of overdraft facilities. See notes 15 and 16 for further information.

NOTE 7 FINANCIAL ITEMS

Simtronics ASA			Simtronics group			
2007	2006	2005		2007	2006	2005
(Figures in NOK 1 000)						
-	-	-	Profit from affiliated companies			
-	-	-	Dividend from subsidiaries			
-	-	-	Group contributions from subsidiaries			
2 168	595	116	Interest income	1 983	368	31
2 099	1 368	618	Foreign exchange gain	2 142	1 595	341
4 267	1 963	733	Total financial income	4 125	1 963	371
2 816	1 689	238	Interest expenses, bank loan and overdraft facilities	2 972	1 707	242
1 168	916	878	Other interest expenses and guarantee commissions	1 251	985	921
6 808	-	-	Changes in fair value of financial derivatives	-	-	-
2 554	987	96	Foreign exchange loss	2 807	1 016	121
13 346	3 592	1 211	Total financial expenses	7 029	3 708	1 284
(9 080)	(1 629)	(478)	Net financial income and expenses	(2 905)	(1 745)	(913)

Interest income and interest expenses for Simtronics ASA includes interest income from subsidiaries of NOK 184 (2006: NOK 227). Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTE 8 LONG-TERM CONTRACTS

Simtronics ASA			Simtronics group	
2007	2006		2007	2006
		(Figures in NOK 1 000)		
		Long-term contracts in progress per 31 December		
		This period		
-	-	Total amount of revenue recognised in the period	32 622	-
-	-	Unbilled revenue	17 471	-
-	-	Advance payments netted against unbilled revenue	617	-
-	-	Net unbilled revenue	16 853	-
-	-	Advance payment from contracts in progress	617	-
-	-	Advance payments netted against unbilled revenue	-617	-
-	-	Cash collected in excess of revenues recognised from customers	-	-
		Accumulated		
-	-	Total revenue recognised from long-term contracts per 31 Dec.	35 035	-
-	-	Total costs recognised from long-term contracts per 31 Dec.	-24 632	-
-	-	Total net recognized profit from contr. in progress	10 404	-

Recognition of contract revenue

Income from construction contracts is recognised based on the stage of completion. The stage of completion is calculated based on incurred costs as a proportion of total estimated costs. The calculation is assessed with consideration to other available information and targets providing indications on the progress of the projects. If circumstances require, potential losses and liabilities arising from delays or other factors are recognised in the income statement based on best estimates. See note 1 on accounting principles for further information.

NOTE 9 INTANGIBLE ASSETS

	Simtronics ASA			Simtronics group				Total
	Development costs and patents	Other	Total	Goodwill	Order backlog	Development costs and patents	Other	
(Figures in NOK 1 000)								
Cost								
Balance at 1 January 2006	2 570	-	2 570	-	-	13 108	113	13 221
Acquisitions through business combinations	-	-	-	-	-	-	-	-
Other acquisitions - internally developed	1 601	-	1 601	-	-	2 502	21	2 523
Effect of movements in exchange rates	-	-	-	-	-	141	-	141
Balance at 31 December 2006 ¹⁾	4 171	-	4 171	-	-	15 751	134	15 885
Balance at 1 January 2007	4 171	-	4 171	-	-	15 751	134	15 885
Acquisitions through business combinations ⁴⁾	-	-	-	22 691	1 695	-	-	24 386
Other acquisitions - internally developed	3 887	1 426	5 313	-	-	5 079	1 426	6 505
Effect of movements in exchange rates	-	-	-	-	-	(328)	23	(305)
Balance at 31 December 2007 ²⁾	8 058	1 426	9 484	22 691	1 695	20 502	1 583	46 471
Depreciation and impairment losses								
Depreciation charge 2005	700	-	700	-	-	363	371	734
Balance at 1 January 2006	-	-	-	-	-	579	47	626
Depreciation charge for the year	385	-	385	-	-	1 551	54	1 605
Other changes	(71)	-	(71)	-	-	(71)	(178)	(249)
Effect of movements in exchange rates	-	-	-	-	-	40	-	40
Balance at 31 December 2006 ¹⁾	314	-	314	-	-	2 170	101	2 271
Balance at 1 January 2007	314	-	314	-	-	2 170	-	2 170
Depreciation charge for the year	156	225	381	-	983	1366	225	2 575
Effect of movements in exchange rates	-	-	-	-	-	(20)	-	(20)
Balance at 31 December 2007 ²⁾	470	225	695	-	983	3 516	225	4 725
Depreciation rate ³⁾	10 %	20 %		-	-	10 %	20 %	-
Useful lives	10 yrs	5 yrs		-	-	10 yrs	5 yrs	-
Net carrying amounts								
At 1 January 2006	2 570	-	2 570	-	-	12 529	66	12 595
At 1 January 2007	3 857	-	3 857	-	-	13 652	134	13 786
At 31 December 2007	7 588	1 201	8 789	22 691	712	16 986	1 358	41 746

1) Exchange rates as of 31 December 2006 are used in calculating intangible assets of foreign subsidiaries.

2) Exchange rates as of 31 December 2007 are used in calculating intangible assets of foreign subsidiaries.

3) Development costs are depreciated on a straight line basis, based on a 10 year economic life.

4) Relates to the acquisition of Water Mist Engineering in 2007.

Goodwill

The book value of goodwill arises entirely from the purchase of Water Mist Engineering AS (WME) in 2007, see note 24. Goodwill is not amortised, and the book value of NOK 22 291 has been tested for impairment loss as per 31 December 2007. Recoverable amount for the cash-generating unit is based on the calculation of value in use. This calculation uses estimates for future cash flows based on actual operating profits over a five-year business plan. Cash flows for additional 5 years are derived by assuming a yearly growth-rate that is equal to expected inflation. In calculating the present value a discount rate of 10 % before tax is used. Neither an increase in the discount rate of 5 % or a reduction in the expected cash flows of 20% would have resulted in a write-down of goodwill.

Order backlog

The book value arises entirely from the purchase of Water Mist Engineering AS (WME) in 2007, see note 24. Purchase price is amortised based on the expected delivery of the order backlog which existed at the purchase date. The amortisation plan is in practice degressive, and the order backlog will be amortised completely by 31 December 2008.

Capitalised development costs

Product development, where the criteria set out in IAS 38.57 are met, have been capitalised. Reference is made to accounting principles as described in note 1. Products where development has been completed, and also products currently under development, are based on existing technology and known markets. Development is carried out either in cooperation with prospective customers and/or other companies. By the end of 2007 capitalised development costs relates to 2 products, and excess value in conjunction with the acquisition of Simtronics SAS in 2006.

Other

Other intangible assets for Simtronics ASA and Simtronics group mainly comprises capitalised costs relating to a new ERP-system.

Expensed research and development expenditure

Research and development expenditures that do not satisfy the definition of assets have been recognised as expenses, and are NOK 1 001 in the parent company and NOK 1 484 in the group.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	Simtronics ASA				Simtronics group			
	Furniture and fixtures	Machinery	Equipment	Total	Furniture and fixtures	Machinery	Equipment	Total
(Figures in NOK 1 000)								
Cost								
Balance at 1 January 2006	160	413	314	887	160	1 556	920	2 635
Other acquisitions	-	-	105	105	-	103	247	349
Disposals	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-	53	60	113
Balance at 31 December 2006 ¹⁾	160	413	419	992	160	1 711	1 227	3 097
Balance at 1 January 2007	160	413	419	992	160	1 711	1 227	3 097
Acquisitions through business combinations ⁴⁾	-	-	-	-	116	139	-	255
Other acquisitions	214	-	101	315	250	68	199	517
Disposals	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-	(54)	(63)	(117)
Balance at 31 December 2007 ²⁾	373	413	520	1 306	526	1 864	1 363	3 752
Depreciation and impairment losses								
Depreciation charge 2005	16	20	87	123	16	254	717	987
Balance at 1 January 2006	93	54	213	360	93	340	345	778
Depreciation charge for the year	16	41	26	83	25	120	262	408
Other changes	-	-	-	-	-	245	-	245
Effect of movements in exchange rates	-	-	-	-	9	40	-	49
Balance at 31 December 2006 ¹⁾	109	95	238	442	128	500	607	1 235
Balance at 1 January 2007	109	95	238	442	128	500	607	1 235
Acquisitions, business combinations	-	-	-	-	9	17	-	26
Depreciation charge for the year	21	39	38	98	50	228	277	554
Disposals	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-	(10)	(15)	(25)
Balance at 31 December 2007 ²⁾	130	134	276	540	187	735	869	1 790
Depreciation rate ³⁾	10 %	10-20 %	10-33 %		10 %	10-20 %	10-33 %	
Useful lives	10 yrs	5-10 yrs	3-10 yrs		10 yrs	5-10 yrs	3-10 yrs	
Net carrying amounts								
At 1 January 2006	67	359	101	527	67	1 216	575	1 857
At 1 January 2007	51	318	181	550	32	1 211	620	1 862
At 31 December 2007	243	279	244	766	339	1 129	494	1 962

1) Exchange rates as of 31 December 2006 are used in calculating tangible assets of foreign subsidiaries.

2) Exchange rates as of 31 December 2007 are used in calculating tangible assets of foreign subsidiaries.

3) All depreciation plans are linear.

4) Relates to the acquisition of Water Mist Engineering AS in 2007

Impairment losses

No impairment losses have been recognised in 2007 (2006: NOK 0).

Guarantee obligations

Simtronics ASA has put up security in property, plant and equipment for the use of overdraft facilities. See note 16 for further information.

Operational leases of offices

Simtronics group rents its premises under an operating lease arrangement. The value of the premises is therefore not recognised in the balance sheet.

Simtronics ASA has a rental agreement with Simrad Optronics ASA for the premises in Oslo. The rental agreement ends 30 June 2016, and the annual rent is NOK 1 645. The rent is adjusted annually based on a pro-rata share of the changes in the rental agreement between Simrad Optronics ASA and the landlord. At the end of the rental period Simtronics ASA has a renewal option of 10 years (5 + 5).

Total expensed operational leases in 2007 is NOK 3 815.

Minimum lease payments under operational lease of offices

	Simtronics ASA 2007	Simtronics group 2007
(Figures in NOK 1 000)		
Less than one year	1 645	2 784
Between one and five years	6 580	11 915
More than five years	6 580	6 886

NOTE 11 EMPLOYEE BENEFITS

Simtronics ASA				Simtronics group		
2007	2006	2005		2007	2006	2005
			(Figures in NOK 1 000)			
13 030	12 359	9 910	Wages and salaries	27 401	20 633	14 730
422	-	-	Equity-settled share-based payment transactions	422	-	-
2 504	1 869	1 468	Social security tax	7 422	5 867	3 517
2 030	1 341	1 087	Pension cost	2 114	1 341	1 087
1 170	39	23	Other benefits	1 399	39	23
(2 779)	(1 601)	(1 142)	Capitalised as development costs	(3 733)	(1 601)	(1 142)
-	-	-	Capitalised as manufacturing cost of inventory	(325)	-	-
16 377	14 007	11 346	Total personnel costs	34 700	26 279	18 215
25	21	18	Number of employed man-labour years	70	56	52

As of 31 December 2007 Simtronics group has 70 employees (2006: 56), of which 26 are employed Simtronics ASA, 28 in Simtronics SAS, and 16 in Water Mist Engineering AS.

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Identification of related parties

Simtronics ASA has related party transactions with its subsidiaries (see note 14), and with members of the Board and group management. Transactions with related parties are based on the arms length principle.

Information regarding 2007:

Shares and share options in whole numbers, other amounts in NOK 1 000	Share-holding ²⁾	Share-options granted ³⁾	Board fees ⁴⁾	Salary ⁵⁾	Bonus ⁶⁾	Pension-premium ⁷⁾	Other compensation ⁸⁾
Members of the Board							
John Afseth (Chairman of the Board)	1 474 271	-	25	-	-	-	-
Tore Amundsen (Member of the Board)	30 000	-	15	-	-	-	-
Valborg Lundegaard (Member of the Board)	-	-	-	-	-	-	-
Svein Roar Sivertsen (Member of the Board)	-	-	15	596	-	88	47
Total for members of the Board	1 504 271	-	55	596	-	88	47
Members of group management							
Rune Martini (CEO) ¹⁾	200 000	1 000 000	-	1 063	420	107	7
Pål Selboe Valseth (CFO)	142 000	600 000	-	839	210	94	7
Kjetil Sivertsen (CEO Water Mist Engineering AS)	160 000	-	-	724	-	14	4
Salvator La Piana (General manager, Simtronics SAS)	-	250 000	-	421	-	38	-
Claus Fossum (Sales and marketing director)	50 000	250 000	-	812	-	129	7
Total for members of group management	552 000	2 100 000	-	3 859	630	382	25
Total compensation to group management:	2007						
Short term employee benefits	5 212						
Post employee benefits	470						
Share-based payments *	-						
Total	5 682						

* No options have been exercised in the period 2005-2007

Total number of persons defined as management is 5. Loans to employees as of 31 December amounted to NOK 0. The information above provides a thorough overview of compensation of members of the Board and group management for 2007.

Information regarding 2006:

Reference is made to the financial statements for Simtronics ASA for 2006. There was no activity in Simtronics ASA in 2006 before the demerger was carried out 4 January 2007. No board fees were paid in 2006 when the group management was under establishment, and paid by Simrad Optronics ASA. Comparative figures are therefore not presented.

1) Remuneration of the CEO

CEO Rune Martini received NOK 1 063 in salary in 2006, and is part of Simtronics ASA pension plan on the same conditions as other employees. Rune Martini received a bonus of NOK 420 in 2007. In 2008 Rune Martini can earn a bonus of up to NOK 500.

Rune Martini was granted 1 000 000 share options in Simtronics ASA in 2007. The first vesting date is 2 May 2008, when a maximum of 333 333 share-options will be vested. See note 13. There is no agreement with the CEO concerning post employment salary in the event of contract termination.

2) Shareholding

The column shows the number of shares owned by Board members, members of group management, companies controlled by them, and their related parties. John Afseth owns 50 000 shares privately, and 1 424 271 shares through Carpe Diem Afseth AS (where he owns 100% of the shares).

3) Share-options

The column shows the total number of options granted as of 31 December 2007. No options have been exercised in 2007, and there are no vested options as of 31 December 2007. In February 2008, The Board approved the extension of the employee share purchase program with 2 150 000 options, of which 300 000 to Shareholder-elected Board Members, 250 000 to the CEO, 600 000 to the new CFO, and 1 000 000 to other employees. See note 13 for further information regarding company option plans.

4) **Board fees**

The column comprises board fees paid in 2007.

5) **Salary**

The column comprises ordinary salary received in 2007. Salary information for Kjetil Sivertsen in WME is for the whole of 2007, while WME is consolidated into Simtronics ASA as from 1 April 2007.

6) **Bonus**

The column shows bonuses earned and paid to members of group management in 2007.

7) **Pension premium**

The company has established a collective pension scheme. The column comprises premium contribution in 2007. See note 19 for further information regarding pensions.

8) **Other compensation**

The column comprises other benefits received during the year, including car allowance, telephone allowance etc.

Remuneration policy for group management

In accordance with The Joint Stock Public Companies Act §6-16a, the Board has prepared a statement outlining the principles for CEO- and other management compensation for 2008. The basic principle for management compensation is that the compensation is to be competitive in order for Simtronics ASA to attract and retain competent management personnel.

Senior managers are paid a fixed salary and under certain circumstances may be offered variable compensation based on results achieved. In addition to fixed and variable salaries, senior manager are offered fringe benefits in the form of free mobile phone, company car etc. There are no benefit plans that are specific to senior managers.

The company offers remuneration in the form of shares, subscription rights or options to its senior managers. Such share-option programs will be in compliance with the share-option programs implemented in 2007.

The company's policy for remuneration of senior managers for the accounting year 2007 has been in compliance with the statement on management compensation approved by the annual general meeting 29 March 2007.

Transactions with subsidiaries

Transactions with subsidiaries which are considered related parties are eliminated in the consolidated group accounts and thus not included in this note.

Simtronics ASA's outstanding balances with subsidiaries 31 December:

	Receivables		Liabilities	
	2007	2006	2007	2006
Simtronics SAS	7 041	2 313	63	28
Water Mist Engineering AS	5 108	-	-	-
Total	12 149	2 313	63	28

Expensed auditors' fees	ASA	Group
Audit	414	561
Audit related services	185	185
Tax related services	-	9
Other services	17	18
Total	616	773

NOTE 13 SHARE-BASED PAYMENTS

Simtronics group

During 2007 Simtronics ASA have granted a total of 2 600 000 share-options to six members of group management, of which five are employed by the parent company. The share-option plans give these employees the right to acquire shares in the parent company. The share-option plans are divided into three parts, whereby one third of the share-options have a vesting period of 12 months, one third have a vesting period of 24 months and one third have a vesting period of 36 months. The strike price for all share-options is NOK 2.46 which was the closing price on 3 May 2007, the date that the Board of Directors, by authority of the annual general meeting (AGM), adopted the share-option plan.

Fair value of options is calculated at grant date and is expensed over the vesting period according to IFRS 2.

Terms of existing share-option plans

	Number of options	Strike	Vesting date	Expiry
(Shares and options in whole numbers, other amounts in NOK 1 000)				
Simtronics group				
Share-option plan May 2007	866 666	2,46	02.05.2008	03.05.2011
Share-option plan May 2007	866 666	2,46	04.05.2009	03.05.2011
Share-option plan May 2007	866 666	2,46	03.05.2010	03.05.2011
	2 600 000			
Simtronics ASA				
Share-option plan May 2007	783 333	2,46	02.05.2008	03.05.2011
Share-option plan May 2007	783 333	2,46	04.05.2009	03.05.2011
Share-option plan May 2007	783 333	2,46	03.05.2010	03.05.2011
	2 350 000			

The sole vesting criteria for share-options is continued employment. Share-options that are vested may be retained by the employee in the event of termination of contract, and are exercisable within the given expiry date.

There is a reinvestment commitment arising from the share-options. When exercising options, the share-option holder is required to reinvest 40% of gains before tax, in company shares. Shares which are acquired have a minimum holding period of 12 months.

Fair value of granted options

	Simtronics group		Simtronics ASA	
	2007	2006	2007	2006
Fair value at grant date	1 020	-	922	-
Share price at grant date	2,46	-	2,46	-
Strike price	2,46	-	2,46	-
Expected volatility in %	60 %	-	60 %	-
Expected dividends	-	-	-	-
Risk free interest rate	6 %	-	6 %	-

Fair value assessment is performed using the Black & Scholes' option pricing model, applying assumptions as described above. This assessment is based on the assumption that share-option holders will exercise the options at the first possible date.

Expected volatility is based on historic volatility, adjusted for expected changes in future volatility based on publicly available information. Risk free rate is calculated based on average interest rate for the option life.

Number of options and weighted average strike price is:

	2007		2006	
	Number of share-options	Weighted average strike	Number of share-options	Weighted average strike
Options outstanding as per 1 January	-	-	-	-
Options exercised	-	-	-	-
Options cancelled/forfeited	-	-	-	-
Options granted in the period	2 600 000	2,46	-	-
Outstanding options as at 31 December	2 600 000	5,18	-	-

Outstanding options as at 31 December 2007 have an average expiry of 3,3 years.

Share-options cost in the income statement

	Simtronics group		Simtronics ASA	
	2007	2006	2007	2006
Share-options granted in 2007	422	-	422	-

Share-option costs are presented as payroll and related costs in the income statement. A provision for social security tax is recognised for options outstanding as at 31 December 2007. See note 22.

NOTE 14 INVESTMENTS IN SUBSIDIARIES

Simtronics ASA has the following investments in subsidiaries:

Group company	Location	Vote- and owner share	Book value 31 Dec. 2007	Book value 31 Dec. 2006
<small>(Figures in NOK 1 000)</small>				
Simtronics Icare SAS	Aubagne, France	100 %	11 100	397
Water Mist Engineering AS	Kristiansand, Norway	100 %	25 291	-
Total investment in subsidiaries			36 391	397

The shares in Simtronics SAS were acquired with effect from 1 January 2007 through the demerger of Simrad Optronics ASA. In 2007, a loan from Simtronics ASA to Simtronics SAS for EUR 2 100 was converted. In addition, a write down of shares for NOK 6 808 was carried out.

The shares in Water Mist Engineering were acquired in April 2007. NOK 15 000 was settled in cash. In addition, as per 31 December 2007, a provision has been made for an additional payment of NOK 6 000, a conditional payment of NOK 4 000 and NOK 291 in directly attributable transaction costs. See note 24 for further information.

Simtronics ASA has no investments in associates or joint ventures.

NOTE 15 LIABILITIES TO FINANCIAL INSTITUTIONS

Simtronics ASA		Simtronics group	
2007	2006	2007	2006
(Figures in NOK 1 000)			
Long-term liabilities			
28 425	20 000	28 425	20 000
Bank loan			
28 425	20 000	28 425	20 000
Total			
Short-term liabilities			
3 400	-	3 400	-
Short-term part of long term bank loan			
9 176	-	17 255	-
Overdraft facility			
12 576	-	20 655	-
Total			

Bank loan

As per 31 December 2007 Simtronics ASA had a bank loan of NOK 31 825 (2006: NOK 20 000), comprising of two loans of NOK 17 575 and NOK 14 250 respectively. Both loans have an expiry date 5 years from payout date, and a 10 year installment plan. This plan requires that the loans shall be repaid based on a 10 year installment plan for the first 60 months, and repayment of the remaining loan balance at 60 months. The loan of NOK 17 575 was originally for NOK 19 000 and was paid out in December 2006, whilst the loan of NOK 14 250 was originally NOK 15 000 and was paid out in April 2007. The first year's installments on these loans are classified as short-term in the balance sheet.

In December 2007, Simtronics ASA entered into a new agreement for a new long-term loan of NOK 47 600 in conjunction with the acquisition of Etech Process AS and Fire Eater A/S. There is no borrowing under this facility as of 31 December 2007.

Overdraft facility

Simtronics ASA has an overdraft facility limit of NOK 40 000. The group has a further NOK 8 000 available through the overdraft facility in the subsidiary Water Mist Engineering AS. The overdraft facility in WME is short-term and is to be terminated in March 2008.

Covenants

In conjunction with the establishment of the above-mentioned loan agreement for NOK 47 600, new covenants were agreed upon in December 2007 for all Simtronics' loan arrangements with DnB Nor. The updated covenants are as follows:

* The book value of the group's equity (in NOK 1 000 and in % of the total capital), and the ratio net interest-bearing debt (NIBD) / EBITDA for the group, shall have the following development over the next four years:

	Book value of equity	Equity %	NIBD/EBITDA
→ 31 December 2008	70 000	25 %	4,0
→ 31 December 2009	80 000	25 %	3,5
→ 31 December 2010	90 000	30 %	3,0
→ 31 December 2011	100 000	30 %	2,5

The measurement of NIBD/EBITDA is to take place quarterly on a continuous basis, with the first measurement to be made for the last four quarters on 31 December 2008. Interest-bearing debt is defined as short-term and long-term liabilities to financial institutions. Net interest-bearing debt is defined as interest-bearing debt less cash balances.

* Simtronics ASA shall not pay dividends without the bank's consent

Reference is made to note 16 on guarantees and collaterals where it is shown that for loans where borrowing has taken place, a cash deposit of NOK 20 000 is required.

There are no special conditions relating to the overdraft facility in Water Mist Engineering AS. This overdraft facility is temporary and will be terminated in March 2008.

NOTE 16 GUARANTEES AND COLLATERALS

(Figures in NOK 1 000)

Bank guarantees

Simtronics ASA has obtained guarantees for NOK 7 656 as of 31 December 2007. NOK 7 149 of the guarantees is covered by the agreement with DnB Nor for NOK 15 000. The agreement on the guarantee terms contains equivalent loan conditions for the overdraft facility and bank loan. In addition, the subsidiary Water Mist Engineering has guarantees for NOK 1 500, also through a guarantee agreement with DnB Nor. See note 15 for further information.

Collaterals

Simtronics ASA

In conjunction with Simtronics ASA's bank loan and overdraft facility, the group has put up security in the form of inventories, outstanding accounts receivables, property, plant and equipment, and 100% of the company's shares in Water Mist Engineering AS. In addition, there is a requirement for NOK 20,000 in cash deposit, and a negative pledge has been given for the subsidiary Simtronics SAS.

Net book values as at 31 December 2007 of these assets were as follows: inventories NOK 9 703, outstanding accounts receivables NOK 18 354, property, plant and equipment NOK 766 and WME shares NOK 25 291. The cash deposit requirement is covered by the company's restricted cash deposit, ref. note 5 and 23.

In the event of borrowing under the loan agreement for NOK 47 600, see note 15, the collateral requirement will also include a negative pledge for the entire Simtronics group (consisting of Water Mist Engineering AS, Etech Process AS, Fire Eater A/S and Simtronics SAS), an increased cash deposit of NOK 10 000 to NOK 30 000, 1st priority pledge in 100% of Simtronics ASA's shares in ETech Process AS, and 1st priority pledge in 100% of Simtronics ASA's 51% ownership in Fire Eater A/S.

Simtronics group

In addition to collateral established in Simtronics ASA, the group has collateral relating to the overdraft facility in the subsidiary Water Mist Engineering AS. The collateral includes inventories, accounts receivable and property, plant and equipment. The carrying amounts of these items are NOK 3 309, NOK 5 731 and NOK 264 respectively, as at 31 December 2007.

NOTE 17 EQUITY AND SHAREHOLDERS

Simtronics ASA	Share capital	Share premium reserve	Other paid-in capital	Total paid-in capital	Retained earnings	Total equity	Number of shares
(Figures in NOK 1 000)							
Balance as at 1 January 2006 ¹⁾	1 000	17 941	-	18 941	2 647	21 589	
Profit (loss) after tax					(3 184)	(3 185)	
Balance as at 31 December 2006	1 000	17 941	-	18 941	(537)	18 404	100
Reduction in share capital 4 Januar 2007	(1 000)			(1 000)		(1 000)	(100)
Share issue with contribution in kind ¹⁾	5 984	(4 984)		1 000		1 000	40 944 754
Share issue with cash contribution	2 088	27 911		29 999		29 999	14 285 000
Share issue with cash contribution	807	31 209		32 016		32 016	5 520 000
Emission costs after tax		(2 857)		(2 857)		(2 857)	
Share-based payment expense			422	422		422	
Profit (loss) after tax		(6 512)	(422)	(6 934)		(6 934)	
Balance as at 31 December 2007	8 879	62 702	-	71 581	(537)	71 043	60 749 754

1) Simtronics ASA did not exist as a legal entity as of 1 January 2006. The company was established on 28 August 2006, with the purpose of acquiring the Fire & Gas business demerged from Simrad Optronics ASA. The company was formed with a share capital of NOK 1 000. Comparative amounts in the income statement and balance sheet relate to the actual amounts the acquiree held in Simrad Optronics ASA in 2006. In the statement of changes in equity, the contribution in kind gives a net effect on shareholders' equity equivalent to the simultaneous reduction in share capital of NOK 1000, since the effect on shareholders' equity of the contribution in kind of NOK 18 404 is already included in the comparative amounts as at 31 December 2006.

Par value of shares

Par value per share as of 31 December 2006 was NOK 10 000. In conjunction with the demerger of Simtronics ASA effective on 4 January 2007 the par value was reduced to NOK 0 by a repayment to Simrad Optronics ASA, with a simultaneous increase to NOK 0,146158358 through contribution in kind received.

Distributable equity

Distributable equity according to the Norwegian Act relating to public limited liability companies, as at 31 December 2007 amounted to NOK 0 (2006: NOK 0).

Simtronics group

	Total paid in capital	Currency translation differences	Retained earnings	Total equity
(Figures in NOK 1 000)				
Balance as at 1 January 2006	18 941	(204)	424	19 161
Profit (loss) after tax			(6 206)	(6 206)
Effects of movements in exchange rates		146		146
Balance as at 31 December 2006	18 941	(58)	(5 782)	13 101
Reduction in share capital 4 January 2007	(1 000)			(1 000)
Share issue with contribution in kind ¹⁾	1 000			1 000
Share issue with cash contribution	29 999			29 999
Share issue with cash contribution	32 016		-	32 016
Emission costs after tax	(2 857)			(2 857)
Share-based payment expense	422			422
Profit (loss) after tax	(6 934)		12 444	5 510
Effects of movements in exchange rates		(377)		(377)
Balance as at 31 December 2007	71 581	(435)	6 662	77 808

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the company.

Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the net profit to ordinary shares of NOK 5 510 (2006: NOK -6 206) and a weighted average number of ordinary shares outstanding during 2007 of 55 123 233 before diluting and 55 973 075 including diluting (2006: 39 200 760).

	2007	2006 *	2005 *
Net profit	5 510	(6 206)	(4 299)
Weighted average number of ordinary shares outstanding	55 123 233	39 300 760	39 300 760
Number of share options outstanding	2 600 000	-	-
Agreed future issue of shares *	2 238 806	-	-
Weighted average number of ordinary shares outstanding including diluted shares **	55 973 075	39 300 760	39 300 760
Basic earnings per share	0,100	(0,158)	(0,109)
Diluted earnings per share	0,098	(0,158)	(0,109)

	2007	2006	2005
Number of ordinary shares outstanding 1 January	40 944 754	37 222 504	37 222 504
Effect of increase of share capital	12 499 375	2 078 256	-
Effect of agreed future issue of shares	1 679 104	-	-
Weighted average number of ordinary shares as of 31 December	55 123 233	39 300 760	37 222 504

* Simtronics has committed to the issuance of 2,238,806 shares 14 May 2010 in conjunction with the acquisition of Water Mist Engineering AS. See note 24. In the calculations of basic- and diluted earnings per share, these shares are included as shares outstanding from 1 April 2007 until 31 December 2007.

** See footnote (1) above under Simtronics ASA. At the establishment of Simtronics ASA 1 January 2007, the share capital consisted of the equivalent number of shares in Simrad Optronics ASA. In the calculations of basic- and diluted earnings per share, the assumption is made that the number of shares in Simtronics ASA in 2006 and 2005 was equivalent to the number of shares in Simrad Optronics at these same dates.

The Company's largest shareholders registered at 31 December 2007

	Number of shares	Ownership
Ørnes AS	13 150 000	21,65 %
MP Pensjon	2 278 556	3,75 %
Kåre Mikal Mikalsen	1 462 000	2,41 %
Carpe Diem Afseth AS	1 424 271	2,34 %
Magne Horn Aarø	1 401 000	2,31 %
Ragnar Syvertsen	1 245 000	2,05 %
Bank of New York, Brussels Branch	1 105 000	1,82 %
Arnfinn Tynes	960 000	1,58 %
INGEFO 1 AS	952 000	1,57 %
Kverneland Investering AS	542 000	0,89 %
AGAT AS	536 000	0,88 %
Rolf Alfred Næss	525 000	0,86 %
Trond Gunnar Berg	502 000	0,83 %
Tore Jan Paulsen	500 000	0,82 %
Partrederiet Mast ANS	500 000	0,82 %
Runestad Investering AS	480 000	0,79 %
Bjelland Trading AS	450 000	0,74 %
Tore Martin Torvbråten	432 000	0,71 %
Bare Mine Penger AS	400 000	0,66 %
Otto Teksum Lund	360 000	0,59 %
Total shares owned by the 20 largest	29 204 827	48,07 %
Other shareholders	31 544 927	51,93 %
Total	60 749 754	100,00 %
Shares owned by Norwegian shareholders	58 058 728	95,57 %
Shares owned by foreign shareholders	2 691 026	4,43 %
Total	60 749 754	100,00 %

NOTE 18 FINANCIAL INSTRUMENTS

(Figures in NOK 1 000)

The Simtronics group is exposed to credit-, interest rate- and currency risks in the course of its ordinary business. In order to maintain an acceptable level of risk in these areas, ongoing evaluations of the actual currency risk are carried out, based on matching turnover and costs in both NOK and EURO. In order to limit interest rate risk, ongoing evaluations of SWAP solutions for existing credits are carried out.

Credit risk

Simtronics ASA

Historically the group's losses on trade receivables have been modest. Management has a credit policy in place, and the exposure to credit risk is monitored on an ongoing basis. Credit checks are carried out for all customers who request credit above a given amount. In 2007, the company implemented a factoring system with DnB Nor through which DnB Nor provides assistance in credit checks.

At the reporting date there was no significant concentration of credit risk. Through the factoring agreement, Simtronics ASA has entered into a agreement for providing credit assurance of trade receivables outside the Nordic countries. Simtronics ASA has an excess of 5% in this agreement, such that the insured amount is 95% of the amount of outstanding trade receivables.

Age distribution of trade receivables at the balance sheet date is:

	2007		2006	
	Gross	Impairment	Gross	Impairment
Not overdue trade receivables	9 487	-	5 191	-
Overdue trade receivables 0-30 days	3 203	-	1 845	-
Overdue trade receivables 31-90 days	323	-	3 280	-
Overdue trade receivables 91-120 days	412	-	271	-
Overdue trade receivables, more than 120 days	5 004	(76)	2 371	-
	18 429	(76)	12 958	-

Receivables towards subsidiaries at NOK 7 709 (2006: NOK 2 213) are included in the total amount of receivables at 31 December. Receivables towards subsidiaries at NOK 3 803 are included in the total for overdue receivables over 120 days, and the total for overdue receivables over 120 also includes receivables at NOK 1 050 in which payment plans have been agreed.

The change in bad debt provision in the accounting year was as follows:

	2007	2006
Balance as per 1 January	-	-
Recorded impairment losses	(76)	-
Balance as per 31 December	(76)	-

Simtronics group

Age distribution of trade receivables at the balance sheet date is:

	2007		2006	
	Gross	Impairment	Gross	Impairment
Not overdue trade receivables	21 081	(45)	9 273	(45)
Overdue trade receivables 0-30 days	3 835	-	4 653	-
Overdue trade receivables 31-90 days	1 544	-	3 689	-
Overdue trade receivables 91-120 days	834	-	247	-
Overdue trade receivables, more than 1 year	1 588	(78)	1 068	-
	28 883	(124)	18 929	(45)

The change in bad debt provision in the accounting year was as follows:

	2007	2006
Balance as per 1 January	(45)	(7)
Recorded impairment losses	(78)	(38)
Balance as per 31 December	(124)	(45)

The group's trade receivables over 120 days include receivables at NOK 1 050 in which payment plans have been agreed.

Liquidity risk

It is the managements' assessment that the company's liquidity risk is limited, mainly due to the company's access to loan- and equity financing. The parent company and the group have increased borrowings significantly in 2007 as a result of the group's expansion in 2007, including the acquisition of Water Mist Engineering AS.

The group has established a cash pool system which ensures that the group companies have necessary liquidity flexibility. This also ensures that the parent company has overall control of the liquidity that is available at any given time within the group.

The parent company had a net cash flow of NOK 59 205 for 2007, of which NOK 1 075 was from operating activities. Corresponding figures for the group were a net cash flow of NOK 67 930, of which NOK 7 544 was from operating activities.

The table below shows the expected due dates of financial obligations based on contract. Excluding interest rates. The possible uptake of a new loan agreement for NOK 46 700, see below, will effect the cash flows in accordance with contracts shown below. The loan has a 5 year term based on a 10 year installment plan, such that installments are paid based on a 10 year plan for the first 60 months, with payment of the outstanding amount at 60 months.

As per note 23, the company had NOK 967 in available funds as at 31 December 2007. In addition, the company has available overdraft facilities mentioned below and in note 15.

Simtronics ASA	Carrying amount	Cash flows in accordance with contract	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Bank loan	31 825	31 825	1 700	1 700	3 400	16 775	8 250
Overdraft facility	9 176	9 176	9 176	-	-	-	-
Trade payables	7 642	7 642	7 642	-	-	-	-
	48 643	48 643	18 518	1 700	3 400	16 775	8 250

Simtronics group:	Carrying amount	Cash flows in accordance with contract	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Bank loan	31 825	31 825	1 700	1 700	3 400	16 775	8 250
Trade payables	25 608	25 608	25 608	-	-	-	-
	78 088	78 088	47 963	1 700	3 400	16 775	8 250

Interest rate risk

Simtronics ASA

Interest rate risk arises in the short- and long-term as a result of part of the company debt being subject to a floating interest rate. Simtronics ASA has an bank overdraft limit of NOK 40 000, and as of 31 December 2007 the company had drawn NOK 9 176 from this overdraft facility. In addition, Simtronics ASA has two bank loans of NOK 15 000 and NOK 19 000, and as of 31 December 2007 a total of NOK 31 825 had been drawn (see note 15 for further information). At the end of 2007, the company entered into a new loan agreement in conjunction with the acquisition of ETech Process AS and Fire Eater AS. The new loan is for NOK 47 600, and there is no borrowing under this facility as of 31 December 2007.

Both the overdraft facility and collateral loans are subject to floating interest rates, at NIBOR + 60 basis points for the overdraft facility, NIBOR +100 basis points for the loan of NOK 19.000 and NIBOR +80 basis points for the loan of NOK 15.000. The new loan agreement for NOK 47 600 has a floating interest rate at NIBOR +100 basis points.

A change in the interest rate of +/- 1% would have increased/decreased the interest expenses by +/- NOK 410 respectively.

Simtronics ASA has no interest-bearing receivables as at 31 December 2007.

Simtronics group

The group has the equivalent overdraft facility and bank loan as the parent company, and in addition has an overdraft facility in a subsidiary limited to NOK 8 000. As at 31 December, the group had drawn a total of NOK 17 255 from the group's available overdraft facilities.

Both the overdraft facility and the collateral loan are subject to floating interest rates. A change in the interest rate of +/- 1% would have increased/decreased the interest expenses by +/- NOK 525 respectively.

Currency risk

Simtronics group is exposed to changes in NOK relative to other currencies. Approximately 40 % of the company's income is in foreign currency, and an increase in the value NOK will have a negative impact on the result. The currencies normally traded in are NOK and EUR.

For Simtronics ASA, the split of revenues in different currencies was as follows:

	2007	2006
NOK	60 %	59 %
EUR	36 %	26 %
USD	4 %	15 %
	100 %	100 %

For Simtronics group, the split of revenues in different currencies was as follows:

	2007	2006
NOK	59 %	34 %
EUR	40 %	57 %
USD	1 %	8 %
	100 %	100 %

The following exchange rates are used throughout the year:

	Average		Reporting date	
	2007	2006	2007	2006
Euro	8,0153	8,0479	7,961	8,2583

The distribution of the balance sheet pr 31 December 2007 according to the various group companies was as follows:

	NOK	EURO	Total
Total intangible fixed assets	77 %	23 %	100 %
Total tangible fixed assets	53 %	47 %	100 %
Total financial assets	78 %	22 %	100 %
Total inventories	70 %	30 %	100 %
Total receivables	67 %	33 %	100 %
Total cash and cash equivalents	98 %	2 %	100 %
Total assets	81 %	19 %	100 %
Total non-current liabilities	89 %	11 %	100 %
Total current liabilities	83 %	17 %	100 %
Total liabilities	85 %	15 %	100 %

An increase/decrease in the value of the Norwegian krone of 10 % will normally result in a 4-5% increase/decrease in the company's operating profit, and a 2-3% increase/decrease in the company's equity.

Fair values

Financial assets and liabilities, with the exception of bank overdraft, bank loan, pensions and loans to subsidiaries, mainly comprise short term non interest-bearing items. Based on this it is the management's assessment that the group does not have financial assets or liabilities with potentially significant differences between net book value and fair value.

NOTE 19 PENSIONS

Simtronics ASA

The company is required to have a pension plan for all employees which satisfy the requirements in the new law related to mandatory pension plans in Norway. The pension plan for Simtronics ASA is in compliance with these official requirements.

Simtronics ASA covers its pensions through a collective pension scheme which provides rights to defined future benefits. The pension scheme is treated in accordance with IAS 19 in the accounts. The pension scheme covers 24 active employees and 1 retiree. The retirement age is 67 years.

The defined future benefits are mainly dependent upon years within the plan, salary at date of retirement and size of compensation from the government. The obligations are covered through Storebrand insurance company. For demographic and resignation factors, the assumptions given in the recommendations for use of pension assumptions under IAS 19 issued by the Norwegian Accounting Standards Board in 2007 have been applied. These assumptions have been used as there are, in the group's opinion, no indications of circumstances within the group that justify deviation from these assumptions. For demographic and resignation factors, normal insurance assumptions have been used. For mortality rate statistics, table K2005 has been used in the calculations.

In addition, Simtronics ASA has uninsured pension commitments related to the AFP scheme which covers 24 employees and 1 retiree. The AFP-obligation is calculated based on an expected retirement rate of 30% at 62 years.

Actuarial gains and losses are required to be recognised when the cumulative unrecognised amount thereof at the beginning of the period exceeds a «corridor». The corridor is 10 per cent of the greater of the present value of the obligation and the fair value of the assets. The corridor is calculated separately for each plan.

Simtronics ASA				Simtronics group		
2007	2006 *	2005 *		2007	2006 *	2005 *
(Figures in NOK 1 000)						
Expense recognised in the income statement						
1 676	1 083	998	Current service cost	1 676	1 083	998
385	666	680	Interest cost of pension obligations	385	666	680
(410)	(678)	(704)	Expected return on plan assets	(410)	(678)	(704)
139	116	-	Actuarial gains and losses	139	116	-
240	154	113	Social security tax included in pension cost	240	154	113
2 030	1 341	1 087	Net pension costs	2 030	1 341	1 087
Financial status as of 31 December						
8 745	7 734	7 429	Present value of funded pension obligations	8 745	7 734	7 429
708	478	213	Present value of unfunded pension obligations	708	478	213
(8 797)	(6 550)	(5 521)	Fair value of plan assets	(8 797)	(6 550)	(5 521)
(437)	(1 824)	(1 669)	Unrecognised actuarial gains & losses	(437)	(1 824)	(1 669)
100	1 091	301	Social security tax obligation	100	1 091	301
319	930	753	Pension liability	319	930	753
Basis for calculation						
4,70 %	4,35 %	4,40 %	Discount rate	4,70 %	4,35 %	4,40 %
4,25 %	4,25 %	3,30 %	Expected wage increase	4,25 %	4,25 %	3,30 %
4,25 %	4,25 %	3,30 %	Expected increase of base amount	4,25 %	4,25 %	3,30 %
5,75 %	5,40 %	6,00 %	Expected return on plan assets 31 December	5,75 %	5,40 %	6,00 %
Changes in the net liability for defined benefit obligations as recognized in the balance sheet						
930	753	603	Net liability at 1 January	930	753	603
(2 640)	(1 164)	(937)	Contributions received	(2 640)	(1 164)	(937)
2 030	1 341	1 087	Expense recognised in the Income Statement *	2 030	1 341	1 087
319	930	753	Net liability at 31 December	319	930	753

Simtronics ASA			Simtronics group		
2007	2006 *	2005 *	2007	2006 *	2005 *
The expense is recognised in the following * line item in the income statement					
2 030	1 341	1 087	2 030	1 341	1 087
Payroll and related costs					
Additional information					
402	447	(250)	402	447	(250)
Actual return on plan assets					

* Comparison figures for 2006 and 2005 are pro-forma figures calculated based on the actual distribution of pension funds and pension obligations carried out in conjunction with the demerger from Simrad Optronics ASA 1 January 2007.

Simtronics group

There are no pension schemes with defined benefit plans in the group in addition to the pension scheme in Simtronics ASA. The subsidiary Water Mist Engineering AS has a defined contribution plan in compliance with the requirements of the new law related to mandatory pension plans in Norway. Pension premiums are expensed as they occur.

Simtronics SAS has a commitment to pay an indemnity amount to employees upon retirement. This is a «one-off» commitment, limited to 3 months pay for each person employed at retirement. A provision of NOK 669 has been included in pension liabilities in the balance sheet as at 31 December 2007 (2006: NOK 792).

Sensitivity analysis:

The table below shows how changes in the assumptions will lead to changes in calculated pension costs and obligations in the group's defined benefit plan. As the group only has a defined benefit plan in the parent company, the figures will be the same for the parent company and the group.

Economic assumptions				
Discount rate	4,70 %	4,20 %	4,70 %	4,70 %
Rate of return	5,75 %	5,75 %	5,75 %	5,75 %
Wage regulation	4,25 %	4,25 %	4,75 %	4,25 %
Base amount regulation	4,25 %	4,25 %	4,25 %	3,75 %
Pension regulation	2,00 %	2,00 %	2,00 %	2,00 %

Result				
(Figures in NOK 1 000)				
Net present value of this year's pension return	1 382	1 554	1 501	1 407
Accumulated benefit obligation	6 738	7 330	6 738	6 732
Present benefit obligation	8 453	10 384	10 212	9 775
Total benefit obligation	27 616	31 366	28 463	28 379
Pension funds	8 797	8 797	8 797	8 797

Placement of funds

The funds in the insured plan are, based on information from the insurance company, placed in the following areas as at 31 December 2007

Shares	28%
Short-dated bonds	22%
Long-dated bonds	27%
Property	15%
Loans	1%
Other	7%

NOTE 20 INCOME TAX EXPENSE

Recognised in the income statement

Simtronics ASA			Simtronics group		
2007	2006	2005	2007	2006	2005
(Figures in NOK 1 000)					
Current tax expense					
-	-	-	-	-	-
Current year					
Under/(over) provided in previous years					
-	-	-	-	-	-
Deferred tax expense					
36	(923)	-	1 803	709	287
Changes in temporary differences					
1 111	-	-	1 111	-	-
Tax effect of items booked directly against equity					
225	-	-	-	-	-
Tax effect of received group contribution *					
(1 568)	-	-	(1 568)	-	-
Recognition of deferred tax assets related to this year's loss					
(1 750)	923	-	(1 750)	(709)	(287)
Recognition of previously non-recognised tax asset					
(1 945)	-	-	(404)	-	-
Total income tax expense (benefit) in income statement			(404)		
(1 945)	-	-	(404)	-	-
Reconciliation of effective tax rate					
(8 879)	(3 184)	(2 083)	5 106	(6 206)	(4 299)
Profit before tax					
(2 486)	(892)	(583)	1 430	(1 738)	(1 204)
Income tax using the domestic corp. tax rate (28%)					
-	-	-	80	(117)	(14)
Effect of tax rates in foreign jurisdictions					
2 066	32	24	175	32	27
Permanent differences, non-deductible expenses					
(1 111)	-	(11)	(1 111)	-	(11)
Permanent differences, tax deductible expenses					
225	-	-	-	-	-
Effect of received group contribution					
1 111	-	-	885	-	-
Effect of items booked directly against equity					
(1 750)	859	570	(1 863)	1 823	1 202
Effect of non-recognised loss carry-forwards					
(1 945)	-	-	(404)	-	-
Total income tax expense in income statement					
21,9 %	0,0 %	0,0 %	-7,9 %	0,0 %	0,0 %
Actual tax rate					

* Relates to group contribution from Water Mist Engineering AS to Simtronics ASA with tax effect for 2007. The group contribution is, in compliance with IFRS, not recognised as income in the 2007 financial statements, but recognised as income in 2008 when it is actually received.

NOTE 21 DEFERRED TAX ASSETS AND LIABILITIES

Simtronics ASA

Items of deferred tax assets and liabilities recognised in the balance sheet:

	Assets		Liabilities		Net	
	2007	2006	2007	2006	2007	2006
(Figures in NOK 1 000)						
Property, plant and equipment			(56)		(56)	-
Intangible assets					-	-
Other investments					-	-
Inventory	34				34	-
Long-term contracts					-	-
Accounts receivables and other receivables	21				21	-
Provisions					-	-
Defined benefit plans	89				89	-
Other items	99		(6)		93	-
Tax value of loss carry-forwards	2 875				2 875	-
Tax assets/(liabilities)	3 119	-	(62)	-	3 057	-
Set off tax	(62)		62		-	-
Net tax assets/(liabilities)	3 057	-	-	-	3 057	-

Company management has recognised the tax value of loss carry-forwards as it is the management's opinion that these loss carry-forwards can be utilised against future profits. This assumption has been strengthened in the course of 2007 due to the company's growth and increased group contribution possibilities.

Unrecognized deferred tax assets	2007	2006
Tax asset/(liability) related to deductible temporary differences	-	218
Tax asset/(liability) related to losses	-	1 532

Simtronics group

Items of deferred tax assets and liabilities recognised in the balance sheet:

	Assets		Liabilities		Net	
	2007	2006	2007	2006	2007	2006
(Figures in NOK 1 000)						
Property, plant and equipment	-	-	(64)	-	(64)	-
Intangible assets	-	-	(2 574)	(2 862)	(2 574)	(2 862)
Inventory	34	-	-	-	34	-
Long-term contracts	-	-	(2 275)	-	(2 275)	-
Accounts receivables and other receivables	21	-	-	-	21	-
Provisions	49	-	-	-	49	-
Defined benefit plans	89	-	-	-	89	-
Other items	99	-	(6)	-	93	-
Tax value of loss carry-forwards	2 875	-	-	-	2 875	-
Tax assets/(liabilities)	3 168	-	(4 919)	(2 862)	(1 751)	(2 862)
Set off tax	(2 345)	-	2 345	-	-	-
Net tax assets/(liabilities)	823	-	(2 574)	(2 862)	(1 751)	(2 862)
Unrecognized deferred tax assets					2007	2006
Tax asset/(liability) related to deductible temporary differences			21	25		
Tax asset related to losses					3 405	3 863

Unrecognised deferred tax assets relate to loss carry-forwards in the French subsidiary. This subsidiary has experienced growth in 2007, but the future possibility to utilise this deferred tax asset has not yet been adequately substantiated.

NOTE 22 PROVISIONS

Simtronics ASA			Simtronics group	
2007	2006		2007	2006
(Figures in NOK 1 000)				
-	-	Balance at 1 January	330	292
354	-	Provisions made during the year	1 097	38
-	-	Provisions used during the year	242	-
-	-	Provisions reversed during the year	330	-
354	-	Balance at 31 December	854	330

Simtronics ASA

The provision as per 31 December 2007 is related to a provision for social security tax on options that are «in the money» at 31 December 2007.

Simtronics group

The provision as per 31 December 2007 is related to, in addition to the provision in Simtronics ASA, a provision for warranty obligations in Simtronics SAS.

Claim from former agent

Simtronics SAS has received a claim of EUR 277 from a former agent. No provision has been made for this claim in the 2007 financial statements as according to management, it is unlikely that this claim constitutes an actual liability for Simtronics SAS. The claim is expected to be dealt by a commercial court in the first half of 2008.

NOTE 23 CASH AND CASH EQUIVALENTS

Simtronics ASA			Simtronics group	
2007	2006		2007	2006
		(Figures in NOK 1 000)		
967	-	Bank deposits, available	10 721	1 365
-	-	Restricted bank deposits (payroll tax funds)	342	-
38 234	-	Money market funds	38 234	-
39 201	-	Total cash and cash equivalents	49 298	1 365

Restricted cash deposits

Simtronics ASA has a bank guarantee in place for payroll tax funds, and restricted cash deposits are therefore NOK 0 as at 31 December 2007.

As a condition of the current loan agreements Simtronics ASA has committed itself to establishing a cash deposit of NOK 20 000, see note 16. These funds are classified as non-current assets, see note 5.

Money market funds

Simtronics ASA has invested in 3 814.97 shares in the fund DnB Nor Likviditet 20 (IV). As at 31 December 2007 the market value is NOK 38 234 and in 2007, NOK 685 has been recognised in the income statement as a change in value of this investment.

The fund is an fixed income fund and consists of short-term bonds with an average term to maturity of 2 months. Interest-rate bonds are mainly issued by the Norwegian government, local government authorities, banks and insurance companies. Funds are available at the latest 3 days after a withdrawal request is made.

NOTE 24 ACQUISITION OF WATER MIST ENGINEERING AS

(Figures in NOK 1 000)

In April 2007, Simtronics ASA acquired 100% of the shares in Water Mist Engineering AS (WME). WME provides a full range of fire extinguishing systems, including systems based on «water mist» technology, to the oil and other industries.

The purchase price was NOK 21 000, with an additional contingent settlement of up to NOK 4 000. The settlement of NOK 21 000 comprises a cash settlement of NOK 15 000, and a contingent settlement of NOK 6 000 which shall be settled in conjunction with the issuance of shares 14 May 2010. The shares will be issued at the closing price on 16 April 2007, which is the date the acquisition agreement was made public. The share price was 2,68 on this date, which will require the issuance of 2 238 806 shares assuming the face value of Simtronics shares remains at the current value.

The contingent settlement of NOK 0 to NOK 4.000 is dependent on the attainment of specific targets for operating income, incoming orders, gross margin and EBITDA in WME in the period 2007 to 2009. The contingent settlement shall be settled in conjunction with the issuance of shares 14 May 2010. The shares will be issued at the closing price on 16 April 2007, which is the date the acquisition agreement was made public. The share price was 2,68 on this date, which will require the issuance of 1 492 537 shares assuming the face value of Simtronics shares remains at the current value. The agreement contains a clause stating that the market value of the amount of shares to be issued in conjunction with the contingent settlement, shall not exceed NOK 10 000. The amount of shares will be reduced accordingly if this should be the case.

As at 31 December 2007, it is the assessment of management that is probable that the contingent settlement will have to be paid. A provision has therefore been made as at 31 December 2007 for NOK 6 000 for the deferred settlement and for NOK 4 000 for the contingent settlement.

Transactions costs amount to NOK 291, so that the total transaction cost as at 31 December 2007 is estimated at NOK 25 291. The calculated net cash flow effect of the transaction is NOK 15 155 before the effect of the additional and contingent settlements.

A thorough analysis and allocation of the purchase price has been performed in accordance with IFRS 3. Excess value has been allocated to identifiable assets based on fair value assessments. Residual value has been recorded as goodwill. Goodwill mainly relates to employee expertise and expected synergy effects through the integration of WME into the group's existing operations.

Net assets acquired:	Acquired company's carrying amount before combination	Fair value adjustments	Fair value
Order backlog	-	1 695	1 695
Goodwill	-	22 691	22 691
Tangible fixed assets and financial fixed assets	228	-	228
Inventory	5 107	-	5 107
Receivables	4 128	-	4 128
Bank and cash balances	135	-	135
Current liabilities (excl deferred tax liabilities)	(8 212)	-	(8 212)
Deferred tax liability	(7)	(474)	(482)
Total	1 379	23 911	25 291

In the consolidated financial statements for 2007 sales income of NOK 53 286 is recognised in the income statement, with an operating result of NOK 10 357 from Water Mist Engineering AS.

NOTE 25 ACQUISITIONS AFTER THE REPORTING DATE

(Figures in NOK 1 000)

In the first quarter of 2008, Simtronics ASA agreed to acquire a majority share in two companies, Etech Process AS (100%) and Fire Eater A/S (51%). Reference is made to information given in stock exchange announcements and Information Memorandums dated 6 February 2008 (ETech Process AS) and 19 February 2008 (Fire Eater A/S). Final agreements were signed on 19 February 2008 (Fire Eater A/S) and 29 February 2008 (ETech Process AS). Further, in March 2008, Simtronics ASA has agreed to acquire operations from Technor Safe Ex AS.

Etech Process AS

It is agreed that Simtronics ASA will acquire 100% of the company's shares for a cash settlement of NOK 10 000. Further, there is an agreement on a contingent settlement of NOK 20 000 dependent on financial performance in Etech Process AS for the first three years following the acquisition. The contingent settlement shall in principle be settled by a cash payment, but Simtronics ASA may choose to settle the amount in shares based on the closing Simtronics share price on 29 February 2008 (4.97).

If the contingent settlement is to be paid for in shares, the settlement in shares is to be adjusted to reflect the share price development of Simtronics ASA shares in the period until the settlement date. The final share settlement will be determined by dividing NOK 20 000 by the share price on the closing date of the transaction (4.97) and multiplying by the volume weighted average share price for the period starting 1 February 2011 and ending 28 February 2011, such that the amount does not exceed NOK 80 000, and such that the share price is set at lower than 50% of 4.97.

The most recent available financial information for Etech Process AS is from 30 September 2007. This financial information is the basis for the Information Memorandum from 6 February 2008. The book value of equity was NOK -634. Based on the renegotiated settlement before final transaction costs, there is an excess value of NOK 30 634 dependent on full earn out of the contingent settlement. In the Information Memorandum, excess value has been preliminarily allocated to goodwill.

The transaction date with effect in the financial statements, in compliance with IFRS 3.25, has not yet been determined.

Fire Eater A/S

It is agreed that Simtronics ASA will acquire 51% of the company's shares for a cash settlement of DKK 37 400, converted to NOK 40 400, and an additional payment of DKK 18 700 converted to NOK 20 200 to be settled in Simtronics shares. The additional payment is to be settled in August 2008 based on the closing share price on the date that Simtronics announces Q2 results for 2008.

The most recent available financial information for Fire Eater A/S is from 30 September 2007. This financial information is the basis for the Information Memorandum from 18 February 2008. The book value of equity was NOK 19 824. Based on the negotiated settlement before final transaction costs, there is an excess value of NOK 49 614. There is no agreement for a contingent settlement. In the Information Memorandum, excess value has been preliminarily allocated to goodwill.

The transaction date with effect in the financial statements, in compliance with IFRS 3.25, has not yet been determined.

Acquisition of operations from Technor Safe Ex AS

An agreement has been made for the purchase of the company's active firefighting division. The total purchase price is NOK 4 500 for the acquisition of all assets relating to this division.

Overview of preliminary unaudited figures for the acquired companies as at 30 September 2007.

Net assets acquired:	Etech Process AS	Fire Eater A/S
Deferred tax assets	2 646	72
Goodwill	-	-
Other intangible assets	8 740	1
Tangible fixed assets and financial fixed assets	5 070	2 243
Inventory	2 311	17 488
Receivables	24 910	20 280
Bank and cash balances	2 098	1 452
Deferred tax liability	-	-
Non-current liabilities	(5 265)	(96)
Current liabilities	(41 145)	(21 615)
Total carrying amount 100%	(634)	19 824
Total carrying amount 51%	n/a	10 110
Estimated settlement before transaction costs (assuming maximum contingent settlement)	30 000	59 724
Preliminary excess value (majority's share)	30 634	49 614

Auditor's report



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To the Annual Shareholders' Meeting of Simtronics ASA

AUDITOR'S REPORT FOR 2007

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Simtronics ASA as of 31 December 2007, showing a loss of NOK 6 934 000 for the parent company and a profit of NOK 5 510 000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, the statement of recognised income and expense and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of recognised income and expense and the accompanying notes. The rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied to prepare the financial statements. These financial statements and the Board of Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2007, the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and comply with the law and regulations.

Oslo, 26 March 2008
KPMG AS

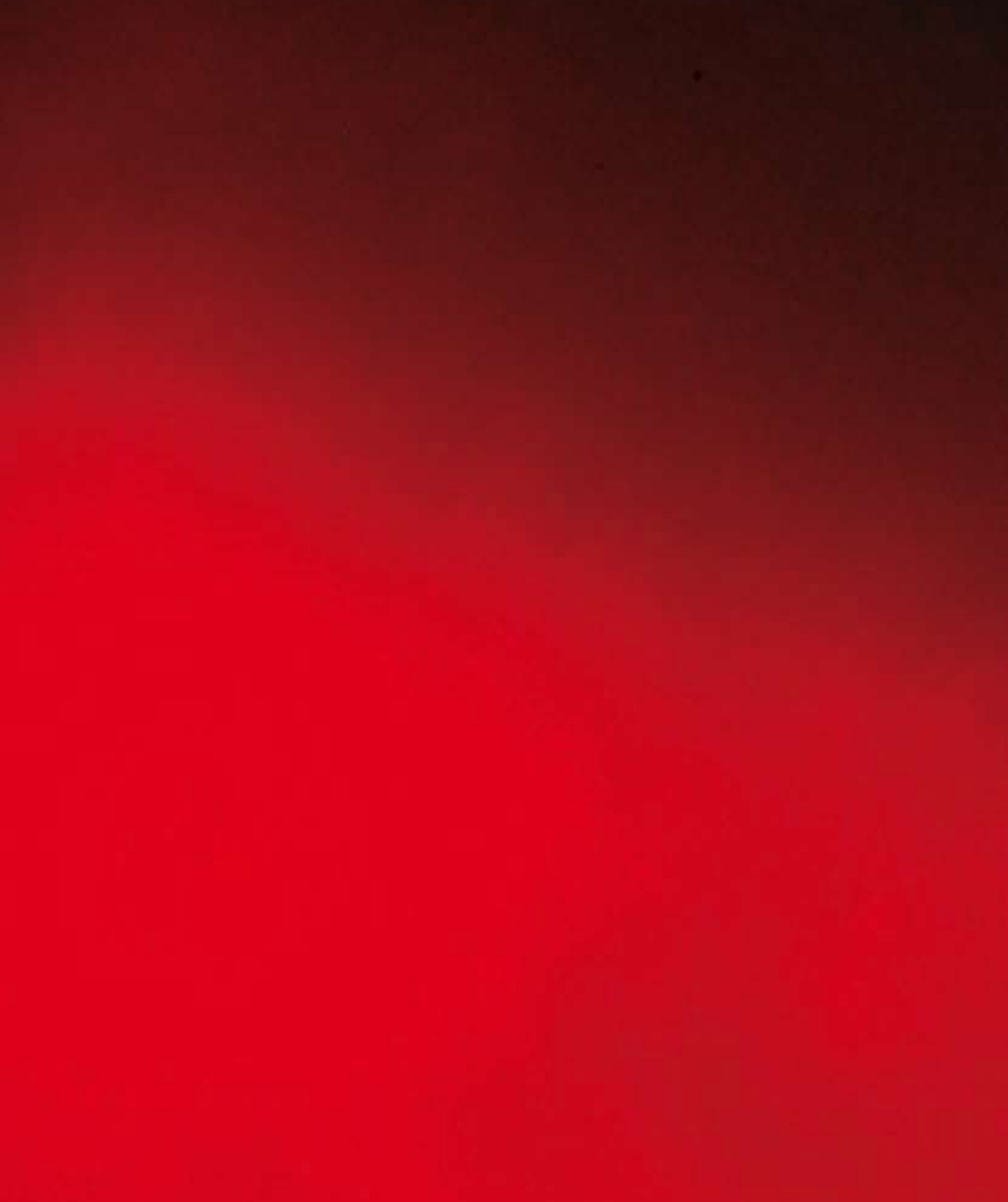
Bjorn Kristiansen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only

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Oslo	Haugesund	Sandvika
Stavanger	Kristiansund	Sandnessjøen
Alesund	Larvik	Steinengen
Årstad	Lillesand	Stord
Bergen	Molde	Tromsø
Evjemoen	Mo i Rana	Tromsberg
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