

3rd Quarter 2010 Results Presentation

An endurance test

Contents

- Headlines
- Financial results
- Operations and market
- Going forward

Q3 10 Headlines

- **Reduced sales in quarter**
 - Markets remain soft
 - Extinguishing area still affected by postponements
 - Detection area affected by postponements in the quarter
 - Autronica/UTC process has dominated management time and focus
- **Satisfactory order flow**
 - Order intake above sales in quarter
 - Increasing order backlog

Contents

- **Headlines**
- **Financial results**
- **Operations and market**
- **Going forward**

Third quarter 2010 results

<i>MNOK</i>	<i>Q3 2010</i>	<i>Q3 2009</i>	<i>Change</i>
Operating income	64.6	77.8	-17%
Operating expenses	-68.0	-74.9	-9%
EBITDA	-3.5	2.8	
EBITDA %	-5.4%	3.6%	
Depreciations excess values	-1.2	-1.3	
Depreciations ordinary items	-1.5	-1.2	
EBIT	-6.1	0.3	
EBIT %	-9.4%	3,9%	
Net financial items	-4.5	-2.6	
EBT	-10.6	-2.3	

Year to date 2010 results

<i>MNOK</i>	<i>YTD 2010</i>	<i>YTD 2009</i>	<i>Change</i>
Operating income	198.5	225.0	-12%
Operating expenses	-208.1	-222.6	-7%
EBITDA	-9.6	-4.9	
EBITDA %	-4.8%	-2.2%	
Depreciations excess values	-3.7	-4.1	
Depreciations ordinary items	-4.3	-4.1	
EBIT	-17.7	-13.0	
EBIT %	-8.9%	-5.8%	
Net financial items	-15.8	-8.4	
EBT	-33.4	-21.4	

Segment figures – year to date 2010

<i>MNOK</i>	<i>Detection</i>		<i>Extinguishing</i>		<i>Corporate</i>		<i>Group</i>
	<i>Q3 10</i>	<i>YTD 10</i>	<i>Q3 10</i>	<i>YTD 10</i>	<i>Q3 10</i>	<i>YTD 10</i>	<i>YTD 10</i>
Operating income	18.3	73.8	46.3	124.7			198.5
Operating expenses	-18.9	-71.1	-47.0	-129.4	-2.1	-7.6	-208.1
EBITDA	-0.6	2.7	-0.7	-4.7	-2.1	-7.6	-9.6
EBITDA %	-3.3%	3.7%	-1.5%	-3.8%			-4.8%

Challenging cash situation in the quarter

<i>MNOK</i>	<i>Q3 10</i>	<i>Q3 09</i>
Cash flow from operating activities	-17.0	-1.2
Cash flow from investing activities	-1.4	-3.3
Cash flow from financing activities	17.2	0.7
Net change in cash and cash equivalents	-1.2	-3.8
Cash and cash equivalents at the beginning of period*	23.7	38.0
Cash and cash equivalents at the end of period*	22.5	34.3

- NOK 18 million interim financing provided by Autronica in August stabilised cash position

*) Including NOK 20 million in restricted cash (NOK 30 million in Q3 09)

Balance sheet summary

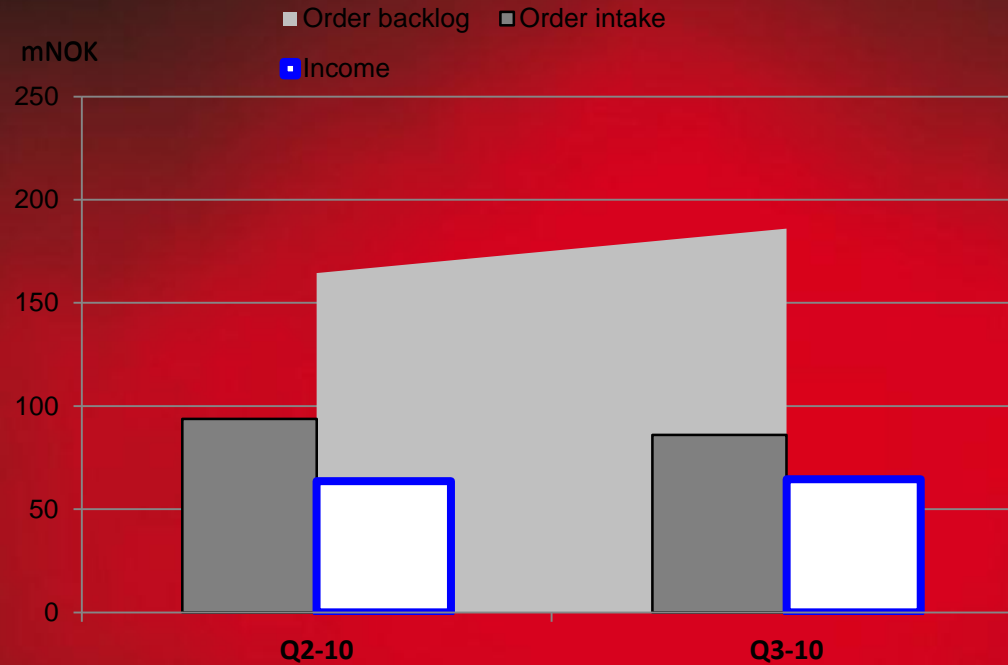
<i>MNOK</i>	<i>30.09.2010</i>	<i>30.09.2009</i>
Intangible non-current assets	164.3	174.5
Tangible/ fin. non-current assets	12.9	18.6
Inventories	45.8	51.9
Receivables	97.2	104.4
Bank deposits	22.5	34.3
Total assets	<u>342.8</u>	<u>383.6</u>
Total equity	82.7	136.4
Convertible loan	66.0	0
Total non-current liabilities	16.6	21.7
Total current liabilities	177.4	225.5
Total equity and liabilities	<u>342.8</u>	<u>383.6</u>

- Equity ratio of 24% (down from 36% in Q3 09)
- Bank deposits include restricted cash of MNOK 20
- Covenant requirements not fully met
- Bank loan is consequently transferred to current liabilities (IFRS procedure)
- Convertible loan and bridge financing provided by Autronica (26% shareholder)

Contents

- **Headlines**
- **Financial results**
- **Operations and market**
- **Going forward**

Satisfactory order intake



Contract situation

- Q3 order intake MNOK 86
- Order backlog at MNOK 186, up 13% from previous quarter
- Order intake MNOK 55 higher than sales in 2010

Significant third quarter contracts

<i>Customer</i>	<i>Business area</i>	<i>MNOK</i>	<i>Delivery</i>
DCNS, France (OI MNOK 2,4 - LOI MNOK 37,6 sign Nov 10)	Detection	40.0	2010-2015
Single Buoy Moorings, Malaysia	Detection	2.0	Q4 2010
Odfjell Drilling, Norway	Extinguishing	1.0	Q3/Q4 2010
Undisclosed chemical tanker, Turkey	Extinguishing	1.0	Q3/Q4 2010

Operational developments in the third quarter

Detection Systems

- Deliveries postponed
- Reduced sales in the quarter
- Strong order intake and pipeline situation
- Increased order intake in niche vertical markets

Extinguishing Systems

- Delays and soft markets remain
- Increased activity on the NCS
- Slow recovery in Asian shipbuilding; growing pipeline N2
- FireEater / Inergen solutions serving larger customers
- WME recovering with improved project execution

Europe

- European markets soft
- North Sea/ offshore sales on a slow pick-up trend
- Growing order flow in Southern Europe

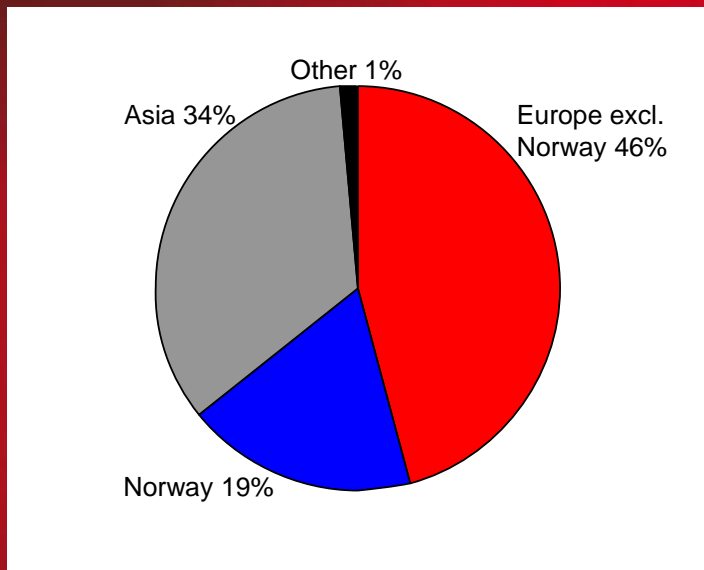
Middle East

- High demand continues
- Delays remain a challenge

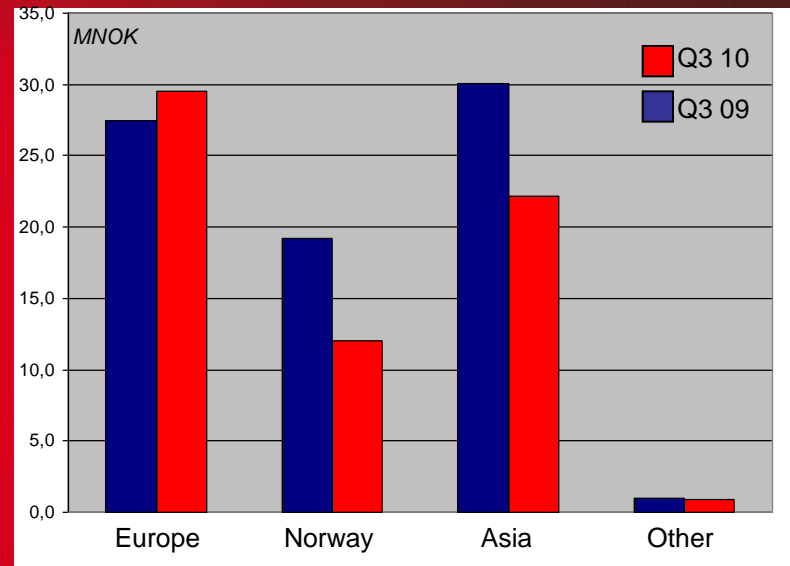
Asia Pacific

- Affected by standstill in shipbuilding, first positive signs

Geographical distribution third quarter 2010



Sales Q3 2010



Sales development Q3 2009-2010

Autronica/ UTC offer

- **Extensive due diligence completed in October**
- **No material dialogue between Simtronics and Autronica/UTC since then**

Contents

- **Headlines**
- **Financial results**
- **Operations and market**
- **Going forward**

Priorities going forward

- **Stabilise the Company's financial situation**
- **Convert order backlog into deliveries**
- **Regain sales and execution momentum**
- **Further pursue cost reduction programme**

Outlook

- **Markets remain challenging; first signs of recovery identified**
 - *Markets for detection business remains positive*
 - *European extinguishing market shows clear signs of recovery*
 - *Signs of Asian shipbuilding picking up again*
- **Attractive order backlog suggests new momentum into 2011**
- **New markets and segments will provide additional opportunities**
- **Cost reduction programme will provide effects in Q4-10 and into 2011**

Financial calendar

- Q4: 25 February 2011

Thank you

Contact

CEO Rune Martini

P: +47 48 07 80 80

M: rune.martini@simtronics.no

CFO Frode Arnesen

P: +47 92 01 53 21

M: frode.arnesen@simtronics.no

Simtronics ASA

P: +47 22 64 50 55

F: +47 22 64 50 18

M: mail@simtronics.no

www.simtronics.eu