

Blom ASA - Q3 2011 Results

Presentation by
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Thon Hotel Vika Atrium, Oslo



Forward Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking. You should not place undue reliance on these forward-looking statements for many reasons.

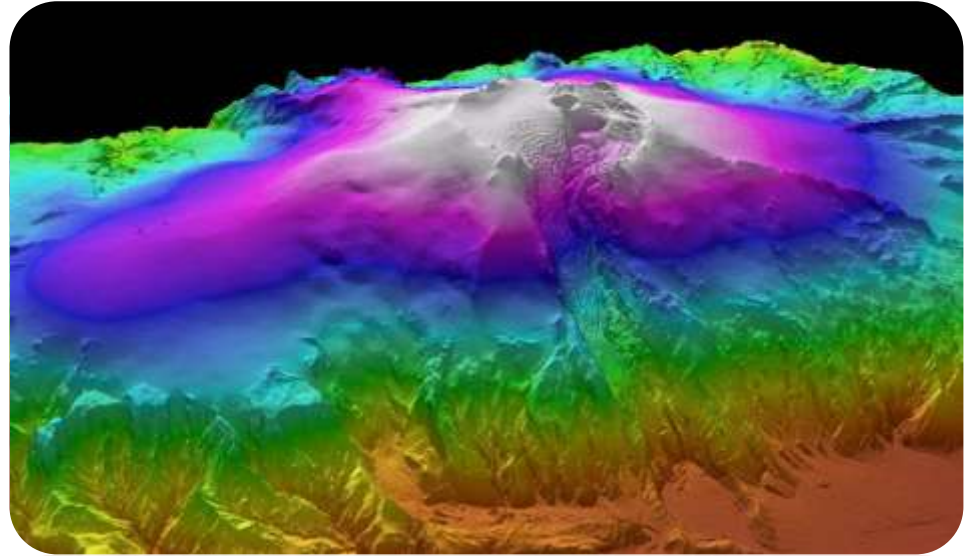
These forward-looking statements reflect current views with respect to future events and are by their nature subject to significant risk and uncertainties because they relates to events and depend on circumstances that will occur in future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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Agenda Q3 Presentation

- Highlights
- Key Figures
- Financials
- Markets
- Operational
- Future Outlook
- Q & A



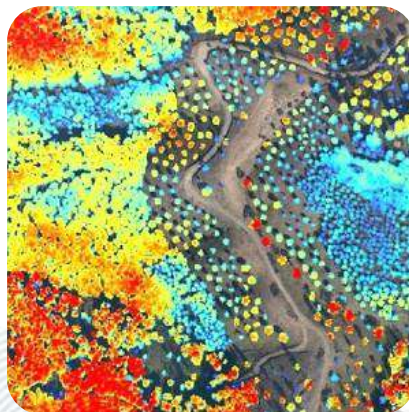
Q3 Highlights



- Financial restructuring
 - Maturity of Bond Loan extended to 2014 with new covenant requirements
 - Cost cutting continues to yield results
- One Blom
 - Revised market approach & improved operational synergies
 - Long term adaptation of product portfolio remain unchanged
- Market development
 - New contracts secured in Romania and Latin American market opportunities identified
- BlomOBLIQUE™
 - Successful conversion to alternative technology
 - Continued support for Blom's legal position

Key figures – Q3 Profit & Loss

NOK million (IFRS)	Q3 2011	Q3 2010	30.09.11	30.09.10
Revenues	129.4	164.7	376.3	470.6
COGS	54.3	45.8	145.8	160.4
Personnel	56.6	64.5	178.9	202.8
Other Operating	17.9	21.3	50.9	66.7
EBITDA	0.6	33.1	5.9	40.7
EBITDA margin (%)	0.4%	20.1 %	1.6%	8.7%
EBIT	-15.1	10.3	-39.3	-24.8
EBT	-25.4	3.1	-74.0	-65.1



Key figures – Q3 P&L comments



- Cost cutting program continues
 - Salary cost down 24 MNOK per 30.09.2011
 - Other operating cost down 16 MNOK per 30.09.2011
 - Effects from improved cost base expected also in 2012
- Normalized revenue expected to be up to 30 MNOK higher in Q3
- One off effects of -10 MNOK in Q3

Key figures – Q3 Segments

(NOK million)	Q3 2011	Q3 2010
Revenues		
BIS	17.5	54.7
BGES	112	110.0
Total revenues	129.5	164.7
EBITDA		
BIS	4.3	38.5
BGES	2.9	2.4
Other	-6.6	- 7.7
Total EBITDA	0.6	33.1
EBIT		
BIS	-8.8	26.3
BGES	0.3	-8.2
Other	-6.6	-7.8
Total EBIT	-15.1	10.3



Key Figures – Balance Sheet



NOK million (IFRS)	Per 30.09.11	Per 30.06.11	Per 31.03.11
Fixed Asset	347	364	351
Current Assets	470	486	418
- Cash	89	115	86
Total Assets	847	850	769
Shareholder's Equity	107	124	69
Long Term Liability Int bearing	356	34	40
Other Long term Liability	33	37	41
Current Liab. Int. Bearing	155	466	413
Other Current Liabilities	245	190	205
Total Equity and Debt	847	850	769
Net Interest Bearing Debt	422	384	367
Equity Ratio (%)	12.6%	14.6 %	9.0 %
Current Ratio	1.18	0.74	0.68

- Financial restructuring
 - Maturity of the 300 MNOK bond loan extended to 2014
 - New covenant requirement in place
 - Covenant: Interest ratio coverage / 12 month rolling EBITDA < 1
 - Covenant excludes any interest paid as PIK until Q4-2012
 - Blom may be below the covenant ratio twice during the term of the loan without being in breach
 - Cash Sweep if Free Cash exceeds MNOK 80
- ⇒ Term of the bond loan is adapted to present and mid term expected market situation and cash flow generation
- ⇒ Will allow the company to focus on further improvement of the cost base and it's ability to regain revenue growth



- New market segments

Romania

- Refocused market approach over the last 12 months
- Secured contracts of 70 MNOK
- Expect continued order inflow
- New market opportunities identified

- New geographical markets

Latin America

- Established a local presence
- Continuing to pursue promising prospects
- Contracts already secured

- Continued uncertainty in parts of Western Europe



Q3 Operational – One Blom

- New sales and product oriented structure established

DEFENCE & SECURITY

- Emergency services
- Public safety
- Defence contractors
- Private security solutions

WEB & MOBILITY SOLUTIONS

- Media
- Directory services & web
- Real estate

RESOURCES & ENVIRONMENT

- Coastal & land management
- Geological research & exploration

UTILITIES & INFRASTRUCTURE

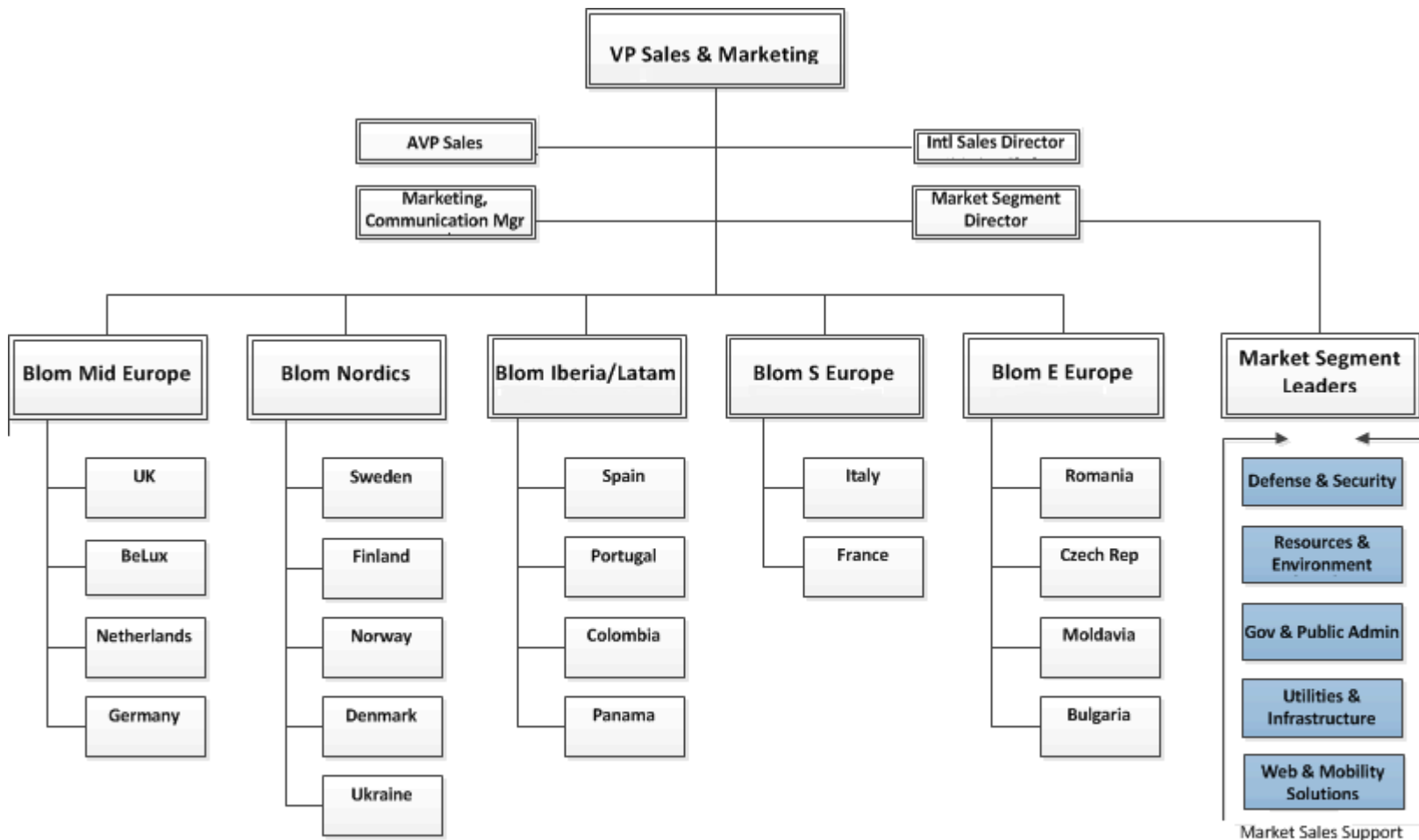
- Power & Electricity
- Water & waste management services
- Telecom


GOVERNMENT & PUBLIC ADMINISTRATION

- National mapping
- Regional & Urban planning
- Cadastral management



Q3 Operational – Sales & Marketing



 **The new sales organisation is MARKET driven, and all sales people will be assigned responsibility for one or several market segments within the five target markets**

Q3 Operational – Legal dispute



- **18 Oct 2010 Pictometry terminated the license agreement** between the parties. Blom ASA considers the termination to be unlawful and has brought the case before the court of arbitration (ICC).
- **2 Dec 2010 The court of New York decided that Pictometry should continue to deliver their services** according to the license agreement and that Blom had to suspend the agreement with Infoterra after Blom made a request for injunction.
- **31 Mar 2011 Pictometry requested the court injunction set aside**, inter alia by arguing that Blom had breached their duty to pay royalty. **The court of New York rejected the petition.**
- **24 Jun 2011 Pictometry filed an injunction** against Blom before the court of New York but **abandoned the petition four days later.**
- **1 Jul 2011 Pictometry filed an injunction against Blom before Oslo City Court**, claiming that Blom unlawfully are competing with Pictometry and have been copying their technology.
- **28 Jul 2011 Oslo City Court rejected the petition and awarded Blom legal costs.** The Court also concluded that Blom's financial status did not constitute grounds for an injunction. **Pictometry has appealed the decision.**
- **12 Aug 2011 Pictometry filed a bankruptcy petition**, arguing that Blom has not paid royalty. Blom has replied with a defense pleading. **Pictometry has withdrawn its petition.**
- **ICC arbitration planned for Spring 2012**

- Reduced uncertainty with regards to long term financing
- Continued focus on improved margins and operational effectiveness
- Expect continued reduction of cost base going forward
- A more market oriented approach and a current technical platform will serve future customer needs
- Market challenges and seasonality expected to impact operations going forward
- We still maintain a strong belief in the company's capabilities and long term growth opportunities.



Q&A

