

BLOM ASA

4Q 2010 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 relate to events and depend on circumstances that will occur in the 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.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

Agenda Q4 Presentation



- Challenges 2010
- Key Figures
- Financial Highlights
- Strategy and Outlook
- Q & A

Challenges 2010



- Operational and macro economic challenges
 - Cost-cutting initiatives and re-focus of market approach implemented
- Termination of Pictometry agreement October 22 1010
 - Blom objected – claimed unlawful breach of agreement
 - Blom decided to go for injunction in New York
 - Judge: re-instated services based on Pictometry technology
 - Judge: Blom prevented from providing Pictometry technology to specific customers
- Customer & corporation agreements
 - Ref: Stock Exchange Notification 21 December 2010
 - Potential claims and losses as result of Pictometry situation
- Significant write-downs of fixed and current assets

Key Figures – Profit & Loss 4Q 2010



NOK million (IFRS)	Q4 2010	Q4 2009
Revenues	148.5	159.5
EBITDA	- 86.6	22.9
EBITDA margin (%)	- 58.3 %	14.4 %
EBIT	- 403.4	- 58.8
EBT	-493.9	- 74.5

Key Figures – Profit & Loss 2010



NOK million (IFRS)	31.12.10	31.12.09
Revenues	619.2	736.9
EBITDA	- 45.8	92.3
EBITDA margin (%)	- 7.4 %	12.5 %
EBIT	- 428.2	- 53.8
EBT	- 559.0	- 94.0

Write-Downs



- Write-down of fixed assets of NOK 356 million
 - Fixed assets - tangibles 162 mill
 - Fixed assets GW 131 mill
 - Financial assets 63 mill

- Write-down of current assets of NOK 75 million
 - Potential losses of inventory / WIP
 - Potential losses on account receivables
 - Potential claims from customers as a result of insecurity related to the Pictometry agreement

Q4 & Annual Segments & Margins



(NOK million)	Q4 2010	Q4 2009	Per 2010	Per 2009
Revenues				
BIS	19.5	36.7	117.9	119.4
BGES	129.0	122.8	501.3	617.5
Total revenues	148.5	159.5	619.2	736.9
EBITDA margin (%)				
BIS	- 248.3 %	80.3 %	0.8 %	43.8 %
BGES	- 20.8 %	2.8 %	- 1.7 %	12.2 %
Total EBITDA margin	- 58.3 %	14.4 %	- 7.4 %	12.5 %
EBIT margin (%)				
BIS	- 1701.9 %	26.6 %	- 269.6 %	6.6 %
BGES	- 46.4 %	- 47.6 %	- 14.4 %	- 4.3 %
Total EBIT margin	- 271.6 %	- 36.9 %	- 69.2 %	- 7.3 %

Q4 Financial Analysis



- Revenue in 4Q 2010
 - Revenues NOK 149 million, compared to NOK 159 million in 2009
 - EBITDA NOK - 87 million, compared to NOK 23 million in 2009
- Revenue in 2010
 - Revenues NOK 619 million, compared to NOK 737 million in 2009
 - EBITDA NOK - 46 million, compared to NOK 92 million in 2009
- Revenues in 2010 NOK 501 million for BGES and NOK 118 million for BIS
- Challenging macro environment has temporarily impacted many markets in Western Europe negatively
- Investments level reduced in 2010
- Continued focus and improvement of working capital

(NOK million)								
Balance sheet values	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Work in progress / inventory	292	363	416	264	253	284	280	155
Accounts receivables	237	218	216	240	171	149	125	164
Total	529	581	663	504	424	433	405	319

Blom and Pictometry Status



- Blom entered into an amended 10-year license agreement with Pictometry effective 29.01.09
- Blom has built an extensive European database, including Pictometry images (BlomURBEX™)
- Pictometry claims Blom is in breach of contract and has terminated the contract
- Blom claims unlawful termination of contract
- Blom initiatives
 - Initiated all required legal actions - Injunction
 - Resolve issue through dialogue - Mediation
- Blom prevented from providing Pictometry technology to specific customers
- Blom believe out of court solution can be found
- Blom's firm ambition is to continue to develop BIS products and services through BlomURBEX™

Key Figures – 2010 Balance Sheet



NOK million (IFRS)	Per 31.12.10	Per 30.09.10	Per 31.12.09
Fixed Asset	352.5	726.1	709.0
Current Assets	455.8	547.5	704.6
Total Assets	808.3	1 273.6	1 413.6
Shareholder's Equity	107.9	631.0	697.5
Long Term Liability Int bearing	38.9	346.5	348.2
Other Long term Liability	25.5	39.2	41.2
Current Liab. Int. Bearing	389.4	77.2	120.9
Other Current Liabilities	246.6	179.7	205.9
Total Equity and Debt	808.3	1 273.6	1 413.6
Net Interest Bearing Debt	332.4	334.3	304.2
Equity Ratio (%)	13.3 %	49.5 %	49.6 %
Net Gearing (%)	308.2	53.0 %	43.4
Liquidity Ratio	0.72	2.13	2.18

INNOVATION

Refinancing of Bond Loan

Preliminary agreement has been made with bond loan owners:

- Waiver given for existing covenants for Q4
- In close cooperation with bondholders Blom is developing a solution to strengthen the company's financial position
- Further details will follow in the nearest future



- Improved financial situation
- Sufficient liquidity to regain momentum in operations

Going Forward



- Still macro economic uncertainty in Western Europe
- Eastern European and Latin-American markets open new opportunities for our services
- Outlook – strengthened financial position
 - Satisfactory order backlog
 - Impact from cost-cutting initiatives
 - Expected improved margins in 2011



Thank you!

Q & A

Appendix

Profit & Loss



Q4 2010	Q4 2009	(in NOK million)	31.12.2010	31.12.2009
148,5	159,5	Operating revenues	619,2	736,9
235,1	136,6	Operating costs	665,0	644,6
-86,6	22,9	EBITDA	-45,8	92,3
316,8	81,7	Depreciation and amortisation	382,4	146,1
-403,4	-58,8	EBIT	-428,2	-53,8
-63,3	0,1	Profit from associated companies	-61,6	-0,6
-27,2	-15,7	Net financial items	-69,2	-39,6
-493,9	-74,5	Profit before tax	-559,0	-94,0
-24,0	5,4	Taxation	-5,9	10,9
-517,9	-69,0	Net profit for the period	-565,0	-83,0

Balance Sheet



ASSETS (in NOK million)	31.12.2010	31.12.2009
Intangible assets	168,6	357,7
Machinery, fixtures, vehicles etc.	144,1	295,8
Fixed assets investments	39,8	55,5
Total fixed assets	352,5	709,0
Stocks and work in progress	155,0	264,1
Current receivables	204,8	275,7
Cash and cash equivalents	95,9	164,9
Total current assets	455,8	704,6
TOTAL ASSETS	808,3	1 413,6

Balance Sheet



EQUITY AND LIABILITIES (in NOK million)	31.12.2010	31.12.2009
Nominal share capital	4,2	4,2
Other reserves	103,7	693,4
Total equity	107,9	697,5
Total long term liabilities	64,4	389,3
Bank overdraft	54,2	89,8
Other interestbearing short term liab.	335,2	31,0
Interestbearing short term liab.	389,4	120,9
Other current liabilities	246,6	205,9
Total current liabilities	636,0	326,7
TOTAL EQUITY AND LIABILITIES	808,3	1 413,6

Cash Flow



Q4 2010	Q4 2009	(in NOK million)	31.12.2010	31.12.2009
-177,1	7,3	Cash Flow from Operating Activites	-176,6	52,2
-39,6	-23,8	Change in Receivables from Customers	51,0	112,8
124,8	152,0	Change in Stocks and Work in Progress	109,0	16,1
1,1	9,9	Change in Supplier Debt	-12,4	24,2
97,6	-86,9	Change in Other Accruals	87,6	-132,0
183,9	51,2	Net Cash Flow from Working Capital Changes	235,2	21,1
-14,7	-25,0	Net Cash Flow from Investments Activites	-56,4	-76,6
14,4	-5,5	Net Cash Flow from Financial Activities	-71,1	91,6
6,5	28,0	Net Change in Cash and Cash Equivalents	-69,0	88,4
89,4	136,9	Cash and Cash Equivalents beginning of Period	164,9	76,5
95,9	164,9	Cash and Cash Equivalents end of Period	95,9	164,9