NORCON PLC (LSE:NCON)

INTRODUCING OUR COMPANY
STRONG HERITAGE, CLEAR AMBITION

Presented by
Marne Martin – Chief Financial Officer, Head of International Business Development

March 2011

Trusted. Experienced. Proven.

Helping government agencies and some of the world's largest telecom companies build and enhance their communication networks.

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Norcon – our starting point

NORCON PLC

We help government agencies and some of the world's largest telecom companies build and enhance their communication networks

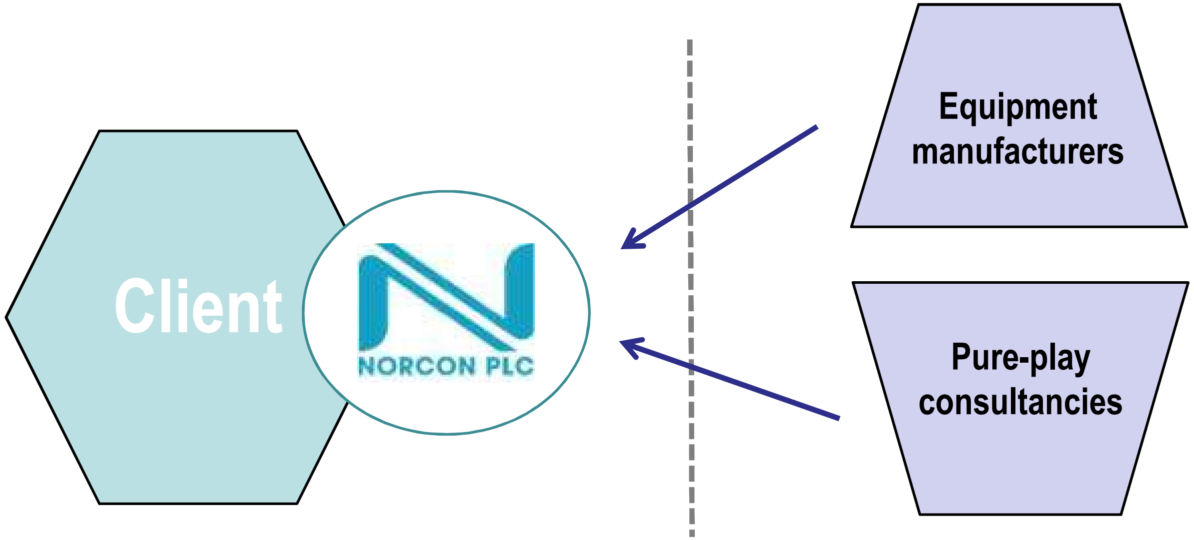
Norcon – strengths and summary

- **Established, expert, experienced since 1957 (Norconsult Telematics)**
  - Deeply entrenched in customers' project and operations infrastructure – over 90% client retention
  - Since 1990, more than 170 projects for 31 clients in more than 20 countries with an understanding of complex communication networks and their design
  - High recurring levels of revenue
  - Significant barriers to entry and a highly defensible market position
  - Organic growth track record, profitable and cash generative
  - Experienced, long-serving executive and operational management team
  - International employees from more than 22 nationalities
  - Flexible business model – sector-leading utilisation rates & contractor employment model

Key market statistics	
Price	46p
Market cap	£22.4m
12-mo Price Range	46-85p
LSE AIM identifier	NCON

Shareholder s over 2.5% as of Year End		
Investor Name	Pos	% O/S
Jorn Longem/NTH	23,101,132	47.3%
Gaute Vik	6,388,314	13.5%
AXA Framlington Investment Management Ltd.	4,456,167	9.13%
Arnold Rorholt	2,523,334	5.6%
Gartmore Investment Management Limited	2,297,163	4.7%
Henderson Global Investors Ltd.	1,319,524	2.7%

A unique competitive position



- Focused on equipment sales targets
- Tendency to promote their own products

- Expertise tends to extend to one or two areas of telecoms
- Norcon able to partner – as lead – depending on project requirements

- **Close to the client and vendor-neutral**
- **Combining the expertise of consultant and vendor**
  - Advising based on deep domain expertise
  - Not just selling "our" solution, able to select the right vendor solution for the job
- **Trusted adviser**
  - With clients' internal headcount down, a clear opportunity exists for Norcon to deepen its client relationships

Clear, strategic ambition

- **A clear 'in-client' organic growth strategy**
  - A proven opportunity to repeat existing business through contract extensions
  - An opportunity to undertake additional work for clients, past and present
- **Supplemented by organic 'expansion' opportunities**
  - An opportunity to expand into key growth segments – i.e. defence in the GCC
  - An opportunity to expand into new demand environments – i.e. 4G in Scandinavia and elsewhere
- **Acquisitions and joint ventures remain an additional path to growth**
  - Where they would build scale
  - Where they would enhance our delivery capabilities
  - And only at the right price

A solid base for growth

- **Global “Blue Chip” anchor customers**

- **Long-held client relationships**
  - Average individual contract length of 12-24 months
  - Many core client relationships of more than 10 years

- **Diversified sales pipeline**
  - Continued demand from existing clients
  - 4G potential in Scandinavia and select other European and emerging markets
  - Middle East, Asia and Africa growth
  - Launch of new operations
  - Strong competitive position

Recent progress

- **Maintaining the strength of our core**
  - Renewing key Gulf contracts
  - Reputational strength in the region remains high
  - Demand environment for and current interest in our services remains robust

- **Advancing our strategic growth plans**
  - Extending agreements, particularly in growth markets
  - Business development efforts remain focused on the conversion of pipeline prospects in the target regions of SE Asia, India, Middle East, Africa, and select locations in Europe.

HISTORICAL FINANCIALS

Consolidated P&L

	HALF YEAR TO 30 June '10 US$'000	YEAR TO 31 DECEMBER '09 US$'000	YEAR TO 31 DECEMBER '08 US$'000
Turnover	34,242	78,174	67,653
Cost of sales	(27,665)	(62,531)	(52,460)
Gross profit	**6,577**	**15,643**	**15,193**
Gross margin (%)	*19%*	*20.01%*	*22.46%*
Operating costs	(1,984)	(4,136)	(5,095)
Operating profits	**4,593**	**11,507**	**10,098**
Other costs/income	(495)	(771)	(626)
Profit before tax	**4,098**	**10,736**	**9,472**
Tax	(1,332)	(3,012)	(3,032)
Profit after tax	**2,776**	**7,728**	**6,440**
Basic pro forma Eps (US$)		**0.18**	**0.15**

A strong 2009

- Revenue +16%
- Operating Profits +14%
- PBT +13%
- Pro-forma EPS +20% despite an increased LTIP charge

2010 expectations

- H2 2010 revenue expected to be similar to H1 2010
- Some extraordinary items providing margin pressure
- Improved cash conversion and cash balances
- Remain committed to declaring total 2010 dividend of at least 50% net income

Consolidated Balance Sheet

	AS AT 30 JUNE '10 US$'000	AS AT 31 DECEMBER '09 US$'000	AS AT 31 DECEMBER '08 US$'000
Non-current Assets	866	686	730
Current Assets			
- *Cash*	*13,513*	*7,193*	*8,258*
-*Debtors/ Retentions Receivable*	*34,553*	37,993	31,988
Total Current Assets	48,066	45,186	40,246
Total Assets	**48,932**	**45,872**	**40,976**
Current Liabilities			
- *Creditors*	*12,222*	*12,859*	*10,224*
- *Other Creditors*	*6,490*	*8,740*	*12,659*
Total Current Liabilities	(18,712)	(21,599)	(22,883)
Non-current Liabilities	(7,891)	(7,300)	(6,164)
Net Assets	**22,329**	**16,973**	**11,929**

Consolidated Cashflow

	HY TO 30 JUNE '10 US$'000	YEAR TO 31 DECEMBER '09 US$'000	YEAR TO 31 DECEMBER '08 US$'000
Profit before tax	4,098	10,736	9,472
Adjustments	908	817	2,222
Operating profit before working capital changes	**5,006**	**11,553**	**11,695**
Increase/(decrease) in receivables	3,440	(6,005)	(1,587)
Increase/(decrease) in creditors	(4,497)	2,635	(7,666)
Taxation and other items	(1,707)	(1,827)	(2,371)
Net cash inflow from operating activities	**2,242**	**6,355**	**71**
Net cash used in investing activities	(208)	59	236
Interest paid	(203)	(302)	(292)
Dividends paid	-	(3,220)	(5,100)
(Repayment)/Proceeds from borrowing/Short term loan	(1,612)	(4,208)	8,847
Net change in share capital	6,350	13	21
Net (decrease)/ increase in cash in period	**6,569**	**(1,303)**	**3,783**

NORCON PLC

WHY INVEST?

A clear investment case

- **A sound investment**
  - Significant barriers to entry and a highly defensible market position
  - Deeply entrenched in our customers' project and operations infrastructure

    Highly experienced, long-serving executive and operational management team

    High recurring levels of revenue

    Stable customer relationships – over 90% client retention

    An understanding of complex communication networks and their design

    Long-term organic growth track record
  - Profitable and cash generative
  - Flexible business model with >90% utilisation rates & contractor model
  - A diversified growth strategy: many end market opportunities
  - Attractive dividend yield

- **Looking ahead**
  - Good visibility for the rest of 2010
  - Boosted by long-term contracts and high levels of client retention
  - Profitable outcome anticipated for the full year
  - FY 2010 results expected in early April

APPENDIX

Board of Directors

NORCON PLC

Arnold Rørholt – CEO

- Experienced lawyer
- Joined the Company as non executive Chairman since 1997; CEO since 2000

Jørn Longem – Non-executive Director

- MD of Teleplan Holdings AS and the 100 per cent. shareholder of Teleplan AS
- Became a director in 1997 and is also the largest shareholder in Norconsult Holdings Limited

Gaute Vik – Executive Director

- PhD in statistics
- Joined the Company in 1986; Previous CEO and currently chairman of the operating company

Trond Tostrup – Non-executive Director

- Experienced merchant banker and current CEO of Sparebanken Oest, Norway
- Non exec chairman of Norconsult Holdings since 2001; Director of Teleplan AS since 1989

Marne Martin – CFO

- MBA with international telecoms and investment management experience
- Joined the Company in 2007

"Buzz" West – Non-executive Director

- Ex-Reuters Managing Director in the Middle East and Africa. Non-Executive Director to Syndicate Asset Management plc
- Became a director in 2008

Analyst coverage

- **finnCap (Nomad)**
  - Mark Paddon
  - +44 (0)20 7220 0541
- **IS Research**
  - Philip Carse
  - +44 (0)1189 001 362