

ANNUAL OVERVIEW 2009

"It's a smooth evening, we're on Skype"



C2SAT

COMPREHENSIVE CHANGES

After a new management team took over in early 2009, an extensive analysis was launched. This work led to a number of strategic objectives that could be translated into measurable goals.

The first objective we set was quarter-on-quarter sales growth of 50% during the next 24 months. We also established as a long-term objective that C2SAT will eventually achieve a market share of 15% and thus become one of three leading global suppliers. The last objective is to reach positive cash flow in 2010.

To achieve these overarching objectives, a number of operating goals were adopted and announced. One is to increase the number of distributors as well as service and installation partners in our priority markets: Southeast Asia, the Middle East and Europe. Another goal is to improve compatibility between our integrators' and operators' technical requirements and C2SAT's products. I feel that the ability to sell C2SAT's products is highly dependent on our ability to integrate them in a turnkey solution.

In spring 2009 the sales unit was restructured, responsibility was clarified and new staff were hired. Work began on a review of C2SAT's products, their unique qualities and the value-added

C2SAT can offer potential customers. The way C2SAT works with current and future distributors was changed as well. Lastly, C2SAT's pricing model was redesigned.

After these measures, I feel that C2SAT now has an efficient sales department to canvass the market and work actively to add new distributors in markets where the company previously has not had a presence.

In 2009 C2SAT signed agreements with distributors and partners for installation and service and established a local market presence in Southeast Asia, a strategic area for the company. We have formed a cooperation in the Chinese market and arranged for production in Singapore to meet anticipated sales growth. Furthermore, we have established quality-assurance processes and have begun rationalising production costs.

As a whole, this is a step forward in our transition from a development company to an expansive product company with the potential to become a global player.

Lastly, I would like to thank all of C2SAT's employees and stakeholders who worked together during the year to put the necessary changes

in place, and the shareholders who have invested and believed in the company's development. Together, we have established a stable platform for future expansion and growth. At the same time, we have to keep in mind that C2SAT is a small company that will continue to require considerable further efforts on the part of its employees. This makes the company's success highly dependent on a few individuals. C2SAT's challenge is to establish a new product in a market that, while growing strongly, already has a number of well-established global suppliers.

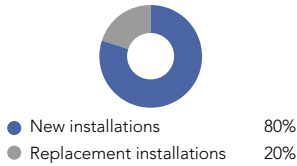
Fredrik Nygren
CEO



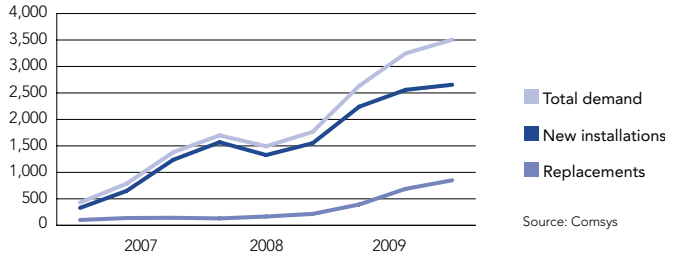
THE YEAR IN BRIEF

- Net sales for the full year amounted to SEK 13.6 million (4.9).
- The net loss for the year was SEK -34.3 million (-35.1).
- In 2009 C2SAT signed orders for a total of 24 antennas and during the period delivered 17 antennas.
- In 2009 C2SAT finalised two share issues totalling SEK 74.5 million before expenses.
- During the year C2SAT established a subsidiary in Singapore and a representative office in Shanghai.
- C2SAT signed agreements with a number of new customers, including Orange and Thales.
- To meet growing demand for the company's products, the organisation was expanded and external production was added in Asia.

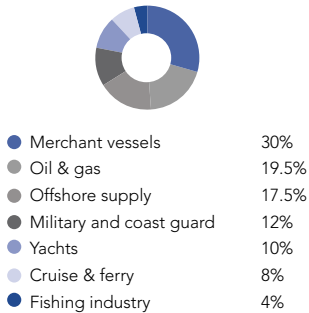
THE GROWING REPLACEMENT MARKET IS IMPORTANT TO C2SAT



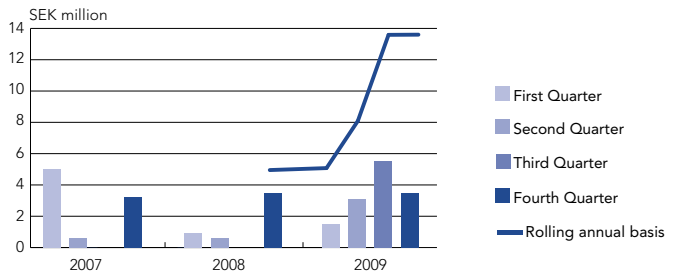
PROJECTED ANNUAL VSAT INSTALLATIONS



MARKET SEGMENTS



SALES TREND



INCOME STATEMENT 2009

Amounts in SEK thousands	Group		Parent Company	
	2009	2008	2009	2008
Operating revenue	14,856	6,938	4,365	1,515
Operating expenses	-49,115	-36,228	-5,865	-6,226
Operating result	-34,259	-29,290	-1,499	-4,711
Result after financial items	-35,072	-36,215	-33,037	-32,914
Net result for the year	-34,313	-35,112	-33,037	-32,914

BALANCE SHEET 2009

Amounts in SEK thousands	Group		Parent Company	
	2009	2008	2009	2008
Assets				
Total fixed assets	58,495	57,878	46,122	43,766
Total current receivables	24,358	19,495	36,665	21,894
Total current assets	29,918	20,337	37,874	21,917
Total assets	88,413	78,215	83,996	65,683
Total shareholders' equity	73,461	40,333	82,615	48,209
Total long-term liabilities	3,240	4,542	-	-
Total current liabilities	11,713	33,341	1,381	17,476
Total shareholders' equity and liabilities	88,413	78,215	83,996	65,685

” C2SAT is a high-tech company that develops, manufactures and sells innovative stabilised VSAT antenna systems for marine applications that require satellite-based broadband communications.



C2SAT 1.2M KU II

The C2SAT 1.2m Ku II is our standard model equipped with a 1.2m standard reflector and a 2m radome.

The C2SAT 1.2m Ku II is standardised for Ku-band, whose satellite coverage is mainly used in coastal areas, but can also be modified for X-band and, with a 2.4m standard reflector, for C-band as well.



C2SAT 1.2M KU-4M

The C2SAT 1.2m Ku-4M is primarily designed for military applications. The antenna was made lighter and smaller than the standard model, the C2SAT 1.2m Ku-band, by downsizing the standard mechanism. Although the reflector size is limited to 1.2m, the C2SAT 1.2m Ku-4M matches the performance of the standard model. The C2SAT 1.2m Ku-4M is mainly designed for Ku-band, but can also be modified for X-band and S-band.



C2SAT 2.4M C

The C2SAT 2.4m C-band is based on the standard model but comes equipped with a 2.4m carbon fibre standard deflector. The C-band antenna is delivered with a 4m radome. The C-band frequency spectra is widely used in Asia and in tropical regions. Many shipping lanes pass near the equator, which makes the C-band antenna competitive in these areas.

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