



10 December 2010

NORCON PLC

Trading Update

Norcon plc (LSE/AIM: NCON), the global communications network specialist provides the following update on trading for the year ending 31 December 2010.

When announcing our interim results for the first half of 2010, we stated that 2010 overall is a building year, off from our strong performance in 2009, which benefited from a one off contract situation. Turnover in the second half year is now expected to be quite similar to the first half year. Contracts with new clients have been slower picking up than anticipated at the time of the interim statement in September. This is mainly due to M&A activities amongst telecom operators with which we have been in advanced discussions and associated regulatory issues causing delays and/or potential project elimination. Higher than expected expenses related to unusual end of service costs of specific personnel and aborted acquisition activities, as well as reduced gross margins in H2 2010 mainly related to said delays in new projects, will cause profit before tax for the full year to be considerably lower than previous expectations.

The company remains profitable. Cash collection has improved. The company has recently paid its first interim dividend, and remains committed to declare a total dividend for 2010 of at least 50 % of net income, as in previous years.

Commenting on the results, Norcon's CEO, Arnold Rørholt, said:

"The long term demand for our services remains robust. We continue to experience longer lead times and competition for contracts. These circumstances reduce visibility on new contract wins with new clients, while visibility and retention with our existing clients remain very high. To adapt to the present business environment, we continue to seek other sources of future organic growth by expanding into new market segments and geographies. This focus is slowly paying off, and we remain optimistic on our prospect for organic growth looking ahead. We expect the core business in 2011 to be broadly comparable to 2010."

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ABOUT NORCON:

Established in 1957, Norcon (LSE/AIM: NCON) has been a trusted consultant and project manager for more than half a century to governments and some of the world's largest global firms. These organisations rely on Norcon to select, implement and maintain a communication infrastructure that not only matches, but also supports the critical needs of their operations. Norcon's strength lies in its understanding of complex communication networks and their design. www.norconplc.com