

Interim results presentation Q1 2007



8 May 2007
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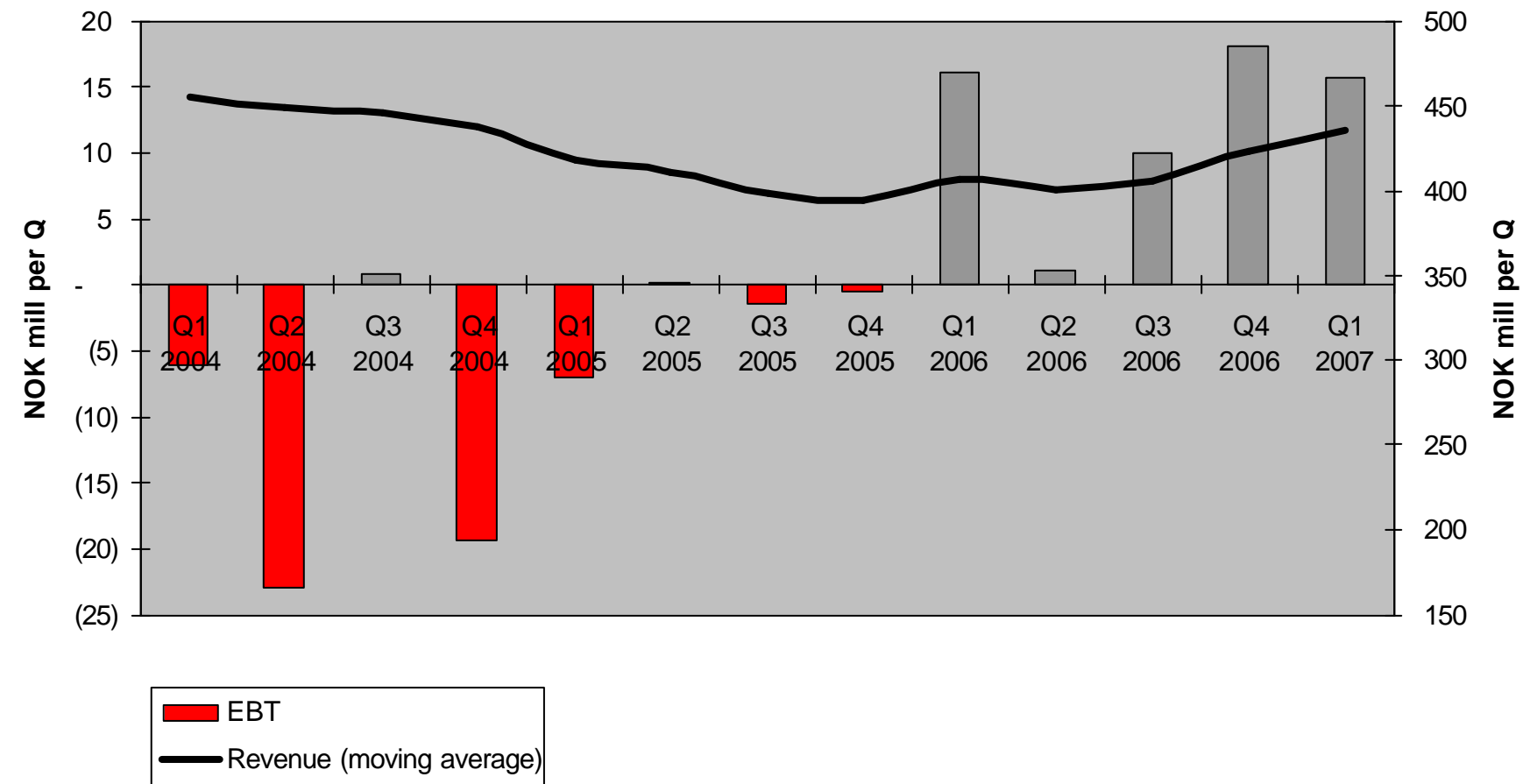


Continued growth

- **Robust revenue growth +12 per cent**
 - MNOK 485.7 (MNOK 433.1)
- **Continuing good profitability**
 - EBT MNOK 15.7 (MNOK 16.1)
- **Good order intake**
 - MNOK 461 (MNOK 478) equals -3.6 per cent
 - The order backlog corresponds to 6 months' revenue
- **Cash flow from operational activities**
 - MNOK -68.6 (MNOK -73.9)
 - Reduced accounts payable, increased inventory
- **Continued market growth**
 - Durable growth expected



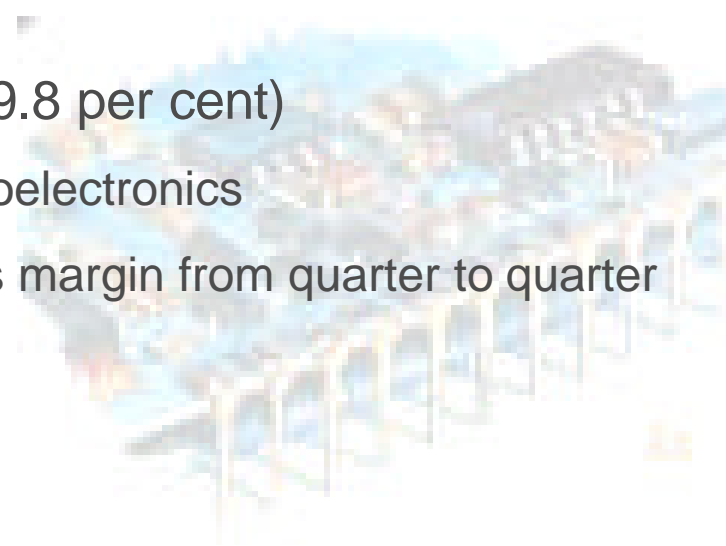
EBT and revenue



Financial statements Q1 2007



Strengthened operating profit



- **Revenue MNOK 485.7** (MNOK 433.1)
- **Reduced gross margin 37.7 per cent** (39.8 per cent)
 - Competitive considerations, mainly in Microelectronics
 - Product mix variations cause varying gross margin from quarter to quarter
- **EBITDA MNOK 28.9** (MNOK 27.1)
- **EBIT MNOK 21.4** (MNOK 20.6)
 - 2006 MNOK 64.4
- **Net financial costs MNOK 5.7** (MNOK 4.5)
- **Profit before tax MNOK 15.7** (MNOK 16.1)

Profit and loss statement Q1 2007

(Figures in NOK '000)	Q1 2007	Q1 2006	31.12.2006
Revenue	485 691	433 113	1 693 113
Cost of materials	302 453	260 811	1 015 113
Gross profit margin	37.7%	39.8%	40.1%
Payroll expenses	126 174	117 658	466 174
Other operational expenses	28 205	27 588	117 658
Operating profit before depreciation and impairments (EBITDA)	28 860	27 056	93 174
Depreciation and impairments	7 460	6 467	29 174
Operating profit (EBIT)	21 400	20 589	64 000
Net financial items	(5 708)	(4 472)	(19 174)
Profit before tax	15 692	16 117	44 826
Tax	899	251	3 174
Profit after tax	14 793	15 866	41 652
Earnings per share	0.09	0.09	0.09
Diluted earnings per share	0.09	0.09	0.09

- **Equity MNOK 199.0** (MNOK 160.5)
 - Equity ratio 21.9 per cent (24.8 per cent)
- **Total balance MNOK 907.7** (MNOK 647.2)
 - Reflects higher activity and new factoring arrangement
- **Inventory MNOK 298.9** (MNOK 255.8)
 - Reflects higher activity
- **Trade debtors and other receivables MNOK 393.6** (MNOK 197.2)
- **Deferred tax assets MNOK 20.0** (MNOK 20.0)
- **Capitalized interest-bearing debt MNOK 324.7** (MNOK 98.7)

Balance sheet

(Figures in NOK 1 000)

	Q1 2007	Q1 2006	31.12.2006
ASSETS			
Goodwill	19 123	18 489	19 123
Tangible fixed assets	126 236	108 136	123 523
Investment in shares	41	190	41
Deferred tax assets	20 000	20 000	20 000
Other receivables	2 749	3 152	2 920
Total fixed assets	168 149	149 967	165 607
Inventory	298 910	255 761	282 891
Accounts receivable and other receivables	393 566	197 220	410 768
Cash and cash equivalents	47 116	44 221	98 264
Total current assets	739 592	497 202	791 923
Total assets	907 740	647 169	957 530
LIABILITIES AND EQUITY			
Equity	198 974	160 482	185 699
Total equity	198 974	160 482	185 699
Loans	31 373	41 149	31 011
Pension commitments	22 827	21 914	23 007
Other provisions	4 639	14 140	7 160
Total long-term liabilities	58 839	77 203	61 178
Accounts payable and other current liabilities	354 958	328 904	383 621
Loans	293 320	57 550	324 399
Other provisions	1 649	23 030	2 633
Total current liabilities	649 927	409 484	710 653
Total liabilities and equity	907 740	647 169	957 530

Sold receivables as at 31.03.2006 amounted to NOK 168.8 million

Cash flow

Figures in EUR 1 000:	Q1 2007	Q1 2006	31.12.2006
Net cash flow from operational activities	(68 636)	(73 880)	9
Net cash flow from investment activities	(10 173)	(2 154)	(45)
Net cash flow from financing activities	(5 285)	(2 423)	(11)
Change in cash and bank credit	(84 094)	(78 458)	(47)
Cash and bank credit opening balance	5 206	52 807	52
Cash and bank credit closing balance	(78 888)	(25 651)	5

Figure 4: 2007-2006	Q1 2007	Q1 2006	31.12.2006
Equity opening balance	185.699	144.479	144.479
Profit for the year	14.793	15.866	41.111
Other *	(1.519)	137	(1.111)
Equity closing balance	198.974	160.482	185.479

* Conversion differences, etc.

Market development



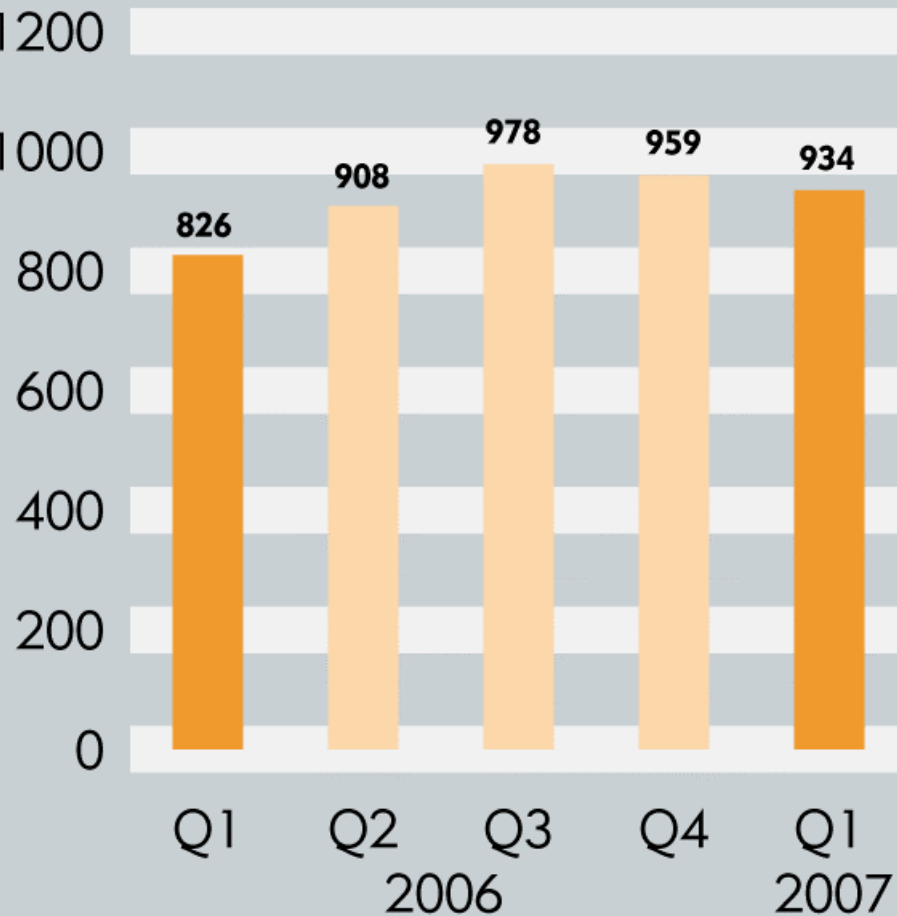
Continued strong market

- Increased volumes primarily from current customers
- Increased interest for development and high level assembly
- High grade of skill and certified quality
- Competitiveness through local production and flexibility



ORDER BACKLOG Group

NOK million



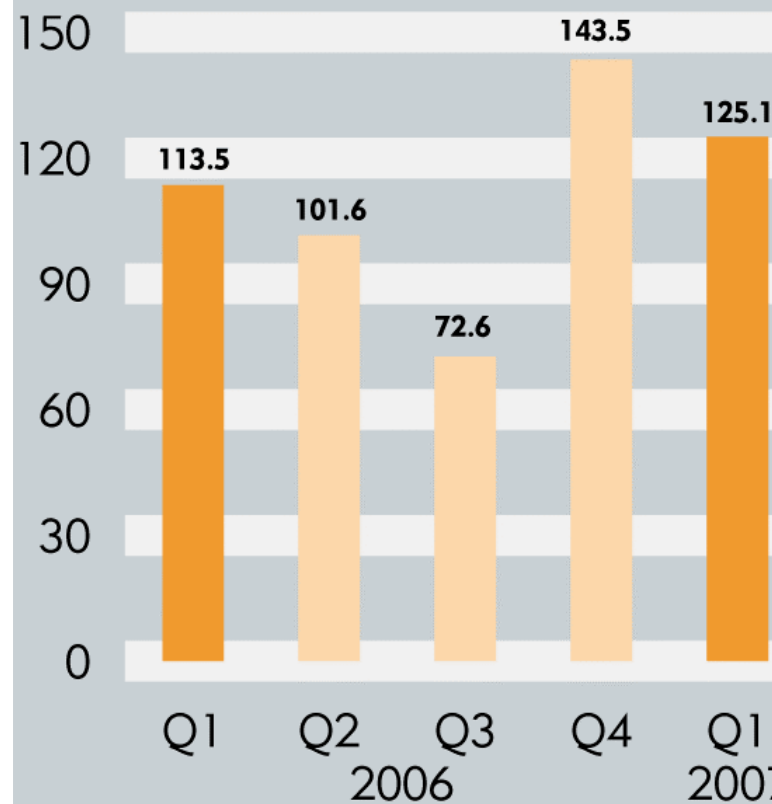
Country	31.03.2007	31.03.2006
Norway	664	664
Sweden	242	242
Lithuania (externally)	28	28
Total	934	934

Order backlog per segment

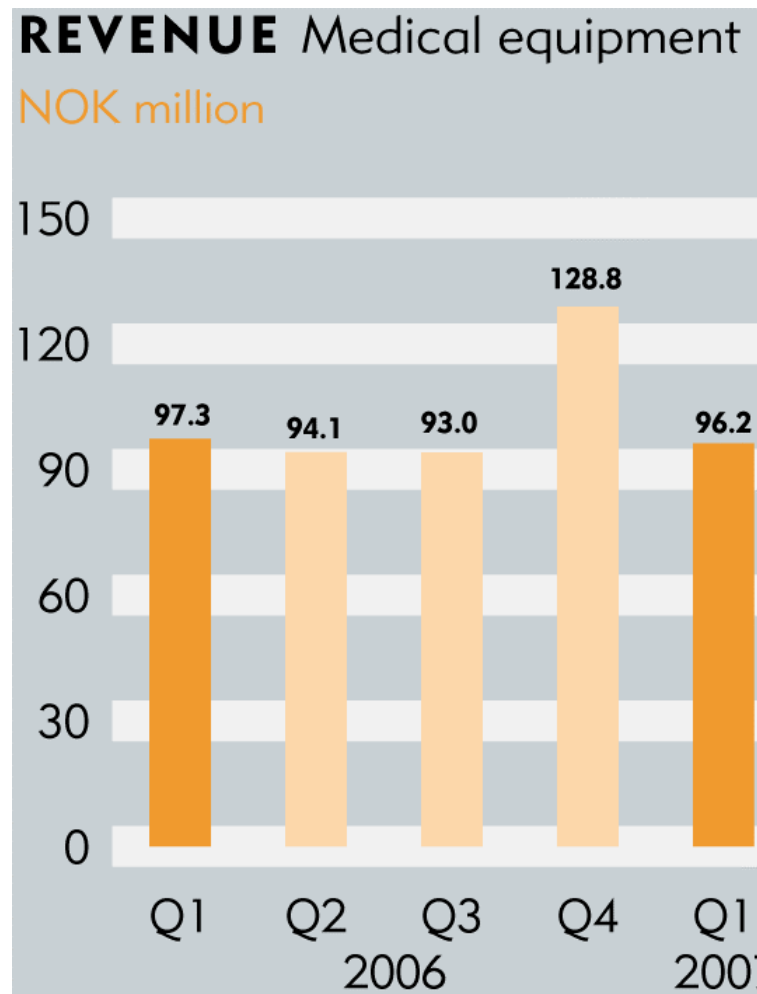
NOK million	Defence/ Marine	Data/ Telecom	Medical equipment	Industry	Total
Kitron AS (EMS)	253.6	97.1	156.3	87.6	594.6
Kitron AB (EMS)	80.6	-	80.0	21.8	182.4
UAB Kitron (EMS)	3.8	9.3	4.9	10.3	28.3
Microelectronics	0.6	93.0	5.3	29.9	128.8
Total	338.6	199.4	246.5	149.6	934.1

- Revenue at higher level than in 2006
- Expected growth in coming years
- Well positioned for important offset contracts

REVENUE Defence/Marine
NOK million



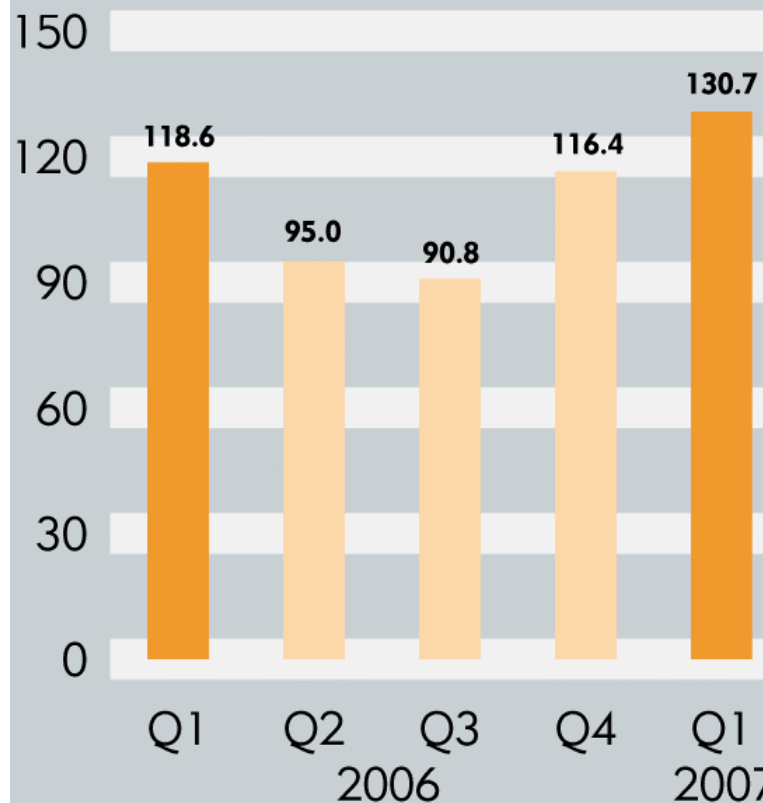
- High activity in the market
- Positive development in Sweden
- The assembly line in Horten will move from prototype to operational stage by the end of 2007



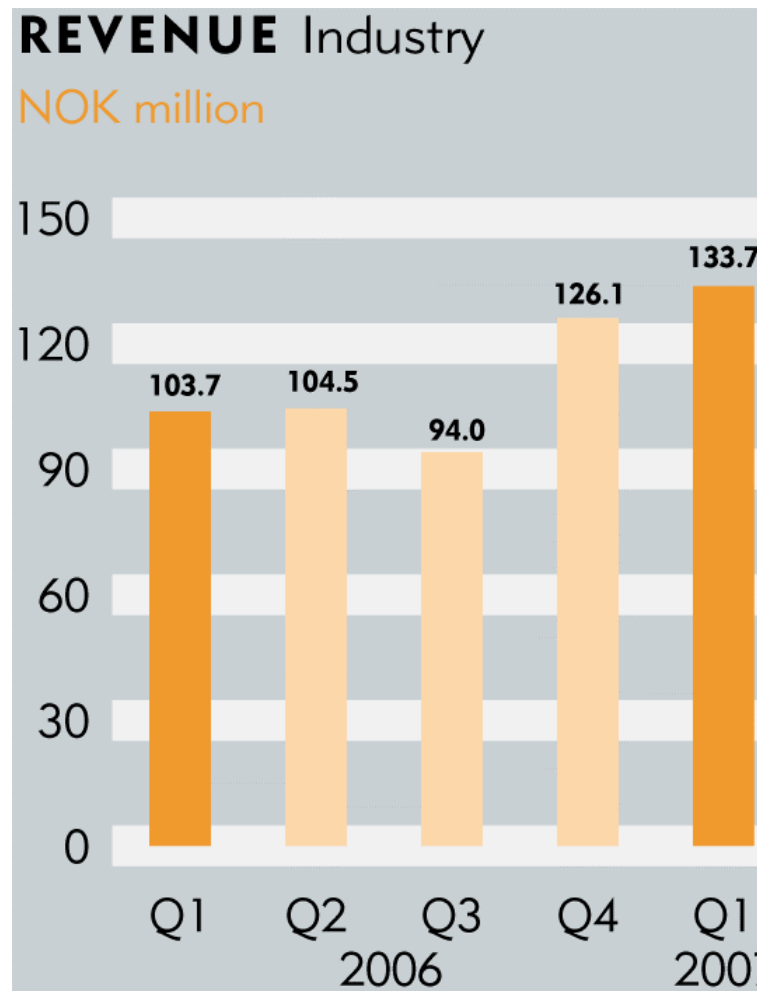
- Positive revenue development compared to last year
- Ability to execute quick and precise deliveries
- High activity in Microelectronics

REVENUE Data/Telecom

NOK million



- Continued growth
- Increased volume from existing products
- Several new products launched



Recognised delivery: OCAS

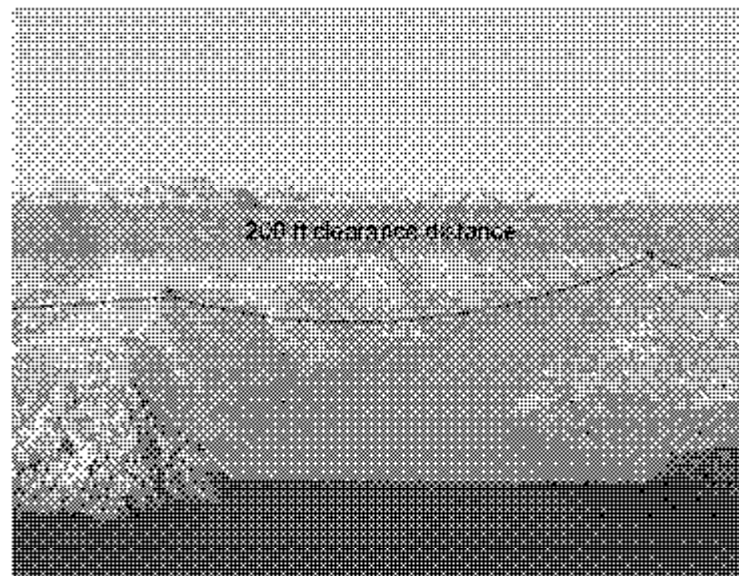
- Elected "Engineering achievement of the year 2006" by Teknisk Ukeblad ("Technical Weekly

The screenshot shows the homepage of Teknisk Ukeblad. The top navigation bar includes the site logo 'TEKNISK Ukeblad', a search bar, and a link to 'NYE TEKNOLOGIER'. A left sidebar contains a menu with categories like 'Foreten', 'Data - tele', 'Bygging - anlegg', 'Industri', 'Energi - kraft', 'Offshore', 'Kjætere', 'Produkter/teknologi', 'Medier - miljø', 'Sikkerhet', 'Rustning', 'Nye teknologier', 'Tekniske tanker', 'Debatforum', 'Bilag', 'Ledelse/forvaltning', 'Nytt i massemediene', 'Kjæteoversikt', 'Jærnettet', 'Søkesiden', 'Teknisk Ukeblad', and 'Tilrettelagt'. The main content area features an article titled 'Radar god for gull' (Radar good for gold) with a sub-headline 'Årets Ingeniørbragd er kåret. Vinneren er Ocas med sin livreddende radar som varsler fly og helikopter når de nærmer seg et hinder.' Below the text is a photograph of a pilot in a cockpit. The caption reads: 'OCAS (OCCAS) flyet i cockpit kan varsle og gi lyd-signaler hvis flyet er på kollisjonskurs med luftfartøyer og med advarselen "piloter inn" over utrustningsdøret. Foto: Rune Nilssen, Bergens Tidende'.

Development, industrialisation and production www.kit.edu



Obstacle
Collision Avoidance
System



Possible structural change in Sweden

www.kit

- **Negotiating transfer of production from Flen**
- **Customers have accepted transfer to other sites**
- **Simpler structure of sites leaves basis for increased productivity**
- **Preparing programme for transfer of competence**



Proven potential in sourcing

- **Sourcing office in China under establishment**
 - Licence in place
 - Three persons to start within May
- **Nice potential for better terms and conditions**
- **Considering different logistical solutions as part of sourcing activities**



Outlook



Progress expected

- Market growth expected to continue for several years
 - Considering expansion of capacity
- The strive for improved margins and increased profitability continues
- The process in Sweden is expected to lead to profitability
- Great potential in improved sourcing activity
 - License for sourcing office in China in place
- Expecting higher volume and profit in 2007 than in 2006



Kitron - One step ahead

