

Our solutions deliver success!



Q4 results 2008

9 February 2009

Jørgen Bredesen, CEO

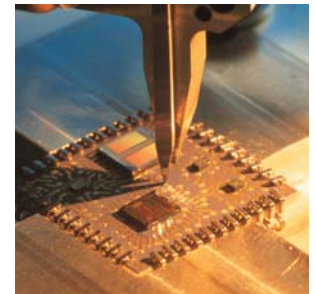
Björn Wigström, CFO



Record performance

Financial highlights in Q4

- Order intake and backlog remain at a high level
- Revenue growth of 23%
- Doubled operating profit
- Pre tax profit margin of 7.4%
- Positive operating cash flow



Streamlining operation

Operational highlights in Q4

- **Positive impact of ongoing manufacturing efficiency programme**
- **Consolidation to one manufacturing site in Lithuania completed**
- **Transfer of manufacturing to Lithuania ongoing**
- **Capacity adjustment at Karlskoga site announced**
- **Gradual downsizing at the Røros facility**

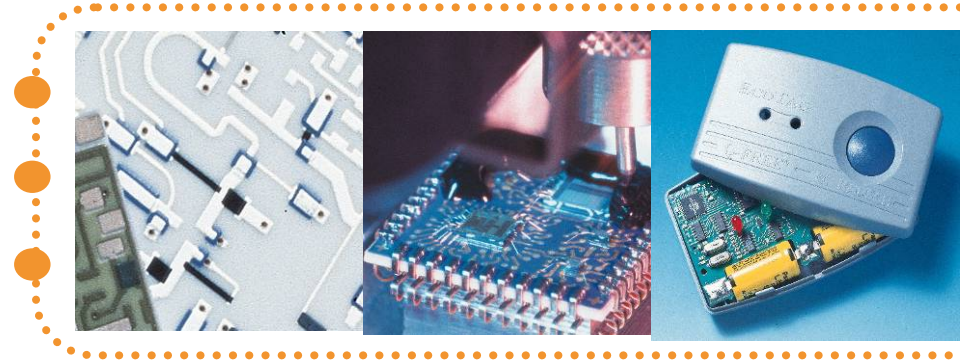


Securing new business

New orders in Q4

- **Defence/Marine orders of NOK 90 million - October**
 - UAB Kitron received new orders for delivery in first half 2009
- **Medical orders of NOK 85 million per annum**
 - Kitron AB secured order from Maquet Critical Care AB

Financial statements Q4 2008



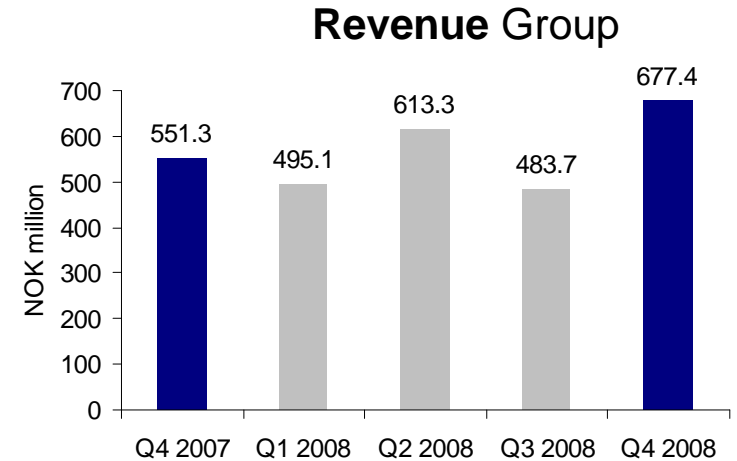
Strong growth in revenue

- Revenue reached NOK 677.4 million which represents a 22.9% increase compared to Q4 2007
- Particular solid growth within Defence/Marine
- Growth in all market segments

Growth by market segment

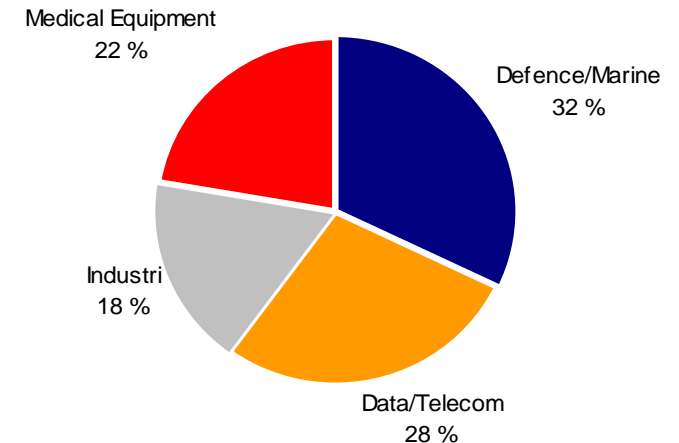
Q4 2008 vs Q4 2007

Data/Telecom	22%
Defence/Marine	32%
Medical Equipment	22%
Industry	11%



Revenue by market segment

Total revenue NOK 677 million



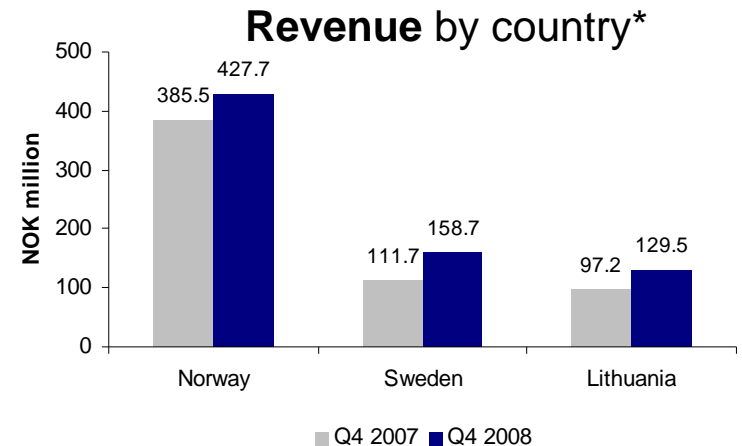
All countries show a positive trend

- **Growth across all countries**

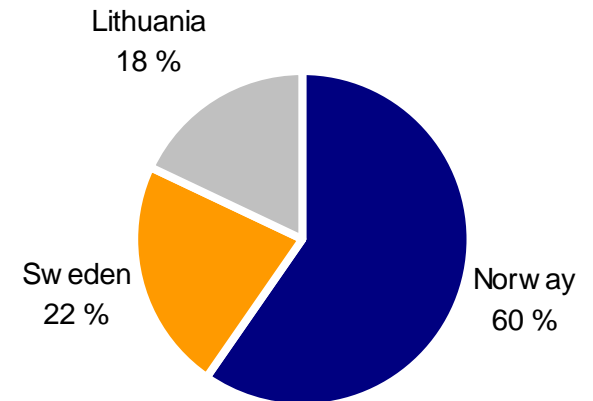
Growth by country
Q4 2008 vs Q4 2007

Norway 13%
Sweden 49%
Lithuania 38%

- **Transfer of manufacturing ongoing**



Revenue by country
Total revenue NOK 677 million

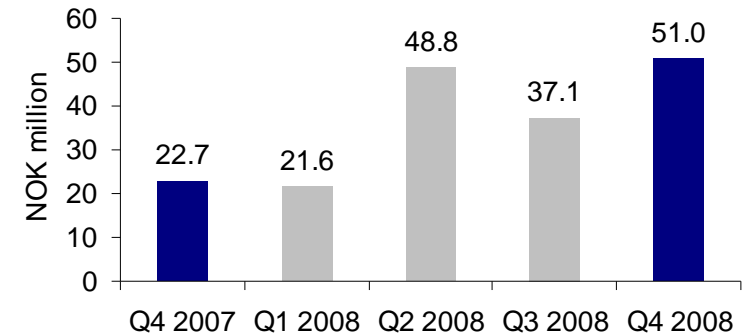


*Before group eliminations

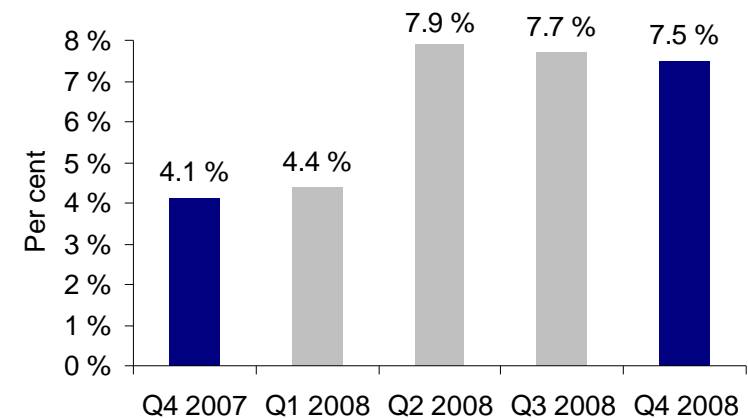
Operating profit (EBIT) more than doubled

- Operating profit up by 124%
- Operating margin improved from 4.1% to 7.5%
- Operational efficiency improvements (5S, LEAN etc)
- Global sourcing yield strong contribution
- Relative payroll costs improved to 22.3% of revenue (24.9%)
- Other operating costs down to 6.0% of revenue (7.3%)

Operating profit Group



Operating margin Group

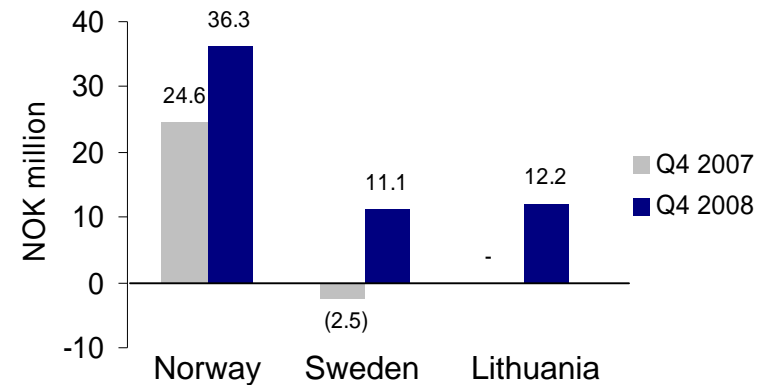


All units deliver positive results

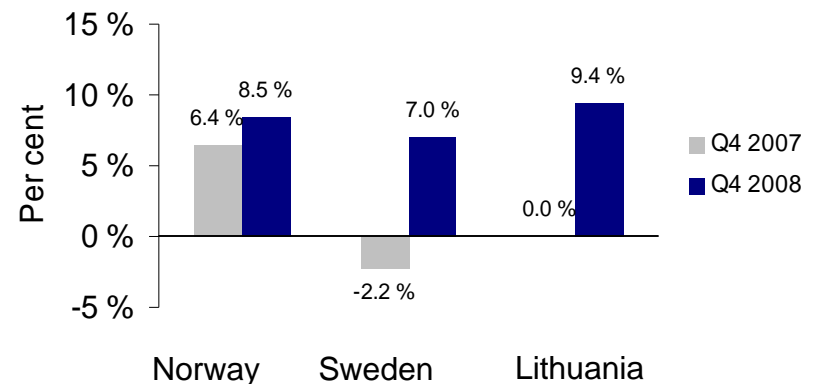
- Norway (Arendal) continues to deliver a solid profit
- Sweden continue a convincing trend and confirm the turnaround
- Lithuania delivered record high result and operating margin

*Before group eliminations/HQ

Operating profit by country*



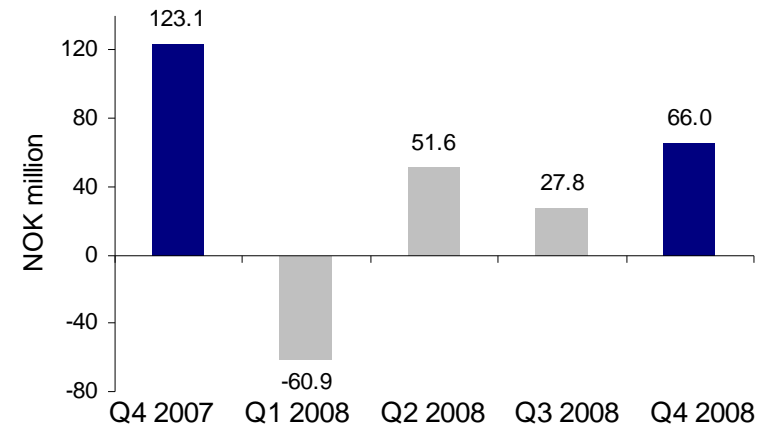
Operating margin by country



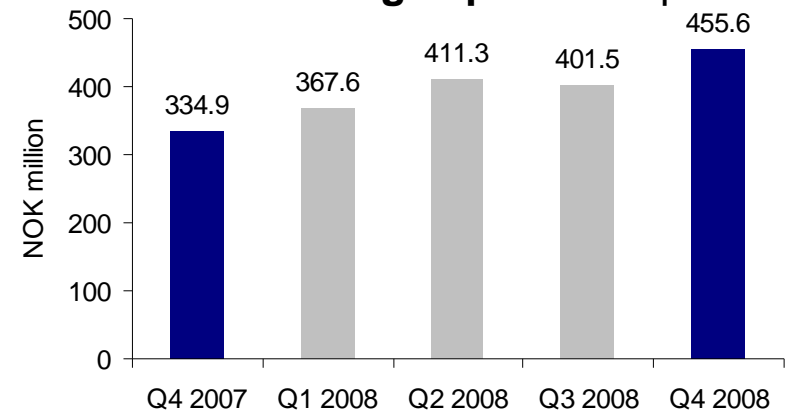
Operating cash flow improved

- Third quarter in a row with a strong operating cash flow
- Operating cash flow was NOK 66 million vs NOK 123 million in Q4 2007
- Net Working capital improved to 16.0% of revenue in Q4 2008 from 16.5% in Q4 2007
- Inventory turns improved from 4.7 to 4.9
- DSO improved by 13%

Operating cash flow Group

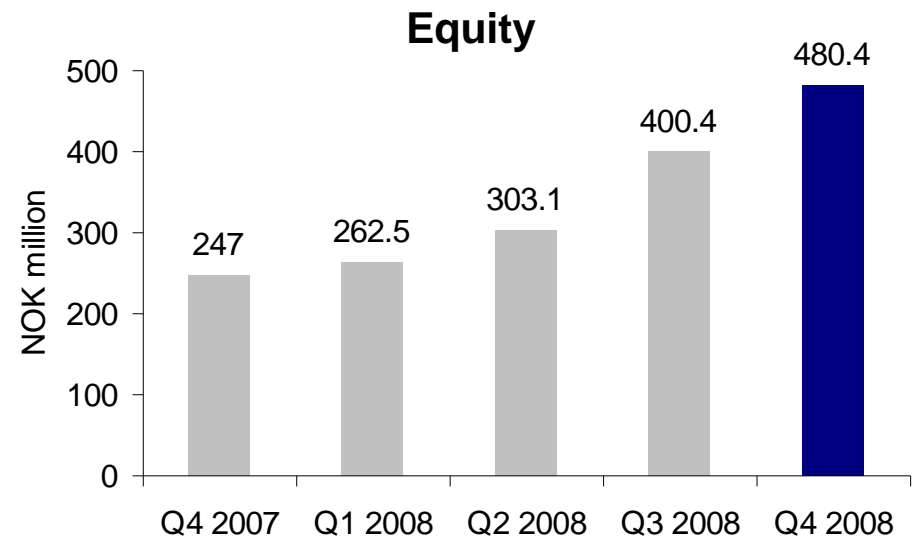


Net working capital Group

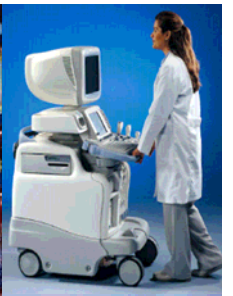
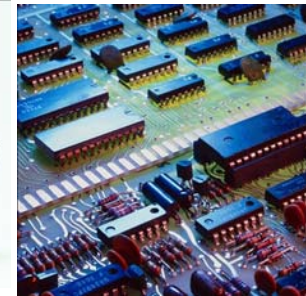


Equity increased by more than NOK 230 million

- **Equity improved to NOK 480.4 million (247.0) and the equity ratio to 38% (25%)**
- **Sharp increase in retained earnings as a result of strong performance**
- **Deferred tax asset reassessed from NOK 25 million 31.12.2007 to NOK 106 million 31.12.2008**

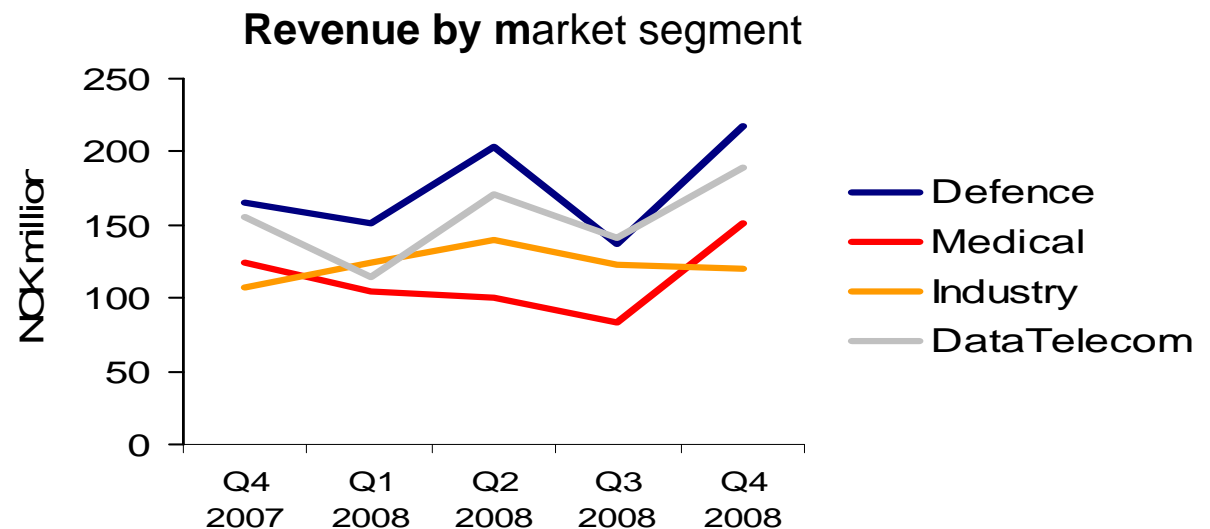


Market development



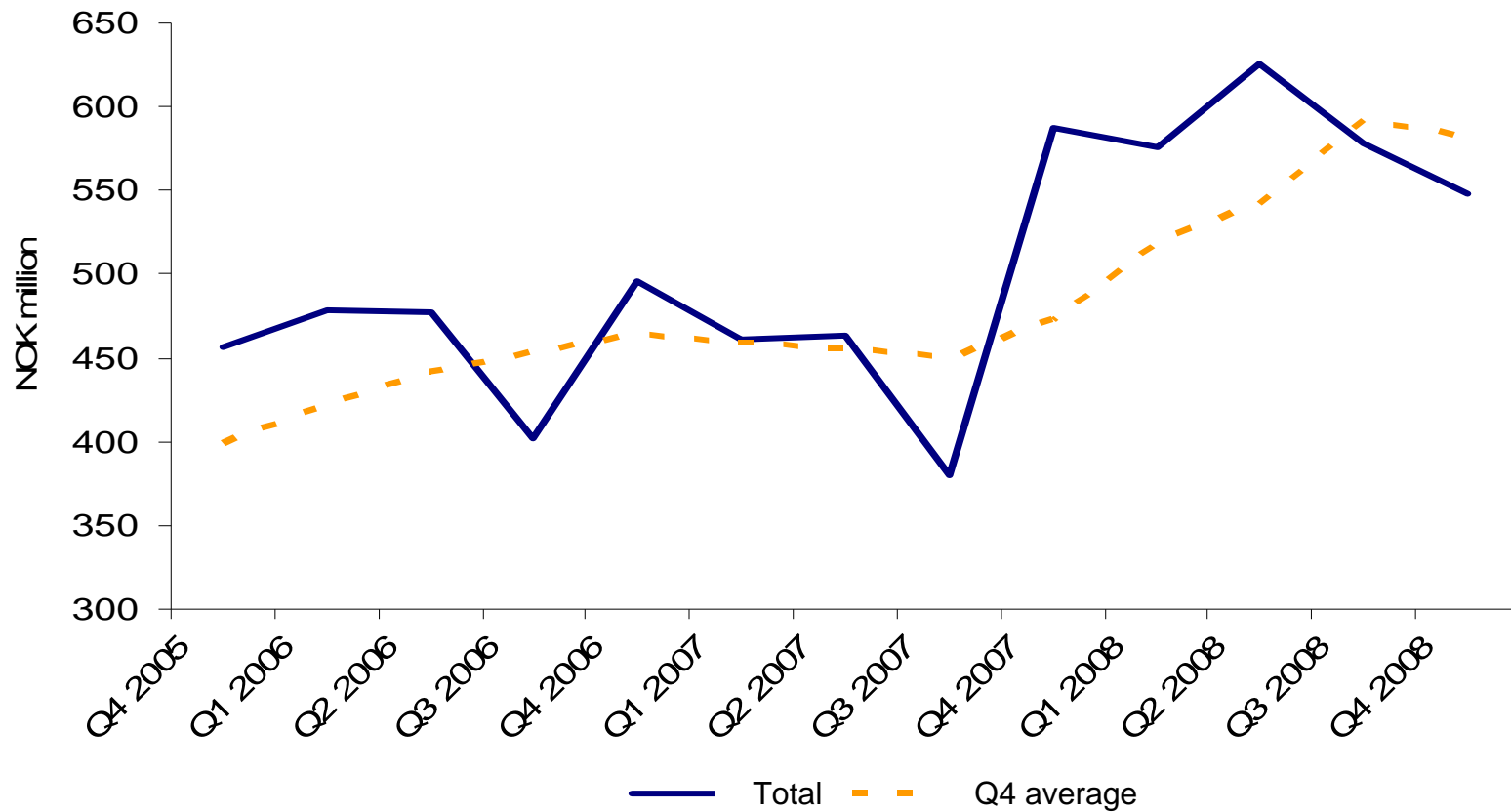
Continued strong demand in Q4

- Strong development for Defence / Marine, Medical equipment and Data/Telecom in Q4
- The Industry segment show weak trend despite a year on year growth
- Towards the end of 2008 there were signs of weakening demand in all segments except Defence



Order intake down, but remains at a high level

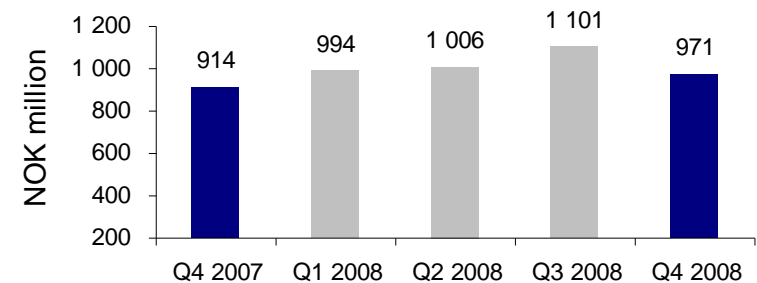
Order intake Group



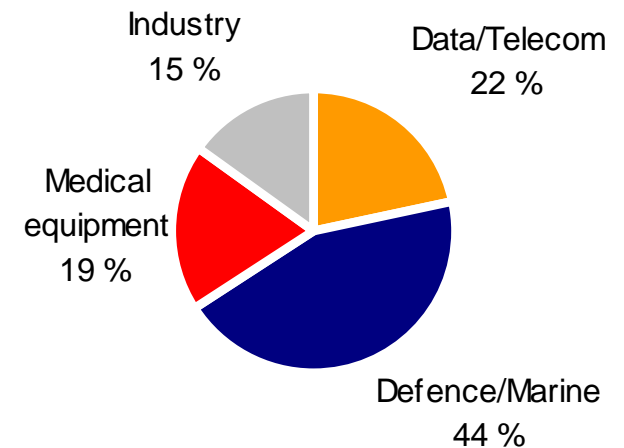
Order backlog signals high revenue visibility over the next six months

- Order backlog at NOK 971 million (NOK 914 million)
- Signals high revenue visibility in the first half of 2009
- Represents five months of manufacturing
- Conservative definition of order backlog (includes firm orders and four month customer forecast)

Order backlog Group



Order backlog Segment



Outlook



Safeguarding competitive edge and profitability

- **Kitron to reduce work force by 250 FTE's in 2009**
 - Productivity improvements
 - 10% drop in revenue outlook
 - Annual saving of NOK 100 million
- **Accelerate operational improvement activities**
 - Transfer of production to Lithuania (lower costs)
 - Manufacturing efficiency programme
 - Global sourcing
- **Strategic opportunities emerging**



Healthy profitability expected in Q1

- **Healthy profitability and margin level expected for Q1 2009**
- **Management is proactively responding to the impact of the financial crisis**





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