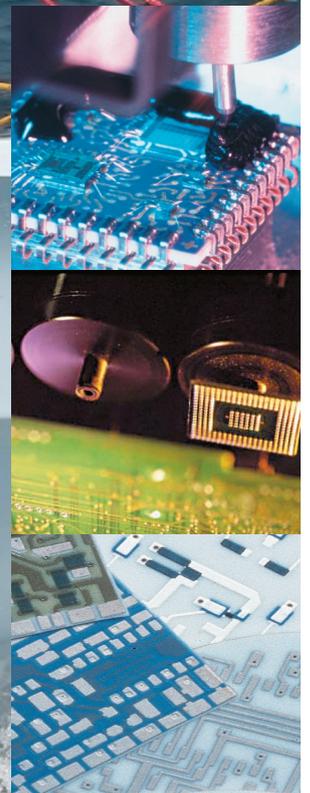




HALF YEAR AND SECOND
QUARTER REPORT 2009





Interim report per 30 June 2009

Adjusting capacity to lower demand

H1

Revenue amounted to NOK 983.0 million in the first half of 2009, which represents a 4.5 per cent decrease compared with the same period last year. The profit before tax and discontinued operations reached NOK 21.6 million, a decrease of NOK 35.5 million compared with the first half of 2008. The order intake was NOK 777 million and the order backlog was NOK 742 million, a decrease of 31.5 per cent and 26.3 per cent respectively. As a response to the market slow down the company has adjusted capacity and focused on securing a strong cash flow. The headcount has been reduced from 1 472 at the end of 2008 to 1 145 at 30 June 2009, which means a reduction of 22 per cent. The cash flow from operational activities for the first half of 2009 was NOK 20.5 million compared to NOK -9.2 million for the same period in 2008. Before repayment of factoring debt the cash flow from operation was NOK 132.2 million.

Market slow down

As predicted there has been a significant slow down in the demand in the first half of 2009 across all market segments. In particular the Industry and Offshore segments have experienced a drop in demand while Medical, Defence and certain sectors within Data/Telecoms are more stable. In general the market is now stabilizing on a lower level but with no signs of market recovery in the near to mid term.

Adjusting capacity to lower demand

As a response to the lower demand Kitron has been proactive in implementing a major cost cutting program. In total Kitron has announced that it will reduce the workforce to about 1100 FTEs from 1470 FTEs at the beginning of the year. The announced divestment of Kitron Microelectronics AS (see below) will result in an additional reduction of about 50 employees, which means that the target is now about 1050 by the end of the year. The capacity reduction program is on track and at the end of Q2 the headcount was down to 1145.

Decrease in operating profit

Despite the efforts to adjust capacity and operating expenses the operating profit has taken a hit in the first half of the year. In addition to the drop in volume the deterioration is explained by lower productivity and one off expenses in relation to capacity adjustments being undertaken as well as difficulties to immediately adapt overhead and fixed costs when the revenue is dropping fast.

Divestment of Kitron Microelectronics AS

In June 2009 Kitron announced the sale of the Microelectronics business in Røros to some of the local employees and Norbit AS. Kitron Microelectronics AS has about 50 employees and had an annual turnover of NOK 128 million in 2008. The transaction was closed at the end of June 2009 and has been accounted for as discontinued operations in the financial statements presented in this report. Financial statements and comparative figures have been restated in accordance with the IFRS.

Focus on operational improvements

Kitron is continuing its efforts to streamline and adapt the operation to improve its competitiveness. In the first six months of 2009 several actions have been undertaken in parallel with the capacity adjustments. The manufacturing activities at the Horten site in Norway have been closed down and moved to Arendal. The transfer of manufacturing to lower cost countries is continuing. As an example the manufacturing for a major client within the medical segment was successfully transferred from Karlskoga to Kaunas. The manufacturing efficiency program is pushed forward and the successful implementation in Lithuania is replicated at the sites in Sweden and Norway.

Related parties

Note 18 to the annual consolidated financial statements for 2008 provides details of related parties. During the first half of 2009 there have not been any changes or transactions that significantly impact the group's financial position or result for the period.

Key items first half year 2009

Figures in brackets refer to the first half of 2008 unless otherwise stated.

- **Drop in revenue**
Revenue decreased by 4.5 per cent to NOK 983.0 million (NOK 1 029.3 million).
- **Adjusting capacity**
To adjust capacity to lower demand Kitron has reduced the workforce to 1 145 full time equivalent (1 439).
- **Decrease in operating profit**
EBITDA and EBIT were NOK 52.1 million (NOK 86.2 million) and NOK 34.4 million respectively (NOK 68.0 million).
- **Profit before tax**
Profit before tax and discontinued operations amounted to NOK 21.6 million (NOK 57.1 million), which reflects a margin of 2.2 per cent (5.5 per cent).
- **Strong cash flow from operations**
Cash flow from operations in the first half was NOK 20.5 million (NOK -9.2 million) due to a reduction in working capital.
- **Order intake** The order intake decreased by 31.5 per cent to NOK 777 million (NOK 1 134 million). The order backlog at the end of the first half was NOK 742 million (NOK 1 007 million).
- **Discontinued operations**
Due to sale of Kitron Microelectronics in Røros in June 2009 loss for the period after discontinued operations is NOK 4.1 million

Interim report for second quarter 2009

Revenue and backlog stabilising

Q2

Revenue amounted to NOK 427.0 million in the second quarter of 2009, which represents a 25.4 per cent decrease compared with the same period last year. The profit before tax and discontinued operations was negative by NOK 0.6 million, compared to a profit of NOK 40.6 million for the second quarter last year. Cash flow from operations was NOK -14.4 million compared to NOK 51.6 million in the same period last year. Before repayment of factoring debt the cash flow was NOK 32.2 million. The order intake was NOK 417 million and the order backlog was NOK 742 million, a decrease of 33.3 per cent and 26.3 per cent respectively.

Revenue decline

Kitron's revenue in the second quarter was 25.4 per cent lower than in the same period in 2008 and amounted to NOK 427.0 million (NOK 572.1 million). The Defence/Offshore segment was down 25.1 per cent compared to the second quarter of 2008. Data/Telecoms showed 18.2 per cent reduction, while revenues within the Medical equipment and Industry segments declined by 4.3 per cent and 51.0 per cent respectively.

Revenue in the Norwegian operation represented 63.3 per cent of Kitron's gross revenue during the second quarter (61.5 per cent). The Swedish operation represented 20.9 per cent of the group (23.5 per cent) and Kitron's operation in Lithuania provided for 51.0 per cent (15.1 per cent).

Kitron's revenue in the second quarter of 2009 was distributed as follows:

Data/Telecoms	23 % (23 %)
Defence/Offshore	43 % (34 %)
Medical equipment	20 % (20 %)
Industry	14 % (23 %)

Sales to customers in the Swedish market represented a 30.0 per cent share of the total revenue during the second quarter (46.5 per cent). The Norwegian market represented 63.5 per cent of Kitron's total revenue in the second quarter (45.9 per cent).

Gross and net margin

The gross margin increased in the second quarter 2009 compared to second quarter 2008, and amounted to 40.0 per cent (39.3 per cent). The net margin decreased from 24.5 per cent to 21.5 per cent. Net margin is unusually low in second quarter 2009 due to low revenue.

Profit

Kitron's operating profit (EBIT) in the second quarter was NOK 2.9 million, which is a decrease of NOK 43.8 million compared to the same period in 2008 (46.7 million). Loss before tax in the second quarter of 2009 was NOK 0.6 million (2008: profit of 40.6 million).

Kitron Microelectronics AS in Røros was sold in June 2009. Loss from discontinued operations for second quarter 2009 was NOK 18.3 million. Of this NOK 15.7 million is related to loss on sale of the company. Net loss for the period after discontinued operations was NOK 19.2 million.

The company's total payroll expenses in the second quarter were NOK 4.1 million lower than the corresponding period in 2008. This is mainly due to effects from employee reductions. However, the relative payroll costs increased from 23.1 per cent of revenue in second quarter 2008 to 30.0 per cent of revenue in the second quarter 2009 due to significant lower revenue. Other operating costs were NOK 3.9 million lower in second quarter 2009 (7.4 per cent of revenue) than in second quarter last year (6.2 per cent of revenue).

During the quarter net financial items amounted to a cost of NOK 3.5 million. This was NOK 2.6 million lower than during the same period the year before. The principal reason for the decrease is lower interest costs due to reduced interest bearing debt during the quarter.

Balance sheet

Kitron's gross balance at 30 June 2009 amounted to NOK 967.8 million, against NOK 1 074.6 million at the same time in 2008. Equity was NOK 453.6 million (NOK 303.1 million), resulting in an equity ratio of

Key items second quarter 2009

Figures in brackets refer to the second quarter of 2008 unless otherwise stated.

Cash flow

Cash flow from operations in the second quarter was negative with NOK 14.4 million (NOK 51.6 million). Before repayment of factoring debt the cash flow from operations was 32.2 million.

Strong solidity

The equity ratio continued to improve and reached 46.9 per cent in Q2 (28.2 per cent).

Revenue decline

Revenue decreased by 25.4 per cent to NOK 427.0 million (NOK 572.1 million).

Decrease in operating profit

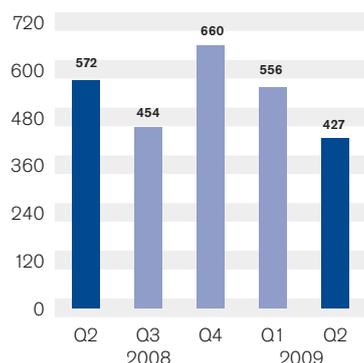
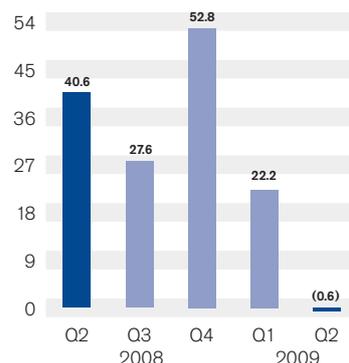
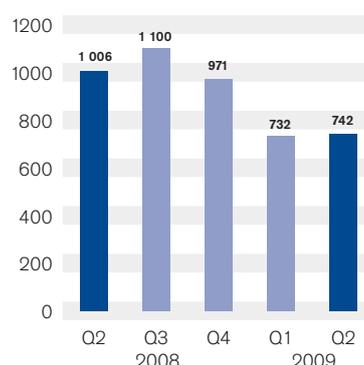
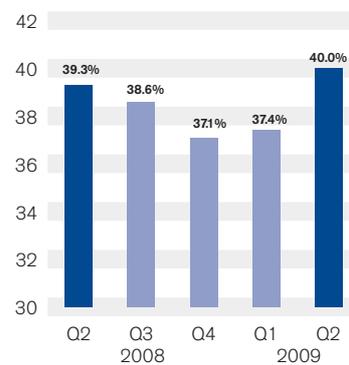
EBITDA and EBIT were NOK 11.3 million (NOK 57.5 million) and NOK 2.9 million respectively (NOK 46.7 million).

Loss before tax

Loss before tax and discontinued operations amounted to NOK 0.6 million (2008: profit by NOK 40.6 million), which reflects a margin of 0 per cent (7.1 per cent).

Order intake and backlog

The order intake decreased by 33.3 per cent to NOK 417 million (NOK 625 million). The order backlog at the end of the second quarter was NOK 742 million (NOK 1 007 million).

REVENUE Group
NOK million**PROFIT BEFORE TAX Group**
NOK million**ORDER BACKLOG Group**
NOK million**GROSS MARGIN Group**
Per cent

46.9 per cent (28.2 per cent).

Inventory was NOK 294.5 million at 30 June 2009 (NOK 310.5 million). Inventory turns has decreased from 5.5 in the second quarter last year to 4.1 in the second quarter of 2009, mainly due to lower production volume in second quarter 2009 compared to last year.

Trade debtors and other receivables amounted to NOK 333.2 million at the end of the second quarter of 2009. The corresponding amount at the same time in 2008 was NOK 498.9 million. Credit losses have been insignificant.

The group's reported interest-bearing debt totalled NOK 205.1 million as of 30 June 2009. Interest-bearing debt at the end of the second quarter of 2008 was NOK 350.8 million.

Cash flow from operational activities for the second quarter of 2009 was NOK -14.4 million (NOK 51.6 million). Kitron's cash and bank credit at 30 June 2009 comprised the following:

NOK million	
Cash and cash equivalents	60.6
Drawings on the overdraft facility	(12.4)
Restricted bank deposits	(18.3)
Total	29.8

Available liquidity (unrestricted bank deposits and unused credit lines) amounted to NOK 131.1 million at the end of the second quarter, versus NOK 98.7 million at the same time in 2008.

Organisation

The Kitron workforce decreased by 267 full time equivalents (FTE) in the second quarter, and added up to 1 145 FTEs at 30 June. This represents a decrease of 294 FTEs since the second quarter of 2008.

Full time equivalents	30.06.09			30.06.08		
	30.06.09	30.06.08	31.12.08	30.06.09	30.06.08	31.12.08
Norway	590	753	749			
Sweden	220	262	254			
Lithuania	330	419	464			
Other	5	5	5			
Total	1 145	1 439	1 472			

REVENUE BUSINESS AREAS

NOK million	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Norway	287.4	363.0	637.8	653.5	1 358.6
Sweden	94.8	138.7	188.5	242.2	498.8
Lithuania	71.8	89.0	215.7	205.9	421.7
Others and eliminations	(27.0)	(18.6)	(59.1)	(72.4)	(135.9)
Total group	427.0	572.1	983.0	1 029.2	2 143.2

OPERATING PROFIT/(LOSS) BUSINESS AREAS

NOK million	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Norway	1.7	31.8	26.5	41.6	105.2
Sweden	0.0	10.1	(1.2)	11.5	27.5
Lithuania	3.9	8.5	15.1	20.5	33.6
Others and eliminations	(2.7)	(3.7)	(5.9)	(5.6)	(11.7)
Total group	2.9	46.7	34.4	68.0	154.5

ORDER BACKLOG BUSINESS AREAS

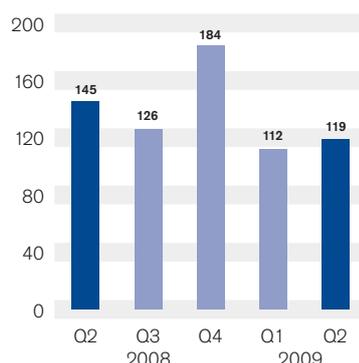
NOK million	Data/Telecoms	Defence/Offshore	Medical equipment	Industry	Total
Norway	104.2	279.2	103.1	47.2	533.7
Sweden	18.8	60.0	63.3	6.6	148.8
Lithuania	16.1	2.6	8.7	31.8	59.2
Total group	139.1	341.7	175.2	85.7	741.7

REVENUE GEOGRAPHIC DISTRIBUTION CUSTOMERS

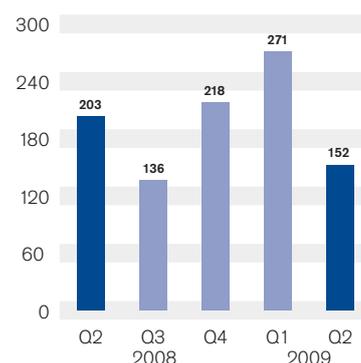
NOK million	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Norway	271.1	262.7	626.7	480.8	1 011.7
Sweden	127.7	265.8	298.2	471.8	963.0
Rest of Europe	17.4	22.3	30.6	38.9	76.7
USA	10.8	11.3	26.8	19.0	60.6
Others	0.0	10.0	0.6	18.7	31.2
Total group	427.0	572.1	983.0	1 029.2	2 143.2

REVENUE Data/Telecoms

NOK million

**REVENUE Defence/Offshore**

NOK million

**Market**

Kitron's services are most competitive within complex manufacturing processes that require niche expertise. Kitron has chosen to focus its sales and marketing activities within the Data/Telecoms, Defence/Offshore, Medical equipment and Industry market segments.

While the market is levelling out on a lower level there are no signs of a recovery in the near to mid term. Order intake in the quarter was NOK 417 million, which is higher than in the first quarter 2009 but 33.3 per cent lower than the second quarter 2008. The order backlog was NOK 742 million which represents a drop of 26.3 per cent compared with the same time last year. Four quarter moving average order intake was down from NOK 528 million at the beginning of the second quarter to NOK 476 million at the end of the quarter.

The effects of the financial crisis are not over yet. Customers are still careful in starting up new projects and are safeguarding their current operations to the best degree possible. It shall be emphasized that no significant customer accounts have been lost and it is expected that the volume of new orders will recover fully once the market development turns into growth.

Kitron's order backlog generally includes four months customer forecast plus all firm orders.

Data/Telecoms

Within the Data/Telecoms segment Kitron offers clients particular expertise to realize products such as transmission systems, high frequency microwave modules, radio frequency (RF), and data/video projection equipment.

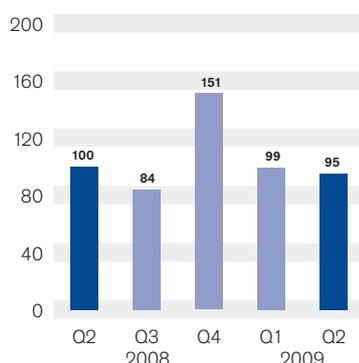
The order intake decreased by 39.1 per cent and revenue decreased by 17.9 per cent compared to the second quarter in 2008.

The Data/Telecoms segment is characterized by strong competition and high price sensitivity. The customers are currently having a strong focus on internal costs and stock levels.

The outlook for video projection equip-

REVENUE Medical equipment

NOK million



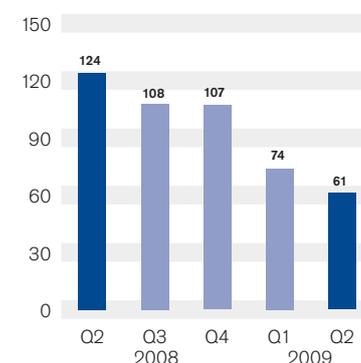
ment remains positive. Kitron has so far in 2009 secured incremental orders at an annual value of about NOK 100 million within the segment. The manufacturing of the incremental volume will start in Q3 2009.

Furthermore the economic stimulus packages and new regulation being initiated by local governments are expected to have a positive impact on the demand for infrastructure related products. In June Kitron entered into a long term Cooperation Agreement with Aidon Ltd related to industrialisation and manufacturing of Aidon's AMR (Automatic Meter Reading) products. Kitron's services can also be extended into product development-, engineering-, sourcing- and logistic services, based on Aidon's needs. Expected annual revenues from this agreement are around NOK 120 million from 2010. In 2009 Kitron expects operating revenues of NOK 25 million from the Aidon contract.

The Data/Telecoms segment is offering interesting opportunities within new development. Kitron is currently developing several Product Platforms in collaboration with existing customers. An example of such is a DVR (Digital Video Recorder) Platform, which has been developed by Kitron and is currently being offered to several customers within different sectors. Only on this platform we see an annual business potential of NOK 20-40 million.

REVENUE Industry

NOK million

**Defence/Offshore**

The Defence segment consists of three main product divisions: military avionics, military communication and weapon control systems. Kitron divides the Offshore segment into three main areas; sub sea production systems, oil and gas exploration equipment and navigation, positioning, automation and control systems for the offshore sector.

The order intake decreased by 12.2 per cent and revenue decreased by 25.2 per cent compared to the second quarter in 2008. The decline is related to the Offshore segment while Defence is relatively stable.

The long term outlook for the Defence segment remains positive and is normally less cyclical than other sectors. However, cost cutting programmes within the Defence segment will add risk, but also opportunities to Kitron's business. Technical upgrades and the development of new technology within the defence industry contribute to growing demand in a segment where Kitron has a strong position. The positive trend in the Swedish defence industry is further supporting our optimistic outlook.

In May Kitron received new orders related to military communication equipment of NOK 93 million. The orders are part of an international product- and development project with a time schedule up to 2011. Kitron has furthermore received

- ■ The strong focus on profitability and cash will continue and Kitron expects to protect the long-term margin through productivity improvements and cost-efficient materials sourcing.

orders amounting to NOK 19 million for other military related equipment. This additional order will be delivered in 2009. There is an increasing number of tenders within the Defence segment that give good manufacturing potentials for 2010 and onwards.

The trend in the Offshore segment is closely correlated with the development of the oil price and the segment is still not showing much of an improvement, even though the trend seems to stabilize on a lower level. Kitron still expects a slow market within this segment for the rest of the year. While the general outlook for Offshore is weak there are also positive signs through more development project opportunities that can yield new business for Kitron's manufacturing entities in the long term.

Medical equipment

The Medical equipment segment consists of three main product groups: ultrasound and cardiology systems, respiratory – medical devices and Lab/IVD (In-Vitro Diagnostics).

The order intake increased by 82.8 per cent and revenue decreased by 4.7 per cent compared to the second quarter in 2008.

The Medical equipment segment is less cyclical than other market segments. Kitron focuses on additional growth in this segment and expects a long-term positive development with customers in both Norway and Sweden. This trend is supported by strong market fundamentals for the products and services Kitron offers to the market. Even though start-up companies are having difficulties in finding financing as the result of the finance crisis Kitron is working on several interesting prospects within this segment. In May Kitron entered into a cooperation agreement with NorDiag regarding preparation of NorDiag's "Arrow" instrument for batch production. This product has a considerable production volume potential.

Industry

Within the Industry segment Kitron operates and delivers a complete range of services within industrial applications like automation, energy, environmental, material ware-

housing and security. The Industry segment consists of three main product divisions: control systems, electronic control units (ECU) and automats.

The order intake decreased by 66.0 per cent and revenue decreased by 50.8 per cent compared to the second quarter in 2008.

Even though there is a mixed picture and still a slow market with reduced orders it looks like the negative market trend for the Industry segment is about to flatten out. The order intake is gradually picking up again and we see an increasing number of RFI/RFOs in the market. The industry segment still appears to be the most price sensitive segment.

Outlook

Kitron's markets are mainly Norway and Sweden, but most customers of Kitron sell their products on international markets. As predicted, the effects of the recession on Kitron have increasingly become evident. Significant capacity adjustments have been announced and are being implemented partly as a consequence of decreasing demand and partly as a result of Kitron's effort to drive operational improvements.

The announced adjustments of the manufacturing capacity appear to be sufficient and are yielding the desired effect. These efforts are mainly focusing on reducing direct and indirect personnel. Including the divestment of Kitron Microelectronic AS it is expected that revenue will be down by about 20 per cent and that the work force will be reduced by about 420 FTEs.

The capacity adjustments and other initiatives to reduce cost will result in a NOK 70 million reduction of the cost base in 2009 (excluding the impact of the divestment of Kitron Microelectronics AS). The annualised cost reduction is about NOK 130 million. A reduction in margin for 2009 is expected due to somewhat lower productivity in the short term following the capacity adjustment and difficulties to adjust the fixed costs of the company immediately.

The strong focus on profitability and cash

will continue and Kitron expects to protect the long-term margin through productivity improvements and cost-efficient materials sourcing.

In addition operating expenses and investments are carefully monitored and managed. Investments that improve Kitron's competitiveness are being prioritised while pure capacity related investments are being postponed. Training of employees and competency enhancing initiatives will still be prioritised.

Condensed profit and loss statement

NOK 1 000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Revenue	426 977	572 116	982 977	1 029 250	2 143 207
Cost of materials	256 202	347 129	604 473	622 354	1 316 132
Payroll expenses	127 939	132 077	262 076	255 304	504 186
Other operational expenses	31 529	35 458	64 299	65 412	134 762
Operating profit before depreciation and impairments (EBITDA)	11 307	57 452	52 129	86 179	188 126
Depreciation and impairments	8 451	10 758	17 731	18 158	33 591
Operating profit (EBIT)	2 855	46 694	34 398	68 022	154 535
Net financial items	(3 495)	(6 065)	(12 840)	(10 957)	(17 155)
Profit before tax	(640)	40 629	21 558	57 065	137 381
Tax	331	1 038	4 889	2 641	(76 286)
Net profit (loss) from continuing operations	(970)	39 591	16 669	54 424	213 666
Profit (loss) from discontinued operations	(18 250)	1 591	(20 772)	1 314	646
Profit (loss) for the period	(19 220)	41 182	(4 103)	55 738	214 312
Earnings per share (basic and diluted)	(0.11)	0.24	(0.02)	0.32	1.24

Condensed balance sheet

NOK 1 000	30.06.2009	30.06.2008	31.12.2008
ASSETS			
Goodwill	24 519	25 514	25 714
Tangible fixed assets	149 261	155 540	188 970
Investment in shares	9	36	36
Deferred tax assets	101 668	25 000	106 304
Other receivables	4 142	-	-
Total fixed assets	279 599	206 089	321 024
Inventory	294 514	310 488	326 381
Accounts receivable and other receivables	333 151	498 890	503 827
Cash and cash equivalents	60 578	59 125	98 970
Total current assets	688 244	868 503	929 178
Total assets	967 843	1 074 592	1 250 202
LIABILITIES AND EQUITY			
Equity	453 575	303 051	480 398
Total equity	453 575	303 051	480 398
Loans	20 040	31 778	29 139
Pension commitments	21 434	21 553	21 164
Total long-term liabilities	41 474	53 331	50 303
Accounts payable and other current liabilities	285 678	398 100	375 504
Loans	185 033	318 986	343 998
Other provisions	2 083	1 124	-
Total current liabilities	472 794	718 210	719 502
Total liabilities and equity	967 843	1 074 592	1 250 202

Condensed cash flow statement

NOK 1 000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Net cash flow from operational activities	(14 415)	51 649	20 535	(9 243)	85 030
Net cash flow from investment activities	(3 365)	(46 216)	(7 889)	(59 542)	(76 278)
Net cash flow from financing activities	(11 055)	9 009	(14 628)	7 181	(5 107)
Change in cash and bank credit	(28 836)	14 442	(1 982)	(61 604)	3 645
Cash and bank credit opening balance	58 662	(47 882)	31 809	28 164	28 164
Cash and bank credit closing balance	29 826	(33 440)	29 826	(33 440)	31 809

Statement of comprehensive income

NOK 1 000	Q2 2009	Q2 2008	30.06.2009	30.06.2008	31.12.2008
Profit (loss) for the period	(19 220)	41 182	(4 103)	55 738	214 312
Currency translation differences and other changes	(6 150)	(652)	(22 720)	316	19 089
Total comprehensive income for the period	(25 370)	40 530	(26 823)	56 054	233 401
Profit attributable to shareholders	(19 220)	41 182	(4 103)	55 738	214 312

Changes in equity

NOK 1 000	30.06.2009	30.06.2008	31.12.2008
Equity opening balance	480 398	246 997	246 997
Comprehensive income for the period	(26 823)	56 054	233 401
Equity closing balance	453 575	303 051	480 398

Notes to the financial statements (unaudited)

Note 1 – General information and principles

The condensed consolidated financial statements for the first half of 2009 have been prepared in accordance with International Financial Accounting Standards (IFRS) and IAS 34 for interim financial reporting. Except as described below, Kitron has applied the same accounting policies as in the consolidated financial statements for 2008. The following new standards and amendments to standards are mandatory for the first time for the year beginning 1 January 2009:

IAS 1 (revised), "Presentation of Financial Statements". The financial statements are prepared in accordance with IAS 1 (revised). The main changes comprise the "Statement of comprehensive income" and incorporation of comprehensive income in "Changes in equity".

IFRS 8 "Operating segments". Kitron reports only one operational segment, Electronic Manufacturing Services. The changes

in IFRS 8 have not affected Kitron's interim reporting.

The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the consolidated financial statements for 2008, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2008 are available upon request from the company and at www.kitron.com.

Note 2 – Estimates

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognised as assets and liabilities, income and expenses. The actual results may deviate from these estimates.

The important assessments underlying the application of Kitron's accounting policy and the main sources of uncertainty are the

same for the interim financial statements as for the consolidated statements for 2008.

Note 3 – Financial risk management

Kitron's business exposes the company to financial risks. The purpose of the company's procedures for risk management is to minimise possibly negative effects caused by the company's financial arrangements. There has been no change of impact or material incidents in 2009.

Note 4 – Discontinued operations

On June 30 2009, the Kitron group sold Kitron Microelectronics AS for cash consideration of NOK 1.00. Kitron Microelectronics AS results are presented in this condensed interim financial information as discontinued operations. Comparative figures have been restated. Financial information and cash flow relating to discontinued operations for the period to the date of disposal is set out on the next page.

Income statement information from discontinued operations

NOK 1 000	30.06.2009	30.06.2008
Revenue	30 313	79 954
Expenses	(35 362)	(79 359)
Profit (loss) before income tax	(5 049)	595
Tax	-	-
Profit (loss) after income tax	(5 049)	595
Post tax loss on disposal of discontinued operations	(15 723)	-
Profit (loss) from discontinued operations	(20 772)	595

Cash flow statement information from discontinued operations

NOK 1 000	30.06.2009	30.06.2008
Net cash flow from operating activities	(72)	(1 771)
Net cash flow from investment activities	(482)	(5 436)
Net cash flow from financing activities	(1 527)	937
Change in cash and bank credit	(2 081)	(6 270)
Cash and bank credit opening balance	(903)	11 137
Cash and bank credit closing balance	(2 984)	4 867

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2009 has been prepared in accordance with IAS 34 - Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Asker, 11 August 2009



Nerijus Dagilis
Chair



May Britt Gundersen
Employee elected board member



Arne Solberg
Deputy chair



Lisbeth Gustafsson



Liv Johansen
Employee elected board member



Elena Anfimova



Tomas Kucinkas



Geir Vedøy
Employee elected board member



Jørgen Bredesen
CEO



Kitron ASA

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Norway

Our solutions deliver success

Kitron is a medium-size high mix low volume Electronic Manufacturing Services (EMS) company. The company has manufacturing facilities in Norway, Sweden and Lithuania, and has about 1 400 employees. Kitron manufactures both electronics that are embedded in the customers' own product, as well as box-built electronic products. Kitron also provides high-level assembly (HLA) of complex electromechanical products for its customers.

Kitron offers all parts of the value chain: from design via industrialisation, manufacturing and logistics, to repairs. The electronics content may be based on conventional printed circuit boards or ceramic substrates.

Kitron also provides various related services such as cable harness manufacturing and components analysis, and resilience testing, and also source any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.