Half year and second quarter report

Q2 2013

Half year and second quarter report 2013

Kitron

Revenue growth in second quarter despite challenging markets

*** Stable customer demand**
*** Operational streamlining continues**
*** Improved cash flow from operations**
*** Change in management**

Despite challenging markets, Kitron's revenues grew and the cash flow from operations rose compared to the second quarter last year. Initiatives that aim to reduce working capital, increase overall profitability and stimulate to top line growth continue.

Kitron's revenue for second quarter amounted to NOK 430.3 million, a 3.3 per cent increase compared with the same period last year. EBIT was reduced from NOK10.6 million to NOK 9.3 million for the second quarter. Operating cash flow for second quarter was NOK 29.2 million compared to minus NOK 16.1 million the same period last year.

For the first half of 2013, Kitron's revenue amounted to NOK 808.6 million, a 6.7 per cent decrease compared to first half last year. EBIT was reduced from NOK 32.1 million to NOK 13.2 million for the first half of 2013. Operating cash flow for the first half year was NOK 11.0 million compared to minus 27.0 million for the first half last year.

Stable customer demand
Despite challenging markets in both the USA and Europe, Kitron's revenues grew this quarter compared to the same quarter last year. Within Kitron's market segments we saw a mixed picture. The industry segment performed well. Key customers indicate a modest growth and new customers are in a ramp-up phase. We therefore expect stable development in this segment. The medical segment is less sensitive to the development in the global economy, and we foresee a long-term positive development in this market. On the other hand, economic uncertainty affects other segments, such as defence.

Operational streamlining continues
Kitron experienced lower profitability in the first half of 2013 because of weaker customer demand.

In first quarter 2013, Kitron introduced several improvement initiatives that aim to reduce working capital, increase overall profitability and stimulate to top line growth. In the second quarter, several actions have been implemented, but the effects on cost and profitability will not be fully visible before fourth quarter in 2013. The improvement initiatives will have continuous focus throughout 2013.

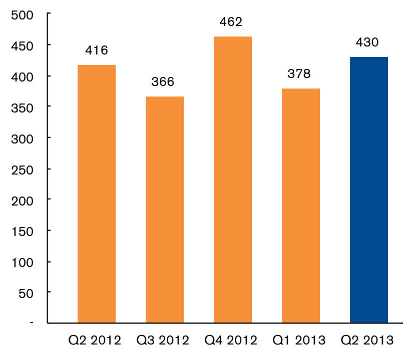
Improved cash flow from operations
The cash flow from operations was improved by NOK 45.3 million compared to second quarter last year. This comes as a result of strong focus on planning, inventory management and other items affecting operating cash flow.

Change in management
During the second quarter, the former CEO resigned and Dag Songedal was appointed as interim CEO. Dag Songedal has been Managing Director in Kitron AS since 2008.

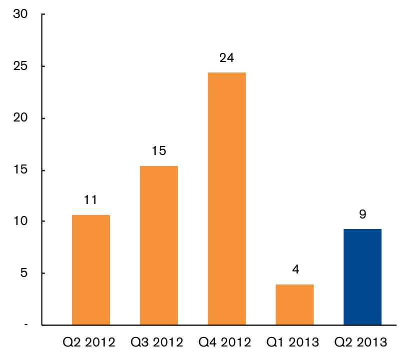
Key figures

NOK million	Q2 2013	Q2 2012	Change	30.06.2013	30.06.2012	Change	31.12.2012
Revenue	430.3	416.4	13.9	808.6	866.9	(58.2)	1 695.0
EBIT	9.3	10.6	(1.3)	13.3	32.1	(18.8)	72.0
Order backlog	746.0	823.7	(77.7)	746.0	823.7	(77.7)	776.2
Operating cash flow	29.2	(16.1)	45.2	11.0	(27.0)	38.0	42.4
Net working capital	485.5	511.8	(26.2)	485.5	511.8	(26.2)	505.4

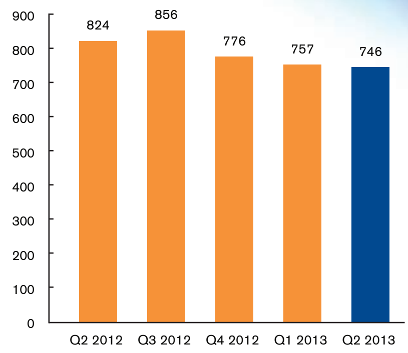
REVENUE Group
NOK million



EBIT Group
NOK million



ORDER BACKLOG Group
NOK million



Revenue

Kitron's revenue in the second quarter was 3.3 per cent higher than in the same period last year, and amounted to NOK 430.3 million (NOK 416.4 million). Revenue in the market segment Defence/Aerospace was up 21.7 per cent, Energy/Telecoms was down 4.6 per cent, Industry increased by 11.8 per cent, Medical equipment was down by 2.5 per cent and Offshore/Marine was down 10.5 per cent compared to the second quarter of 2012.

Revenue in the Norwegian operation represented 52.8 per cent of Kitron's gross revenue during the second quarter (53.0 per cent). The Swedish operation represented 20.6 per cent of the group (27.2 per cent) and Kitron's operation in Lithuania provided for 17.1 per cent (14.4 per cent).

Kitron's revenue in the second quarter of 2013 was distributed as follows:

Defence/Aerospace	22 % (19 %)
Energy/Telecoms	12 % (13 %)
Industry	24 % (22 %)
Medical equipment	24 % (25 %)
Offshore/Marine	18 % (21 %)

Revenue from customers in the Swedish market represented a 41.9 per cent share of the total revenue during the second quarter (50.9 per cent). The Norwegian market represented 49.7 per cent of Kitron's total revenue in the second quarter (42.9 per cent).

Gross and net margin

The gross margin in second quarter 2013 was slightly reduced compared to second quarter last year, and amounted to 38.6 per cent (39.2 per cent). The net margin decreased from 22.6 per cent to 22.4 per cent in the same period last year. The main reason for the change in margin is product mix variances.

Profit

Kitron's operating profit (EBIT) in the second quarter was NOK 9.3 million, which was a decrease of NOK 1.3 million compared with same period last year (NOK 10.6 million).

Profit before tax and discontinued operations in the second quarter of 2013 was NOK 10.2 million, which was an increase of NOK 4.0 million compared to the same period last year.

The company's total payroll expenses in the second quarter were NOK 0.5 million higher than the corresponding period in 2012. The relative payroll costs went from 28.0 per cent of revenue in second quarter 2012 to 27.3 per cent of revenue in the second quarter this year. Other operating costs increased to 7.1 per cent of revenue in the second quarter of 2013 (6.5 per cent).

During the quarter net financial items amounted to an income of NOK 0.9 million. This was an increase of NOK 5.3 million compared to the same period last year. The main reason for the increase was currency gains on intra-group financial loans.

Balance sheet

Kitron's gross balance as at 30 June 2013 amounted to NOK 1 018.3 million, against NOK 1 064.7 million at the same time in 2012. Equity was NOK 464.9 million (NOK 443.2 million), corresponding to an equity ratio of 45.7 per cent (41.6 per cent).

Inventory was NOK 341.7 million at 30 June 2013 (NOK 377.1 million). Inventory turns was up from 3.5 in the second quarter 2012 to 3.7 in second quarter 2013.

Trade debtors and other receivables amounted to NOK 360.3 million at the end of the second quarter of 2013. The corresponding amount at the same time in 2012 was NOK 369.8 million.

The group's reported interest-bearing debt amounted to NOK 265.7 million as of 30 June 2013. Interest-bearing debt at the end of the second quarter 2012 was NOK 300.8 million.

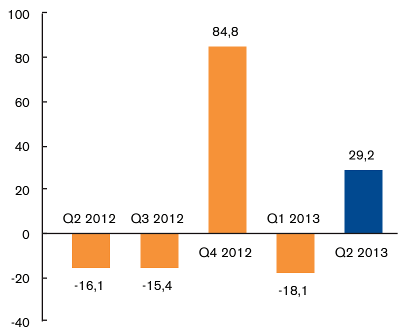
Cash flow from operational activities for the second quarter of 2013 was NOK 29.2 million (negative by NOK 16.1 million). This is mainly due to working capital improvements. Kitron's cash and bank credit at 30 June 2013 comprised the following:

NOK million	
Cash and cash equivalents	22.1
Drawings on the overdraft facility	(43.0)
Restricted bank deposits	(11.2)
Total	**(32.1)**

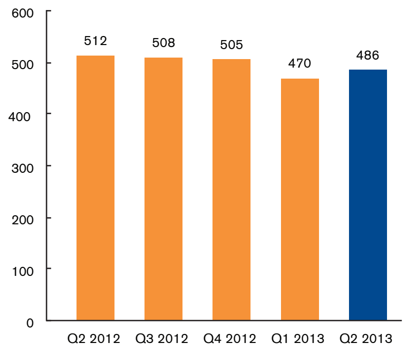
Available liquidity (unrestricted bank deposits and unused credit lines) amounted to NOK 151.8 million at the end of the second quarter, versus NOK 132.4 million at the same time in 2012. The overall credit line at 30 June 2013 was NOK 183.9 million versus NOK 149.8 million at the same time last year.

The Annual General Meeting approved on 22 April 2013 to introduce a share option program for executive management comprising up to 5 485 000 shares. The share option program entails that executive management, on certain terms, may be granted the right to subscribe new shares in the Company at NOK 0.10 per share after a vesting period of three years. The number of options vested is inter alia linked linearly to the development of the quote of the Company's shares on Oslo Børs. The share options were allocated to executive management with effect from 2 July 2013.

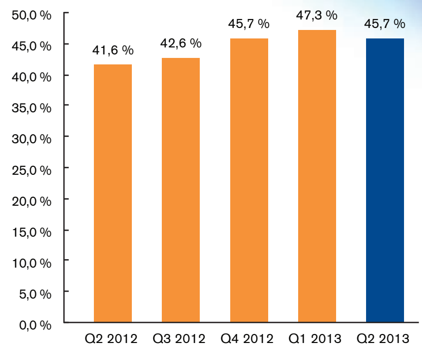
OPERATING CASH FLOW Group
NOK million



NET WORKING CAPITAL Group
NOK million



EQUITY RATIO Group
Per cent



Revenue business entities

NOK million	Q2 2013	Q2 2012	Change	30.06.2013	30.06.2012	Change	31.12.2012
Norway	250.1	243.9	6.2	469.6	482.5	(12.9)	954.7
Sweden	97.5	125.1	(27.7)	182.3	259.4	(77.1)	500.0
Lithuania	81.1	66.4	14.6	162.8	161.8	1.0	298.0
Others	44.6	24.5	20.2	79.1	39.9	39.3	119.3
Group and eliminations	(43.0)	(43.5)	0.5	(85.2)	(76.7)	(8.5)	(176.9)
Total group	**430.3**	**416.4**	**13.9**	**808.6**	**866.9**	**(58.2)**	**1 695.0**

EBIT business entities

NOK million	Q2 2013	Q2 2012	Change	30.06.2013	30.06.2012	Change	31.12.2012
Norway	6.3	5.6	0.7	8.0	13.7	(5.7)	41.6
Sweden	2.1	8.2	(6.1)	3.8	18.3	(14.5)	31.6
Lithuania	5.6	4.3	1.2	11.9	15.2	(3.4)	22.2
Others	(1.7)	(5.4)	3.8	(5.1)	(12.1)	7.0	(14.4)
Group and eliminations	(3.1)	(2.2)	(0.9)	(5.4)	(3.0)	(2.4)	(9.1)
Total group	**9.3**	**10.6**	**(1.3)**	**13.3**	**32.1**	**(18.8)**	**72.0**

Order backlog business entities and market segments

NOK million	Defence/ Aerospace	Energy/ Telecoms	Industry	Medical equipment	Offshore/ Marine	Total
Norway	186.8	0.4	35.0	76.0	128.3	426.6
Sweden	17.4	55.8	17.1	46.2	-	136.5
Lithuania	-	5.5	91.6	7.1	0.7	105.0
Other	64.7	(0.1)	10.6	2.7	-	77.9
Total group	**269.0**	**61.7**	**154.3**	**132.0**	**129.1**	**746.0**

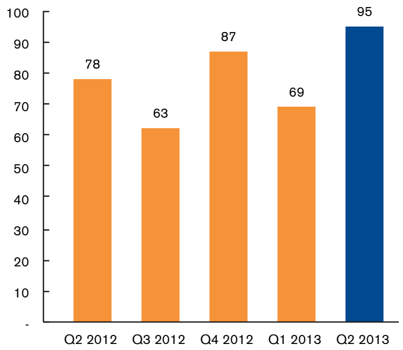
Revenue geographic markets

NOK million	Q2 2013	Q2 2012	Change	30.06.2013	30.06.2012	Change	31.12.2012
Norway	213.8	178.5	35.4	402.4	361.1	41.2	738.5
Sweden	180.2	211.8	(31.6)	335.8	454.7	(118.9)	842.4
Rest of Europe	17.3	12.8	4.6	36.0	26.0	10.1	58.0
USA	18.4	13.1	5.3	33.1	24.8	8.3	52.3
Others	0.5	0.3	0.2	1.4	0.3	1.1	3.8
Total group	**430.3**	**416.4**	**13.9**	**808.6**	**866.9**	**(58.2)**	**1 695.0**

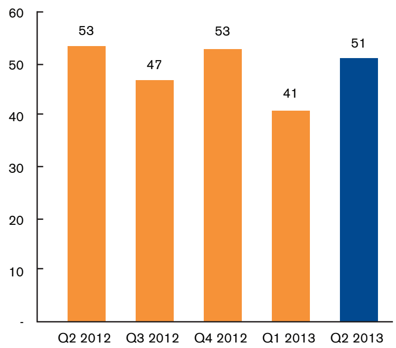
Full time employees

	30.06.2013	30.06.2012	Change
Norway	513	517	(4)
Sweden	138	190	(52)
Lithuania	337	352	(15)
Other	175	133	42
Total group	**1 163**	**1 192**	**(29)**

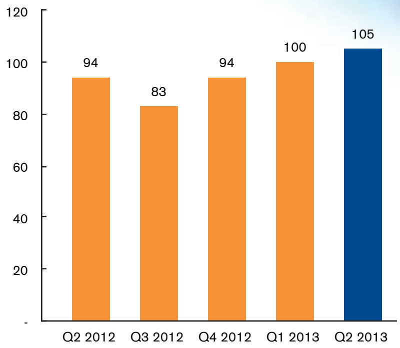
REVENUE Defence/Aerospace
NOK million



REVENUE Energy/Telecoms
NOK million



REVENUE Industry
NOK million



At the same Annual General Meeting it was decided to reduce the company's share capital with NOK 155 665 462.50 from NOK 172 961 625 to NOK 17 296 162.50. The share capital reduction shall be implemented by reducing the nominal value of the shares with NOK 0.90 from NOK 1 to NOK 0.10. The reduction amount shall be allocated to other equity.

Organisation

The Kitron workforce corresponded to 1 163 FTEs at 30 June 2013. This represents a reduction of 29 FTEs since the second quarter of 2012. The reduction of the workforce is manly related to the operations in Sweden and Lithuania, while there is an increase of the workforce in China.

Market

Kitron's services are most competitive within complex products. Kitron has chosen to focus its sales and marketing activities within the Defence/Aerospace, Energy/Telecoms, Industry, Medical equipment and Offshore/Marine market segments.

Order intake in the quarter was NOK 418.8 million, which is 5.5 per cent lower than for the second quarter 2012. The order backlog ended at NOK 746.0 million, which is 9.4 per cent lower than the same period last year. Four quarter moving average order intake was down from NOK 395.9 million at the beginning of the second quarter to NOK 389.8 million at the end of the quarter. Kitron's order backlog generally includes four months customer forecast plus all firm orders for later delivery.

There is still uncertainty in both Europe and in the US, and this will affect the market in 2013. The development in the Swedish industry is still uncertain, and there is uncertainty within the defence segment for some markets. The Norwegian markets look more stable. Kitron is pursuing new customers and markets, which may strengthen Kitron's position and has the potential to generate growth.

Defence/Aerospace

The Defence/Aerospace segment consists of three main product divisions: military and civil avionics, military communication and weapon control systems.

Kitron is currently involved in defence programs with among other KONGSBERG and Lockheed Martin. Kitron will manufacture, test, maintain and repair the Integrated Backplane Assembly in the F-35 Joint Strike Fighter globally. New and prospective contracts with KONGSBERG are further strengthening an already close relationship. Defence/Aerospace is a prioritised area for our new operation in Germany, and Kitron is working towards specific new prospective customers in both Germany and Norway.

The market outlook has not changed during the quarter, which implies that there is still an uncertainty in the US market that may lead to a weaker demand from this sector.

Energy/Telecoms

Within the Energy/Telecoms segment Kitron offers clients particular expertise to manufacture products such as transmission systems, high frequency microwave modules, radio frequency (RF) and remote measurement of electrical metering.

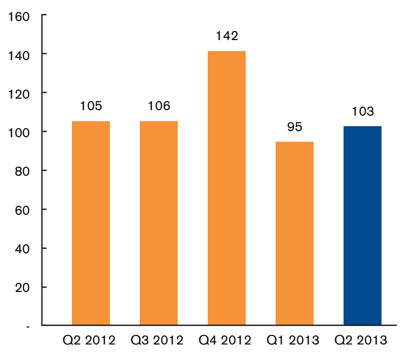
Revenue market segments

NOK million	Q2 2013	Q2 2012	Change	30.06.2013	30.06.2012	Change	31.12.2012
Defence/Aerospace	95.1	78.1	17.0	164.0	164.6	(0.6)	314.1
Energy/Telecoms	50.7	53.1	(2.4)	91.2	116.3	(25.1)	215.9
Industry	104.7	93.7	11.1	205.2	215.0	(9.8)	392.3
Medical equipment	102.8	105.4	(2.7)	198.1	210.9	(12.8)	458.2
Offshore/Marine	77.1	86.2	(9.1)	150.1	160.1	(10.0)	314.5
Total group	**430.3**	**416.4**	**13.9**	**808.6**	**866.9**	**(58.2)**	**1 695.0**

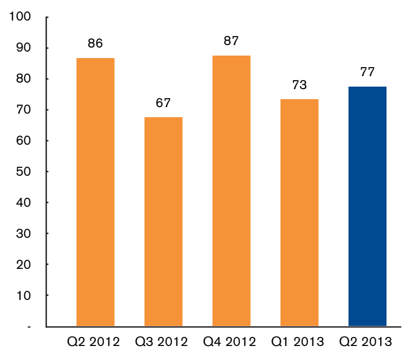
Order Backlog market segments

NOK million	30.06.2013	30.06.2012	Change	31.12.2012
Defence/Aerospace	269.0	202.8	66.1	252.5
Energy/Telecoms	61.7	84.2	(22.5)	62.7
Industry	154.3	151.3	3.0	181.8
Medical equipment	132.0	167.5	(35.6)	132.5
Offshore/Marine	129.1	217.8	(88.7)	146.7
Total group	**746.0**	**823.7**	**(77.7)**	**776.2**

REVENUE Medical equipment
NOK million



REVENUE Offshore/Marine
NOK million



Looking forward we expect that the volume will stabilize on the current lower level. While the metering business has been shrinking for Kitron and is not expected to recover, it is expected that other key customers in the Telecoms market will show a modest growth.

Industry
Within the Industry segment Kitron operates and delivers a complete range of services within industrial applications like automation, environmental, material warehousing and security. The Industry segment consists of three main product areas: control systems, electronic control units (ECU) and automats.

Industry is the market segment within Kitron that is most closely correlated with the general economic development. However, despite a challenging market the key customers in this segment indicate a modest growth and overall we therefore believe in a stable development in 2013. Further, in this segment Kitron has new customers that are in a ramp-up phase and will have growth in the months to come.

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

The medical segment is less sensitive to the development in the global economy. Kitron focuses on additional growth in this segment and expects a long-term positive development with customers in Norway, Sweden and Germany. In the short term (2013), however, we believe in a flat development in sales as the market growth offsets reduced production scope for one of the key customers in this segment.

Offshore/Marine
Kitron divides the Offshore/Marine segment into three main areas; subsea production systems, oil and gas exploration equipment and navigation, positioning, automation and control systems for the marine sector.

While the long term prospects in the Oil and Gas market segment remain positive Kitron foresee lower revenue from this segment in 2013 compared to 2012.

Outlook
Kitron's markets are mainly Norway and Sweden, but most customers of Kitron sell their products on international markets. Kitron do not experience any significant change in the overall market compared with the situation that was communicated in the first quarter interim report. The revenue outlook for 2013 in total is slightly lower than actual for 2012. For the second half year of 2013 the revenue is expected to be at the same level as the same period of 2012.

Kitron has launched several operational improvement programs that should yield a positive contribution to the profitability going forward. The improvement programs are focusing on driving long term growth, reducing the cost base and increasing the efficiency and reducing the capital tied up in operation. In addition, the positive development in the new operations should have a positive impact.

The board emphasises that every assessment of future conditions necessarily involves an element of uncertainty.

Board of directors, Kitron ASA
Asker, 23 July 2013

Condensed profit and loss statement

NOK 1 000	Q2 2013	Q2 2012	30.06.2013	30.06.2012	31.12.2012
Revenue	430 317	416 446	808 608	866 850	1 695 026
Cost of materials	263 259	250 449	488 988	526 564	1 039 980
Payroll expenses	117 373	116 891	228 231	231 934	430 543
Other operational expenses	30 478	26 902	59 221	56 062	120 705
Other gains / (losses)	(1 057)	(2 887)	(1 253)	(2 563)	3 748
Operating profit before depreciation and impairments (EBITDA)	**18 150**	**19 317**	**30 914**	**49 728**	**107 545**
Depreciation and impairments	8 845	8 709	17 659	17 628	35 592
Operating profit (EBIT)	**9 305**	**10 608**	**13 255**	**32 099**	**71 953**
Net financial items	935	(4 439)	(2 131)	(12 031)	(26 095)
Profit (loss) before tax	**10 241**	**6 169**	**11 124**	**20 069**	**45 858**
Tax	2 458	1 951	1 960	5 869	(1 288)
Profit (loss) for the period	**7 783**	**4 218**	**9 164**	**14 199**	**47 146**
Earnings per share (basic and diluted)	0.04	0.02	0.05	0.08	0.27

Condensed balance sheet

NOK 1 000	30.06.2013	30.06.2012	31.12.2012	01.01.2012
ASSETS				
Goodwill	26 786	26 786	26 786	26 786
Other intangible assets	40 105	38 995	36 888	40 743
Tangible fixed assets	124 822	137 039	127 168	139 520
Available for sale financial assets	-	1	1	1
Deferred tax assets	102 539	91 913	99 868	96 157
Total fixed assets	**294 253**	**294 735**	**290 712**	**303 207**
Inventory	341 655	377 081	336 683	346 795
Accounts receivable and other receivables	360 263	369 810	335 077	360 829
Cash and cash equivalents	22 143	23 074	56 820	50 916
Total current assets	**724 060**	**769 966**	**728 580**	**758 541**
Total assets	**1 018 313**	**1 064 701**	**1 019 292**	**1 061 747**
LIABILITIES AND EQUITY				
Equity	464 869	443 232	466 187	432 073
Total equity	**464 869**	**443 232**	**466 187**	**432 073**
Deferred tax liabilities	1 069	1 087	1 000	1 121
Loans	39 436	52 749	44 407	53 134
Pension commitments	10 982	14 387	10 982	14 387
Total long-term liabilities	**51 487**	**68 222**	**56 389**	**68 641**
Accounts payable and other current liabilities	275 652	284 086	228 757	285 314
Loans	226 305	248 078	263 690	246 042
Other provisions	-	21 082	4 269	29 677
Total current liablities	**501 957**	**553 246**	**496 716**	**561 032**
Total liabilities and equity	**1 018 313**	**1 064 701**	**1 019 292**	**1 061 747**

Condensed cash flow statement

NOK 1 000	Q2 2013	Q2 2012	30.06.2013	30.06.2012	31.12.2012
Net cash flow from operational activities	29 154	(16 078)	11 005	(27 016)	42 407
Net cash flow from investment activities	(8 233)	(11 286)	(13 134)	(15 210)	(23 416)
Net cash flow from financing activities	(21 350)	2 905	(24 117)	(2 024)	(21 292)
Change in cash and bank credit	(428)	(24 459)	(26 245)	(44 251)	(2 301)
Cash and bank credit opening balance	(31 632)	(23 306)	(5 815)	(3 514)	(3 514)
Cash and bank credit closing balance	**(32 060)**	**(47 765)**	**(32 060)**	**(47 765)**	**(5 815)**

Consolidated statement of comprehensive income

NOK 1 000	Q2 2013	Q2 2012	30.06.2013	30.06.2012	31.12.2012
Profit (loss) for the period	7 783	4 218	9 164	14 199	47 146
Actuarial gain / losses					(549)
Currency translation differences and other changes	(13 876)	(1 592)	(10 483)	(3 041)	(3 835)
Total comprehensive income for the period	**(6 093)**	**2 626**	**(1 318)**	**11 158**	**42 762**
Allocated to shareholders	**(6 093)**	**2 626**	**(1 318)**	**11 158**	**42 762**

Changes in equity

NOK 1 000	30.06.2013	30.06.2012	31.12.2012	01.01.2012
Equity opening balance before change in accounting principle	466 187	432 073	432 073	436 009
Change in accounting principle				(3 936)
Equity opening balance after change in accounting principle	**466 187**	**432 073**	**432 073**	**432 073**
Profit (loss) for the period	9 164	14 199	47 146	-
Other comprehensive income for the period	6 813	(3 041)	(4 384)	-
Dividends	(17 296)	-	(8 648)	-
Equity closing balance	**464 869**	**443 232**	**466 187**	**432 073**

Notes to the financial statements

Note 1 – General information and principles
The condensed consolidated financial statements for the second quarter of 2013 have been prepared in accordance with International Financial Accounting Standards (IFRS) and IAS 34 for interim financial reporting. Kitron has applied the same accounting policies as in the consolidated financial statements for 2012. 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 2012, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2012 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 2012.

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 2013.

Note 4 – Other gains and losses
Other gains and losses consist of net currency gains and losses.

Note 5 – Implementation of IAS 19R
The revised standard on accounting for employee benefits, IAS 19R, has been implemented from January 1st 2013. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised in the profit and loss in the period when a plan is amended. To get figures which are comparable the actuarial gains and losses by end of 2011 are included in the balance per January 1st 2012. New actuarial gains and losses are calculated by the end of the year and there is no effect of this in the second quarter in 2012 or 2013. The total effect in the profit and loss for 2012 is shown by the end of the year. The tables in connection with this note show the changes in profit and loss, balance and comprehensive income. For the equity there is shown a reconciliation from earlier reported values in 2012 and new values after implementing IAS 19R in the ordinary reconciliation earlier in the report. As of 31.12.2012 pension commitments are increased by NOK 5.2 million (NOK 5.5 million per 01.01.2012) and deferred tax assets increased by NOK 1.5 million (NOK 1.5 million per 01.01.2012). The accounting effect on the Group's equity amounts to NOK minus 3.9 million per 01.01.2012 and NOK minus 3.7 million per 31.12.2012.

Impact on condensed profit and loss statement

NOK 1 000	Q2 2013	Q2 2012	30.06.2013	30.06.2012	31.12.2012
Payroll expenses	-	-	-	-	(1 040)
Operating profit (EBIT)	**-**	**-**	**-**	**-**	**1 040**
Tax	-	-	-	-	291
Profit (loss) for the period	**-**	**-**	**-**	**-**	**749**

Impact on consolidated statement of comprehensive income

NOK 1 000	Q2 2013	Q2 2012	30.06.2013	30.06.2012	31.12.2012
Profit (loss) for the period					749
Actuarial gain / losses					(549)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**200**

Impact on condensed balance sheet

NOK 1 000	30.06.2013	30.06.2012	31.12.2012	01.01.2012
ASSETS				
Deferred tax assets	-	1 530	1 452	1 530
Total assets	**-**	**1 530**	**1 452**	**1 530**
LIABILITIES AND EQUITY				
Equity	-	(3 936)	(3 735)	(3 936)
Total equity	**-**	**(3 936)**	**(3 735)**	**(3 936)**
Pension commitments	-	5 466	5 187	5 466
Total long-term liabilities	**-**	**5 466**	**5 187**	**5 466**
Total liabilities and equity	**-**	**1 530**	**1 452**	**1 530**

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 2013 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, 23 July 2013

Asa-Matti Lyytinen
Chair

Arne Solberg
Deputy chair

Martynas Cesnavicius

Lisbeth Gustafsson

Siri Hatlen

Maire Laitinen

Päivi Marttila

Bjørn Gottschlich
Employee elected
board member

May Britt Gundersen
Employee elected
board member

Liv Johansen
Employee elected
board member

Geir Vedøy
Employee elected
board member

Dag Songedal
Interim CEO

tvers.no

Kitron is a medium-size Electronics Manufacturing Services company. The company has manufacturing facilities in Norway, Sweden, Lithuania, Germany, China and the US and has about 1 200 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.

Kitron ASA
Olav Brunborgs vei 4
P.O. BOX 97
NO-1375 Billingstad
Norway