BILLINGSTAD, NORWAY -- EMS firm **Kitron** today reported third-quarter revenue rose 3.7% from a year ago on higher demand for marine and defense electronics.

The net profit fell, however, to NOK 5.1 million from NOK 5.7 million last year. Overall sales were NOK 365.8 million ($63.7 million), while EBIT was NOK 15.4 million, up 67.9% compared with last year. Cash flow from operations fell to NOK -15.4 million from NOK 8.2 million.

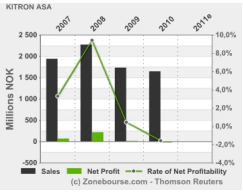
Offshore/marine continues to be the fastest growing market segment, up 71.8% compared to last year. Kitron also secured two significant contracts with **Kongsberg** during the period, worth a combined NOK 130 million over the next three years.

Kitron said its units in China and Germany reached breakeven. The factory in China, opened one year ago, has grown to more than 100 employees and an annual turnover approaching NOK 150 million.

Kitron has decided to establish a distribution center to streamline logistics and reduce inventory. Combined with other initiatives within logistics and supply chain process, Kitron is targeting to reduce inventory by at least NOK 100 million from current levels. The distribution center will be established in Lithuania and will primarily serve Europe. The EMS company expects it to come online in 2013.

Kitron also will expand its Lithuania factory for PCB manufacturing following a Lithuanian government grant from of up to NOK 10 million. Plans call for expansion of its factory in Kaunas and the distribution center. The company plans to invested NOK 40 million to 50 million over the next three years on the sites.

Ed.: 1 NOK = 0.174044 US


KITRON ASA
2007
2008
2009
2010
2011e
Millions NOK
2 500
2 000
1 500
1 000
500
0
-500
10,0%
8,0%
6,0%
4,0%
2,0%
0,0%
-2,0%
-4,0%
Sales
Net Profit
Rate of Net Profitability
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