JASPER, IN – Kimball International today reported net sales of $347.8 million and income from continuing operations of $4.2 million for its fiscal 2008 second quarter.

Net EMS sales rose 8% to $177.4 million from a year ago for the period ended Dec. 31. The net loss was $2.1 million, down from a net income of $400,000. The company said $37.5 million of net sales came from its acquisition of **Reptron.**

Consolidated second quarter gross profit as a percent of net sales declined year-over-year due in part to excess capacity costs and inefficiencies in Kimball's EMS operations, the result of a large number of product transfers from the company's Gaylord, MI, facility and a shift to lower-margin products.

For the quarter, the company took pretax restructuring charges of $600,000 related in part to the previously announced shuttering of EMS facilities in Gaylord and Hibbing, MN. Operating cash flow was $12.4 million, up $1 million.

Net sales of medical, industrial controls and public safety products were higher compared to last year, while automotive sales declined.

The second quarter net loss at Kimball's startup China facility narrowed slightly versus last year.

In a press release, chief executive and president James C. Thyen, said, "Our EMS segment stumbled in the second quarter resulting in a net loss in the segment for the period. We experienced some inefficiencies and excess costs related to these actions."

The exit of the Hibbing plant is scheduled to be complete late in fiscal year 2008.