

## Kontron AG reports revenue of EUR 218 million and EBIT of EUR 15 million in the first half year

- Order book in excess of EUR 300 million, design wins totaling EUR 196 million
- Operating cash flow of EUR 7.4 million
- Gross margin raises to above 30 percent in the second quarter



Eching, Munich, July 27, 2009. Despite the further deterioration of the global economic crisis, Kontron AG generated a slight increase of around 4 percent in revenue to EUR 111.0 million in the second quarter of 2009 compared with the first three months of the current financial year (EUR 106.6 million). This means that 2009 first-half sales amounted to EUR 217.6 million, compared with EUR 232.6 million in the previous year's first half. This decline of around 6 percent, which is due, among other things, to exchange-rate effects (depreciation of Eastern European currencies and of the pound sterling by up to 30 percent), is within the scope of the Kontron Executive Board's budgets. The order book of EUR 301.4 million remains at a very high level, and is only slightly below the record level of the prior-year period (EUR 306.7 million). In terms of design wins, which are important for the medium-term forecast, an increase of even as much as 30 percent was achieved, with a volume of EUR 196.4 million as of the end of the second quarter of 2009, compared with the previous year's figure of EUR 150.8 million.

As was the case with revenue, Kontron AG grew its second-quarter earnings compared with the first three months of the current financial year. EBIT amounted to EUR 8.0 million compared with EUR 7.0 million in the first quarter. In the first half of the year, EBIT totaled EUR 15.0 million (prior-year period: EUR 21.5 million).

The decline reflects weakness in the vertical industrial automation and infotainment markets and the implementation of the Profit Improvement Program, which occurred more rapidly and more intensively than originally planned, and the related restructuring costs. In the course of these measures, the number of Kontron AG employees also fell in the first half of 2009, by 121 persons to a current level of 2,415. Second-quarter net income attributable to our shareholders amounted to EUR 5.5 million (previous year period: EUR 8.0 million). The restructuring measures of the first and second quarters, which place a burden on short-term earnings, are already yielding fruit: production costs fell to EUR 15.5 million in the first half of the year, compared with EUR 16.9 million in the prior-year period. Total costs fell from EUR 54.8 million in the first half of 2008 to EUR 51.0 million in the current financial year. The cost saving was particularly significant in the second quarter. Costs in the second quarter of the current financial year fell to EUR 24.7 million, compared with EUR 29.4 million in the second quarter of the previous financial year.

Receivables and tax prepayments, which were higher on a reporting-date basis, had a negative impact on second-quarter operating cash flow. Nevertheless, a result of EUR 7.4 million for the first half year of the current financial year remains at a good level compared with the prior-year period (EUR 6.7 million). The cash position fell from EUR 58.8 million as of the end of the first quarter to EUR 41.9 million as of the end of the second quarter as a result of the increase in investments of more than EUR 14.3 million and the payment of the dividend of over EUR 10 million. Kontron AG retains a highly solid asset and financial position, and consequently also good liquidity, which is particularly requisite in periods of crisis. The Kontron Executive Board is not assuming that the global economy will improve in the short term. Thanks to our broad sector diversification, our presence on all important markets, as well as the ongoing outsourcing trend, the Kontron Executive Board nevertheless believes that the company continues to enjoy the best opportunities to operate profitably in the market, and to gain further market shares.

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