



Press Release

Apeldoorn/The Netherlands, 25 January 2007

HITT records higher turnover and increased net profit

In 2006 HITT booked a net result of EUR 1.9 million (2005: 1.5 million). The operating profit increased to EUR 1.9 million (2005: EUR 1.4 million) on a revenue of EUR 27.9 million (2005: EUR 24.1 million). The order intake in 2006 of approximately EUR 29 million further strengthens the backlog and provides a good basis for 2007. Mr Van der Scheer (CEO) will step down at the coming General Meeting of Shareholders.

Review 2006

Orders

HITT further strengthened its market position with an order intake of EUR 29 million. Large orders were secured from India for delivery of a system to protect oil rigs in the Arabian Sea and from airports of Frankfurt/Germany, Moscow/Russia, Bergen/Norway and Singapore. Many smaller, but equally important orders were received worldwide for Hydrographic survey and precision navigation onboard ships. Harbour management systems become an increasing part of the portfolio. Also the important after sales market for technical and operational support to delivered systems added to the backlog. 71% of the order intake came from outside the Netherlands.

Technology

A focused R&D program in the past few years strengthened HITT's technological position. Also 2006 showed remarkable results from investments in new technology. HITT is taking part in discussions with the Dutch government about innovations in the field of aviation and extensively utilizes Canadian subsidies for innovative developments.

Running projects

The internet initiative www.aislive.com, for which HITT set up a joint-venture with Lloyd's Register Fairplay in 2004, grows satisfactorily and provides valuable real time information for the international maritime community.

Good progress was made on the projects for the airports of Copenhagen, Denmark, Frankfurt, Germany and Taipei, Taiwan. The system for Cairo airport, Egypt was delivered fully operational. In the field of vessel traffic management systems the large project for the Gulf of Kachchh, India was delayed as the construction company had to redesign constructions as a result of the tsunami late 2004. The coastal surveillance project on the Netherlands Antilles was concluded successfully and led to successive work. Good progress was booked on projects for harbour management systems in Queensland, Australia as well as in Amsterdam. The latter project was a combined effort of Klein, Canada and HITT Traffic, the Netherlands. QPS' products, like Qinsy for Hydrographic survey and Qastor for maritime pilots, are becoming the de-facto world standard.

Organization

As of April HITT owns all shares in both Ican and Klein Systems Group in Canada facilitating even closer cooperation and synergetic advantages. The price was paid partly in cash and partly in an earn-out formula over the years to come until 2010.

Outlook

HITT's well-filled order portfolio is a solid basis for the start of 2007. The strong technological position of the company will - as anticipated - once again translate into successes in the market. Consequently, it is expected that the turnover and net profit will again improve in 2007.

Dividend

In view of the improved results for 2006 and the outlook for 2007, the management will propose at the general meeting of shareholders on 21 February 2007 to pay a dividend over 2006 of EUR 0.14 per share (2005: EUR 0.11) or 36% of net profit, at the top-end of the policy.

Notes to the result

HITT's revenue increased with 16% to EUR 27.9 million (2005: EUR 24.1 million). The employee benefits expense increased to EUR 10.6 million (2005: EUR 9.2 million), mainly due to increased personnel costs in Canada where a temporary salary cut was repaired and a severance pay to Mr Van der Scheer of EUR 0.3 million. Depreciation and amortization increased from EUR 2.5 million in 2005 to EUR 3.3 million, reflecting the increased development activity over the past years. Comparative employee benefit expense over 2005 have been reduced with EUR 0.2 million as the average pay pension plan qualifies as defined contribution plan in stead of defined benefit plan. On balance, a 36% higher operating profit of EUR 1.9 million (2005: EUR 1.4 million) was booked.

After EUR 0.1 million finance cost (2005: nil) and tax benefit of nil (2005: nil), a net profit remains of EUR 1.9 million (2005: EUR 1.5 million). This amounts to EUR 0.39 earnings per share (2005: EUR 0.28).

Of the net result, EUR 43 thousand (2005: EUR 0.2 million) is attributable to third parties and EUR 1.8 million (2005: 1.3 million) to HITT shareholders.

Goodwill grew from EUR 1.3 million to EUR 2.5 million due to the acquisition of the remainder of the shares in Ican and Klein. Other liabilities of EUR 1.3 million relate to the earn-out formula agreed upon the acquisition. Development costs grew from EUR 5.4 million to EUR 6.1 million reflecting the ongoing standardization of products; in equity a legal reserve has been formed. Trade and other receivables – mainly work in progress – increased to EUR 14.2 million (2005: EUR 8.9 million), of which the majority is accounts receivable within normal payment terms. This impacted the cash position that shrunk from EUR 5.4 million to EUR 2.7 million. Related to the increased work in progress also the trade and other payables increased from EUR 5.0 million tot EUR 7.9 million.

Cash flow from operating activities amounted to EUR 3.3 million (2005: EUR 1.3 million) mainly as a result from the net profit adjusted for depreciations and partly offset by the increase in working capital. Investments in (in)tangible fixed assets and the acquisition of the remainder of shares in Ican and Klein Systems Group required EUR 5.3 million (2005: EUR 3.3 million). Financial activities required on balance EUR 0.7 million (2005: EUR 0.6 million) in which the payment of a cash dividend of EUR 0.5 million was the largest part. On balance, cash decreased from EUR 5.4 million to EUR 2.7 million.

About HITT

HITT is a leading player in the worldwide niche markets for traffic management and navigation systems. The company develops technology aimed at safety enhancement and traffic flow improvement, whilst also enabling significant cost reductions in infrastructure and logistics. The core activities of HITT consist of developing and selling management & control systems for air and vessel traffic and hydro-graphic and navigation systems. The former comprises 'Air Traffic Control', controlling traffic on airports, 'Vessel Traffic Management', traffic management and information systems for inland and seagoing traffic, 'Management Systems' for port authorities, pilots, towing services, transshipment and other service industries in ports and on airports and 'Technical Services' aiming at maintaining know-how and systems at customers. The latter comprises 'Hydro-graphic survey systems' for digital underwater terrain modelling; 'precision navigation systems' for piloting & docking and off-shore construction work; 'navigation systems' for the fishing industry and automatic identification systems AIS and 'AIS Live.com' distributing ship based information to interested parties over the internet. HITT supplies software products and support services, and implements projects on a turnkey basis. As a main contractor, HITT supplies all required system elements such as sensors, communication equipment and computers. Subsequent to installation, HITT provides maintenance services throughout the lifetime of the system.

In 2006 HITT achieved a revenue of EUR 27.9 million and a net profit of EUR 1.9 million. The number of staff at year-end 2006 was 165. HITT has been listed on Euronext Amsterdam NV since June 1998.

Further information: ir. John H.M. van Asperen (CFO); t. +31 (55) 543 25 90 e: investor.relations@hitt.nl

Encl: Condensed profit & loss statement, balance sheet and cash flow statement.

Condensed consolidated profit & loss statement
for the year ending 31 December

x € 1,000	2006	2005
Revenue	27,875	24,087
Other operating income	629	497
Changes in work in progress	595	(34)
Raw materials and consumables used	(7,770)	(6,512)
Employee benefits expense	(10,561)	(9,221)
Depreciation and amortization expense	(3,301)	(2,466)
Other operating expenses	(5,579)	(4,959)
Operational profit (loss)	1,888	1,392
Finance benefits (cost)	(63)	33
Profit before tax	1,825	1,425
Income tax (expense) benefit	25	43
Profit for the year	1,850	1,468
Attributable to:		
Equity holders of the parent	1,807	1,299
Minority interests	43	169
	1,850	1,468
Earnings per share		
From continuing operations:		
Basic (based upon 4.,694,158 shares)	39 cents	28 cents
Diluted (based upon 4,729,019 aandelen)	38 cents	27 cents

Condensed consolidated balance sheet
at 31 December

x € 1,000	2006	2005
ASSETS		
Fixed assets		
Equipment	844	1,013
Goodwill	2,499	1,315
Development costs	6,075	5,355
Deferred tax assets	298	1,007
	<u>9,716</u>	<u>8,690</u>
Current assets		
Inventories	237	246
Trade and other receivables	14,186	8,927
Deferred tax assets	916	-
Derivative financial instruments	14	-
Cash and cash equivalents	2,719	5,357
	<u>18,072</u>	<u>14,530</u>
	<u>27,788</u>	<u>23,220</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	1,173	1,173
Share premium reserve	4,848	4,848
Legal reserve	6,048	4,256
Hedging and translation reserve	(386)	(270)
Retained earnings	3,150	3,539
	<u>14,833</u>	<u>13,546</u>
Equity attributable to equity holders of the parent	14,833	13,546
Minority interests	105	1,558
	<u>14,938</u>	<u>15,104</u>
Non-current liabilities		
Deferred tax liabilities	2,797	1,620
Obligation under finance leases	-	201
Other liabilities	1,318	-
Liability for share-based payments	47	39
	<u>4,162</u>	<u>1,860</u>
Current liabilities		
Trade and other payables	7,791	5,024
Current tax liabilities	-	717
Obligation under finance leases	201	163
Other liabilities	105	101
Provisions	591	251
	<u>8,688</u>	<u>6,256</u>
	<u>12,850</u>	<u>8,116</u>
	<u>27,788</u>	<u>23,220</u>

Condensed consolidated cash flow statement
for the year ended 31 December

x € 1,000	2006	2005
Net cash from operations	3,265	1,330
Purchase of equipment	(721)	(410)
Expenditure on product development	(3,304)	(2,776)
Acquisition of subsidiary	(1,324)	(122)
Net cash(used in) from investing activities	(5,349)	(3,308)
Dividends	(516)	(469)
Repayment of borrowings	(6)	(143)
Repayment of obligation under finance leases	(163)	(153)
New loan issued	-	(100)
Repayment of issued loans	-	203
Interest received	29	97
Net cash (used in) from financing activities	(656)	(565)
Net in(de)crease in cash	(2,740)	(2,543)
Cash at 1 January	5,357	7,759
Effect of foreign exchange rate changes	102	141
Cash at 31 December	2,719	5,357

This press release is based upon the annual accounts 2006 to be drawn up; therefore it has not been published yet according to legal regulations. The figures in this press release will be included in the annual accounts 2006 which will include an unqualified auditors' report by BDO CampsObers Audit & Assurance B.V. The annual accounts will be presented for approval to the Annual General Meeting on February 21, 2007

end of press release