Apeldoorn, February 3, 2009

HITT increases operational profit sharply

HITT recorded operating income of EUR 34 million (2007: EUR 34.2 million) and a sharply improved net profit of EUR 1.1 million (2007: EUR 0.2 million) added to a one-off result of EUR 3.7 million from the sale of subsidiaries. The order book increased to EUR 33 million. Barring further economic deterioration, the management is moderately positive about 2009.

2008 review

In the field of Aviation HITT has secured orders from existing clients of the airports of Amsterdam, Stockholm, Copenhagen, Helsinki, Munich and Shanghai and received orders from new customers in Spain and from the authorities of three airports in India and of three airports in Turkey.
Ongoing projects for the coverage of low flying traffic over the North Sea and for the airports of Mumbai, Chennai and Calcutta in India are progressing. Just before year end HITT realized radar coverage on the airport of New Delhi in a very short time scale enabling the ostentatious landing of an Airbus 380. HITT's prestige in India gained remarkably. The projects for the airports of Cairo, Oslo, Beijing and Singapore were commissioned satisfactorily.
In the field of Marine Systems the largest order received concerned the replacement of the radars and subsequent system adaptations for the Scheldt Radar Chain in the Netherlands. The project for the Gulf of Kachchh in India suffered from delays since 2006. The towers which will house HITT's equipment are being completed. Harbor management projects for Queensland, Australia and Port Everglades, USA are nearly ready for commissioning.
The after sales and customer support on completed projects worldwide developed as expected and are an important part of HITT's activities and revenues.
In 2008, order intake totaled approximately EUR 39 million and the order book increased from EUR 26 million to EUR 33 million, including long-term contracts.

In February HITT concluded the disposal of its 50% participating share in the joint venture AIS Live to the other shareholder Lloyd's Register - Fairplay of Redhill, United Kingdom. In June HITT concluded the disposal of its 100% participating share in Ican Ltd of St. John's, Canada to CNS Systems AB of Linköping, Sweden.

At the annual general meeting the President of the Supervisory Board stepped down after his 3rd term. Two new supervisory directors were appointed. In April a new managing director of Klein Systems of Vancouver, Canada was appointed.

Dividend

Management proposes to pay out a final dividend of EUR 0.7 million (14 eurocent per share) or 63% of net result from continuing activities. This equals the dividend paid out over 2007. During 2008 already an interim dividend was paid out amounting to EUR 0.9 million (21 eurocent per share) following the disposal of AIS Live The total pay out amounts to EUR 1.6 million (35 eurocent per share) or 35% of total net result. This is in the middle of the existing dividend bandwidth policy.

Outlook

HITT is active worldwide in the field of traffic management systems. Although the traffic density decreased during the present economic recession, many infrastructural investments have been started up or have been budgeted already. It is expected furthermore that traffic will increase again after the downturn and will cause congestion at hubs. Many authorities have announced to continue investing to prevent underutilization of capacity in the industry. Taking this into account together with the status of the order portfolio, the Management is moderately positive about 2009, but also states that HITT is not unsusceptible to drastic changes in the economic climate.

Management analysis

Notes to the results

Comparative figures have been adjusted to reflect the disposal of subsidiaries. In 2008 revenue decreased to EUR 30.8 million compared to 2007 (EUR 31.8 million), mainly due to another ratio between revenues from vessel and air traffic projects (air traffic share increased from 30% to 36% of revenue, vessel traffic share decreased from 39% to 28% of revenue). Air traffic projects tend to require less purchased goods and subsequently generate lower revenue, but higher gross margin. Raw materials and consumables used, predominantly purchased goods for projects, consequently decreased from EUR 14.8 million in 2007 to EUR 11.5 million. Gross margin improved subsequently to EUR 22.5 million (2007: EUR 19.4 million).

Employee benefits expense increased by 13% to EUR 13.5 million (2007: EUR 12.0 million), mainly due to a sharp increase in hired staff. Depreciation and amortization expense increased to EUR 2.9 million (2007: EUR 2.6 million) following a high level of capitalized development costs over the past years and an impairment on a slower selling product. Other operating expenses increased slightly to EUR 4.7 million (2007: EUR 4.4 million). As a result the operating result increased sharply to EUR 1.4 million (2007: EUR 0.4 million). After finance cost and income tax HITT recorded a net profit from continuing operations of EUR 1.1 million (2007: EUR 0.2 million). The net result from discontinued operations, consisting of normal operations for these discontinued activities plus the gain on the disposal of shares amounted to EUR 3.7 million. The profit for the period therefore amounts to EUR 4.8 million (2007: EUR 0.3 million). The earnings per share amount to EUR 1.01 (2007: 5 eurocent).

Notes to the balance sheet

The goodwill decreased from EUR 2.0 million at the end of 2007 to EUR 1.0 million as a result of the disposal of Ican. The capitalized development cost decreased on balance by EUR 1.9 million to EUR 5.1 million mainly due to the disposal of Ican. Trade and other receivables decreased by EUR 0.5 million to EUR 11.8 million, including work in progress of EUR 6.3 million (2007: EUR 6.7 million). Trade and other payables decreased by EUR 0.4 million to EUR 7.5 million including advance payments received of EUR 2.9 million (2007: EUR 3.1 million). The level of working capital was relatively high during the year, mainly as a result of the delay in the Indian project. It decreased following the payments received.

The legal reserve decreased from EUR 6.8 million to EUR 4.3 million and covers capitalized development costs of the Dutch subsidiaries and foreign currency differences on cash flows and translations. EUR 1.4 million of non-current other liabilities in 2007 consisted of earn-out considerations to former shareholders of Ican and accrued repayments of grants by Ican. These liabilities were settled at the disposal of Ican.

Notes to the cash flow

The cash flow from operating activities decreased to EUR 3.6 million (2007: EUR 7.1 million). This cash flow in 2008 was influenced positively by the decrease of work in progress, but not as much as in 2007 when advance payments received from customers increased significantly. Also in 2008 a remarkable tax payment was effectuated following the change of method of levying by the tax authorities. These effects were partly off set in 2008 by a better net result from continuing activities. The cash flow from investing activities amounted to EUR 2.3 million (2007: EUR 3.4 million outflow) mainly from the disposal of subsidiaries. These sales amounted to EUR 6.3 million, consisting of the consideration received of EUR 7.1 million less the cash sold and less advisory costs. The cash flow from financing activities, including the dividend payment over 2007 and the interim dividend over 2008 of EUR 1.6 million in total, amounted to EUR 2.2 million (2007: 1.2 million). On balance cash increased by EUR 3.6 million from EUR 4.9 million at the end of 2007 to EUR 8.5 million.

Annexes:
1. Condensed consolidated income statement
2. Condensed consolidated balance sheet
3. Condensed consolidated cash flow statement

Profile HITT

HITT is a leading player in the worldwide 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 and services for air and vessel traffic and hydro-graphic and navigation systems. In 2008 HITT achieved a revenue of EUR 34 million and a net profit of EUR 1.1 million. The number of staff at year-end 2008 was 167. HITT has been listed on Euronext Amsterdam NV since June 1998.

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Condensed consolidated income statement

for the period ending June 30, 2008	2008	2007
x EUR 1,000		
Continuing operations		
Revenue	30,847	31,824
Other operating income	70	79
Product development	3,124	2,277
Raw materials and consumables used	(11,498)	(14,783)
Employee benefits expense	(13,535)	(12,027)
Depreciation and amortization expense	(2,922)	(2,582)
Other operating expenses	(4,698)	(4,402)
Operating profit	1,388	386
Finance cost	(1)	(155)
Profit before tax	1,387	231
Income tax (expense) benefit	(337)	(17)
Result from continuing operations	1,050	214
Discontinued operations		
Result from discontinued operations	3,732	58
Profit for the period	**4,782**	**272**
Attributable to:		
Equity holders of the parent	4,741	252
Non-controlling interests	41	20
	4,782	**272**

Earnings per share		
x EUR 1		
From continuing and discontinued operations		
Basic (cents per share)	0,21	0,04
Diluted (cents per share)	0,21	0,04
From continuing operations		
Basic (cents per share)	0,80	0,01
Diluted (cents per share)	0,80	0,01

Condensed consolidated balance sheet

At December 31	2008	2007
x EUR 1,000		
ASSETS		
Non current assets		
Goodwill	992	2,045
Development costs	5,103	6,989
Equipment	709	763
Deferred tax assets	210	240
	7,014	10,037
Current assets		
Inventories	181	107
Trade and other receivables	11,788	12,273
Tax receivables	5	119
Derivative financial instruments	158	633
Cash and cash equivalents	8,502	4,852
	20,634	17,984
	27,648	**28,021**
EQUITY AND LIABILITIES		
Capital and reserves		
Equity attributable to equity holders of the parent	16,415	13,503
Minority interests	137	129
	16,552	13,632
Non-current liabilities		
Retirement benefit obligation	1,512	1,528
Deferred tax liabilities	824	1,468
Other non-current liabilities	-	1,393
	2,336	4,389
Current liabilities		
Trade and other payables	7,463	7,872
Current tax liabilities	826	1,075
Provisions	471	1,053
	8,760	10,000
Total liabilities	11,096	14,389
	27,648	**28,021**

Condensed consolidated cash flow statement

for the year ending December 31 x EUR 1,000	2008	2007
Net cash from operating activities	3.564	7.080
Purchase of equipment	(483)	(362)
Investment in product development	17	4
Acquisition of subsidiary	(3.356)	(3.002)
Proceeds from disposal of subsidiaries	6.266	-
Net cash from investing activities	2.344	(3.360)
Dividends paid to equity holders of the parent	(1.643)	(657)
(Repayment of) borrowings	(19)	(290)
(Repayment of) obligations under finance leases	-	(212)
Other non-current liabilities	(625)	-
Interest received	128	9
Net cash from financing activities	(2.159)	(1.150)
Net cash flow	**3.849**	**2.570**
Cash at January 1	4.852	2.719
Effect of foreign exchange rate changes	(199)	(437)
Cash at December 31	**8.502**	**4.852**

This press release is based upon the annual accounts 2008 drawn up by the management and only concern part thereof. It has not been published yet according to legal regulations. It is expected that Deloitte Accountants B.V. will issue an unqualified auditors' report. The annual accounts will be presented for approval to the Annual General Meeting on March 3, 2008.

End of press release