



## Good first quarter 2007 results

- Profit after taxes more than doubled to EUR 1.25 million.
- Sales up 92% to EUR 62.4 million

EMBARGO to 14 May 2007, 18.00

Genk, 14 May 2007

**IPTE NV, (Euronext Brussel: IPT) posted sales of EUR 62.4 million in the first quarter of 2007 (Q1 2006: EUR 32.4 million). Operating profit nearly doubled to EUR 2.06 million (Q1 2006: EUR 1.12 million). Net profit grew 138% to EUR 1.25 million (Q1 2006: EUR 528,000).**

**From 1 January 2007, group results include those of the PCB assembly activity acquired from Barco. Sales from this activity amounted to EUR 23.2 million in Q1 2007. On a like-to-like basis, sales grew by 20% (EUR 39.2 million –vs- EUR 32.4 million in Q1 2006).**

**The order book rose from EUR 50.6 million at end-2006 to EUR 74.6 million at the end of Q1 2007.**

Managing Director Huub Baren: “In the first quarter of 2007 sales by the Contract Manufacturing division grew both from internally generated growth and the acquisition of the PCB assembly activity to reach a record EUR 49.8 million (EUR 20.6 million in 2006).

EUR 23.2 million of these sales are from the PCB activity acquired from Barco. But even without these the contract manufacturing activity achieved impressive growth of 29.5%. The order book is up from EUR 37.1 million at end-2006 year to EUR 59.2 million at the end of Q1 2007.

Prospects for Contract Manufacturing remain positive.

“Order inflow in the Automation division ran according to plan and remains above market. Thanks in part to our Chinese facility we expect the green light from a number of major international electronics companies to cooperate with us in the medium term. Sales in the Automation division rose from EUR 11.7 million to EUR 12.5 million (+6.8%). The order book rose from EUR 13.5 million at end-2006 to EUR 15.4 million at the end of Q1 2007.

“We are very pleased at the development of our profitability. For Q2 we expect similar results.”



**Profit and loss accounts for the 3 months to 31 March 2007 and 2006<sup>1</sup>**

	Q1 2007		Q1 2006		Y-t-d 2007		Y-t-d 2006	
	EUR '000	%	EUR '000	%	EUR '000	%	EUR '000	%
Sales	62,405	100	32,417	100	62,405	100	32,417	100
Cost of sales	-52,360	-83.9	-25,035	-77.2	-52,360	-83.9	-25,035	-77.2
<b>Gross profit</b>	<b>10,045</b>	16.1	<b>7,382</b>	22.8	<b>10,045</b>	16.1	<b>7,382</b>	22.8
Research and development expenses	-2,011	-3.2	-1,574	-4.9	-2,011	-3.2	-1,574	-4.9
General and administrative expenses	-3,052	-4.9	-2,418	-7.5	-3,052	-4.9	-2,418	-7.5
Selling expenses	-3,004	-4.8	-2,318	-7.2	-3,004	-4.8	-2,318	-7.2
Other operating income/(expense) (net)	85	0.1	46	0.1	85	0.1	46	0.1
<b>Profit from operations</b>	<b>2,063</b>	3.3	<b>1,118</b>	3.5	<b>2,063</b>	3.3	<b>1,118</b>	3.5
Financial income/(charges) (net)	-759	-1.2	-502	-1.6	-759	-1.2	-502	-1.6
<b>Profit before taxes</b>	<b>1,304</b>	2.1	<b>616</b>	1.9	<b>1,304</b>	2.1	<b>616</b>	1.9
Income taxes	-45	-0.1	-87	-0.3	-45	-0.1	-87	-0.3
<b>Profit after taxes</b>	<b>1,259</b>	2.0	<b>529</b>	1.6	<b>1,259</b>	2.0	<b>529</b>	1.6
Attributable to:								
Equity holders of the parent	1,250		476	1.5	1,250		476	1.5
Minority interest	9		53	0.2	9		53	0.2
Number of shares: 5,476,092								
Number of warrants: 1,641,182								
Profit/loss per share in EUR	0.23		0.09		0.23		0.09	

**Equity**

	EUR '000
Equity at 31.12.2006	<b>23,824</b>
Net profit for the year to 31.03.07	1,259
Translation difference	84
<b>Equity at 31.03.2007</b>	<b>25,167</b>
<b>Attributable to:</b>	
Equity holders of the parent	25,063
Minority interest	105

<sup>1</sup> The quarterly figures have not been verified by the statutory auditor.

**Balance sheet at 31 March 2007 and 31 March 2006**

	<b>Q1</b>	<b>Q1</b>
	<b>31 Mar 07</b>	<b>31 Mar 06</b>
	EUR '000	EUR '000
Intangible assets	253	252
Goodwill	5,943	5,943
Property, plant and equipment	14,375	12,089
Deferred tax assets	1,000	902
Non-current receivables	1,490	1,484
Inventories and contracts in progress	49,238	25,776
Trade receivables	50,737	32,246
Other receivables	1,502	1,273
Cash, bank deposits and current investments	2,329	3,373
Other current assets	292	367
<b>Total assets</b>	<b>127,159</b>	<b>83,705</b>
Equity	25,167	23,428
Subordinated loan <sup>2</sup>	7,000	7,000
Provisions	1,093	1,558
Deferred tax liability	1,000	902
Long-term debt less current portion	3,703	2,844
Bank loans and overdrafts	26,455	21,463
Trade payables	40,309	18,694
Other payables	22,432	7,816
<b>Total liabilities</b>	<b>127,159</b>	<b>83,705</b>

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<sup>2</sup> In December 2006, IPTE signed an irrevocable agreement with LRM and management to convert the subordinated loan into capital no later than in October 2007. For this reason the subordinated loan is a short-term financial debt.



On 1 January 2007 the group took over the activities of Barco Electronic Manufacturing (BEM). The net value of the acquired assets and liabilities amounts to EUR 20,390,654, composed as follows:

	<b>01/01/2007</b>
	in EUR
Fixed assets	2,537,384
Gross inventory	19,990,037
Amounts receivable	4,954,623
Other assets	3,914
Deferred charges and accrued income	108,468
<b>Total assets</b>	<b>27,594,426</b>
Payable to Barco	20,390,654
Trade payables	6,622,213
Remuneration & social security	453,744
Other payables	127,815
<b>Total liabilities</b>	<b>27,594,426</b>

**Cash flow table for the period from 01 January 2007 to 31 March 2007 and from 1 January 2006 to 31 March 2006**

	<b>2007</b>	<b>2006</b>
	EUR '000	EUR '000
<b>Profit from operations</b>	<b>2,063</b>	<b>1,118</b>
<b>Adjustments for</b>		
Allowance for doubtful receivables and obsolete stock	1,046	139
Depreciation	910	599
Provisions	-263	-784
<b>Operating cash flow before changes in working capital</b>	<b>3,756</b>	<b>1,072</b>
<b>Changes in working capital</b>	<b>-6,722</b>	<b>-2,689</b>
<b>Cash flow from operating activities</b>	<b>-2,966</b>	<b>-1,617</b>
Income taxes	-45	-232
Financial results	-759	-502
Other	0	-1
<b>Net cash from/(used in) operating activities</b>	<b>-3,770</b>	<b>-2,352</b>
<b>Cash flow from investing activities</b>	<b>-554</b>	<b>-687</b>
<b>Proceeds from /(repayments of) bank financing</b>	<b>+4,344</b>	<b>+2,717</b>
<b>Increase/(decrease) in cash &amp; cash equiv.</b>	<b>-20</b>	<b>+322</b>



**The company**

IPTE is a market leader in the supply of production equipment for the electronics industry. The company is sub-divided into two divisions. IPTE 'Factory Automation' is a market leader in the supply of production equipment for the electronics industry. The division develops manual, semi-automatic and turnkey automation systems for producing, testing and handling of printed circuit boards and for final assembly work.

The 'Contract Manufacturing' division, Connect Systems Group, offers high quality, cost-effective production services to the professional industry. Activities include the production of cables and cable trees, PCB assembly and testing, production of semi-manufactures and final product assembly.

The IPTE Group's references include Alcatel, Bosch, Delphi, Ericsson, Flextronics, Jabil, Johnson Controls, Lear, Mitsubishi, Motorola, Nokia, Philips, Sanmina, Siemens, Solectron and Visteon.

The company presently employs over 2,000 people in facilities in Europe, the United States and Asia.

Shares in the company, which was founded in 1992, are traded on Euronext Brussels. ([www.ipte.com](http://www.ipte.com))

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