



## **IPTE NV – Results for third quarter of 2007**

**IPTE exceeds expectations:  
Sales in third quarter 62 % higher than in 2006  
Net profit of € 2.64 million.**

**EMBARGO until 15 November 2007, 18.00**

Genk, 15 November 2007

**IPTE NV (Euronext Brussels: IPT) has posted sales of € 58.1 million for 3<sup>rd</sup> quarter of 2007 compared with € 35.8 million in the same period last year. The profit from operations in the 3<sup>rd</sup> quarter of 2007 was € 3,290,000 compared with € 950,000 in the same quarter last year. The profit after taxes during the period rose from € 347,000 to € 2,642,000. The order book at the end of 3<sup>rd</sup> quarter of 2007 has risen to a record amount of € 88.5 million compared with € 79.1 million at the end of the 2<sup>nd</sup> quarter.**

**Huub Baren, Managing Director:**

“The results for the 3<sup>rd</sup> quarter are better than expected. Compared with the same period last year, we note a rise in sales of 62 % but especially a strong improvement in the profit from operations and profit after taxes.

As announced in the 2<sup>nd</sup> quarter, the sales in the 3<sup>rd</sup> quarter are lower than in the 2<sup>nd</sup> quarter due to the holiday period. However, positive is that the gross margin rose by 1.3 percent compared with the 2<sup>nd</sup> quarter because of the automation and contract manufacturing product mix, with the result that the profit from operations for the 3<sup>rd</sup> quarter is almost as high as in the 2<sup>nd</sup> quarter.

Automation division sales rose from € 13.8 million in the 3<sup>rd</sup> quarter of 2006 to € 16 million in the 3<sup>rd</sup> quarter of 2007. At the end of the 3<sup>rd</sup> quarter the order book for the division amounts to € 17.8 million (€ 15.8 million at the end of the 2<sup>nd</sup> quarter).

Contract Manufacturing division sales rose from € 22.1 million in the 3<sup>rd</sup> quarter of 2006 to € 42.2 million in the 3<sup>rd</sup> quarter of 2007. The independent growth of contract manufacturing was 7.6 percent (from € 22.1 to € 23.8 million). The order book rose from € 63.4 million at the end of the 2<sup>nd</sup> quarter to a record of € 70.7 million at the end of the 3<sup>rd</sup> quarter.

We can announce that the integration of the takeover of Barco factories in Poperinge (Belgium) and Kladno (the Czech Republic) went well and was completed. In the meantime, we have already installed a completely new assembly line in the Kladno factory with the result that our assembly production capacity has been expanded significantly.

The construction of our new factory in Romania is going according to plan. We expect to relocate from our current Romanian factory to this factory on a phased basis at the end of 2007 and in the first quarter of 2008.



Both divisions are contributing to the positive net result.

The total order book at the end of the 3<sup>rd</sup> quarter is € 88.5 million (€ 79.1 million at the end of the 2<sup>nd</sup> quarter). This is a record for the company. Attractive customer orders were won both in the automation and contract manufacturing divisions. The automation division has made a cooperation-based breakthrough at the Bosch company for the automation of their product lines. A first order worth approximately € 2.5 million has been received for delivery at the start of 2008.

The contract manufacturing division received an order worth € 4 million from the Unitron company for the production of switch units for satellite TV. Unitron has concluded an important contract with Direct TV in the United States to supply switch units for satellite TV. Connect Systems has been selected as the partner for the production.



**IPTE Group results for the third quarter of 2007**

The consolidated balance sheet on 30 September 2007 and the consolidated profit and loss account for the nine-month period ending on 30 September 2007 were not examined by the statutory auditor.

The financial service for IPTE shares is provided by KBC bank.

**Profit and loss account on 30 September 2007 and 30 September 2006**

|                                       | <b>Q3<br/>2007</b>     |       | <b>Q3<br/>2006</b> |       | <b>1-9<br/>2007</b> |       | <b>1-9<br/>2006</b> |       |
|---------------------------------------|------------------------|-------|--------------------|-------|---------------------|-------|---------------------|-------|
|                                       | 000 €                  | %     | 000 €              | %     | 000 €               | %     | 000 €               | %     |
| Sales                                 | 58,138                 | 100.0 | 35,851             | 100.0 | 186,799             | 100.0 | 103,070             | 100.0 |
| Cost of sales                         | -46,807                | -80.5 | -28,907            | -80.6 | -153,401            | -82.1 | -81,623             | -79.2 |
| <b>Gross profit</b>                   | <b>11,331</b>          | 19.5  | <b>6,944</b>       | 19.4  | <b>33,398</b>       | 17.9  | <b>21,447</b>       | 20.8  |
| Research and development expenses     | -1,805                 | -3.1  | -1,515             | -4.2  | -5,790              | -3.1  | -4,694              | -4.5  |
| General and administrative expenses   | -3,365                 | -5.8  | -2,168             | -6.0  | -9,995              | -5.4  | -6,843              | -6.6  |
| Selling expenses                      | -3,031                 | -5.2  | -2,433             | -6.7  | -9,275              | -5.0  | -7,272              | -7.0  |
| Other operating income/expenses (net) | 160                    | 0.3   | 125                | 0.3   | 500                 | 0.3   | 253                 | 0.2   |
| <b>Profit from operations</b>         | <b>3,290</b>           | 5.6   | <b>953</b>         | 2.6   | <b>8,838</b>        | 4.7   | <b>2,891</b>        | 2.8   |
| Financial expenses                    | -675                   | -1.2  | -584               | -1.6  | -1,728              | -0.9  | -1,562              | -1.5  |
| <b>Profit before taxes</b>            | <b>2,615</b>           | 4.5   | <b>369</b>         | 1.0   | <b>7,110</b>        | 3.8   | <b>1,329</b>        | 1.2   |
| Taxes                                 | 27                     | 0.0   | -22                | -0.1  | -394                | -0.2  | -176                | -0.1  |
| <b>Profit after taxes</b>             | <b>2,642</b>           | 4.5   | <b>347</b>         | 0.9   | <b>6,716</b>        | 3.6   | <b>1,153</b>        | 1.1   |
| Attributable to:                      |                        |       |                    |       |                     |       |                     |       |
| Group                                 | 2,642                  | 4.5   | 386                | 1.0   | 6,701               | 3.6   | 1,186               | 1.1   |
| Minority interest                     | 0                      | 0.0   | -39                | -0.1  | 15                  |       | -33                 | -0.1  |
| Number of shares                      | 6.934.424 <sup>1</sup> |       |                    |       |                     |       |                     |       |
| Number of warrants                    | 182.850                |       |                    |       |                     |       |                     |       |
| Profit per share in €                 | 0.38                   |       | 0.06               |       | 0.96                |       | 0.21                |       |
| Diluted profit per share in €         | 0.36                   |       | 0.04               |       | 0.94                |       | 0.16                |       |

<sup>1</sup> As the result of an irrevocable agreement concluded on 6 December 2006, 1,458,332 warrants issued to LRM and the management were converted into shares on 10 October 2007. From this point on the number of shares is 6,934,424 (5,476,092 existing shares + 1,458,332 new shares). This conversion is taken into consideration in the profit per share.

**Balance sheet on 30 September 2007 and 31 December 2006**

|   | 30-sep-07      | 31-dec-06     |
|---|----------------|---------------|
|   | 000 €          | 000 €         |
| Intangible fixed assets                     | 313            | 221           |
| Goodwill                                    | 5,943          | 5,943         |
| Tangible fixed assets                       | 16,672         | 12,226        |
| Deferred tax assets                         | 1,000          | 1,000         |
| Non-current receivables                     | 1,485          | 1,490         |
| Inventories and contracts in progress       | 54,773         | 28,914        |
| Trade receivables                           | 51,119         | 34,781        |
| Other receivables                           | 2,654          | 2,396         |
| Cash, bank deposits and current investments | 3,576          | 2,309         |
| Other current assets                        | 285            | 289           |
| <b>Total assets</b>                         | <b>137,820</b> | <b>89,569</b> |
| Shareholders' equity                        | 30,684         | 23,920        |
| Subordinated loan                           | 7,000          | 7,000         |
| Provisions                                  | 2,216          | 1,356         |
| Deferred tax liability                      | 1,000          | 1,000         |
| Long-term financial debt                    | 4,780          | 1,810         |
| Short-term financial debt                   | 31,035         | 24,005        |
| Trade debts                                 | 39,379         | 21,440        |
| Short-term liabilities                      | 21,726         | 9,038         |
| <b>Total liabilities</b>                    | <b>137,820</b> | <b>89,569</b> |

The management and LRM converted the subordinated loan of € 7 million into capital on 10 October 2007. As of this date, the shareholders' equity is € 37,684,000 and the subordinated loan is € 0.

**Equity**

|  | 2007          |
|--|---------------|
|  | 000 €         |
| Equity on 31/12/2006                                   | 23,920        |
| Net profit in the period from 01/01/2007 to 30/09/2007 | 6,701         |
| Translation difference                                 | 63            |
| <b>Equity on 30/09/2007</b>                            | <b>30,684</b> |
| Attributable to:                                       |               |
| Group  | 30,573        |
| Minority interest                                      | 111           |



**Cash flow table for the period from 1 January 2007 to 30 September 2007 and from 1 January 2006 to 30 September 2006**

|   | 2007          | 2006          |
|---|---------------|---------------|
|   | 000 EUR       | 000 EUR       |
| <b>Profit from operations</b>                                     | <b>8,838</b>  | <b>2,891</b>  |
| <b>Adjustments for</b>  |               |               |
| Allowances for doubtful receivables and obsolete stock            | 2,263         | 34            |
| Depreciation  | 3,032         | 1,952         |
| Provisions  | 860           | 40            |
| <b>Operating cash flow before changes in working capital</b>      | <b>14,993</b> | <b>4,917</b>  |
| <b>Change in working capital</b>                                  | <b>-1,181</b> | <b>-7,671</b> |
| <b>Cash flow from operating activities</b>                        | <b>13,812</b> | <b>-2,754</b> |
| Taxes   | -395          | -176          |
| Financial results   | -1,728        | -1,562        |
| Other   | 0             | 1             |
| <b>Net cash flow from operating activities</b>                    | <b>11,689</b> | <b>-4,491</b> |
| Takeover of Barco PCB assembly activity                           | -15,391       | 0             |
| Cash flow from investments  | -5,032        | -3,159        |
| Increase (+)/ reduction (-) in bank financing                     | 10,001        | 5,642         |
| <b>Increase (+) / decrease (-) in cash &amp; cash equivalents</b> | <b>1,267</b>  | <b>2,008</b>  |

**The company**

IPTE is a global supplier of automated production equipment for the electronics industry and a supplier of production services to the electronics and industrial markets in Europe.

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 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 companies such as Barco, ASML, Alcatel-Lucent, Bosch, Delphi, Philips, Ericsson, Flextronics, Jabil, Johnson Controls, Lear, Continental, SCI-Sanmina, Siemens VDO and Visteon.



The company employs more than 2,000 people, distributed across facilities in Europe, the United States and Asia.  
Shares in the company, which was founded in Belgium in 1992, are traded on Euronext Brussels. ([www.ipte.com](http://www.ipte.com))

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