



## First half year results 2006

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**IPTE NV, (Euronext Brussels: IPT) announces second quarter sales in 2006 of EUR 34.8 million (Q2 2005: EUR 34.6 million). Operating profit for the same period was EUR 857,000 vs. EUR 1,104,000 in the same quarter of 2005. Net profit was EUR 277,000, compared with EUR 696,000 in the second quarter of 2005.**

**First half year sales of EUR 67.2 million are similar to those of the first half year of 2005 (EUR 67.9 million). The six-month operating profit of EUR 1,939,000 compares with EUR 2,241,000 a year before. Net profit is EUR 805,000, as against EUR 1,204,000 during the first half year of 2005.**

**At the end of the second quarter of 2006, the order book increased to EUR 46.3 million, compared with EUR 44.3 million at the end of the first quarter.**

### **Managing Director Huub Baren:**

At EUR 13.1 million, Automation Division sales are almost identical to the second quarter of 2005 (EUR 13.3 million), and in line with our expectations. The operating result is also positive. At the end of the second quarter, the order book amounted EUR 13.4 million (EUR 12.6 million at the end of the first quarter).

Contract Manufacturing sales were EUR 21.6 million (Q2 2005: EUR 21.3 million). At the end of the second quarter, the order book amounted EUR 32.8 million (EUR 31.7 million at 31.3.2006).

Results for the second quarter of 2006 turned out lower than expected. This reflects a number of exceptional factors, first among them the influence of the copper price, which is a major cost factor in our cable department (Contract Manufacturing). Here we were unable to pass on rising copper prices in time to our customers. Fortunately this situation has since been corrected.



At the same time we have slimmed the workforce at our Romanian facility, after our rapid growth in Romania had brought a fall in production efficiency. This situation was corrected in the past quarter.

Financial costs have also significantly increased, owing to higher interest rates in general and our heavier use of bank debt (takeover of Antest shares and higher working capital).

Positive news in the quarter was the further increase in the order book to EUR 46.3 million, its highest level for 3 years. We can therefore look positively towards the coming quarters.

**Event during the first half year.**

IPTE acquired all the shares of French company Antest as of April 1, 2006. IPTE had already owned 52 per cent of this company since May 15, 2003. The remaining 48 per cent of the shares were acquired from minority shareholder and founder Joël Drouyer as of April 1, 2006. Mr Drouyer remains active as a manager of the company.

Antest specializes in developing ICT test applications on several hardware platforms. It cooperates closely with Andelec, a 100 per cent subsidiary of IPTE, which specializes in building test fixtures for electronics production.

As IPTE already had majority control over Antest, this take-over does not affect group sales figures. As of April 1, IPTE will no longer record any minority interest in earnings.



## Half year results, IPTE Group 2006

The consolidated balance sheet as of 30.06.2006 and the consolidated income statement for the six months to 30.06.2006 have not been verified by the statutory auditor.

Financial servicing of IPTE shares is provided by KBC bank.

### Profit and loss accounts for the period ended 30 June 2006 and 30 June 2005

	Q2 2006		Q2 2005		H1 2006		H1 2005	
	EUR '000	%	EUR '000	%	EUR '000	%	EUR '000	%
Sales	34,842	100	34,570	100	67,259	100	67,912	100
Cost of sales	-27,632	-79.3	-27,026	-78.2	-52,717	-78.4	-53,074	-78.2
<b>Gross profit</b>	<b>7,210</b>	<b>20.7</b>	<b>7,544</b>	<b>21.8</b>	<b>14,542</b>	<b>21.6</b>	<b>14,838</b>	<b>21.8</b>
Research and development expenses	-1,605	-4.6	-1,465	-4.2	-3,179	-4.7	-2,686	-4.0
General and administrative expenses	-2,270	-6.5	-2,576	-7.5	-4,675	-6.9	-5,413	-8.0
Selling expenses	-2,520	-7.2	-2,610	-7.5	-4,838	-7.2	-4,971	-7.3
Amortization of goodwill*	0	0	0	0	0	0	0	0
Other income/(expense) (net)	43	0.1	211	0.6	89	0.1	473	0.7
<b>Profit/(loss) from operations</b>	<b>858</b>	<b>2.5</b>	<b>1,104</b>	<b>3.2</b>	<b>1,939</b>	<b>2.9</b>	<b>2,241</b>	<b>3.3</b>
Financial income/(charges) (net)	-514	-1.5	-372	-1.1	-980	-1.5	-897	-1.3
Other (net)	0	0	0	0.0	0	0.0	0	0.0
<b>Profit before taxes</b>	<b>344</b>	<b>1.0</b>	<b>732</b>	<b>2.1</b>	<b>959</b>	<b>1.4</b>	<b>1,344</b>	<b>2.0</b>
Taxes	-67	-0.2	-36	-0.1	-154	-0.2	-140	-0.2
<b>Profit/(loss) after taxes</b>	<b>277</b>	<b>0.8</b>	<b>696</b>	<b>2.0</b>	<b>805</b>	<b>1.2</b>	<b>1,204</b>	<b>1.8</b>
Attributable to:								
Equity holders of the parent	257	0.7	657	1.9	732	1.1	1,150	1.7
Minority interest	20	0.1	39	0.1	73	0.1	54	0.1
Number of shares: 5,476,092								
Number of warrants: 1,641,182								
Profit/(loss) per share in EUR	0.05		0.12		0.13		0.21	
Diluted profit/(loss) per share in EUR	0.04		0.09		0.10		0.16	

(\* ) In accordance with IFRS 3 "Business combinations", the goodwill expressed in a business combination beginning on or after 31 March 2004 can no longer be amortized but is subject to an annual impairment test. This has also to be applied to previously recognized goodwill (IFRS 3.79).



**Balance sheet at 30.06.2006 and 31.12.2005**

	<b>30.06.06</b>	<b>31.12.05</b>
	EUR '000	EUR '000
<b>Intangible assets</b>	241	253
Goodwill	6,181	5,942
Property, plant and equipment	12,740	12,000
Deferred tax assets	901	901
Non-current receivables	1,489	1,502
Inventories and contracts in progress	27,171	23,988
Trade receivables	32,337	26,267
Other receivables	2,498	2,539
Cash, bank deposits and current investments	3,143	3,695
Other current assets	366	390
<b>Total assets</b>	<b>87,067</b>	<b>77,477</b>
Equity	23,338	22,894
Subordinated loan	7,000	7,000
Provisions	1,893	2,342
Deferred tax liability	901	901
Long-term debt less current portion	2,889	2,750
Current debt	22,808	18,147
Other short-term debt	7,258	8,591
Trade payables	20,980	14,852
<b>Total liabilities</b>	<b>87,067</b>	<b>77,477</b>

**Equity**

	<b>2006</b>
	EUR '000
Equity at 31.12.2005	22,894
Net profit for the year to 30.06.2006	805
Acquisition of minority interest in Antest	-465
Translation difference	104
<b>Equity at 30.06</b>	<b>23,338</b>
Attributable to:	
Equity holders of the parent	23,195
Minority interest	143



**Cash flow table for the period from 1 January 2006 to 30 June 2006 and from 1 January 2005 to 30 June 2005**

	<b>2006</b>	<b>2005</b>
	EUR '000	EUR '000
<b>Profit/(loss) from operations</b>	<b>1,939</b>	<b>2,241</b>
<b>Adjustments for</b>		
Allowance for doubtful receivables and obsolete stock	180	359
Depreciation and amortization	1,212	1,379
Provisions	-990	-772
<b>Operating cash flow before changes in working capital</b>	<b>2,341</b>	<b>3,208</b>
<b>Changes in working capital</b>	<b>-3,143</b>	<b>1,690</b>
<b>Cash flow from operating activities</b>	<b>-802</b>	<b>4,898</b>
Taxes	-235	-140
Financial result	-980	-896
Other	0	0
<b>Net cash from/(used in) operating activities</b>	<b>-2,017</b>	<b>3,862</b>
<b>Cash flow from investing activities</b>	<b>-1,939</b>	<b>-2,285</b>
<b>Acquisition of Antest shares</b>	<b>-703</b>	<b>0</b>
<b>Proceeds from/(repayments of) bank financing</b>	<b>4,107</b>	<b>838</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>-552</b>	<b>2,415</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 1,400 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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