



## **Strong results in second quarter of 2007**

**Net profit of € 2.80 million (€ 0.25 million in 2006)**

**Rise in sales of 90 % to € 66.2 million compared with 2nd quarter of 2006**

**EMBARGO until 13 August 2007, 18.00**

Genk, 13 August 2007

**IPTE NV, (Euronext Brussels: IPT) has posted sales of € 66.2 million for the second quarter of 2007 compared with € 34.8 million in the same period last year. The operating profit in the 2nd quarter of 2007 quadrupled and amounted to € 3,486,000 relative to € 858,000 in the same quarter in 2006. The net profit was € 2,815,000 over the period compared with € 277,000 last year.**

**Sales for the first half of 2007 are € 128.6 million, which is an increase of 91 % over the sales for the first half of 2006 (€ 67.2 million). The operating profit for the first six months is € 5,549,000 compared with € 1,939,000 in 2006 (up by 186 %). The net profit for the first half of 2007 is € 4,074,000, relative to € 805,000 during the first 6 months of 2006.**

**The order book at the end of the second quarter of 2007 is up to € 79.1 million, versus € 74.6 million at the end of the first quarter.**

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

We are pleased that we were able to continue the positive trend from the first quarter in the second quarter and to improve profitability even further. Following two quarters we are already performing substantially better than for 2006 as a whole. Our expectations for the 2nd half are also very positive. We believe we can retain our percentage profitability.

The third quarter will be a little lower in terms of sales as the holiday period has a direct influence on sales in contract manufacturing.

In the second quarter of 2007 sales by the Contract Manufacturing division rose through independent growth and a takeover to a record level of € 51.8 million (€ 21.6 million in 2006). The independent growth of contract manufacturing was impressive, namely 28 % (from € 21.6 to € 27.8 million). The order book rose from € 59.2 million (end of Q1) to € 63.4 million (end of Q2).

Sales by the automation division amounted to € 14.5 million, compared with € 13.1 million in the comparable quarter of 2006, and meet our expectations. The order book at the end of the second quarter equaled € 15.8 million (€ 15.4 million at the end of the first quarter).



**2007 half yearly results for the IPTE Group**

The consolidated balance sheet on 30 June 2007 and the consolidated profit and loss account for the six-month period ending on 30 June 2007 have not been examined by the statutory auditor.

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

**Profit and loss accounts on 30 June 2007 and 30 June 2006**

	Q2 2007		Q2 2006		H1 2007		H1 2006	
	000 €	%	000 €	%	000 €	%	000 €	%
Sales	66,255	100	34,842	100	128,660	100	67,259	100
Cost of sales	-54,234	-81.9	-27,632	-79.3	-106,594	-82.8	-52,717	-78.4
Gross profit	12,021	18.1	7,210	20.7	22,066	17.2	14,542	21.6
Research and development expenses	-1,974	-3.0	-1,605	-4.6	-3,985	-3.1	-3,179	-4.7
General and administrative expenses	-3,578	-5.4	-2,270	-6.5	-6,631	-5.2	-4,675	-6.9
Selling expenses	-3,240	-4.9	-2,520	-7.2	-6,244	-4.9	-4,838	-7.2
Other operating income/expenses (net)	257	0.4	43	0.1	342	0.3	89	0.1
Profit from operations	3,486	5.3	858	2.5	5,549	4.3	1,939	2.9
Financial income/charges (net)	-294	-0.4	-514	-1.5	-1,053	-0.8	-980	-1.5
Profit before taxes	3,192	4.8	344	1.0	4,496	3.5	959	1.4
Income taxes	-377	-0.6	-67	-0.2	-422	-0.3	-154	-0.2
Profit after taxes	2,815	4.2	277	0.8	4,074	3.2	805	1.2
Attributable to:								
Group	2,809	4.1	257	0.7	4,059	3.1	732	1.1
Minority interest	6	0.1	20	0.1	15	0.1	73	0.1
Profit per share in € <sup>1</sup>	0.41		0.05		0.59		0.13	
Diluted profit per share in €	0.39		0.04		0.57		0.10	

<sup>1</sup> As a result of an irrevocable agreement concluded on 6 December 2006, 1,458,332 warrants issued to LRM and the management will be converted into shares in October 2007. The number of shares will amount to 6,934,424 at this point (5,476,092 existing shares + 1,458,332 new shares). In the profit per share is already taken account of this conversion.

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

	<b>30-Jun-07</b>	<b>31-Dec-06</b>
	000 €	000 €
Intangible fixed assets	257	221
Goodwill	5,943	5,943
Tangible fixed assets	16,684	12,226
Deferred tax assets	1,000	1,000
Non-current receivables	1,485	1,490
Inventories and contracts in progress	52,174	28,914
Trade receivables	55,264	34,781
Other receivables	2,686	2,396
Cash, bank deposits and current investments	2,373	2,309
Other current assets	280	289
<b>Total assets</b>	<b>138,146</b>	<b>89,569</b>
Shareholders' equity	28,026	23,920
Subordinated loan	7,000	7,000
Provisions	1,210	1,356
Deferred tax liability	1,000	1,000
Long-term financial debt	3,622	1,810
Short-term financial debt	27,892	24,005
Trade debts	46,292	21,440
Short-term liabilities	23,103	9,038
<b>Total liabilities</b>	<b>138,146</b>	<b>89,569</b>

**Equity**

	<b>2007</b>
	000 €
Equity on 31/12/2006	23,920
Net profit for period from 01/01/2007 to 30/06/2007	4,074
Translation difference	32
<b>Equity on 30/06</b>	<b>28,026</b>
Attributable to:	
Group	27,915
Minority interest	111



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

	2007	2006
	000 €	000 €
<b>Profit from operations</b>	<b>5,549</b>	<b>1,939</b>
<b>Adjustments for</b>		
Allowance for doubtful receivables and obsolete stock	1,817	180
Depreciation	1,997	1,212
Provisions	-146	-990
<b>Operating cash flow before changes in working capital</b>	<b>9,217</b>	<b>2,341</b>
<b>Change in working capital</b>	<b>5,966</b>	<b>-3,143</b>
<b>Cash flow from operating activities</b>	<b>15,183</b>	<b>-802</b>
Taxes	-421	-235
Financial results	-1,053	-980
<b>Net cash flow from operating activities</b>	<b>13,709</b>	<b>-2,017</b>
Takeover of Barco PCB assembly activity	-15,391	
Takeover of Antest shares	0	-703
Cashflow from investments	-3,954	-1,939
Increase (+)/reduction (-) in bank financing	5,700	4,107
<b>Increase (+) /decrease (-) in cash &amp; cash equivalents</b>	<b>64</b>	<b>-552</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 the 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 currently employs more than 2,000 people, in facilities in Europe, the United States and Asia.

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



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