

'Would like to be in the driving seat when S&T shares of AvW are placed'

Thomas Streimelweger talks about his changeover to the S&T Management Board and the evaluation of capital raising options.

[Börse](#) Express: What was the underlying reason for your leaving the Supervisory Board to assume a position on the Management Board of S&T following the previously announced resignation of Christian Rosner?

[Thomas Streimelweger](#): I was not involved in day-to-day business operations for a period of ten and one half years. Admittedly I felt a certain longing once again. But naturally there are various factors which influenced my decision. Last year S&T suffered a revenue decline for the very first time. In addition, the company is now 20 times bigger than it used to be at the time I left the Management Board. (Editor's note: in the year 2000). This is quite thrilling in itself. Moreover, I would like to be in the driving seat when the stake held by AvW in the company is sold. I believe I can have a significant influence on what happens so that things develop in the right direction. Recently, AvW was a big burden on us in terms of its image. In my opinion the liquidator is doing a good job and has selected Bank Austria to handle the placement of the shares. By the way, the bank also coordinated the IPO of S&T. Now we are taking a closer look at potentially interested parties on a global basis.

BE: What do you believe will be the time frame for the placement of the 29% stake in S&T?

Streimelweger: This could proceed relatively quickly. I have established good contact with the liquidator and of course offered to cooperate with him. Moreover, I naturally expressed my opinion about what would be strategically beneficial for the company, for example a partner which complements S&T's existing customer base or offers a potentially fruitful cooperation. In any case, this placement opens up completely new opportunities.

BE: Isn't it true that as CEO you can only have a limited impact on the partial change in ownership?

Streimelweger: I see things differently. I am not only a member of the Management Board but a large shareholder of S&T. If somebody acquires the AvW stake against my will, then it would be a passive shareholder, a financial investor. I want this change in ownership to enhance the value of the company. As a CEO I can in fact play a decisive role and explore the strategic aspects.

BE: Capital Bank also has a stake in S&T of less than 10%. Are

you also giving thought to what will happen with these shares?

Streimelweger: I cannot speak on behalf of Capital Bank. But I think it is a simple financial issue for the bank. If they can sell at a profit, they will probably do so. According to my knowledge the focus now is on the 29% stake held by AvW. If a future partner wants more, of course there are possibilities. Generally speaking it is quite simple, and there is absolutely no conflict of interest. Bank Austria, the liquidator, everyone has the same goals, namely to maximize their monetary gains. I also want to achieve the maximum benefit for the company and prevent our image from suffering again due to a shareholder.

BE: There were recently reports in the media that banks are putting pressure on S&T and are demanding rights to your shares in the company. To what extent is this true?

Streimelweger: The article was based on a violation of banking secrecy, but it only reflects half the truth. I did not comment on the article because I did not want the story to be continued in the media. Nothing was written about my accomplishments, for example last year's net gain of EUR 1.5 million from redstars. I can already afford to live the way I want, and am not dependent on the management salary at S&T, even if look forward to it. The salary I am getting is intentionally less than that of my predecessor. Otherwise I do not want to comment any more on this. We know where the story comes from, and a criminal complaint has been filed.

BE: How long is your employment contract?

Streimelweger: I signed a five-year contract yesterday. Accordingly, shareholders can assume a period of stability and security.

BE: Concerning business operations, S&T reported a loss of EUR 12 million in 2009, in particular due to problematic projects in Germany, Switzerland and Romania. This was also reflected in the first quarter results. Do shareholders have to expect further "one-off expenditures" of this kind in the future? What will your priorities be?

Streimelweger: These problematic projects have been concluded. In terms of priorities, numerous measures were already implemented in the past, for example the focus on larger and more extensive projects. We will intensify this "large account" strategy. IT is planned for S&T to shrink from the current level of several thousand customers to several hundred, but to serve them more intensively. I also want to personally visit all large customers. At first we will not grow on the basis of further M&A activities, but only want to make acquisitions on the job market, namely the "best

brains". On balance, I expect positive results in the second half of the year and respectable results in the fourth quarter.

BE: Do you anticipate positive earnings for the year as a whole, all things considered?

Streimelweger: All things considered, yes.

BE: What do you plan for the Business Solutions segment, which was recently a problem child?

Streimelweger: This segment is being managed by Peter Trawnicek since February of this year. And he is doing a good job. The problematic projects you mentioned before primarily relate to the Business Solutions business area. However, everything here has been sorted out. The restructuring is still in progress but should be completed in the third quarter. In the fourth quarter I already anticipate a significant positive earnings contribution from this segment. For us Business Solutions is a future-oriented area. We want to increasingly acquire customers via our consulting work. My main priority is to intensify the depth of our customer relationships and our mutual ties with customers.

BE: A bond issue of EUR 30 million becomes due for payment in May 2011. The Annual Report mentioned initial negotiations about refinancing. How much progress has been made on this?

Streimelweger: Negotiations are fully underway. We have several options to raise capital, either issuing a new bond or a syndicated loan. It could also happen that we carry out a major refinancing, for example to the amount of EUR 70 million, which will encompass the financing which will also fall due even after 2011. I am quite confident that we will be able to conclude an agreement this year. We are also intensively examining various alternatives to raise equity capital.

Interview: [Bettina Schragl](#)

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