

Quarterly Report Q1/2001

18 April 2001

S&T reports results for the first quarter of 2001

- Revenue growth 46% - EBITDA growth 141%
- Due to a strong increase in the core business - Information Technology Solutions (ITS) grew by 102% over Q1 2000 – S&T is reporting another strong growth quarter.

Customer Support Organization (CSO), providing high end services for mission critical IT solutions benefited from ongoing increase of the installed base and increased by 73%.

Medical Systems (MSY) grew by 41% which is in line with the overall growth.

Information Technology Distribution (ITD) decreased by 12%. This was anticipated, as S&T's executes a strategy to refuse low margin business.

Electronic Test and Measurement Systems (TMO) and Chemical Analysis (CA) were spun off in 2000 and consequently show no contribution any more.

CONSOLIDATED INCOME STATEMENT for the three months periods January 1 to March 31, 2001 and 2000 (consolidated, unaudited) in EUR 1,000)

Sales	2001	2000	+/- %
Information Technology Solutions (ITS)	19,943	9,875	102%
Customer Support Organization (CSO)	4,550	2,636	73%
Medical Systems (MSY)	2,447	1,739	41%
Information Technology Distribution (ITD)	5,166	5,893	-12%
Electronic Test and Measurement Systems (TMO) and Chemical Analysis (CA)	0	1,826	
Total sales	32,106	21,969	46%
Other Income	726	549	32%
Total Revenues	32,832	22,518	46%

Merchandise, spare parts and purchased services	-23,731	-16,376	45%
Staff costs	-4,332	-2,983	45%
Other operating expenses	-2,734	-2,315	18%
Total operating expenses before DA	-30,797	-21,674	42%
EBITDA	2,035	844	141%
Depreciation and amortization	(496)	(439)	13%
Amortization of goodwill	(498)	(92)	441%
Profit from operation (EBIT)	1,041	313	233%

The gross margin of 27.7% is well above full year gross margin in 2000 (25.6%) and slightly above adjusted gross margin for Q1 2000 (27.3%).

Staff expenses grew in line with revenues; the number of employees as of March 31, 2001 is 745, compared to 514 employees as of March 31, 2000.

Operating expenses grew by 18%, which indicates savings and use of synergies.

EBITDA grew by 141%, which is attributable to improved revenues and gross margins as well as reduced operating expenses due to careful restructuring and utilization of cross-border synergies.

Despite the significant increase of amortization charges for goodwill (as a result of the successful acquisitions), profit from operations increased by 233% and ended up with 3.2% of revenues in Q1 2001, compared to 1.4% in Q1 2000.

With effect of January 2001 INNET - a network company in Hungary - and NEOS a.s. - a System Integration and IT service company in Czech Republic - have been acquired and first time consolidated. Organic growth was 24%.

S&T will file the full reporting package including full Profit and Loss statement, Balance Sheet and related Cash Flow table in compliance with NASDAQ - Europe rules until May 30, 2001. This information will also be available on S&T's website: www.snt.at

Outlook

S&T's management expects further growth in its core business: mission critical IT infrastructure and related services due to increased demand from foreign direct investments and improved local economies.

Based on the present economic climate and taking Q1 as an indication, we believe that we are well on track to achieve our plan to exceed total revenues of EUR 150 million in FY 2001.

EBITDA is expected for fiscal year 2001 to exceed EUR 10 million, 20% of this is already achieved.

***** **S&T is IT in Emerging Europe*******

S&T helps businesses in Emerging Europe to improve their results by using Information Technology. With total annual revenues expected to surpass EUR 150 million in 2001 and 785 employees as per April 2001, S&T operates subsidiaries in Poland, Russia, Hungary, Czech Republic, Slovakia, Slovenia, Croatia, Romania, Bulgaria, Ukraine, Macedonia, Moldova, Bosnia-Herzegovina and Yugoslavia.

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