

## S&T System Integration & Technology Distribution AG reports Q1 results for 2002

- Revenues grow 4 percent to EUR 34 million
- Revenues in core business grow 18 percent
- Gross margin rises to 30 percent as result of shift to value added services
- EBITDA margin 5 percent due to seasonal effects
- Promising order status for Q2

**April 23, 2002, Vienna, Austria – S&T System Integration & Technology Distribution AG**, a leading IT Systems Integrator in Central and Eastern Europe, today announced that its first quarter 2002 revenues increased by 4 percent to EUR 34 million compared to the first quarter of 2001. Not taking into account ITD, the distribution business being under sale, revenue growth was 18 percent.

The Company's ITS (Information Technology Solutions) division was split during 2001 into SD (Solution Design) and SI (System Integration). Michael Kalas recently was named head of Solution Design, one of the Company's new units. Mr. Kalas joined S&T from Ascential Software, a provider of eBusiness solutions. SD, which is a service driven division requiring highly skilled personnel, had a robust revenue increase of 139 percent to EUR 4.3 million during the first quarter of 2002 compared to the same period in 2001. CS (Customer Support) and MED (Medical Systems) division had increased revenues of 20 percent and 25 percent, respectively.

In commenting on the first quarter results, CEO Tantscher said: "Our past quarterly achievements prove that our business is very seasonal in nature. Customers in Central and Eastern Europe tend to postpone investment decisions towards the end of every calendar year."

The table below shows the development of revenue and EBIT on a consolidated basis from Q1 2001 to Q1 2002.

in EUR 1000	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002
Revenues	32,832	33,819	34,519	61,873	34,048
EBIT	1,041	(817)	799	2.979	614

Mr. Tantscher concluded: "Overall, we are pleased that our gross margin increased 3 percentage points confirming our move to higher value added services and we are looking forward to the upcoming quarters with confidence. There are promising projects in the pipeline, with some significant ones expected already to materialize in Q2."

Staff costs increased by 19% due to S&T's calculated move into value added services that require more highly skilled personnel with related higher salaries. Other operating expenses increased by 34%, also due to one time expenses from the implementation of S&T's new corporate design.

CONSOLIDATED INCOME STATEMENT for three months periods  
January 1 to March 31, 2002 and 2001 (consolidated, unaudited) in EUR 1,000

Sales	2002	2001	+/- %
Solution Design (SD)	4,277	1,790	139%
System Integration (SI)	19,080	18,153	5%
Customer Support (CS)	5,482	4,550	20%
Medical (MED)	3,062	2,447	25%
Information Technology Distributions (ITD)	1,651	5,166	-68%
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Total sales	33,552	32,106	5%
Other operating income	496	726	-32%
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<b>Total revenues</b>	<b>34,048</b>	<b>32,832</b>	<b>4%</b>
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Merchandise, spare parts and purchased services	-23,523	-23,731	-1%
Staff costs	-5,147	-4,332	19%
Other operating expenses	-3,675	-2,734	34%
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Total operating expenses	-32,345	-30,797	5%
<b>Gross Margin %</b>	<b>29.89</b>	<b>26.09</b>	
EBITDA	1,703	2,035	-16%
Depreciation and amortization	-568	-496	15%
EBITA	1,135	1,539	-26%
Amortization of goodwill	-521	-498	5%
<b>Profit from operation (EBIT)</b>	<b>614</b>	<b>1,041</b>	<b>-41%</b>



S&T's management will be available for a conference call on April 23, 2002 at 4.00 p.m. Central European time, UK: 3.00 p.m., US: 10.00 a.m. Eastern time  
Dial: +44 (0)20 8288 4530  
USA: +1 800 950 1447; chairman: Mr. Karl Tantscher

### **About S&T**

S&T is a leading provider of IT solutions to clients in 14 countries of Central and Eastern Europe. S&T offers IT consulting services, develops and implements customized solutions and provides customer support 24 hours a day, 7 days a week. S&T has developed specific know-how in highly critical applications that need reliable back up and disaster recovery functions. It focuses on serving medium-sized and large enterprises, including telcos, banks, utilities, public authorities and health care providers.

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## Consolidated income statement

(all amount in EUR '000)

Period from 01.01., ended	31.03.2002	31.03.2001	31.12.2001
<b>Sales</b>			
Solution Design (SD)	4.277	1.790	14.215
System Integration (SI)	19.080	18.153	89.836
Customer Support (CS)	5.482	4.550	18.853
Medical (MED)	3.062	2.447	20.951
Information Technology Distributions (ITD)	1.651	5.166	16.019
<b>Total Sales</b>	<b>33.552</b>	<b>32.106</b>	<b>159.874</b>
Other operating income	496	726	3.169
<b>Total revenues</b>	<b>34.048</b>	<b>32.832</b>	<b>163.043</b>
Merchandise, spare parts and purchased services	(23.523)	(23.731)	(121.557)
Staff costs	(5.147)	(4.332)	(18.922)
Other operating expenses	(3.675)	(2.734)	(14.455)
<b>Total operating expenses</b>	<b>(32.345)</b>	<b>(30.797)</b>	<b>(154.934)</b>
<i>Profit from operations before depreciation and amortization (EBITDA)</i>	<i>1.703</i>	<i>2.035</i>	<i>8.109</i>
Depreciation and amortization	(568)	(496)	(2.151)
<i>Profit from operations after depreciation/amortization and before amortization of goodwill (EBITA)</i>	<i>1.135</i>	<i>1.539</i>	<i>5.958</i>
Amortization of goodwill	(521)	(498)	(1.956)
<i>Profit from operations (EBIT)</i>	<i>614</i>	<i>1.041</i>	<i>4.002</i>
Finance costs	(5)	253	(1.164)
<b>Profit before tax</b>	<b>609</b>	<b>1.294</b>	<b>2.838</b>
Income tax expense	(392)	(636)	(1.451)
<b>Profit after tax</b>	<b>217</b>	<b>658</b>	<b>1.387</b>
Minority interest	0	(1)	0
<b>Net profit for the period</b>	<b>217</b>	<b>657</b>	<b>1.387</b>
Basic and diluted earnings per share in EUR	0,06	0,20	0,42

## Consolidated balance sheet

(all amounts in EUR '000)

<b>Assets</b>	31.03.2002	31.03.2001	31.12.2001
<i>Non-current assets</i>			
Property, plant and equipment	10.786	9.552	10.474
Intangible assets	14.351	15.421	14.744
Investments in affiliated companies	438	1.243	898
Other investments	135	34	167
Non-current receivables	797	1.649	842
Deferred tax assets	1.491	1.348	1.572
	<u>27.998</u>	<u>29.247</u>	<u>28.697</u>
<i>Current assets</i>			
Inventories	11.599	9.979	11.288
Trade accounts receivable	23.505	21.007	31.608
Other receivables and prepayments	8.475	6.829	7.341
Cash and cash equivalents	10.918	12.467	30.364
	<u>54.497</u>	<u>50.282</u>	<u>80.601</u>
<b>Total assets</b>	<b>82.495</b>	<b>79.529</b>	<b>109.298</b>
<b>Equity and Liabilities</b>			
<i>Shareholders' equity</i>			
Issued capital	3.629	3.629	3.629
Share premium	21.282	21.282	21.282
Treasury shares	(781)	(1.158)	(781)
Accumulated translation adjustments	(376)	(612)	(496)
Retained earnings and other reserves	6.833	5.925	6.616
	<u>30.587</u>	<u>29.066</u>	<u>30.250</u>
<i>Non-current liabilities</i>			
Loans and other liabilities	13.838	13.785	13.410
Deferred tax liability	1.406	1.108	1.392
	<u>15.244</u>	<u>14.893</u>	<u>14.802</u>
<i>Current liabilities</i>			
Trade accounts payable	14.444	15.013	39.895
Current tax liabilities	753	317	753
Other payables	6.397	10.278	8.473
Short-term borrowings	9.065	5.164	8.068
Provisions and deferred income	6.005	4.798	7.057
	<u>36.664</u>	<u>35.570</u>	<u>64.246</u>
<b>Total equity and liabilities</b>	<b>82.495</b>	<b>79.529</b>	<b>109.298</b>

## Consolidated cash flow statement

(all amounts in EUR '000)

Period from 01.01., ended	31.03.2002	31.03.2001	31.12.2001
<b>Operating activities</b>			
Profit from operations	614	1.042	4.002
Adjustments for items not affecting cash:			
Depreciation and amortization	1.089	926	4.107
Gain on disposal of subsidiary	0	0	(277)
Other (net)	172	(569)	(262)
	<u>1.875</u>	<u>1.399</u>	<u>7.570</u>
Changes in working capital:			
(Increase) / decrease in trade accounts and other receivables	6.971	5.316	(7.109)
(Increase) / decrease in inventory	(312)	(186)	(1.364)
Increase / (decrease) in current liabilities	(26.169)	(4.443)	22.889
	<u>(19.510)</u>	<u>687</u>	<u>14.416</u>
Interest received	133	269	756
Interest paid	(261)	(325)	(1.705)
Taxes paid	(297)	(227)	(220)
<b>Net cash from operating activities</b>	<b>(18.060)</b>	<b>1.803</b>	<b>20.817</b>
<b>Investing activities</b>			
Capital expenditure	(1.066)	(555)	(2.073)
Purchase of intangible assets	(44)	(27)	(335)
Purchase of investments	0	(3)	(252)
Proceeds from sale of fixed assets	216	232	414
Proceeds from sale of investments	25	31	173
Disposal of subsidiary, net of cash	0	0	298
Acquisition of subsidiaries, net of cash	(2.043)	(1.147)	(3.531)
Decrease in time deposit for a period longer than three months	882	0	1.765
Long-term loans and receivables from other parties	45	(123)	309
<b>Net cash used in investing activities</b>	<b>(1.985)</b>	<b>(1.592)</b>	<b>(3.232)</b>
<b>Financing activities</b>			
Treasury shares	0	(143)	233
Increase in long-term loans and borrowings	337	456	(63)
Repayment of finance lease	(10)	0	(28)
Increase/(decrease) in short-term borrowings	992	(595)	1.733
<b>Net cash used in financing activities</b>	<b>1.319</b>	<b>(282)</b>	<b>1.875</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(18.726)</b>	<b>(71)</b>	<b>19.460</b>
<b>Movement in cash and cash equivalents</b>			
At start of year	25.017	5.483	5.481
Increase/(decrease)	(18.726)	(71)	19.460
Effect of exchange rate changes	162	(56)	76
At end of year	<u>6.453</u>	<u>5.356</u>	<u>25.017</u>
Time deposits for a period longer than three months	4.465	7.111	5.347
<b>Cash and cash equivalents (in Balance Sheet)</b>	<b>10.918</b>	<b>12.467</b>	<b>30.364</b>