

S&T Reports Strong Revenue Growth for Q1 2003

- **Revenues increased 34% to EUR 46 million**
- **Core businesses grew 47%**
- **EBIT went up 43% to EUR 0.8 million**

April 23, 2003, Vienna, Austria – S&T System Integration & Technology Distribution AG (XETRA: SNT, OTC: STSQY), a leading IT service provider in Central and Eastern Europe, today announced its first quarter 2003 results. S&T's revenues increased by 34 percent to EUR 46 million compared to the first quarter of 2002 and core business grew 47% to EUR 42 million.

The strong revenue increase of 70% for the Enterprise Systems Unit was mainly due to a large contract in Romania which added approximately EUR 10 million in revenues to the first quarter of 2003 as well as the consolidation of Turkish Protek which was not part of the S&T Group in the first quarter of 2002. The acquisition of Fujitsu Services Ltd's operations in seven countries did not affect the first quarter results since consolidation of this acquisition will only start in the second quarter 2003.

Commenting on the first quarter results, CEO Tantscher said: "As expected, we had very solid results in first quarter 2003 which were further enhanced by the large Romanian contract. Overall, we are pleased that our EBIT increased by 43% percent, confirming our move towards higher value added services. There are promising projects in the pipeline, with some expected to materialize in the second quarter, which encourages us to look forward to the upcoming quarters with confidence".

Conference Call

S&T's management (CEO Karl Tantscher and CFO Martin Bergler) is available for a conference call on April 23 at 4.00 p.m. Central European time, UK: 3.00 p.m., US: 10.00 a.m. Eastern time. To take part in the conference call, please dial the international toll free 00800 369 369 60 or 0049 69 50 957 7554 a few minutes prior to the start time. If you have any questions please call 0049 69 50500600 for assistance. For an audio webcast of this conference call go to the IR-section of S&T's corporate website (www.snt.at).

**CONSOLIDATED INCOME STATEMENTS for the three months period
January 1 to March 31, 2003 and 2002 (consolidated, unaudited) in EUR 1,000**

Sales	1-3/03	1-3/02	YoY
BS (Business Solutions)	4.472	4.277	5%
ES (Enterprise Systems)	32.363	19.080	70%
CS (Customer Support)	5.537	5.482	1%
MS (Managed Services)	578	0	n.a.
MED (Medical Systems)	2.124	3.062	-31%
ITD (Information Technology Distribution)	0	1.651	-100%
Total sales	45.074	33.552	34%
Other Income	448	424	5,7%
Total Revenues	45.522	33.976	34,0%
COGS	-33.569	-23.523	42,7%
Staff	-5.994	-5.147	16,5%
Other Operating Expenses	-3.764	-3.603	4,5%
EBITDA	2.195	1.703	28,9%
Depreciation and amortisation	-653	-568	15,0%
EBITA	1.542	1.135	35,9%
Amortisation of goodwill	-662	-521	27,1%
Profit from Operations / EBIT	880	614	43,3%

core business = CS + BS + ES 42.372 28.839 47%

Consolidated income statement

(all amount in EUR '000)

Period from 01.01., ended	31.03.2003	31.03.2002	31.12.2002
Sales			
Business Solutions (BS)	4.472	4.277	17.220
Enterprise Systems (ES)	32.363	19.080	112.093
Customer Support (CS)	5.537	5.482	23.849
Managed Services (MS)	578	--	--
Medical (MED)	2.124	3.062	12.845
Information Technology Distributions (ITD)		1.651	3.403
Total Sales	45.074	33.552	169.410
Other operating income	448	424	1.678
Total revenues	45.522	33.976	171.088
Merchandise, spare parts and purchased services	(33.569)	(23.523)	(126.269)
Staff costs	(5.994)	(5.147)	(22.284)
Other operating expenses	(3.764)	(3.603)	(14.977)
Total operating expenses	(43.327)	(32.273)	(163.530)
<i>Profit from operations before depreciation and amortization (EBITDA)</i>	<i>2.195</i>	<i>1.703</i>	<i>7.558</i>
Depreciation and amortization	(653)	(568)	(2.618)
<i>Profit from operations after depreciation/amortization and before amortization of goodwill (EBITA)</i>	<i>1.542</i>	<i>1.135</i>	<i>4.940</i>
Amortization of goodwill	(662)	(521)	(2.378)
<i>Profit from operations (EBIT)</i>	<i>880</i>	<i>614</i>	<i>2.562</i>
Finance costs	(300)	(5)	(2.084)
Profit before tax	580	609	478
Income tax expense	(540)	(392)	(287)
Profit after tax	40	217	191
Minority interest	--	--	--
Net profit for the period	40	217	191
Basic earnings per share in EUR	0	0	0
Diluted earnings per share in EUR	0	0	0
Weighted number of ordinary shares in issue (thousands)	3.475	3.451	3.462

Consolidated balance sheet

(all amounts in EUR '000)

Assets	31.03.2003	31.03.2002	31.12.2002
<i>Non-current assets</i>			
Property, plant and equipment	10.364	10.786	10.479
Intangible assets	14.295	14.351	15.065
Investments in affiliated companies	185	438	185
Other investments	4.041	135	172
Non-current receivables	429	797	434
Deferred tax assets	2.930	1.491	3.164
	<u>32.244</u>	<u>27.998</u>	<u>29.499</u>
<i>Current assets</i>			
Inventories	7.910	11.599	10.333
Trade accounts receivable	25.908	23.505	42.262
Other receivables and prepayments	8.664	8.475	14.158
Cash and cash equivalents	8.709	10.918	16.176
	<u>51.191</u>	<u>54.497</u>	<u>82.929</u>
Total assets	83.435	82.495	112.428
Equity and Liabilities			
	37.711	37.346	37.621
<i>Shareholders' equity</i>			
Issued capital	7.091	3.629	7.091
Share premium	18.320	21.282	18.320
Treasury shares	(751)	(781)	(173)
Accumulated translation adjustments	(969)	(376)	(570)
Retained earnings and other reserves	6.593	6.833	6.553
	<u>30.284</u>	<u>30.587</u>	<u>31.221</u>
Minority interest in subsidiaries	--	--	--
<i>Non-current liabilities</i>			
Loans and other liabilities	15.651	15.603	15.536
Deferred tax liability	1.892	1.406	2.078
	<u>17.543</u>	<u>17.009</u>	<u>17.614</u>
<i>Current liabilities</i>			
Trade accounts payable	11.498	14.444	25.430
Current tax liabilities	2.256	753	1.894
Other payables	5.316	6.397	8.502
Short-term borrowings	10.779	7.300	11.771
Provisions and deferred income	5.759	6.005	15.996
	<u>35.608</u>	<u>34.899</u>	<u>63.593</u>
Total equity and liabilities	83.435	82.495	112.428

Consolidated cash flow statement

(all amounts in EUR '000)

Period from 01.01., ended	31.03.2003	31.03.2002	31.12.2002
Operating activities			
Profit from operations	880	614	2.562
Adjustments for items not affecting cash:			
Depreciation and amortization	1.315	1.089	4.996
Gain on disposal of subsidiary	--	--	3
Other (net)	(62)	172	176
	<u>2.133</u>	<u>1.875</u>	<u>7.737</u>
Changes in working capital:			
(Increase) / decrease in trade accounts and other receivables	21.848	6.971	(18.688)
(Increase) / decrease in inventory	2.423	(312)	269
Increase / (decrease) in current liabilities	(27.356)	(26.169)	(1.171)
	<u>(3.085)</u>	<u>(19.510)</u>	<u>(19.590)</u>
Interest received	103	133	481
Interest paid	(279)	(261)	(1.547)
Taxes paid	(130)	(297)	(70)
Net cash from operating activities	(1.258)	(18.060)	(12.989)
Investing activities			
Capital expenditure	(317)	(1.066)	(2.269)
Purchase of intangible assets	(11)	(44)	(241)
Purchase of investments	(3.870)	--	(313)
Proceeds from sale of fixed assets	116	216	499
Proceeds from sale of investments	1	25	68
Disposal of subsidiary, net of cash	--	--	(1)
Acquisition of subsidiaries, net of cash	--	(2.043)	(4.262)
Decrease in time deposit for a period longer than three months	882	882	1.765
Long-term loans and receivables from other parties	4	45	385
Net cash used in investing activities	(3.195)	(1.985)	(4.369)
Financing activities			
Treasury shares	(578)	--	608
Increase in long-term loans and borrowings	(162)	337	120
Repayment of finance lease	(69)	(10)	(113)
Increase/(decrease) in short-term borrowings	(1.078)	992	5.045
Net cash used in financing activities	(1.887)	1.319	5.660
Net (decrease) / increase in cash and cash equivalents	(6.340)	(18.726)	(11.698)
Movement in cash and cash equivalents			
At start of year	12.594	25.017	25.017
Increase/(decrease)	(6.340)	(18.726)	(11.698)
Effect of exchange rate changes	(245)	162	(725)
At end of year	6.009	6.453	12.594
Time deposits for a period longer than three months	2.700	4.465	3.582
Cash and cash equivalents (in Balance Sheet)	8.709	10.918	16.176

Shareholders' Equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves	Total
Period ended March 31, 2003						
Opening amount	7.091	18.320	(173)	(570)	6.553	31.221
Increase from initial consolidation	--	--	--	--	--	--
Currency translation differences	--	--	--	(399)	--	(399)
Transactions with treasury shares	--	--	(578)	--	--	(578)
Capital increase	--	--	--	--	--	--
Net profit of the period	--	--	--	--	40	40
Closing amount	7.091	18.320	(751)	(969)	6.593	30.284

Shareholders' Equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves	Total
Period ended March 31, 2002						
Opening amount	3.629	21.282	(781)	(496)	6.616	30.250
Increase from initial consolidation	--	--	--	--	--	--
Currency translation differences	--	--	--	120	--	120
Transactions with treasury shares	--	--	--	--	--	--
Capital increase	--	--	--	--	--	--
Net profit of the period	--	--	--	--	217	217
Closing amount	3.629	21.282	(781)	(376)	6.833	30.587

Shareholders' Equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves	Total
Period ended December 31, 2002						
Opening amount	3.629	21.282	(781)	(496)	6.616	30.250
Increase from initial consolidation	--	--	--	--	(254)	(254)
Currency translation differences	--	--	--	(74)	--	(74)
Transactions with treasury shares	--	--	608	--	--	608
Reclassification	3.362	(3.362)	--	--	--	--
Capital increase	100	400	--	--	--	500
Net profit of the period	--	--	--	--	191	191
Closing amount	7.091	18.320	(173)	(570)	6.553	31.221