

S&T AG 1st quarter 2007 with light increase in revenue

Main focus: IMG takeover and expansion of consulting business

Turnover Q1 2007: 104.4 million Euro

EBITDA Q1 2007: 3.2 million Euro

EBIT Q1 2007: 1.6 million Euro

April 26th, 2007. After an extremely strong Q4/2006, the S&T corporate group generated a turnover of 104.4 million Euro in the 1st quarter of 2007, representing an increase of 3% in comparison to the 1st quarter of 2006 (101.1 million Euro). The EBITDA in the first quarter of 2007 amounts to 3.2 million Euro, the EBIT 1.6 million Euro.

The beginning of the 2007 business year was primarily marked by the takeover of IMG The Information Management Group and the integration preparations, the extremely positive market trend of the S&T stock, as well as measures across the corporate group to expand the consulting and solution business. The political developments in parts of the CEE proved to be a challenge.

As expected, in the first quarter of 2007 the S&T corporate group successfully continued its strategic course from 2006, with slightly weaker profits. At the end of 2006, many large projects had been successfully concluded, resulting in the first three months of this year being dedicated to the acquisition of orders, starting new projects and the largest takeover in the history of the company as well as the extremely positive reactions of the capital market. During the first quarter, the share price increased by 45%, from 39.3 Euro (on 2/1/2007) to 57 Euro. During the same period, the market capitalisation increased from 140.2 million Euro to 203.4 million Euro. "We consistently continue the implementation of our strategic objectives. The capital market rewards this. To boost organic growth as well, we have started a few new initiatives in the first quarter, which are now being rolled out, and also recruited new specialists in the technology

area as well as for our target industries,” Christian Rosner, the CEO of S&T AG, explains.

The SAP medium-sized businesses offensive

In cooperation with SAP, S&T starts an SAP medium-sized businesses offensive in nine countries in which the group is represented (Poland, the Czech Republic, Hungary, Slovenia, Croatia, Serbia, Romania, Turkey and Austria). The targets of the numerous sales and marketing measures are upscale medium-sized businesses who will be offered pre-fabricated SAP solutions that can be implemented quickly and cost-effectively. In Croatia, for example, around 550 companies have more than 200 employees each, while in Romania, around 850 companies with more than 500 employees are in our target group.

Measures to expand the consulting business

Aside from the medium-sized businesses, other measures to increase the consulting and solutions business were also emphasised in the first quarter of 2007. Based on the enormous demand, the expansion of the SAP training centres (in Slovenia) to Croatia and Serbia was started sooner than originally planned. The area of information security, compliance and convergent networks was boosted by an increase in personnel in S&T headquarters and corresponding activities across the corporate group. The optimal utilisation of the consultant and specialist capacities in the entire group was planned by a central S&T / IMG resource management.

Competence Center strategy shows results

The bundling of technology and industry know-how and the coordinated utilisation of the corresponding specialists across the corporate group shows initial positive results. The Competence Center HP OpenView, opened in Bucharest in December 2006, is happy to report numerous incoming orders from various S&T countries, especially Bulgaria, Slovenia, Romania and Slovakia. The Competence Center for IBM Tivoli in Slovenia is also operating successfully. “The customers and our distributors have reacted very positively

to this offer. The Competence Centers actively supported the marketing teams in the S&T countries, which helped to increase the number of concluded contracts,” Rosner explained.

Integration costs as a challenge

The political events, e.g. in Hungary, as well as the special general conditions of other markets such as Russia or the Ukraine, affected S&T’s business in the first quarter. The partial restraint of customers could also be attributed to the expiration of EU subsidy programmes. For example, S&T received several orders in the course of the preparation of the Euro introduction in Slovenia in 2006 and successfully concluded these by the end of 2006. Rosner: “The integration of the acquisitions of 2006, Grall, Unitis, T-Systems Turkey and BEELC not only required great attention, but also investments which should however be concluded in Q1.” In the first quarter of 2006, S&T had 1,900 employees, while acquisitions and employee build-up resulted in a total number of 2,376 employees in the first quarter of 2007.”

2007: Experts are confident

EITO experts again project double-digit growth rates especially for many Eastern European countries for the 2007 business year. With IMG, S&T is active and well-equipped with 3,000 employees in 23 countries. “We face the challenges of the marketplace and of our own company development, which is influenced decisively by the IMG integration. The potential is there, and the capital market and our customers place great trust in us. In 2007, the expansion of our leading position in the areas of IT consulting, solutions and services is on our agenda, as is the strengthening of the business with multi-national customers and the competence expansion within the group,” according to Rosner.

About S&T – www.snt-world.com – XETRA Vienna: SNT

With about 3,000 employees and 461.3 million Euros revenue in 2006, S&T is the leading provider of IT consulting, IT solutions, and IT services for customers in Central and Eastern Europe and in the Germany-Austria-Switzerland region. The consortium has together with the recently acquired IMG AG, a successful presence of over 80 subsidiaries in 23 countries. The core business of S&T is IT consulting, development and implementation, as well as the creation of custom IT solutions, processes and systems. S&T supports large and mid-sized companies along the entire IT value-added chain. In particular, S&T addresses the needs of the manufacturing and trade industries, telecommunications, the public sector, as well as financial service and energy service providers. S&T corporate headquarters is in Vienna and has been listed on the Vienna Stock Exchange since 2003.

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