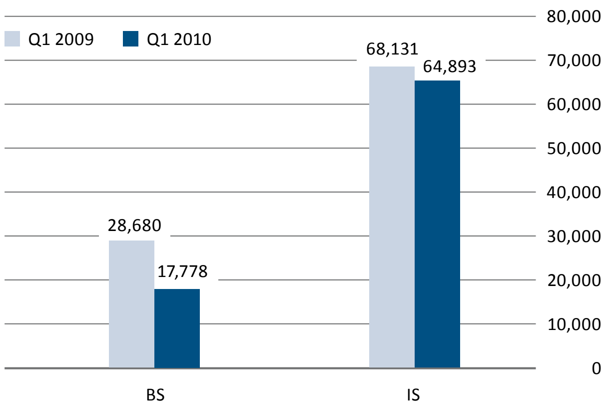
report on the 1st quarter 2010

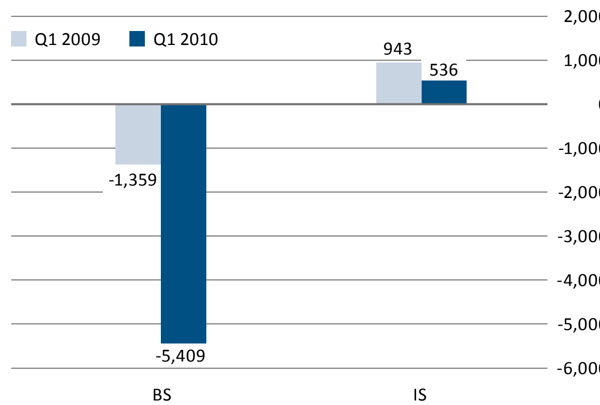
Consulting. Integration. Outsourcing.

interim financial statements for the period ended 31 march 2010

REVENUE DEVELOPMENT (in EUR million)

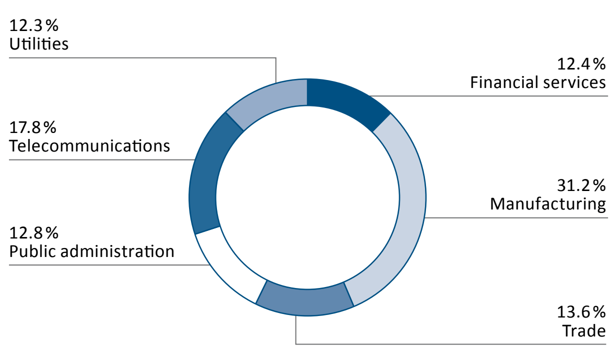


EBIT DEVELOPMENT* (in EUR million)

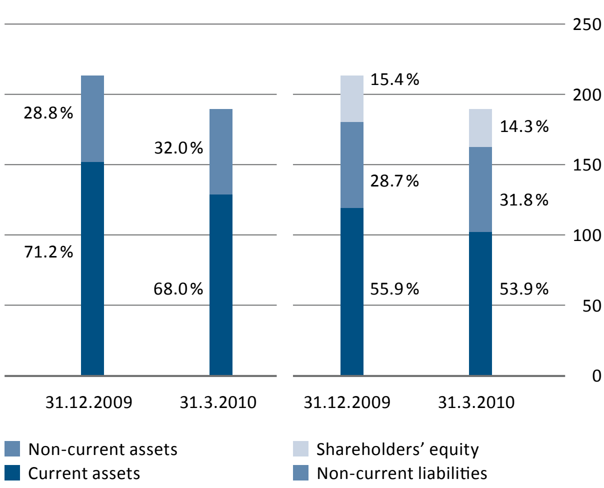


*) does not include unallocated expenses

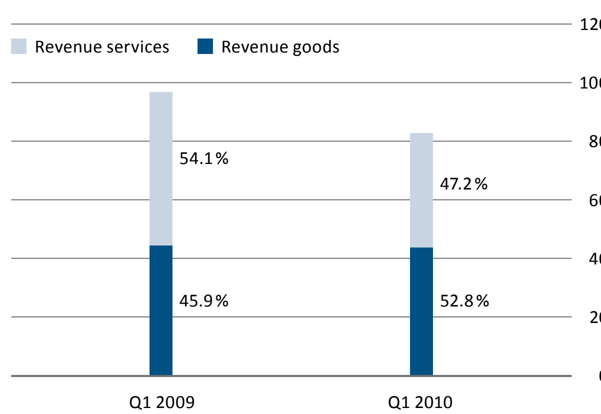
REVENUE PER INDUSTRY (in EUR million)



BALANCE SHEET STRUCTURE (in EUR million)



DEVELOPMENT OF SERVICE SHARE IN REVENUES (in EUR million)

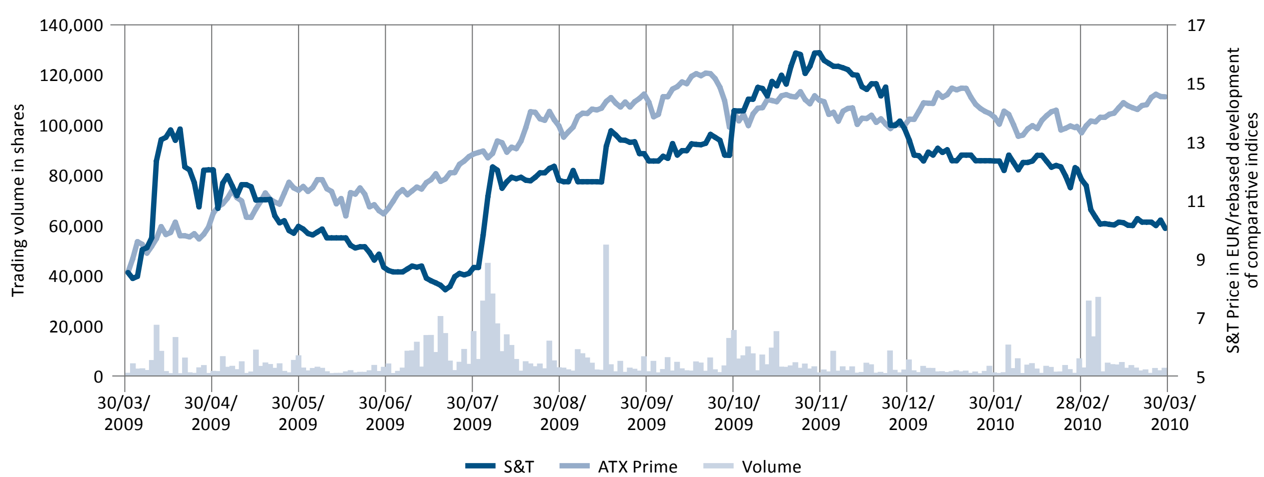


KEY FINANCIAL DATA (in EUR million)

	Q1 2010	Q1 2009*	%
Revenue	**82.7**	96.8	–15 %
EBITDA	**–4.5**	0.4	–
Profit from operations (EBIT)	**–5.9**	–1.2	–
Profit before tax	**–7.4**	–1.5	–
Profit for the year/Net profit	**–7.7**	–2.3	–
Diluted earnings per share in EUR	**–2.16**	–0.42	–
Shareholders' equity	**28.0**	40.4	–31 %
Total assets	**196.1**	214.2	–8 %
Net financial liabilities	**66.6**	61.3	9 %
Net gearing	**34.0 %**	28.6 %	–

* Reclassified in accordance with IFRS 5

SHARE PRICE DEVELOPMENT



report on the 1st quarter 2010

Highlights

- Sales in the Infrastructure Solutions segment remained stable compared to the prior-year quarter, but declined overall by 14.6 % to EUR 82.7 million. In particular, the Business Solutions segment continued to suffer from unsatisfactory capacity utilization on a Group-wide basis.
- As expected, problem projects in Germany, Switzerland and Romania in 2009 negatively impacted earnings of the S&T Group in Q1 2010.
- First-quarter sales in the Infrastructure Solutions segment were once again satisfactory due to long-term service and outsourcing contracts. In 2010, the segment will continue to determinedly pursue its positioning as the leading provider of managed services and outsourcing. In particular, Infrastructure Solutions is focusing on further developing its virtual data center and cloud computing portfolio.
- Although S&T generated a positive first-quarter operating result in most of its markets, the consequences of the previously-announced problem projects in German-speaking Europe and Romania as well as lower sales in the Business Solutions segment resulted in an overall negative Group EBIT of EUR –5.9 million in the first quarter of 2010 (Q1 2009: EUR –1.2 million).

First-quarter sales in the Business Solutions segment fell by 38 %. This development can be attributed to the ongoing low level of customer investments, along with the considerable resources tied up in rectifying and completing some projects. In particular, the order situation in Austria, Germany, Switzerland, Bulgaria, Slovakia and the Ukraine resulted in an overall sales decline for the first quarter of 2010 to EUR 82.7 million (Q1 2009: EUR 96.8 million), which was partially compensated for in Group earnings by the implemented cost reduction measures.

Heterogeneous development within the segments

The unsatisfactory results of the Business Solutions segment continue to be a consequence of the ongoing weak economic situation in the IT markets of many countries and in the consulting business, the repercussions of the previously-mentioned projects from 2009 and investments made by S&T to upgrade its sales and marketing operations. The efforts to rectify the problems were already limited in the first quarter, their scope and duration have been foreseeable since 2009 and some measures have already been concluded.

The Infrastructure Solutions segment achieved a positive operating result in Q1 2010 despite usually seasonally weak first quarter sales. Segment sales declined slightly from the prior-year quarter as a result of the comparatively weak USD, which was also reflected in the margin.

A comparison with the report for the previous quarter (Q4 2009) clearly shows that the costs for merchandise, spare parts and purchased services cyclically declined in line with the drop in sales. However, in particular other operating expenses decreased, falling by 50 %. This can be primarily attributed to the non-recurring restructuring costs which burdened the previous quarter. Based on further savings, other operating expenses could also be significantly reduced in comparison to Q1 2009.

With regard to finance costs, the expected interest expense in the first quarter of 2010 was accompanied by foreign exchange losses, primarily in the Polish Zloty and Japanese Yen, in contrast to the gains reported in Q1 2009.

As can be seen in the consolidated statement of comprehensive income, the translation of the financial statements of subsidiaries in the euro as the reporting currency of the S&T Group also resulted in positive currency translation differences, which significantly contributed to limiting the decrease in shareholders' equity to EUR 5.4 million.

In addition to the usual decrease in current liabilities, the decline in trade accounts receivable was not as extensive in comparison to Q1 2009. For this reason, the resources tied up in working capital increased, though within the expected seasonally normal development. Combined with the operating result, this led to a limited and anticipated drop in the level of cash and cash equivalents.

Only the results of S&T's business activities in China are reported as discontinued operations in the reporting period (whereas Russia and Turkey are also reported as discontinued operations in the comparable period Q1 2009), which only has a very minimal impact on the Group's business results.

Outlook for 2010

Following the cost reduction program implemented in the previous year, the restructuring of operations in German-speaking Europe and strategic investments in sales and marketing, the Management Board of S&T anticipates a profitable business development once again in the second half of the 2010 financial year. The S&T Group has concluded its structural measures for the most part based on the strengthening of the sales organization, particularly in the German speaking areas of Europe, an increasing order volume and the completion of the problem projects, and expects a significant improvement in sales and earnings starting in Q3 2010, above all in the Business Solutions segment. The current work force of close to 2600 employees as well as the organizational structure and strategic approach will remain unchanged. "We will return to growth and sustainable profitability in the second half of 2010. With the exception of the above-mentioned but unfortunately very complicated exceptional cases, customer satisfaction and project quality but also margins were at a high level. S&T will profit from the slow recovery of the IT market and we are convinced that CEE will be a growth driver starting in 2011. Our goal in the future remains to grow above the market average", CEO Christian Rosner says in summing up the perspectives for 2010.

Disclaimer

This report contains statements relating to the future development of the S&T Group and its constituent businesses, as well as future economic and political developments. These future-oriented statements contain assessments made by the management, known and unknown risks, as well as unknown and other factors, which may lead to the actual results, financial standing, performance or goals achieved, or the sector results deviating considerably from the forecasts regarding future results made or implied in such future-oriented statements. Such factors include: competition from other businesses, changes in operational expenditure, negative developments in terms of legal and fiscal framework conditions etc. S&T therefore assumes no responsibility, neither explicitly nor conclusively, for the correctness or completeness of the information contained in this report that affects and relates to the statements made about the future, or for opinions or assessments made. S&T also undertakes no responsibility to adapt such statements made about the future in order to reflect future events or developments.

consolidated income statement – by nature of expense

Period from 01.01., ended	31.03.2010	31.03.2009 [1)]	31.12.2009
Revenues			
Business Solutions (BS)	17.778	28.680	109.425
Infrastructure Solutions (IS)	64.893	68.131	301.663
Total revenues	82.671	96.811	411.088
Other own work capitalized	136	194	733
Merchandise, spare parts and purchased services	(52.822)	(55.527)	(254.169)
Staff costs	(27.583)	(31.636)	(114.593)
Other operating expenses	(7.578)	(10.117)	(43.849)
	(87.983)	(97.280)	(412.611)
Other operating income	636	663	3.576
Total operating expenses less other operating income	(87.347)	(96.617)	(409.035)
Profit from operations before depreciation, amortization and finance costs (EBITDA)	*(4.540)*	*388*	*2.786*
Depreciation and amortization	*(1.328)*	*(1.565)*	*(5.913)*
Profit from operations (EBIT)	***(5.868)***	***(1.177)***	***(3.127)***
Finance costs - net	(1.569)	(312)	(3.830)
Result before tax	**(7.437)**	**(1.489)**	**(6.957)**
Income tax expense	(260)	(20)	(1.822)
Result from continuing operations	**(7.697)**	**(1.509)**	**(8.779)**
Result from discontinued operations	(45)	(832)	(3.515)
Result for the period	**(7.742)**	**(2.341)**	**(12.294)**
Attributable to:			
Equity holders of the company	(7.742)	(2.335)	(12.288)
Minority interest	--	(6)	(6)
Result for the period	**(7.742)**	**(2.341)**	**(12.294)**
Earnings per share from continuing operations attributable to equity holders of the company in EUR:			
Basic and diluted earnings per share	(2,16)	(0,42)	(2,46)
Weighted number of ordinary shares in issue (thousands)	3.565	3.560	3.565

1) Reclassified in accordance with IFRS 5.

consolidated statement of comprehensive income

Period from 01.01., ended	31.03.2010	31.03.2009	31.12.2009
Items net of tax			
Available-for-sale financial assets [1)]	16	--	43
Net investment hedge	--	87	119
Currency translation differences	2.356	(4.082)	(1.256)
Other comprehensive income	**2.372**	**(3.995)**	**(1.094)**
Result for the period	(7.742)	(2.341)	(12.294)
Total comprehensive income	**(5.370)**	**(6.336)**	**(13.388)**
Attributable to:			
Equity holders of the company	(5.370)	(6.330)	(13.383)
Minority interest	--	(6)	(5)
Total comprehensive income	**(5.370)**	**(6.336)**	**(13.388)**
1) net of deferred tax	(2)	--	(5)

consolidated balance sheet

Assets	31.03.2010	31.03.2009	31.12.2009
Non-current assets			
Property, plant and equipment	9.261	12.055	9.570
Intangible assets	44.102	42.567	43.228
Financial assets	860	726	828
Long-term receivables	2.773	3.368	3.361
Deferred tax assets	5.814	6.633	5.496
	62.810	*65.349*	*62.483*
Current assets			
Inventories	16.077	14.728	13.899
Trade accounts receivable and other receivables	102.228	110.646	112.017
Current income-tax receivables	763	1.766	582
Financial assets held for trading	--	31	82
Cash and cash equivalents	13.823	21.712	27.329
Assets classified as held for sale	408	--	369
	133.299	*148.883*	*154.278*
Total assets	**196.109**	**214.232**	**216.761**

Equity and Liabilities			
Shareholders' equity			
Issued capital	7.170	7.170	7.170
Share premium	5.882	5.915	5.882
Treasury shares	(1.326)	(1.326)	(1.326)
Retained earnings and other reserves	16.288	28.711	21.658
Equity attributable to equity holders of the company	*28.014*	*40.470*	*33.384*
Minority interest	*5*	*(24)*	*5*
	28.019	*40.446*	*33.389*
Non-current liabilities			
Long-term financial liabilities	56.003	57.443	56.120
Other long-term liabilities	448	1.302	514
Long-term provisions	5.671	5.515	5.481
Deferred tax liabilities	192	169	49
	62.314	*64.429*	*62.164*
Current liabilities			
Trade accounts payable and other payables	79.296	82.828	96.034
Current income-tax liabilities	365	106	405
Short-term financial liabilities	24.407	25.600	23.035
Provisions	1.172	823	1.288
Liabilities classified as held for sale	536	--	446
	105.776	*109.357*	*121.208*
Total equity and liabilities	**196.109**	**214.232**	**216.761**

consolidated statement of changes in shareholders' equity

	Issued capital	Share premium	Treasury shares	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total
Period ended 31 March 2010							
Balance at 01 January 2010	7.170	5.882	(1.326)	21.658	33.384	5	33.389
Currency translation differences	--	--	--	2.356	2.356	--	2.356
Securities available for sale	--	--	--	16	16	--	16
Net result recognized directly in equity	--	--	--	2.372	2.372	--	2.372
Net result for the period	--	--	--	(7.742)	(7.742)	--	(7.742)
Total comprehensive income	--	--	--	(5.370)	(5.370)	--	(5.370)
Balance at 31 March 2010	7.170	5.882	(1.326)	16.288	28.014	5	28.019
Period ended 31 March 2009							
Balance at 01 January 2009	7.170	5.915	(1.322)	35.041	46.804	(18)	46.786
Currency translation differences	--	--	--	(3.995)	(3.995)	--	(3.995)
Securities available for sale	--	--	--	--	--	--	--
Net result recognized directly in equity	--	--	--	(3.995)	(3.995)	--	(3.995)
Net result for the period	--	--	--	(2.335)	(2.335)	(6)	(2.341)
Total comprehensive income	--	--	--	(6.330)	(6.330)	(6)	(6.336)
Changes in treasury shares	--	--	(4)	--	(4)	--	(4)
Balance at 31 March 2009	7.170	5.915	(1.326)	28.711	40.470	(24)	40.446
Period ended 31 December 2009							
Balance at 01 January 2009	7.170	5.915	(1.322)	35.041	46.804	(18)	46.786
Currency translation differences	--	--	--	(1.138)	(1.138)	1	(1.137)
Securities available for sale	--	--	--	43	43	--	43
Net result recognized directly in equity	--	--	--	(1.095)	(1.095)	1	(1.094)
Net result for the year	--	--	--	(12.288)	(12.288)	(6)	(12.294)
Total comprehensive income	--	--	--	(13.383)	(13.383)	(5)	(13.388)
Initial consolidation	--	(33)	--	--	(33)	28	(5)
Changes in treasury shares	--	--	(4)	--	(4)	--	(4)
Balance at 31 December 2009	7.170	5.882	(1.326)	21.658	33.384	5	33.389

consolidated cash flow statement

Period from 01.01., ended	31.03.2010	31.03.2009	31.12.2009
Cash flows from operating activities			
a) Cash flows from continuing operations			
Profit before tax	(7.437)	(1.489)	(6.957)
Adjustments			
Finance costs - net	1.569	312	3.830
Depreciation and amortization	1.328	1.565	5.913
(Gains)/losses on disposals	(46)	(99)	(240)
Foreign exchange gains/(losses) from operating activities	(660)	280	(764)
Other (net)	1.029	(707)	(2.970)
	(4.217)	(138)	(1.188)
Changes in working capital			
(Increase)/decrease in trade accounts and other receivables	9.639	25.779	18.601
(Increase)/decrease in inventory	(2.177)	3.884	4.726
Increase/(decrease) in current liabilities	(16.902)	(31.604)	(10.528)
	(9.440)	(1.941)	12.799
Cash generated from operations	(13.657)	(2.079)	11.611
Interest received	107	229	755
Interest paid	(366)	(357)	(3.866)
Taxes paid	(656)	(70)	(1.518)
	(14.572)	(2.277)	6.982
b) Cash flows from discontinued operations	33	(1.503)	(1.673)
Net cash generated from operating activities	**(14.539)**	**(3.780)**	**5.309**
Cash flows from investing activities			
a) Cash flows from continuing operations			
Purchase of property, plant and equipment and intangible assets	(658)	(652)	(3.251)
Purchase of financial assets (securities and investments)	--	--	(30)
Proceeds from sale of property, plant and equipment	105	79	812
Proceeds from sale of financial assets	102	--	--
Disposal of subsidiaries, net of cash	150	--	(193)
Acquisition of subsidiaries, net of cash	--	--	(5)
Proceeds from sale of derivative financial instruments	--	--	239
Payments for derivative financial instruments	--	--	(474)
Long-term loans and receivables (granted)/repaid	653	(338)	84
	352	(911)	(2.818)
b) Cash flows from discontinued operations	--	42	23
Net cash used in investing activities	**352**	**(869)**	**(2.795)**
Cash flows from financing activities			
a) Cash flows from continuing operations			
(Purchase)/sale of treasury shares	--	(4)	(4)
Decrease in long-term loans and borrowings	(3.288)	--	(3.450)
Repayment of finance lease liabilities	(456)	(575)	(1.493)
Increase/(decrease) in short-term borrowings	4.065	(4.299)	(2.075)
	321	(4.878)	(7.022)
b) Cash flows from discontinued operations	--	1.494	1.596
Net cash generated from financing activities	**321**	**(3.384)**	**(5.426)**
Net (decrease) / increase in cash and cash equivalents	**(13.866)**	**(8.033)**	**(2.912)**

	31.03.2010'	31.03.209	31.12.2009'
Movement in cash and cash equivalents			
At beginning of period	27.337	30.529	30.529
Increase/(decrease)	(13.866)	(8.033)	(2.912)
Effect of exchange rate changes	394	(784)	(280)
At end of period [1)]	**13.865**	**21.712**	**27.337**
1) Included in cash and cash equivalents per the Balance sheet	13.823	21.712	27.329
Included in the assets classified as held for sale	42	--	8
	13.865	**21.712**	**27.337**

notes to the consolidated interim financial statements

Basis of preparation

The consolidated interim financial statements at 31 March 2010 were compiled in accordance with International Financial Reporting Standards (IFRS). Presentation currency is the Euro. The figures are presented in thousands of Euro (TEUR). With the exception of the new pronouncements described below, the consolidated interim financial statements use the same accounting and valuation methods as the consolidated financial statements for the 2009 financial year. For additional information see the consolidated financial statements as of 31 December 2009, which form the basis for this interim financial statements. IAS 34 "Interim Reporting" was additionally applied.

Impact of new or amended standards and interpretations:

a) New and amended standards and interpretations adopted by the European Union and applied for the first time in the fiscal year:

All pronouncements applicable for the first time (standards, amendments of standards and interpretations) and mandatory in the current financial year do not have any material impact on the group’s financial statements.

b) New standards and interpretations adopted by the European Union

IFRS 3 (Revised) ‘Business combinations’ and IAS 27 (Amendment) ‘Consolidated and separate financial statements’ (effective for reporting periods beginning on or after 1 July 2009). In case of future business combinations the group will apply these standards in reporting periods beginning on or after 1 January 2010.

A number of further amendments to standards and interpretations were published and adopted by the European Union. These pronouncements do not have any material impact on the group’s financial statements and are therefore not explained in detail.

c) Standards, interpretations and amendments to published standards that have not been adopted by the European Union and do not have any material impact on the group’s financial statements

A number of amendments to standards, new standards and interpretations were published that have not been adopted by the European Union. These pronouncements do not have any material impact on the group’s financial statements and are therefore not explained in detail.

Discontinued operations

Due to the liquidation of the subsidiary in Turkey and the transfer of the Russian activities in a cooperation with a minority interest in 2009 and the intended sale of the subsidiary in China we have presented these activities as discontinued operations in accordance with IFRS 5. Comparatives were adjusted.

Financial information for these operations is presented below:

Period from 01.01., ended	**31.03.2010**	**31.03.2009**	**31.12.2009**
Revenues	121	1.812	3.231
Operating expenses less other income	(186)	(2.224)	(4.254)
Profit from operations (EBIT)	(65)	(412)	(1.023)
Finance costs - net	--	(426)	(368)
Result before tax of discontinued operations	(65)	(838)	(1.391)
Tax	--	6	(385)
Result after tax of discontinued operations	(65)	(832)	(1.776)
Pre-tax result recognized on costs to sell and disposal	20	--	(1.739)
Tax	--	--	--
After tax result recognized on costs to sell and disposal	20	--	(1.739)
Result from discontinued operations	(45)	(832)	(3.515)
Attributable to:			
Equity holders of the company	(45)	(826)	(3.509)
Minority interest	--	(6)	(6)
Result from discontinued operations	(45)	(832)	(3.515)
Earnings per share from discontinued operations attributable to equity holders of the company in EUR:			
Basic and diluted earnings per share	(0,01)	(0,23)	(0,98)
Weighted number of ordinary shares in issue (thousands)	3.565	3.560	3.565

Segment reporting

for the period 01.01.2010 - 31.03.2010	Business Solutions	Infrastructure Solutions	Group
Revenue goods	1.343	42.277	43.620
Revenue services	16.435	22.616	39.051
Revenues	17.778	64.893	82.671
Segment result	(5.409)	536	(4.873)
Unallocated costs			(995)
Profit from operations (EBIT)			(5.868)

for the period 01.01.2009 - 31.03.2009[1)]	Business Solutions	Infrastructure Solutions	Group
Revenue goods	1.255	43.181	44.436
Revenue services	27.425	24.950	52.375
Revenues	28.680	68.131	96.811
Segment result	(1.359)	943	(416)
Unallocated costs			(761)
Profit from operations (EBIT)			(1.177)

1) adjusted in accordance with IFRS 8; reclassified in accordance with IFRS 5

Events after balance sheet date

There were no events of major importance after the end of 31 March 2010.

Other information

The interim financial statements were neither subject to an audit nor were the books reviewed by an auditor.

Vienna, 29 April 2010

Christian Rosner   Martin Bergler   Peter Sturz   Peter Trawnicek

investor relations

Contact

Michael Dvorak
S&T System Integration & Technology Distribution AG
Geiselbergstraße 17–19, A-1110 Vienna, Austria

Phone +43 1 367 80 88 1029, Fax +43 1 367 80 88 1099
E-Mail michael.dvorak@snt-world.com
www.snt-world.com

Financial Calendar 2010

May 19, 2010	General Assembly 2010
July 28, 2010	Results 1st half year 2010 Press Conference
August 18, 2010	Report on the 1st half year 2010 Analyst Conference Call
October 28, 2010	Results 3rd quarter 2010 Press Conference
November 17, 2010	Report on the 3rd quarter 2010 Analyst Conference Call

S&T Shares

Trading Symbol (XETRA): SNT
ISIN: AT0000905351
WKN: 915194