



we ANNUAL
improve FINANCIAL REPORT
IT 2007

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Jahresabschluss der S&T AG

MANAGEMENT REPORT

1. Economic Conditions

The global economy was faced with serious challenges in 2007, with conditions marked by high oil prices and the weakness of the US dollar. During the second half of the year the problems in the US housing market grew into a full-blown crisis which affected the credit markets. This negative development had a resounding impact throughout the global economy and international stock markets were hit by severe turbulence.

Nonetheless, global growth was still higher than the long-term average for the fourth year in a row. According to calculations by the European Commission, the global economy expanded by 5.3% in 2007. Growth in China was particularly robust, coming in at 11.4% according to China's National Bureau of Statistics.

European economy continues to grow

The countries of the European Union were also able to post handsome growth figures. The EU welcomed two new members in 2007, Bulgaria and Romania, bringing the number of member states to 27, and posted a 2.4% increase in GDP for the year. The EU-15 recorded a 2.2% rise in gross domestic product, according to Austria's Chamber of Commerce (WKO), while the countries in the euro area achieved GDP growth of 2.7% (source: OECD), surpassing the rate of economic growth in the USA for the first time since 2001. Nevertheless, growth was lower in the second half of the year due to the effects of the US credit market crisis.

Particularly robust growth rates were again anticipated in most of the countries in Central and Eastern Europe (CEE). Hungary's performance, however, lagged behind its peers in the region, with an increase of 2.7% in GDP. In the other countries in the region, economic growth ranged between 4% for Macedonia and 8.5% for Slovakia in 2007. Forecasts for 2008 feature similar rates. Growth is expected to come in between 4% (Macedonia) and 8% (Slovakia), with Hungary once again lagging slightly behind with a projected increase of 3.1% (source: Vienna Institute for International Economic Studies).

Dynamic growth in the IT market

The global market volume of the IT business reached EUR 978 billion in 2007, with Europe accounting for a 34.6% share of this. The USA has a market share of 37.7%, followed by Japan with 13.5%, and the rest of the world, which accounts for 14.2%. Software and IT services experienced especially vibrant growth, increasing by 6.5% and 5.5%, respectively. In 2007, S&T was once again able to profit from the stronger-than-average growth rates recorded in Central and Eastern Europe and from the expansion of the IT business itself.

The combined growth rates of country and sector-specific growth in the CEE region was particularly high. For example, double-digit growth was forecast for no less than three countries in this zone in the IT market in 2007: Bulgaria (+14.8%), Slovakia (+11.4%) and the Czech Republic (+10.3%), followed by Poland at 9.9% (source: EITO 2007).

On the whole, the market has been developing very well for S&T, with especially impressive demand for IT services such as outsourcing, consulting and system integration. S&T is currently registering exceptionally strong growth in these business segments. S&T was well positioned to take full advantage of these developments in 2007, and achieved a 13% rise in sales, easily surpassing the average growth rate of the IT market as a whole.

2. Solutions and Services Powering Sales Growth

The S&T Group was able to outperform its record-setting performance from 2006, booking sales of EUR 522.2 million in 2007, an increase of roughly EUR 61 million on the previous year. This translates into sales growth of 13%. The driving forces behind this increase were the business units Business Solutions with sales of EUR 149.1 million and Managed Services, which posted sales of EUR 86.5 million. These two business units were able to boost their sales revenues by 59% and 16%, respectively, compared to 2006. This reflects the strong dynamics of the transformation of the S&T Group. In both of these business units, S&T has adjusted the structures and processes to the new scales and complexities, opening up promising new business potential. Taken together, these two segments already account for 45% of total sales. We are right on track to meet our strategic goal of doubling the volume of business in these two business units by 2010 and boosting their share in total sales to more than 60%. In the field of Business Solutions we have advanced to become a leading SAP consultant in CEE and in the DACH region (Germany, Austria and Switzerland). Business is moving forward quickly, driven by projects such as the Fejérvíz water works in Hungary, the soybean processing company Sojaprotein in Serbia and A&D Pharma in Romania.

SALES BY BUSINESS UNIT (in EUR Million)

	2007	Change	2006	Change	2005
Business Solutions	149.1	59%	93.8	42%	66.2
Managed Services	86.5	16%	74.7	15%	64.9
Enterprise Systems	286.6	-2%	292.8	30%	224.6
Total sales	522.2	13%	461.3	30%	355.7

The Managed Services business unit posted purely organic growth of EUR 11.8 million (+16%) to EUR 86.5 million. S&T has developed a solid market reputation as a provider of multinational "Managed Desktop Services" and "Selective Outsourcing", winning contracts for multimillion euro projects for OMV and the ministries of defense in Slovakia and the Czech Republic, for example.

Enterprise Systems saw results remain almost flat in 2007, with sales of EUR 286.6 million representing a decline of 2% on the previous year. Within the unit, a sharp upturn was registered in business with server virtualization and IT infrastructure harmonization, and the evolution of the network and security business was also very positive. Amongst other things, S&T was responsible for the development of complex projects for the Austrian broadcaster ORF, Ukrainian High Technologies and Vitana in the Czech Republic. With an eye to the coming years, our priorities are to enhance profitability and focus on "Value Infrastructure", as we increasingly concentrate on higher-margin projects which also require consulting and support services.

All in all, 2007 was a year of deepening integration and continued growth. Progress in the consolidation of our largest-ever corporate acquisition, the Swiss company IMG, significantly reinforced our market presence in the DACH region in the second half of the year and clearly extended our core competencies in the field of Business Solutions. Integration of IMG and the four acquisitions in 2006 (Grall Group/Czech Republic, UNITIS/Hungary, T-Systems/Turkey and BEELC/Poland) into S&T's organizational structure has been almost completed. This has had a particularly positive effect on the overall gross margin, which increased from 28% to 34%.

SALES BY REGION (in EUR Million)

	2007	Change	2006	Change	2005
Adriatic	117.1	-1%	117.7	29%	90.9
Central	170.8	14%	149.5	50%	99.4
East	82.0	2%	80.1	23%	65.2
DACH	140.3	23%	114.0	14%	100.2
Asia	12.0	–	–	–	–
Total sales	522.2	13%	461.3	30%	355.7

Bolstered by the acquisition of IMG, business went well in the DACH region with sales up 23% to EUR 140.3 million. This was related in large part to developments at S&T Austria, which advanced to become one of Austria's top IT companies in the field of Managed Services by winning the four largest contracts in the country. This has allowed S&T and the Group companies to provide more support for client companies from the DACH region in their expansion in the new EU member states. Sales also increased strongly in the region Central, as sales rose 14% from EUR 149.5 million to EUR 170.8 million, with particularly robust growth seen in the Czech Republic, Poland and Moldova. In the region Adriatic, we recorded sales of EUR 117.1 million, in line with the record-setting results posted in 2006, as above-average growth was registered in Croatia and Serbia. The region Asia was also able to make its first contribution in 2007, recording sales of EUR 12 million. Results in the region East were dominated by the excellent performance in Romania and Bulgaria.

Our clearly defined focus on a narrow but highly profitable group of strongly growing sectors is one of the key factors behind the success of the S&T Group. This target group includes the three major sectors of manufacturing, financial services and trade, along with the sectors public administration, telecommunications and utilities, which have been growing strongly in recent years.

S&T is a leading supplier of IT services and consulting in the DACH and CEE region.

3. Return Goals Achieved

A 13% rise in EBITDA to EUR 20.4 million was recorded in 2007. We were also able to exceed our record-setting 2006 result of EUR 12.1 million by posting a 7% increase to EUR 13 million. The third and fourth quarters of 2007 were the best quarters in the company's history in terms of earnings. This performance is all the more impressive when one takes note of the substantial integration and restructuring costs stemming from the acquisitions

in 2006 and 2007. As noted above, these takeovers included IMG, UNITIS, Grall, T-Systems Turkey and BEELC. S&T Russia was successfully reoriented in 2007, as this unit now focuses on Business Solutions, with a strong emphasis on Business Intelligence and SAP Consulting.

S&T continues to vigorously pursue its strategic goals, as evidenced by the numerous initiatives and investments to further broaden its competences and services. These included the opening of two competence centers in Ljubljana (IBM Tivoli and EMC Velocity² Signature Solution Center) and another in Bucharest (Customer Concept Center in cooperation with HP). S&T is also concentrating on the development of SAP business and other strategic business segments. This is reinforced by the expansion of competence through technology certification, for example with the start of an SAP initiative for medium-sized companies in several countries and the opening of a certified SAP training center. S&T's growth and the necessary infrastructure development to support this growth has resulted in higher depreciation on property, plant and equipment, among other things. The EBIT margin remained broadly steady at the previous year's level, reaching 2.5% in 2007 (previous year: 2.6%). Integration work has now been completed by and large, which has demonstrated that we are able to move forward quickly and efficiently as a company in our integration efforts, succeeding rapidly in adapting and strengthening the structures.

ABBREVIATED INCOME STATEMENT (in EUR Million)

	2007	Change	2006	Change	2005
Sales	522.2	13%	461.3	30%	355.7
EBITDA	20.4	13%	18.0	24%	14.5
Profit from operations (EBIT)	13.0	7%	12.1	42%	8.5
Profit before tax	7.9	-25%	10.5	64%	6.4
Profit for the year / Net profit	3.8	-44%	6.8	39%	4.9
Operating earnings per share in EUR (undiluted*)	3.66	8%	3.40	40%	2.42

* Profit from operations (EBIT)/Weighted number of ordinary shares in issue.

The financial result dropped from EUR -1.6 million to EUR -5.2 million, primarily as a result of three approximately equal factors: the rise in interest expenses from the bond issued in May 2006 (with a volume of EUR 30 million and an interest rate of 5.375%), the proceeds of which the Group primarily used to finance the acquisition of the IMG Group; additional interest expenses which were caused by the short-term loans necessary for financing the expansion of business; and currency translation effects amounting to EUR 1.2 million, stemming for the most part from the higher volatility of the US dollar and the Polish zloty. Transactions involving US dollar rates are frequently concluded by the Group in Ukraine, Russia and Turkey. Fluctuations in the exchange rate are at a manageable level. The positive one-off impact of a derivative interest rate hedging transaction that was recorded in 2006 was absent in 2007. The rise in tax expenses despite the decline in pre-tax earnings from EUR 10.5 million to EUR 7.9 million reflects the fact that the costs expensed for integration and investment in services were incurred primarily in countries with low tax rates and that there are limitations to offsetting profits in countries where a profit was earned with tax losses in other countries. Income from business units which were sold off (discontinued), i.e. IMG USA, amounted to EUR 0.02 million. All in all, net profit totaled EUR 3.8 million, corresponding to (undiluted) earnings per share of EUR 1.03.

As of December 31, 2007, the S&T Group employed a staff of 3,138 in 22 countries. The majority of the workforce (2,339) is concentrated in Central and Eastern Europe. This represents an increase of 415 employees (+22%) compared to the previous year. In terms of staff numbers, CEE is followed by the DACH region with 639 employees and the Asia region, which is currently being developed, with a workforce of 160. Additionally, we added more than 200 new personnel in the business units Solutions and Services. S&T invested some EUR 3 million on advanced training and education. Every year we spend roughly 3% of our total wage bill on advanced qualifications for our employees. Because at the end of the day, our employees are our most valuable capital and form the basis for the Group's continuing success.

4. Financial Situation, Assets and Liabilities Structure, Capital Structure

Due to the acquisition of the Swiss company IMG, total assets increased by 13.2%, rising from EUR 235.0 million to EUR 266.0 million. This development was also reflected in the increase in intangible assets, which rose to EUR 44.0 million (previous year: EUR 25.5 million). Shareholder's equity increased by a total of EUR 2.6 million (taking into account EUR 1.1 million in treasury stock that is netted out against equity under IFRS). There was a

KEY FIGURES – BALANCE SHEET

	2007	Change	2006	Change	2005
Total assets in EUR million	266.0	13%	235.0	19%	197.7
Shareholders' equity in EUR million	49.4	6%	46.7	24%	37.7
Equity ratio in %	18.6	–	19.9	–	19.1
Working capital in EUR million ¹⁾	35.9	27%	28.3	-13%	32.7
Net financial liabilities in EUR million ²⁾	52.0	94%	26.8	-22%	34.5
Gearing in % ³⁾	30.8	–	30.1	–	27.5
Liquidity ratio ⁴⁾	1.32	-10%	1.47	20%	1.22
Market capitalization at year end in EUR million ⁵⁾	166.7	19%	139.9	54%	90.7

1) Current assets (without cash) minus current liabilities (without financial liabilities).

2) Long- and short-term financial liabilities minus cash.

3) Long- and short-term financial liabilities proportional to total assets.

4) Current assets proportional to current liabilities.

5) Number of shares at year-end multiplied by stock price.

ABBREVIATED CASH FLOW STATEMENT (in EUR Million)

	2007	Change	2006	Change	2005
Cash flows from operating activities before changes in working capital, interest and taxes	17.5	1%	17.4	51%	11.5
Cash flows from operating activities	7.8	-48%	15.1	–	-5.8
Cash flows from investing activities	-31.1	402%	-6.2	-33%	-9.3
Cash flows from financing activities	9.2	-37%	14.6	-35%	22.3
Cash and cash equivalents at year-end	29.9	-32%	43.9	122%	19.8

modest decline in the equity ratio from 19.9% to 18.6%, due to an increase in the liabilities to banks resulting from additional external funds for financing IMG, which affected the liabilities side of the balance sheet. This pushed the ratio of external capital from 80.1% to 81.4%. Due to the shift towards long-term financing, our debt structure improved.

5. Investments

Key investments in the year under review included the acquisition of the Swiss consulting and SAP specialist IMG. S&T also invested additional funds in the implementation of its strategic goals and the integration of the acquisitions from the 2006 business year. Particularly strong attention was paid to expanding our competences and services in this regard. Amongst other things, this included the opening of three competence centers: two in Ljubljana / Slovenia (IBM Tivoli and EMC Velocity² Signature Solution Center) and one in Bucharest / Romania (Customer Concept Center together with HP). Significant investment was also required for the SAP Infrastructure and the Outsourcing Center in Szilina / Slovakia, which are an important aspect of our strategy going forward.

6. Risk Management

S&T considers effective risk management to be a key factor enabling the Group to achieve its business objectives and efficiently manage the company. A group-wide risk management system was launched in 2007 to improve risk awareness and steering. In doing so, we are also gearing ourselves for the next level of growth beyond the EUR 500 million sales mark, which we achieved in 2007. Implementation of the expanded system will be ultimately completed in 2008.

The goal of the risk management process in the S&T Group is to systematically identify, assess and monitor risks, and to take suitable measures to mitigate any negative impacts. Risk analysis groups the risks according to their probability and damage prior to countermeasures. Countermeasures are structured based on these parameter, and net risk is monitored on a regular basis. A detailed presentation of the financial risk management of the S&T Group can be found in the Notes to the consolidated financial statements in the section on financial risk management.

Above and beyond this, monitoring and management of financial risks forms an integral part of the group-wide accounting and controlling activities. Constant controlling of the subsidiaries includes monitoring of the achievement of targets and steering with the use of uniform benchmarks. Furthermore, the Internal Auditing unit continually reviews the business processes in terms of cost-effectiveness and compliance, and checks the efficiency of the internal controls. In our opinion, none of the risks which have been identified within the framework of our risk management system represent a threat to the company as a going concern. Moreover, no single customer accounts for more than 4% of total sales, and the customer base is spread over 22 countries in various geopolitical regions. As a result customer and default risks are broadly diversified.

7. Research and Development

S&T is primarily active in the services and solutions business, and thus does not make major investments in research and development. Continuous training courses, project-related studies and development work and local competence centers maintain the Group's professional expertise at a state-of-the-art level.

8. Non-Financial Performance Indicators

To a great degree, S&T's business activities are focused on services. Accordingly, customer satisfaction is an absolute top priority. In the interests of ensuring all-around customer satisfaction, we carry out a customer satisfaction survey once every year. The results of this survey are a fixed component in the individual target agreements concluded with our customer service representatives and the IT support personnel.

The workforce of the S&T Group increased from 2,295 to 3,138 (as of December 31, 2007) in part due to the acquisition of the Swiss company IMG. The more than 840 new employees consist of 638 staff from the acquisition of IMG and more than 200 additional IT consultant and solutions experts.

9. Material Events After the Balance-Sheet Date

No material events occurred after the end of the 2007 fiscal year.

10. Information Pursuant to the Takeover Amendment Act of 2006 (Übernahmerechts-Änderungsgesetz)

The Company's share capital consists of 3,585,017 bearer shares. All of the shares feature the same rights and obligations in accordance with the principle "One share, one vote." There are no limitations on voting rights or on transfer of shares. The Management Board is not aware of any agreements between shareholders which result in limitations on the voting rights or transfer of shares. As of the reporting date, the Management Board is aware of the following shareholdings, each of which individually amounts to at least a 5% interest: Thomas Streimelweger (~28%), AvW Invest AG (~26%), Österreichische Postversicherung AG (~5%). No shareholders have special rights of control.

The provisions on the appointment and removal of members of the Management Board are based exclusively on the relevant regulations of the Stock Corporation Act of 1965 (AktG), as amended. Pursuant to Sec 169 of AktG, the Management Board is authorized to increase the share capital by up to EUR 3,535,930 through the issue of up to 1,767,965 bearer shares by December 23, 2009.

The Company has not concluded any significant agreements which enter into effect, change or end in the event of a change in control as a result of a takeover bid. In the event of a takeover of the Company, the members of the Management Board are entitled to a transition premium in the event of further employment, or are entitled to terminate their employment with severance as an alternative option.

Based on a resolution of the 16th Annual General Meeting of S&T System Integration & Technology Distribution AG held on May 2, 2007, the Management Board was authorized to purchase the Company's share pursuant to Sec 65 (1) item 4 and item 8 of AktG to the extent permissible by law at a minimum value of EUR 1 and a maximum value of EUR 150. This authorization to purchase shares is valid until November 1, 2008. The Management Board has opted to make use of this authorization. The share buy-back program begins on January 14, 2008 and is expected to end on June 30, 2008. It pertains to ordinary bearer shares issued by S&T System Integration & Technology Distribution AG. The prospective volume (number) of company shares to be repurchased is up to 100,000 ordinary bearer shares, which is equivalent to up to 2.8% of the share capital. Repurchase of shares in

S&T System Integration & Technology Distribution AG within the framework of this share buy-back program shall take place via the Vienna Stock Exchange, with the exclusive mediation of banks. The purpose of this program is to utilize the Company's shares within the framework of possible acquisitions. The share buy-back program has no impact on the issuer's listing on the stock exchange.

Above and beyond this, pursuant to Sec 65 (1b) of AktG, the 16th Annual General Meeting also authorized the Management Board to sell the Company's shares in a manner other than via the stock exchange, with a prohibition of purchase or subscription rights for shareholders. This authorization to sell shares is valid for a period of five years. This is intended to allow for Company shares to be used as means of payment within the framework of acquisitions.

11. Outlook

Market conditions promise to remain challenging at least throughout the first half of 2008, due to the housing market crisis in the USA and the resulting problems on the credit markets. This situation is further exacerbated by the weakness of the US dollar and high oil prices, which have repeatedly hit new record-setting levels beyond USD 100 per barrel. It remains to be seen what impact these factors will have on the real economy in our core business regions in DACH and CEE, and in particular what the effect will be on key medium-sized enterprises in our core industries. All things considered, we maintain our optimistic opinion on 2008.

The United Nation's report on global economic performance forecasts a slowdown in the pace of global economic activity, but despite the difficult conditions, the UN still believes that global economic growth could amount to about 3.4% in 2008. It is clear that general forecasts are particularly difficult to make at the time being, and that 2008 will be a very challenging year in terms of the business conditions.

One positive note for S&T is that the IT market will continue to grow, especially in most of S&T's target countries: At the global level, expansion of 5.3% is forecast for 2008. The European market, which is of vital importance in S&T's business activities, is expected to develop very positively, with growth projected at 4.7% (source: EITO in cooperation with IDC). Growth in the new EU member states is expected to be especially dynamic. According to a study by the IT market research company IDC, annual IT spending in the 10 new EU member states is poised to increase by an average of 12% through to 2013.

With regards to the overall development of the economy, analysts forecast Eastern European economic growth rates to range between 3.1% in Hungary and 6% in Ukraine in 2008. Even stronger growth rates are predicted in Turkey (6.5%) and China (10%). Analysts from PAC (Pierre Audin Consultants) expect that retailers will be making above-average investments in IT equipment to build up connections between individual sales locations and to find common denominators for their networks, which have become increasingly complex in recent years. In Germany alone, investment by wholesalers in the field of software and IT services is projected to grow from some EUR 600 million in 2007 to EUR 800 million in 2011. Over the same period, IT investment by the German food industry is seen to rise from EUR 600 million to EUR 700 million, and non-food industry investment may increase from EUR 1.2 billion to EUR 1.5 billion. In the financial sector, insurance companies will come under increasing pressure to streamline their processes in the interests of maximizing profitability, whilst manufacturers and suppliers for the automotive industry will have no alternative but to rationalize their supply chains and fine-tune their networks to enhance efficiency in the face of ever keener global competition.

In addition to market expansion and sustained direct investment abroad, we believe that corporate success will be driven by enterprises from a wide range of sectors striving to optimize their business processes through the use of modern IT systems. Amidst conditions marked by increasingly fierce competition, established companies and new start-ups alike will endeavor to achieve higher cost efficiency using instruments such as selective outsourcing, globally valid IT standards, including service-oriented architecture (SOA) as well as business intelligence (BI) and CRM solutions. IDC expects that the market for SOA services will expand from the current USD 6.3 billion to USD 32.7 billion by 2010. A study published in October 2007 by the company Equaterra also projects significant increases in the field of Business Process Outsourcing (BPO) in Europe, the Middle East and Africa (EMEA) in 2008, in particular due to the fact that this business unit is far less developed in this region than in other regions, for example in North America. With an eye to such prospects, we are confident that demand for IT services will remain similarly robust, especially in our key markets such as Central and Eastern Europe and Asia.

The S&T Group's order books are full of projects. The Group will stick closely to its course for growth, and will not rule out making further acquisitions in the future as well. From the current vantage point, the S&T Group projects sales in the range of EUR 560–580 million in 2008, with EBIT expected to come in between EUR 15 and 17 million, once again allowing the company to grow at rates significantly stronger than the market. We are convinced that IT spending for high-quality consulting and service solutions in CEE will continue to rise and that more excellent business opportunities for our core business units will also arise in the DACH region. By leveraging our unique geographical presence, our existing know-how and resources as well as the synergies generated from integration we firmly intend to pursue the development of our company in line with the goals set in our "Strategy 2010+."

Vienna, March 4, 2008

The Management Board



Christian Rosner
CEO



Martin Bergler
CFO

Disclaimer: This report includes forward-looking statements regarding the development of the S&T Group and its companies as well as economic and political trends. These forward-looking statements contain management estimates, known and unknown risks, uncertainties and other factors that may cause the actual results, financial situation or degree to which S&T performs or achieves its targets or the performance of the sector to materially deviate from the results, performance or achievement of targets predicted or indicated by forward-looking statements. These factors include competition from other companies, changes in operating expenses, negative developments in underlying legal and fiscal conditions, etc. S&T shall thus not be held liable, expressly or conclusively, for the correctness or completeness of the forward-looking statements included in this report, information based on forward-looking statements, for opinions or for estimates. Furthermore, S&T shall not be held liable for adjusting such forward-looking statements in the future in order to reflect future events or developments.

DECLARATION OF THE MANAGEMENT BOARD IN ACCORDANCE WITH SECTION 82 PARA. 4 NO. 3 BÖRSEG
(AUSTRIAN STOCK EXCHANGE ACT)

We confirm to the best of our knowledge that according to the applicable accounting principles the consolidated financial statements give a true and fair view of S&T Group's assets and liabilities, its financial position and results of operations and that the management report for the Group presents the course of business, including the results and position of the Group, in such a way that a true and fair view is given and that the material risks and rewards regarding the Group's prospective development are described.

Vienna, 4 March, 2008

The Management Board



Christian Rosner



Martin Bergler

REPORT OF THE SUPERVISORY BOARD

In the course of 2007, the Supervisory Board of S&T AG held a total of five meetings. The Management Board regularly informed it in respect of the development and situation of the company, as well as key projects and business processes. Based on the reports and information provided by the Management Board, the Supervisory Board discharged all of the supervisory responsibilities vested in it by law and by the statutes of the company. All measures which required the approval of the Supervisory Board and all other business developments of key importance were discussed in detail. The Supervisory Board was completely satisfied that the company's business was conducted in a proper and orderly manner.

The financial statements and consolidated financial statements for fiscal 2007 were audited by PwC Wirtschaftsprüfung AG (now PwC Wirtschaftsprüfung GmbH) Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, and received an unqualified opinion. The auditor also stated that the management report and the consolidated management report on fiscal 2007 are consistent with the financial statements and the consolidated financial statements.

Following careful review and discussion in the Audit Committee and at the Supervisory Board's meeting with the auditor, in accordance with Sec 127 of AktG, the Supervisory Board concurs with the management report and approves the financial statements of S&T AG for the year ended December 31, 2007, including the proposal on the appropriation of profits, which are thus approved in accordance with Sec 125 (2) of AktG. Furthermore, the Supervisory Board, following careful review and discussion in the Audit Committee and at its meeting with the auditor, hereby approves the 2007 consolidated management report and the consolidated financial statements submitted in accordance with Sec 127 of AktG.

Mr. Ernst Nonhoff was appointed as a new member of the Supervisory Board at the Annual General Meeting on May 2, 2007. Mr. William de Gelsey's tenure ended.

Vienna, March 13, 2008

On behalf of the Supervisory Board,



Thomas Streimelweger

CONSOLIDATED FINANCIAL STATEMENTS

(TRANSLATION FOR CONVENIENCE PURPOSES)

GENERAL INFORMATION

S&T currently operates in the following business segments: "Business Solutions" (BS), "Enterprise Systems" (ES) with equipment of data processing centers as main activities; and "Managed Services" (MS), where high-level pre- and post-sales services are provided.

S&T integrates customer-specific solutions for major companies and institutions using technologies and products from leading hardware and software manufacturers:

- **re applications software:** SAP, Infor, Microsoft, Oracle, BMC/Remedy, IBM, EMC/Documentum, Cognos, Opentext/Ixos, Hewlett-Packard;
- **re infrastructure software:** Microsoft, Hewlett-Packard, IBM, EMC/Legato, Linux, Citrix, Oracle, Lenovo;
- **re servers:** Hewlett-Packard, IBM, Sun Microsystems, Fujitsu Siemens;
- **re storage:** EMC, Hewlett-Packard, IBM, Sun/StorageTek, Hitachi Data Systems, Network Appliance, Mc Data, Brocade, EMC/Legato, Symantec;
- **re networking and security:** Cisco Systems, HP ProCurve Networking, Nokia Siemens Networks, Sarian, Checkpoint, Entrust Technologies, IBM/ISS, ArcSight, EMC/RSA;
- **re the medical field:** Philips Medical Systems;

In addition to IT consulting services, ERP and SAP projects are also a part of Business Solutions, as are the development and implementation of "Business Intelligence", such as Data-Warehouse solutions and Customer-Relationship-Management. Furthermore, S&T is also active in this business field via the provision of assistance to projects relating to Document and Content Management, Integration, Enterprise Application Integration and Service Oriented Architecture (SOA). S&T has in particular strengthened its business solution design, planning and implementation activities since the acquisition of IT consultant IMG; these activities focus primarily on sales, customer service and supply chain solutions for technical industries, for the retail branch, and for the process, consumer goods and financial sectors. S&T currently employs almost 1,200 highly qualified professionals in this business field.

S&T is adding value through customization, customer consulting, user training, and, in certain circumstances, organization of financing for customer projects. S&T customers are generally medium-sized to large companies and institutions, in particular telecommunication providers, financial institutions, traders, utilities, railways, industrial companies, public and government organisations (ministries, civil service, hospitals).

S&T System Integration & Technology Distribution AG is incorporated as a joint stock corporation and domiciled in Austria. Since August 5, 2005 the address of its registered office is A-1110 Vienna, Geiselbergstrasse 17-19.

The Company has been listed on the Prime Market of the Vienna Stock Exchange since April 11, 2003.

THE FOLLOWING SUBSIDIARIES ARE INCLUDED IN THE CONSOLIDATION:

	2007	2006	Comments
The Information Management Group (AG), Switzerland	100%	–	Subgroup acquired and consolidated for the first time in 2007, see Note 32.
IMG (AG), Switzerland	100%	–	
IMG (UK) Ltd., United Kingdom	100%	–	
IMG Japan K.K., Japan	100%	–	
IMG Software Service Shanghai Ltd., China	100%	–	
IMG Americas Inc., USA	–	–	Sold in 2007, see Note 33.
The Information Management Group IMG GmbH, Germany	100%	–	
IMG Information Management Group GmbH, Austria	100%	–	
IMG Information Management Polska Sp. z o.o., Poland	100%	–	
The Information Management Group Russia Holding AG, Switzerland	72%	–	
The Information Management Group Russia Ltd., Russia	100%	–	
S&T CEE Holding s.r.o., Slovakia	100%	100%	
S&T Soft-Tronik, Ukraine	100%	100%	
S&T Bulgaria e.o.o.d., Bulgaria	100%	100%	
S&T Services Polska Ltd., Poland	100%	100%	
Varias S.A. Poland	–	↑	Acquired and sold within the Group to S&T Services Polska Ltd., Poland, in 2005, merged into S&T Services Polska Ltd., Poland, in 2006.
BEELC Polska Sp. z o.o., Poland	100%	100%	Acquired and consolidated for the first time in 2006.
S&T Plus s.r.o., Czech Republic	100%	100%	
S&T BA d.o.o., Bosnia-Herzegovina	100%	100%	
S&T CZ s.r.o. (previously S&T Services Ceska republika s.r.o.), Czech Republic	100%	100%	
Varias a.s., Czech Republic	–	↑	Acquired and sold within the Group to S&T CEE Holding s.r.o., Slovakia, in 2005, merged into S&T CZ s.r.o., Czech Republic, in 2006.
Grall Brno spol. s.r.o., Czech Republic	–	↑	Acquired and merged into S&T CZ s.r.o., Czech Republic, in 2006.
Grall a.s., Czech Republic	–	↑	Acquired and merged into S&T CZ s.r.o., Czech Republic, in 2006.
Grall Technology spol. s.r.o., Czech Republic	–	↑	Acquired and merged into S&T CZ s.r.o., Czech Republic, in 2006.
GCC Services a.s., Czech Republic	100%	100%	

THE FOLLOWING SUBSIDIARIES ARE INCLUDED IN THE CONSOLIDATION:

	2007	2006	Comments
S&T Slovenija d.d. (previously S&T Hermes Plus d.d.), Slovenia	100%	100%	
S&T Hrvatska d.o.o. (previously S&T Hermes Plus d.o.o.), Croatia	100%	100%	
Infonet Project d.o.o., Croatia	↑	100%	Acquired and consolidated for the first time in 2005, merged into S&T Hrvatska d.o.o., Croatia, in 2007.
S&T Macedonia d.o.o.e.l. (previously S&T Hermes Plus d.o.o.e.l.), Macedonia	100%	100%	
HPC Trading Limited, Cyprus	100%	100%	
S&T Romania S.R.L., Romania	100%	100%	
Plaut Romania S.R.L. i.L., Romania	–	100%	Acquired and consolidated for the first time in 2002, liquidated in 2007.
S&T Software S.R.L., Romania	100%	100%	Acquired in 2003, consolidated for the first time in 2006.
S&T Serbia d.o.o. (previously S&T Yugoslavia d.o.o.), Serbia	100%	100%	
Sito d.o.o., Serbia	↑	100%	Acquired and consolidated for the first time in 2005, merged into S&T Serbia d.o.o. (previously S&T Yugoslavia d.o.o.), Serbia, in 2007.
Sito servis d.o.o., Serbia	–	↑	Acquired and consolidated for the first time in 2005, merged into S&T Serbia d.o.o. (previously S&T Yugoslavia d.o.o.), Serbia, in 2006.
S&T (Malta) Limited, Malta	–	100%	Acquired and consolidated for the first time in 2003, sold in 2006.
S&T Mold S.R.L., Moldova	99%	99%	
S&T Polska Sp. z o.o. i.L., Poland	–	100%	Acquired and consolidated for the first time in 2000, 2006 liquidated.
S&T International ooo, Russia	100%	100%	
S&T Latvia SIA, Latvia	–	–	Founded and consolidated for the first time in 2002, in 2005 divested, 2006 liquidated.
S&T Bilisim Cözümleri A.S. (previously T-Systems Bilisim Teknolojileri A.S.), Turkey	100%	100%	Acquired and consolidated for the first time in 2006.
S&T IT Systems & Services Inc. (previously Protek A.S.), Turkey	↑	100%	Acquired and consolidated for the first time in 2002, merged into S&T Bilisim Cözümleri A.S. (previously T-Systems Bilisim Teknolojileri A.S.), Turkey, in 2007.
S&T Hungary Ltd., Hungary	100%	100%	Acquired in 1999, sold within the Group to S&T System Integration & Technology Distribution AG in 2007.

THE FOLLOWING SUBSIDIARIES ARE INCLUDED IN THE CONSOLIDATION:

UNITIS Rendszerhaz Informatikai Zrt., Hungary	100%	100%	Acquired and consolidated for the first time in 2006.
S&T Austria GmbH, Austria	100%	100%	
High Performance Systems Holding GmbH, Austria	–	↓	Acquired and consolidated for the first time in 2000, 2005 contributed from S&T System Integration & Technology Distribution AG to S&T Austria GmbH, Austria, merged into High Performance Systems Holding GmbH, Austria (previously EFP Holding AG) in 2006.
High Performance Systems Holding GmbH, Austria (previously EFP Holding AG)	100%	100%	
HPS International ooo, Russia	100%	100%	
S&T Business Solutions GmbH & Co KG (previously EFP Consulting GmbH & Co KG), Austria	100%	100%	
S&T Business Solutions GmbH (previously EFP Consulting GmbH), Austria	100%	100%	
S&T Deutschland GmbH (previously EFP Consulting Deutschland GmbH), Germany	100%	100%	
EFP Consulting AG, Switzerland	–	100%	Acquired and consolidated for the first time in 2005, sold in 2006.
S&T Slovakia spol. s r.o., Slovakia	100%	100%	
Varias a.s., (previously Varias Group a.s.), Slovakia	100%	100%	
Varias a.s., Slovakia	–	↑	Acquired and consolidated for the first time in 2005, 2006 merged into Varias a.s. (previously Varias Group a.s.), Slovakia.

THE FOLLOWING SUBSIDIARIES**WERE NOT CONSOLIDATED ON THE GROUNDS OF IMMATERIALITY:**

	held by S&T	Comments
S&T Crna Gora d.o.o., Montenegro	100%	Founded in 2002, currently dormant.
S&T TechnoServ Leasing Moscow ooo, Russia	100%	Founded in 1999, currently dormant.
S&T Albania Ltd., Albania	100%	Founded in 2005, currently dormant.
IMG Ukraine Ltd., Ukraine	100%	Acquired in 2007, currently dormant.
Information Management Group - IMG S.R.L., Romania	100%	Acquired in 2007, currently dormant.
IMG Slovakia s.r.o., Slovakia	100%	Acquired in 2007, currently dormant.

CONSOLIDATED INCOME STATEMENT (year ended December 31)

in TEUR	Notes	2007	2006
Sales	(1)	522,236	461,299
Merchandise, spare parts and purchased services		(342,445)	(330,979)
Staff costs	(2)	(119,589)	(81,656)
Other operating expenses	(3)	(46,970)	(34,992)
		(509,004)	(447,627)
Other operating income	(4)	7,163	4,328
Total operating expenses less other income		(501,841)	(443,299)
Profit from operations before depreciation, amortization and finance costs (EBITDA)		20,395	18,000
Depreciation and amortization	(5)	(7,363)	(5,920)
Profit from operations (EBIT)	(1)	13,032	12,080
Finance costs	(6)	(6,143)	(2,743)
Finance income	(6)	980	1,143
Finance costs - net	(6)	(5,163)	(1,600)
Profit before tax		7,869	10,480
Income tax expense	(7)	(4,133)	(3,698)
Profit from continuing operations		3,736	6,782
Profit from discontinuing operations	(33)	23	–
Profit for the year		3,759	6,782
Attributable to:			
Equity holders of the company		3,661	6,781
Minority interest		98	1
Profit for the year		3,759	6,782
Earnings per share from continuing operations attributable to equity holders of the company in EUR:			
Basic earnings per share	(8)	1.03	1.91
Diluted earnings per share	(8)	1.03	1.89

The accounting policies on pages 22 to 34 and the notes on pages 35 to 64 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (As at December 31)

in TEUR	Notes	2007	2006
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	(10)	16,209	15,195
Intangible assets	(11)	44,012	25,495
Financial assets	(12)	4,319	3,842
Deferred tax assets	(23)	6,748	3,850
		71,288	48,382
<i>Current assets</i>			
Inventories	(14)	17,323	21,485
Trade accounts receivable	(15)	126,040	103,725
Other receivables and prepayments	(16)	21,304	17,521
Financial assets	(12)	146	–
Cash and cash equivalents	(17)	29,947	43,904
		194,760	186,635
Total assets		266,048	235,017
Equity and Liabilities			
<i>Shareholders' equity</i>			
Issued capital	(18)	7,170	7,137
Share premium	(18)	6,034	5,933
Treasury shares	(18)	(1,097)	61
Retained earnings	(19)	37,262	33,603
Equity attributable to equity holders of the company		49,369	46,734
Minority interest		(2)	3
		49,367	46,737
<i>Non-current liabilities</i>			
Long-term financial liabilities and other long-term liabilities	(21)	62,889	57,725
Long-term provisions	(22)	5,041	2,735
Deferred tax liabilities	(23)	745	438
		68,675	60,898
<i>Current liabilities</i>			
Trade accounts payable		65,536	61,493
Current tax liabilities		457	751
Other payables	(24)	21,063	20,556
Short-term financial liabilities	(25)	19,104	12,975
Provisions	(26)	1,940	1,312
Accrued liabilities	(27)	39,906	30,295
		148,006	127,382
Total equity and liabilities		266,048	235,017

The accounting policies on pages 22 to 34 and the notes on pages 35 to 64 form an integral part of these consolidated financial statements.

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
in TEUR							
Balance at January 1, 2006	7,137	5,907	(69)	24,692	37,667	2	37,669
Currency translation differences	–	–	–	2,016	2,016	–	2,016
Securities available for sale ¹⁾	–	–	–	(20)	(20)	–	(20)
Net income recognized directly in equity	–	–	–	1,996	1,996	–	1,996
Net profit for the year 2006	–	–	–	6,781	6,781	1	6,782
Total recognized income for 2006	–	–	–	8,777	8,777	1	8,778
Initial consolidation	–	–	–	134	134	–	134
Changes in treasury shares	–	–	130	–	130	–	130
Share option plan	–	26	–	–	26	–	26
Balance at December 31, 2006	7,137	5,933	61	33,603	46,734	3	46,737

1) Net of deferred tax (TEUR 4)

Balance at January 1, 2007	7,137	5,933	61	33,603	46,734	3	46,737
Capital increase	33	98	–	–	131	–	131
Currency translation differences	–	–	–	(18)	(18)	(4)	(22)
Securities available for sale ¹⁾	–	–	–	16	16	–	16
Net income recognized directly in equity	–	–	–	(2)	(2)	(4)	(6)
Net profit for the year 2007	–	–	–	3,661	3,661	98	3,759
Total recognized income for 2007	–	–	–	3,659	3,659	94	3,753
Initial consolidation	–	–	–	–	–	(1,043)	(1,043)
Deconsolidation	–	–	–	–	–	944	944
Changes in treasury shares	–	–	(1,158)	–	(1,158)	–	(1,158)
Share option plan	–	3	–	–	3	–	3
Balance at December 31, 2007	7,170	6,034	(1,097)	37,262	49,369	(2)	49,367

1) Net of deferred tax (TEUR 3)

The accounting policies on pages 22 to 34 and the notes on pages 35 to 64 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT (year ended December 31)

in TEUR	Notes	2007	2006
Cash flows from operating activities			
Profits before tax		7,869	10,480
Adjustments:			
Finance costs – net		5,163	1,600
Depreciation and amortization		7,363	5,920
(Gain)/loss on disposal of subsidiary		(68)	(168)
Other (net)		(2,858)	(465)
		17,469	17,367
Changes in working capital:			
(Increase)/decrease in trade accounts and other receivables		(4,874)	(1,858)
(Increase)/decrease in inventory		4,162	(1,515)
Increase/(decrease) in current liabilities		(1,289)	5,795
		(2,001)	2,422
Cash generated from operations		15,468	19,789
Interest received		980	1,143
Interest paid		(4,948)	(2,173)
Taxes paid		(3,660)	(3,620)
Net cash generated from operating activities	(29)	7,840	15,139
Cash flows from Investing activities			
Purchase of property, plant and equipment and intangible assets	(29)	(5,823)	(5,692)
Purchase of financial assets (securities and investments)		–	(732)
Proceeds from sale of property, plant and equipment		1,326	3,395
Proceeds from sale of financial assets		380	160
Disposal of subsidiaries, net of cash	(33)	723	1,090
Acquisition of subsidiaries, net of cash	(32)	(27,117)	(5,929)
Proceeds from sale of derivative financial instruments		–	880
Long-term loans and receivables (granted)/repaid		(560)	664
Net cash used in investing activities	(29)	(31,071)	(6,164)
Cash flows from financing activities			
Capital increase		131	–
(Purchase)/sale of treasury shares		(1,158)	130
Increase in long-term borrowings		5,989	29,594
Decrease in long-term loans and borrowings		(679)	(2,239)
Repayment of finance lease liabilities		(1,076)	(1,400)
Increase/(decrease) in short-term borrowings		5,953	(11,487)
Net cash generated from financing activities		9,160	14,598
Net (decrease)/increase in cash and cash equivalents		(14,071)	23,573
Movement in cash and cash equivalents			
At beginning of year		43,904	19,781
Increase/(decrease)		(14,071)	23,573
Effect of exchange rate changes		114	550
At end of year	(17)	29,947	43,904

The accounting policies on pages 22 to 34 and the notes on pages 35 to 64 form an integral part of these consolidated financial statements.

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

1. Basis of Preparation

Pursuant to § 245a UGB the **consolidated financial statements at December 31, 2007** were compiled in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Presentation currency is the Euro. The consolidated financial statements are prepared in thousands of Euro (EUR '000 or TEUR). The consolidated financial statements are generally prepared under the historical cost convention, except for financial instruments, which are stated at the fair values at the balance sheet date.

The various group companies maintain their books and other accounting records in accordance with local legal requirements in the currency of the respective country in which they were incorporated and are registered. Certain adjustments to these financial statements have been effected in order to achieve compliance with IFRS.

The consolidated financial statements were prepared by the management board on the undersigned date and released for issue. The entity financial statements of the parent company, which have been included in the consolidated financial statements after reconciliation to the applicable accounting standards, will be presented to the supervisory board for review and approval on March 13, 2008. The supervisory board and, assuming presentation of these financial statements at the annual general meeting, the shareholders could alter these entity financial statements in a form that may also impact the presentation in the consolidated financial statements.

The consolidated financial statements have been prepared applying those IFRS effective at the balance sheet date. The International Accounting Standards Board (IASB) published a number of changes to existing standards as well as new standards and interpretations mandatory for 2007. These standards have also been adopted by the EU.

- Amendment to IAS 1 Capital Disclosures
- IFRS 7 Financial Instruments: Disclosures
- IFRIC 10 Interim Financial Reporting and Impairment (mandatory for annual periods beginning on or after November 1, 2006)
- IFRIC 11 Group and Treasury Share Transactions pursuant to IFRS 2 (mandatory for annual periods beginning on or after March 1, 2007)

Initial adoption of new standards

The changes to existing standards as well as new standards and interpretations listed above were adopted for the first time in 2007.

The first-time adoption of these pronouncements has no effect on the financial position, performance and cash flows of the Group.

The first-time adoption of the amendments to IAS 1 capital disclosures and of IFRS 7 requires new disclosures on financial instruments and does not result in any change regarding the classification and measurement of the financial instruments included in the consolidated financial statements or regarding any disclosures on taxes, trade payables and other liabilities.

New standards not adopted

The IASB has issued further standards as well as amendments to existing standards and interpretations, which are not yet mandatory for the 2007 financial year. The standards and interpretations were adopted by the EU and published in the official journal.

- IFRS 8 Operating Segments (mandatory for annual periods beginning on or after January 1, 2009)

The effects of these standards cannot yet be estimated reliably.

The IASB or the IFRIC respectively have issued further standards and interpretations not yet adopted by the EU up to the date of issue of these consolidated financial statements.

- IFRIC 12 Service Concession Arrangements (mandatory for annual periods beginning on or after January 1, 2008)
- IAS 23 Borrowing Costs (applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009)
- IFRIC 13 Customer Loyalty Programmes (mandatory for annual periods beginning on or after July 1, 2008)
- IFRIC 14 – The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction (mandatory for annual periods beginning on or after January 1, 2008)
- IAS 1 Presentation of Financial Statements (revised September 2007 – mandatory for annual periods beginning on or after January 1, 2009)
- IFRS 3 Business Combinations (revised January 2008 – mandatory for annual periods beginning on or after July 1, 2009)
- IAS 27 Consolidated and Separate Financial Statements (revised January 2008 – mandatory for annual periods beginning on or after July 1, 2009)
- IFRS 2 Share-based Payment (revised January 2008 – mandatory for annual periods beginning on or after January 1, 2009)
- IAS 32 Financial Instruments: Presentation (revised February 2008 – mandatory for annual periods beginning on or after January 1, 2009)

The effects of these standards cannot yet be estimated reliably.

2. Consolidation

Subsidiaries are those companies in which the Group, directly or indirectly, holds an interest of more than one-half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date on which this effective control no longer exists. In the case of subsidiaries consolidated for the first time, assets, liabilities and contingent liabilities are valued at their fair value at the time of acquisition. Where the acquisition costs of the investments exceed the Group's share of net assets, the difference is capitalized as goodwill.

In accordance with IFRS 3, applied in conjunction with IAS 36 (2004) and IAS 38 (2004), the purchase method of accounting is prescribed to account for all business combinations. The initial consolidation is carried out by comparing the acquisition price with the revalued net assets of the subsidiary. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Intangible assets should be raised separately from the goodwill if they are identifiable or arise from a contractual or other legal right. Provisions for restructuring may not be raised as part of the purchase price allocation. The remaining positive difference is capitalized as goodwill. An excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (also referred to as "negative goodwill") arising from an initial consolidation is recognized immediately in income.

In accordance with IFRS 3 in combination with IAS 36 (2004), capitalized goodwill is no longer amortized as of January 1, 2004. Instead the carrying amount of goodwill is tested for impairment annually, or when there are indicators for an impairment. If this results in the carrying amount of a cash-generating unit to which goodwill was allocated exceeding the recoverable amount, the allocated goodwill is initially written down by the difference. An impairment loss recognized for goodwill shall not be reversed in a subsequent period. Additional impairment losses are taken into account by reducing the carrying amount of the other remaining non-current assets on a prorated basis. In the deconsolidation, residual carrying amounts of capitalized goodwill are taken into account when calculating the profit/loss on disposal.

All inter-company transactions, balances and unrealized profits from transactions within the Group were eliminated on consolidation. Material inter-company profits were eliminated. Minority interests are disclosed separately.

Subsidiaries which are dormant or have low business volumes and which are only of minor importance in determining fair presentation of the Group's financial position, financial situation and results, are not consolidated. They are recognized in the consolidated financial statements at the lower of cost or fair value in accordance with IAS 39.46.

3. Foreign Currencies

In the individual financial statements of S&T AG and its consolidated subsidiaries, transactions in foreign currencies are translated at the rates prevailing at the dates of the transactions.

The income statements of foreign entities are translated into euro at the average exchange rates for the year, balance sheets are translated at the mid-rates at the balance sheet date. Exchange differences arising from re-translation of the net investments in foreign subsidiaries are taken to “accumulated translation adjustments” in shareholders’ equity.

CURRENCY

1 EUR =	2007 Average rate	2007 Closing rate	2006 Average rate	2006 Closing rate
CHF	1.6515	1.6585	1.5665	1.5887
CNY	10.5169	10.7726	–	–
CZK	27.7583	26.6150	28.3383	27.3500
GBP	0.6846	0.7365	–	–
HRK	7.3381	7.3400	7.3249	7.3850
HUF	251.3233	253.2500	264.1325	250.2000
JPY	162.8300	165.1400	–	–
MTL	–	–	0.4293	0.4270
PLN	3.7831	3.5950	3.8951	3.8560
RON	3.3379	3.5900	3.5244	3.3950
RSD	81.7051	81.3902	84.4200	79.7893
RUB	35.0259	36.1010	34.1287	34.7640
SIT	–	–	239.5975	239.6400
SKK	33.7750	33.6500	37.2140	34.6700
TRY	1.7866	1.7250	1.8070	1.8750
UAH	7.0909	7.5719	6.5568	6.9395
USD	1.3706	1.4730	1.2557	1.3160

In the Republic of Moldova, where the subsidiary conducts its operations primarily in USD, the USD serves as the functional currency. All other subsidiaries and the parent company prepare their financial statements in their respective local currency, which also represents the functional currency. The functional currency is the currency of the primary economic environment in which the subsidiary operates.

Foreign currency transactions are converted at the exchange rates prevailing at the date of the transactions: gains and losses resulting from such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Monetary assets and liabilities in the balance sheet are translated at year-end exchange rates.

4. Financial Instruments

Originated financial instruments:

Financial instruments carried in the balance sheet include cash and cash equivalents, securities, investments, trade receivables, trade creditors, lease liabilities and borrowings. The recognition and measurement methods applied for these financial instruments are shown under the accounting policies for the relevant financial statement line items.

The Group classifies its investments in accordance with IAS 39 into the following categories: financial assets at fair value through profit or loss with its subcategory trading and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term price fluctuations are classified as trading investments and included in current assets. Investments intended to be held for an indefinite period of time, which may be sold in the case of liquidity requirements or changes in interest rates, are classified as available-for-sale. These are included in non-current assets unless management has the express intention of disposing of these securities within the next 12 months from the balance sheet date, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognized in the balance sheet on the trade date, which is the date that the Group commits to purchase or sell the asset. The cost of purchase of available-for-sale investments includes transaction costs. The securities are derecognized when the rights to the cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards. Trading and available-for-sale investments are subsequently valued at fair value. Securities, in particular equity investments, for which fair values cannot be measured reliably on the basis of market prices or using valuation models are recognized at cost or cost less applicable impairment. Realized and unrealized gains and losses arising from changes in the fair value of available-for-sale investments are recognized directly in equity. As soon as indicators for impairment exist an impairment test is carried out. Significant or prolonged declines in the fair values are charged to the income statement.

Derivative financial instruments:

Derivative financial instruments are initially recognized at acquisition cost on the day of conclusion of the contract. In future periods these are valued at fair value. The method of recognizing gains or losses depends upon whether the derivative was classified as a hedge instrument and, if this is the case, the underlying hedged item. With the exception of a single EUR-CHF-Forward valued at fair value the Group did not hold any derivative financial instruments as at December 31, 2007.

5. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt market prices, foreign currency exchange rates, interest rates and credit risks. With due regard to these inherent risks, the central S&T risk management attempts to minimise possible losses and their effects on the financial strength of the entity. The Group occasionally uses derivative financial instruments such as foreign exchange contracts, currency swaps and interest rate swaps to hedge certain exposures. To minimise the risk of liquidity S&T AG and its subsidiaries compile liquidity plans on a weekly basis.

Local and central treasury departments carrying out the risk management operate under group policies approved by the Board of Directors. These Treasury departments identify, evaluate and possibly hedge financial risks in close cooperation with the operating units. The Board provides written guidelines acting on the exposures to business risks, as well as written guidelines covering specific areas, such as foreign exchange risk, credit risk, etc.

Market risk:

(1) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US-Dollar (USD), to Swiss Franc (CHF) and the various local currencies in Central and Eastern Europe. In single cases forward contracts are used to hedge their exposure to foreign currency risk with regard to their local reporting currency. Treasury departments are responsible for hedging such positions by using foreign currency borrowings and external forward currency contracts.

At December 31, 2007, if the currencies listed below had weakened/strengthened by the percentage rates ("volatility") with all other variables held constant, pre-tax profit for the year would have been higher/lower by the following amounts:

Currency	Volatility	Hypothetical change of result	
		2007	2006
USD	10%	416	475
CHF	5%	357	–

(2) Credit risk

Credit risk with respect to trade receivables is limited due to the Group's customer diversification and large number of customers who are internationally dispersed and operate in different branches, e.g. manufacturing, distribution and financial services. In addition, governmental institutions form part of the customer base. Based on the Group's historical experience in the collection of accounts receivable, risks with regard to trade receivables are provided for by means of the creation of adequate bad debt provisions. Management at present does not envisage any additional material credit risk beyond amounts provided for in respect of collection losses in the Group's trade receivables.

(3) Cash flow and interest rate risk

The interest rate risk is the risk that arises from changes in the value of fluctuations of financial instruments, other balance sheet line items and/or interest rate dependent cash flows as a result of fluctuations in market interest rates. In the case of variable interest rates for balance sheet items, the interest rate risk includes the cash flow risk. For fixed interest rate financial instruments a market interest rate over the full period of the instrument is agreed upon. For these financial instruments the risk exposure lies in the fact that the market value (present value of future cash flows, i.e. interest and capital repayment, discounted with the interest rate applicable at the balance sheet date for the remaining outstanding period of the instrument) will change. The interest rate risk would result in a loss or profit if a fixed interest rate financial instrument is disposed of prior to maturity. In the case of variable interest rate financial instruments the interest rate is adjusted promptly and tends to follow the market interest rate. The risk exposure is a fluctuating market interest rate, which may result in different interest payments.

The S&T group predominantly uses third party financing. In addition to financing obtained through non-interest-bearing trade payables as well as short-term and variable interest rate borrowings, fixed interest rate long-term borrowings exist.

Changes in the market interest rates of non-derivative financial instruments with fixed interest rates only affect income if these are measured at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of income-related sensitivities. If the market interest rates had been 100 basis points higher (lower) at December 31, 2007, profit or loss would have been TEUR 212 (December 31, 2006: TEUR 85) lower (higher).

The book values of trade receivables and other receivables and payables, as well as, cash and cash equivalents disclosed in the balance sheet approximate their fair values due to the short payment terms.

Capital risk management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as non-current and current liabilities as shown in the consolidated balance sheet less cash and cash equivalents. Total capital is calculated as shareholders' equity as shown in the consolidated balance sheet plus net debt.

in TEUR	2007	2006
Non-current liabilities	68,675	60,898
Current liabilities	148,006	127,382
Cash and cash equivalents	(29,947)	(43,904)
Net debt	186,734	144,376
Shareholders' equity	49,367	46,737
Total capital	236,101	191,113
Gearing ratio	79%	76%

The increase in the gearing ratio during 2007 resulted primarily from the acquisition of The Information Management Group (AG), Switzerland.

6. Property, Plant and Equipment

All property, plant and equipment is recorded at historical cost, reduced by depreciation using the straight-line method over the useful life of 10 to 33 years for buildings, and 3 to 10 years for furniture and office equipment.

Repairs and maintenance are charged directly to the income statement in the year in which the expenditure is incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down to its recoverable amount in accordance with IAS 36.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

7. Goodwill

Within a business combination goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on such acquisitions is disclosed in the balance sheet as an intangible asset. In accordance with IFRS 3 together with IAS 36 (2004) goodwill is no longer amortized, but is subject to an annual impairment test or impairment tests if indicators therefore exist. In order to assess impairment, goodwill is allocated to cash-generating units. Every defined cash-generating unit represents the investment of the Group in the relevant region in terms of the secondary segment reporting.

8. Intangible Assets

The intangible assets other than goodwill are recorded at cost and are amortized using the straight-line method over their estimated useful lives (licenses and similar rights 2 to 5 years).

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down to its recoverable amount in accordance with IAS 36.

9. Accounting for Leases - where a Group Company is the lessee

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other non-current liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

10. Accounting for Leases - where a Group Company is the lessor

Finance leases

When assets are sold under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Finance income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognized on a straight-line basis over the lease term.

11. Inventories

Inventories including demonstration equipment are stated at the lower of cost or net realisable value. Cost comprises all external cost including freight and duties and is determined by the first-in, first-out (FIFO) method or by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business less installation and selling cost.

12. Receivables from "fixed-price" service agreements

Profits on "fixed-price" service agreements are recognized as soon as these can be estimated reliably. In accordance with IAS 18.21 together with IAS 11 the Group uses the percentage-of-completion method to determine the appropriate amount to be recognized in an accounting period. The stage of completion is determined by comparing the hours incurred at the balance sheet date to the total estimated hours for the relevant project. Losses are recognized at the earliest possible date. Receivables from "fixed-price" service agreements may be reduced by advance payments. A possible negative balance is shown under liabilities from "fixed-price" service agreements.

13. Trade Receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

14. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments, in particular time deposits.

15. Provisions

The Group recognizes provisions when it has a present legal or constructive obligation as a result of past events, it is probable that the transfer of economic benefits will be required to settle the obligation and a reasonable estimate of the obligation can be made.

The Group recognizes the estimated future liability on all products sold on or prior to balance sheet date and still under warranty at the balance sheet date. This provision is calculated based on past experience.

16. Employee Benefits

The holding company and certain subsidiaries provide various post-employment benefits, as well as, long-term benefits in accordance with local labour law. The entitlements are principally measured on the basis of the remaining working life of the employees until retirement age, as well as, if applicable, minimum periods of service. The costs of defined benefit plans are spread over future periods of service of the employees until retirement age using the projected unit credit method (see Note 22). Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligation, are charged or credited to income over the expected average remaining working lives of the related employees. Service costs are disclosed under staff costs, the interest costs of the increase in the provision under finance costs. Furthermore, employee benefits from defined contribution plans from external pension funds (see Note 2) exist.

In the years 2000–2003 the Group issued a share option plan. The fair value of the employee services received in exchange for the grant of the options is calculated using the Merton-Black-Scholes model and recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

17. Income Taxes

Income taxes are recognized according to the source of tax and are based on the corresponding profit of the financial year. Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The principal temporary differences arise from provisions and the valuation of current, non-current assets and tax losses carried forward. Currently enacted tax rates for the individual subsidiaries' jurisdictions are used to determine deferred income tax. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. A deferred tax asset is set off against a deferred tax liability of the same taxable entity if they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

18. Revenue Recognition

Sales represent the amounts received and receivable for goods sold and services provided after deducting cash discounts and sales taxes, and after eliminating sales within the Group.

Sales revenues are recognized when the significant risks and benefits of ownership of the product have been transferred to the buyer and when the exact amount of revenue can be measured reliably. Service revenue is recorded when the services have been performed. Maintenance contract revenue is recognized over the period of the relevant agreement.

In certain instances the Group uses the percentage-of-completion method in accounting for the revenue recognition arising from the rendering of services in accordance with IAS 18.

Revenue from interest is recognized on a time proportion basis taking into account the effective yield. Dividends are recognized when the right to receive the payment is established.

19. Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. In the current year the Group has acquired The Information Management Group (AG), Switzerland, including a subsidiary (IMG America Inc., USA) with an exclusive view to resale (Note 33).

20. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill:

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 11).

If the actual EBIT margin were 10% lower than management's estimated EBIT margin at September 30, 2007, the Group would not yet have to record impairment charges on goodwill.

If the pre-tax discount rate, which was used in the calculation of the value-in-use, was 1% higher than management's estimate, the Group would not yet have to record impairment charges on goodwill.

Income taxes:

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

With regard to the other balance sheet items, changes in estimates and assumptions do not result in significant effects on the financial position, financial performance and the cash flows for the following operating year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segment Information

Primary reporting format – business segments

During 2007 S&T's activities were grouped into three business segments: Business Solutions (BS), Enterprise Systems (ES), Managed Services (MS).

There are no material sales or other transactions between the business segments. Unallocated costs represent mainly corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories and receivables, and generally exclude investments and cash and cash equivalents. Segment liabilities consist of operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

YEAR ENDED DECEMBER 31, 2007

in TEUR	Business Solutions	Enterprise Systems	Managed Services	Group
Revenue goods	15,323	260,534	7,240	283,097
Revenue services	133,737	26,089	79,313	239,139
Revenues	149,060	286,623	86,553	522,236
Segment result	7,506	11,421	13,482	32,409
Unallocated costs				(19,377)
Profit from operations (EBIT)				13,032
Finance costs (net)				(5,163)
Profit/(loss) before tax				7,869
Income tax expense				(4,133)
Profit from continuing operations				3,736
Profit from discontinuing operations				23
Profit for the year				3,759
Segment assets	48,507	75,131	23,668	147,306
Unallocated assets				118,742
Consolidated total assets				266,048
Segment liabilities	40,722	26,918	10,606	78,246
Unallocated liabilities				138,435
Consolidated total liabilities				216,681
Segment capital expenditure	1,629	514	854	2,997
Unallocated capital expenditure				2,826
Consolidated total capital expenditure				5,823
Segment depreciation and amortization	2,827	934	1,471	5,232
Unallocated depreciation and amortization				2,131
Consolidated total depreciation and amortization				7,363

The consolidated financial statements of S&T System Integration & Technology Distribution AG as of and for the fiscal year ended December 31, 2007 prepared in accordance with International Financial Reporting Standards/IFRSs as adopted by the EU and with section 245a (1) of the Austrian Commercial Code have been translated into English. In case of different interpretations the German original is valid.

YEAR ENDED DECEMBER 31, 2006

in TEUR	Business Solutions	Enterprise Systems	Managed Services	Group
Revenue goods	22,429	267,324	6,098	295,851
Revenue services	71,349	25,508	68,591	165,448
Revenues	93,778	292,832	74,689	461,299
Segment result	7,895	9,408	12,648	29,951
Unallocated costs				(17,871)
Profit from operations (EBIT)				12,080
Finance costs (net)				(1,600)
Profit/(loss) before tax				10,480
Income tax expense				(3,698)
Profit for the year				6,782
Segment assets	24,729	87,788	18,155	130,672
Unallocated assets				104,345
Consolidated total assets				235,017
Segment liabilities	15,327	45,485	7,234	68,046
Unallocated liabilities				120,234
Consolidated total liabilities				188,280
Segment capital expenditure	1,374	856	1,072	3,302
Unallocated capital expenditure				2,390
Consolidated total capital expenditure				5,692
Segment depreciation and amortization	2,024	868	1,202	4,094
Unallocated depreciation and amortization				1,826
Consolidated total depreciation and amortization				5,920

Secondary reporting format – geographical segments

The details regarding the geographical segments are as follows:

in TEUR	2007			2006		
	Sales	Total assets	Capital expenditure	Sales	Total assets	Capital expenditure
Adriatic (Slovenia, Croatia, Macedonia, Serbia, Bosnia-Herzegovina)	117,096	52,436	771	117,741	59,009	1,052
Central (Poland, Czech Republic, Slovakia, Hungary, Ukraine, Moldova)	170,820	82,392	2,642	149,495	70,309	2,163
East (Russia, Bulgaria, Romania, Turkey)	82,040	32,917	477	80,047	43,992	966
DACH (Germany, Austria, Switzerland)	140,294	84,431	1,142	114,016	40,635	1,333
Asia (China, Japan)	11,986	9,827	18	–	–	–
Unallocated	–	4,045	773	–	21,072	178
	522,236	266,048	5,823	461,299	235,017	5,692

Sales revenue is classified based on the country in which the customer is located. Total assets and capital expenditure are shown by geographical area in which the assets are located.

As a result of the takeover of IMG the regional organisation of the S&T Group was adjusted. Germany, Austria and Switzerland, which had previously been part of the Central region, were grouped together with the respective country organisations of IMG to form the DACH region. Moldova and Ukraine, which up to now had been included in the East region, were added to the Central region. Russia, which up to now has been part of the East region, was grouped together with Bulgaria, Romania and Turkey, previously belonging to the South region, to form the new East region. The companies in Japan and China, acquired under the IMG takeover, are reported as part of the Asia region.

2. Staff cost

in TEUR	2007	2006
Salaries	79,953	54,346
Variable remuneration	18,713	12,032
Social security costs and payroll tax	19,130	14,033
Expenses for leaving indemnities and pensions (see note 22)	919	572
Share option plan	3	26
Other voluntary benefits	871	647
	119,589	81,656

Variable remuneration includes one-off bonuses paid to management and sales personnel. The number of employees was 3,138 at year-end 2007 (2006: 2,295). The average number of employees in 2007 was 2,915 (2006: 2,074).

Expenses for leaving indemnities and pension plans consist of:

in TEUR	2007	2006
Expenses of defined benefit plans		
- leaving indemnities	(35)	25
- pensions	375	16
Contributions to employee provident funds and other expenses	432	383
Contributions to an external pension fund	147	148
	919	572

3. Other operating expenses

in TEUR	2007	2006
Rental expenses	7,484	6,063
Travel expenses	6,223	3,895
Legal, consultancy and audit fees	4,869	3,501
Communication and infrastructure costs	3,169	2,252
Marketing and advertising expenses	4,132	2,804
Office costs	3,185	2,982
Vehicle expense	7,652	4,678
Other taxes and levies	1,111	759
Training expenses	3,035	2,319
Maintenance expenses	2,078	1,631
Other operating expenses	4,032	4,108
	46,970	34,992

4. Other operating income

in TEUR	2007	2006
Gain on disposal of assets excluding financial assets	394	876
Compensations from suppliers	3,476	778
Miscellaneous income	3,293	2,674
	7,163	4,328

For 2006 gain on disposal of assets includes the profit on disposal of a property in Slovenia amounting to TEUR 620.

Miscellaneous income mainly includes income from the passing on of cost charges and compensation received from insurances as well as income from disposals of investments in subsidiaries amounting to TEUR 96 (2006: TEUR 182; see Note 33). The miscellaneous income in 2006 includes TEUR 1,023 arising from a settlement in court.

5. Depreciation and amortization

in TEUR	2007	2006
Depreciation of property, plant and equipment (Note 10)	5,519	4,418
Amortization of intangible assets (Note 11)	1,622	1,434
Expenses from low value items written off	222	68
	7,363	5,920

6. Finance costs - net

in TEUR	2007	2006
Interest expense	(4,942)	(3,854)
Impairment losses on available-for-sale financial instruments	(11)	(12)
Gain on held for trading financial instruments	33	–
Net result of fair value adjustments to derivative financial instruments	(49)	1,119
Net foreign exchange differences	(1,162)	(93)
Other	(12)	97
Finance costs	(6,143)	(2,743)
Finance income – interest income	980	1,143
	(5,163)	(1,600)

With the exception of a single EUR-CHF-Forward valued at fair value in the nominal amount of TEUR 5,000 (maturity June 2012) the Group did not hold any derivative financial instruments as at December 31, 2007. The company did not hold any derivative financial instruments as at December 31, 2006.

7. Tax

in TEUR	2007	2006
Current tax charge	3,363	3,155
Deferred tax charge	770	543
	4,133	3,698

Tax on the Group profit before tax differs from the theoretical amount that arises from the application of the corporate tax rate in Austria, the home country of the parent company, as follows:

in TEUR	2007	2006
Profit before tax	7,869	10,480
Tax calculated at tax rate of 25%	1,967	2,620
Effect of different tax rates in other countries	(678)	(807)
Other differences not recognized	1,825	711
Income not taxable	(190)	(695)
Expenses not deductible for tax purposes	1,209	1,869
Tax charge	4,133	3,698

Other differences not recognized relate primarily to loss carry-forwards not recognized.

Further information on deferred tax is presented in Note 23.

8. Earnings per share

	2007			2006
	Continuing operations	Discontinuing operations	Total	
Profit for the year in TEUR	3,736	23	3,759	6,782
<i>Attributable to:</i>				
Minority interest	(59)	(39)	(98)	(1)
Equity holders of the company	3,677	(16)	3,661	6,781
Weighted number of ordinary shares in issue (thousands)	3,558	3,558	3,558	3,552
Basic earnings per share in EUR	1.03	(0.00)	1.03	1.91

Basic earnings per share is calculated by dividing the net group profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year (see Note 18).

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. For share options, a calculation is performed to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of subscription rights attached to outstanding share options to determine the 'bonus' element; the 'bonus' shares are added to ordinary shares outstanding though no adjustment is made to net profit.

	2007			2006
	Continuing operations	Discontinuing operations	Total	
Profit for the year in TEUR	3,736	23	3,759	6,782
<i>Attributable to:</i>				
Minority interest	(59)	(39)	(98)	(1)
Equity holders of the company	3,677	(16)	3,661	6,781
Weighted number of ordinary shares in issue (thousands)	3,558	3,558	3,558	3,552
Adjustment for share options (thousands)	16	16	16	31
Weighted number of ordinary shares for diluted earnings per share (thousands)	3,574	3,574	3,574	3,583
Diluted earnings per share in EUR	1.03	(0.00)	1.03	1.89

9. Dividends per share

In 2006 and in 2007 no dividends were paid or declared.

10. Property, plant and equipment

December 31, 2007 in TEUR	Land/ buildings	Office equipment	Total
<i>Cost:</i>			
January 1, 2007	8,326	35,577	43,903
Acquisition of subsidiaries (Note 32)	1,101	4,487	5,588
Additions	288	5,382	5,670
Disposals	(1,021)	(11,019)	(12,040)
Translation adjustments	89	992	1,081
December 31, 2007	8,783	35,419	44,202
<i>Accumulated depreciation:</i>			
January 1, 2007	2,697	26,011	28,708
Acquisition of subsidiaries (Note 32)	1,000	2,961	3,961
Depreciation charge	574	4,945	5,519
Disposals	(482)	(10,641)	(11,123)
Translation adjustments	47	881	928
December 31, 2007	3,836	24,157	27,993
Net book amount	4,947	11,262	16,209

December 31, 2006 in TEUR	Land/ buildings	Office equipment	Total
<i>Cost:</i>			
January 1, 2006	9,923	26,150	36,073
Acquisition of subsidiaries	770	8,614	9,384
Disposal of subsidiaries	(303)	(472)	(775)
Additions	906	5,227	6,133
Disposals	(3,144)	(4,221)	(7,365)
Translation adjustments	174	279	453
December 31, 2006	8,326	35,577	43,903
<i>Accumulated depreciation:</i>			
January 1, 2006	2,826	18,094	20,920
Acquisition of subsidiaries	307	8,024	8,331
Disposal of subsidiaries	(91)	(388)	(479)
Depreciation charge	439	3,979	4,418
Disposals	(839)	(3,799)	(4,638)
Translation adjustments	55	101	156
December 31, 2006	2,697	26,011	28,708
Net book amount	5,629	9,566	15,195

As of December 31, 2007 property to the amount of TEUR 745 (2006: TEUR 0) is pledged as security for long-term loans. Additions include TEUR 749 (2006: TEUR 771) assets acquired under finance leases (where a group company is the lessee). Net book value of office equipment under finance leases at December 31, 2007 is TEUR 2,009 (2006: TEUR 2,030).

11. Intangible assets

December 31, 2007 in TEUR	Goodwill	Licences & similar rights	Total
<i>Cost:</i>			
January 1, 2007	22,683	11,193	33,876
Acquisition of subsidiaries (Note 32)	–	965	965
Additions	18,617	902	19,519
Disposals	–	(252)	(252)
Translation adjustments	119	164	283
December 31, 2007	41,419	12,972	54,391
<i>Accumulated amortization:</i>			
January 1, 2007	–	8,381	8,381
Acquisition of subsidiaries (Note 32)	–	477	477
Amortization charge	–	1,622	1,622
Disposals	–	(166)	(166)
Translation adjustments	–	65	65
December 31, 2007	–	10,379	10,379
Net book amount	41,419	2,593	44,012

December 31, 2006 in TEUR	Goodwill	Licences & similar rights	Total
<i>Cost:</i>			
January 1, 2006	17,351	8,808	26,159
Acquisition of subsidiaries	–	2,389	2,389
Disposal of subsidiaries	–	(339)	(339)
Additions	5,989	330	6,319
Subsequent purchase price adjustments	(511)	–	(511)
Disposals	(601)	(236)	(837)
Translation adjustments	455	241	696
December 31, 2006	22,683	11,193	33,876
<i>Accumulated amortization:</i>			
January 1, 2006	–	6,132	6,132
Acquisition of subsidiaries	–	1,023	1,023
Disposal of subsidiaries	–	(98)	(98)
Amortization charge	–	1,434	1,434
Disposals	–	(219)	(219)
Translation adjustments	–	109	109
December 31, 2006	–	8,381	8,381
Net book amount	22,683	2,812	25,495

Goodwill was allocated to cash-generating units at the segment level to carry out impairment tests. The carrying amounts of goodwill allocated to segments can be broken down as follows:

in TEUR	2007	2006
Adriatic	4,920	4,935
Central	14,268	14,210
East	2,186	1,204
DACH	15,888	2,334
Asia	4,157	–
	41,419	22,683

The impairment test involves determining the recoverable amount of the cash-generating units based on value in use calculations. The value in use is determined based on cash flow budgets, which are based on the medium-term budget for a period of three years, which has been approved by the Executive Board and which is valid when the impairment test is performed. These budgets are based on past experience as well as on surveys of IDC and future expected market trends. The medium-term budget is based on the general economic data derived from macro-economic and financial studies and makes assumptions primarily on the development of gross domestic product, consumer prices, interest rates and nominal wages.

Assumptions used for value in use calculation:

	Adriatic	Central	East	DACH	Asia
Weighted average growth rate used to extrapolated cash flows beyond the budget period	1.50%	1.50%	1.50%	1.50%	1.50%
Pre-tax discount rate	13.36%	13.83%	12.45%	10.77%	12.58%
After-tax discount rate	11.03%	11.39%	10.96%	8.59%	9.21%

Key assumptions of the management used for the value in use calculation of the cash-generating units are revenues, EBIT margins and discount rates. The calculation is based on reasonable EBIT margins reflecting the regional performance. S&T extrapolates expected currency devaluation going beyond the detailed budget horizon based on constant growth rates of 1.5 %, which are derived from past experience for each division, and none of which exceed the average growth rates of the markets on which the companies are active. Growth rates are determined subtracting the capital expenditure required to achieve them.

The impairment test carried out at September 30, 2007 has not resulted in any impairment charge.

12. Financial assets

in TEUR	2007	2006
Available for sale financial instruments:		
- Non-consolidated subsidiaries	50	36
- Securities	613	962
- Other financial assets	12	217
	675	1,215
Financial instruments held for trading (securities)	146	–
Finance lease – gross investments	1,300	1,582
Unearned finance income	(89)	(151)
	1,211	1,431
Long-term loans and receivables	2,433	1,196
	4,465	3,842
Thereof: non-current	4,319	3,842
Thereof: current	146	–

Other long-term loans and receivables include fair value of an insurance policy covering unfunded pension obligations in the amount of TEUR 333 (2006: TEUR 0).

Development of available for sale financial instruments:

in TEUR	2007	2006
Opening net book amount:	1,215	585
Acquisition of subsidiaries (Note 32)	25	–
Additions	29	732
Disposals ¹⁾	(380)	(66)
Write-up/(write-off) recognized in equity	11	(24)
Depreciation (Impairment)	(11)	(12)
Reclassification ²⁾	(206)	–
Translation adjustments	(8)	–
Closing net book amount	675	1,215

1) thereof removed from equity TEUR 8

2) to subsidiaries consolidated for the first time

Finance lease receivables (where a Group Company is the lessor):

in TEUR	2007	2006
Gross investment in finance leases:		
Not later than 1 year	1,353	1,302
Later than 1 year and not later than 5 years	1,300	1,582
	2,653	2,884
Unearned future finance income on finance leases	(130)	(204)
Net investment in finance leases	2,523	2,680
Representing:		
- current receivables (not later than 1 year)	1,312	1,249
- non-current receivables (later than 1 year and not later than 5 years)	1,211	1,431
Net investment in finance leases	2,523	2,680

The current portion of receivables from finance leases is shown in Note 16. The average interest rate on such lease receivables (current and non-current) ranged from 3% to 12% in the 2007 financial year (2006: from 5% to 18%).

13. Additional disclosures on financial instruments

Carrying amounts, amounts recognized, and fair values by measurement category

	Category in accordance with IAS 39	Carrying amount Dec. 31, 2007	Amounts recognized in balance sheet according to IAS 39				Amounts recognized in balance sheet according to IAS 17	Fair Value Dec. 31, 2007
			Amortized cost	Cost	Fair Value recognized in equity	Fair Value recognized in profit or loss		
in TEUR								
Assets								
<i>Non-current financial assets</i>								
Available-for-Sale -Financial Assets	AfS	675	–	62	613	–	–	675
Other	LaR/n.a.	3,644	2,433	–	–	–	1,211	3,644
Trade account receivable	LaR	123,004	123,004	–	–	–	–	123,004
Current financial assets	FAHfT	146	–	–	–	146	–	146
Other receivables	LaR/n.a.	5,058	3,746	–	–	–	1,312	5,058
Cash and cash equivalents	LaR	29,947	29,947	–	–	–	–	29,947
Liabilities								
Loans and other non-current liabilities	FLAC/n.a.	62,373	60,522	–	–	–	1,851	59,366
Trade accounts payable	FLAC	65,536	65,536	–	–	–	–	65,536
Other payables								
Derivatives without a hedging relationship	FLHfT	49	–	–	–	49	–	49
Other	FLAC	4,473	4,473	–	–	–	–	4,473
Short-term borrowings	FLAC	19,104	17,523	–	–	–	1,581	20,209
Of which: aggregated by category in accordance with IAS 39								
Loans and Receivables (LaR)		159,130	159,130	–	–	–	–	159,130
Held-to-Maturity Investments (HtM)		–	–	–	–	–	–	–
Available-for-Sale Financial Assets (AfS)		675	–	62	613	–	–	675
Financial Assets Held for Trading (FAHfT)		146	–	–	–	146	–	146
Financial Liabilities measured at Amortised Cost (FLAC)		148,054	148,054	–	–	–	–	146,152
Financial Liabilities Held for Trading (FLHfT)		49	–	–	–	49	–	49

Category in accordance with IAS 39	Carrying amount Dec. 31, 2006	Amounts recognized in balance sheet according to IAS 39				Fair Value recognized in profit or loss	Amounts recognized in balance sheet accor- ding to IAS 17	Fair Value Dec. 31, 2006
		Amortized cost	Cost	Fair Value recognized in equity	Fair Value recognized in profit or loss			
AfS	1,215	–	253	962	–	–	1,215	
LaR/n.a.	2,627	1,196	–	–	–	1,431	2,627	
LaR	102,483	102,483	–	–	–	–	102,483	
LaR/n.a.	4,171	2,922	–	–	–	1,249	4,171	
LaR	43,904	43,904	–	–	–	–	43,904	
FLAC/n.a.	57,213	54,987	–	–	–	2,226	54,816	
FLAC	61,493	61,493	–	–	–	–	61,493	
FLHfT	–	–	–	–	–	–	–	
FLAC	6,615	6,615	–	–	–	–	6,615	
FLAC	12,975	11,576	–	–	–	1,399	14,143	
	150,505	150,505	–	–	–	–	150,505	
	–	–	–	–	–	–	–	
	1,215	–	253	962	–	–	1,215	
	–	–	–	–	–	–	–	
	134,671	134,671	–	–	–	–	133,442	
	–	–	–	–	–	–	–	

14. Inventories

in TEUR	2007	2006
Merchandise	12,580	16,869
Spare parts	4,193	4,273
Other products	550	343
Net book value	17,323	21,485

in TEUR	2007	2006
Inventory at cost	27,891	31,403
Less: Valuation allowance	(10,568)	(9,918)
Net book value	17,323	21,485

Expenses for valuation allowances and write-off of inventories amounted to TEUR 1,711 (2006: TEUR 1,119).

15. Trade accounts receivable

in TEUR	2007	2006
Trade accounts receivable	128,488	105,989
Less: Valuation allowance for impairment	(5,484)	(3,506)
	123,004	102,483
Receivables from "fixed-price" service agreements	15,663	2,940
Progress billings	(12,627)	(1,698)
"Fixed-price" service agreements with amounts due from customers	3,036	1,242
	126,040	103,725

Development of valuation allowance:

in TEUR	2007	2006
Opening amount	3,506	3,214
Acquisition of subsidiaries	1,628	66
Additions	1,825	1,321
Usage	(295)	(348)
Reversal	(1,189)	(869)
Currency translation differences	9	122
Closing amount	5,484	3,506

Maturity structure of accounts receivables:

in TEUR	2007	2006
Not past due	97,475	81,410
<i>Overdue, but not impaired:</i>		
Between 1 and 60 days	18,758	15,395
Between 61 and 90 days	4,059	1,430
Between 91 and 180 days	1,942	2,177
More than 180 days	770	2,071
	123,004	102,483

16. Other receivables and prepayments

in TEUR	2007	2006
Receivables from tax authorities	2,286	1,141
Finance lease - gross investment (Note 12)	1,353	1,302
Unearned finance income	(41)	(53)
	1,312	1,249
Receivables due from non-consolidated subsidiaries	628	331
Prepayments	5,478	5,732
Prepaid expenses	8,482	6,477
Other current receivables	3,118	2,591
	21,304	17,521

Receivables from tax authorities in 2007 comprise tax prepayments to the amount of TEUR 1,477 (2006: TEUR 435) and prepaid value-added tax to the amount of TEUR 809 (2006: TEUR 706). Prepaid expenses mainly comprise prepayments to subcontractors for future services to be rendered.

17. Cash and cash equivalents

in TEUR	2007	2006
Cash at banks and on hand	29,947	43,904

18. Issued capital, share premium and treasury shares and average number of shares

in TEUR	Number of shares (thousands)	Issued capital	Share premium	Treasury shares	Total
At January 1, 2006	3,569	7,137	5,907	(69)	12,975
Expenses share option plan	–	–	26	–	26
Transactions with treasury shares	–	–	–	130	130
At December 31, 2006	3,569	7,137	5,933	61	13,131
Capital increase	16	33	98	–	131
Expenses share option plan	–	–	3	–	3
Transactions with treasury shares	–	–	–	(1,158)	(1,158)
At December 31, 2007	3,585	7,170	6,034	(1,097)	12,107

In financial year 2007, the exercising of the equity compensation plan (Note 20) led to an increase of the issued capital from EUR 7,137,310 to EUR 7,170,034.

As of December 31, 2007 issued capital of EUR 7,170,034 represents 3,585,017 fully paid up no-par-value shares currently incorporated in the Company's register. The total authorized number of ordinary shares as at the balance sheet date is 5,352,982 with a value of EUR 2 per share.

Taking into account the average treasury share stock, the average number of shares was 3,558,163 (2006: 3,552,341) during the year.

The cost incurred by the Company to re-acquire its own shares and related proceeds for subsequent re-sale are shown as a correction to equity (treasury shares). The treasury shares acquired in the fiscal year 2007 are intended to be used in a possible acquisition of shares and to meet the obligation from the last tranche of the stock option program.

19. Retained earnings

in TEUR	Cumulative translation adjustment	Available for sale invest- ments	Retained earnings and other reserves	Total
Balance at January 1, 2006	(521)	10	25,203	24,692
Currency translation differences	2,016	–	–	2,016
Securities available for sale *	–	(20)	–	(20)
Net income recognized directly in equity	2,016	(20)	–	1,996
Net profit for the year 2006	–	–	6,781	6,781
Total recognized income for 2006	2,016	(20)	6,781	8,777
Initial consolidation	–	–	134	134
Balance at December 31, 2006	1,495	(10)	32,118	33,603

* Net of deferred tax (TEUR 4)

in TEUR	Cumulative translation adjustment	Available for sale invest- ments	Retained earnings and other reserves	Total
Balance at January 1, 2007	1,495	(10)	32,118	33,603
Currency translation differences	(18)	–	–	(18)
Securities available for sale *	–	16	–	16
Net income recognized directly in equity	(18)	16	–	(2)
Net profit for the year 2007	–	–	3,661	3,661
Total recognized income for 2007	(18)	16	3,661	3,659
Initial consolidation	–	–	–	–
Balance at December 31, 2007	1,477	6	35,779	37,262

* Net of deferred tax (TEUR 3)

20. Share option plans

In 2000 share options were granted to directors and employees for the first time (for the last time in 2003).

Movements in the number of share options outstanding are as follows:

	Stock option program	Jan. 1, 2007	Granted 2007	Lapsed 2007	Exercised 2007	Dec. 31, 2007	Strike price EUR
Management Board							
Martin Bergler	2003	5,000	–	–	(2,500)	2,500	8.00
Employees (Parent)	2003	9,050	–	(1,250)	(4,525)	3,275	8.00
Total Parent		14,050	–	(1,250)	(7,025)	5,775	
Employees (Subsidiaries)	2003	27,935	–	(5,500)	(9,337)	13,098	8.00
Total Group		41,985	–	(6,750)	(16,362)	18,873	

The exercise periods for the stock option programs are generally May 15 to June 15; for the last active program 2003 in the years 2005, 2006, 2007 and 2008. A quarter of the options granted under each program may be exercised in each one of the defined exercise periods. Options of a program not exercised in one exercise period can be carried forward to the program's other exercise period(s). Compensation costs for the fair value of share options granted are recognized in these consolidated financial statements in the amount of TEUR 3 (2006: TEUR 26) (see Note 2).

In 2007 stock options were exercised at an average share price of EUR 55 within the exercise period.

21. Long-term financial liabilities and other long-term liabilities

in TEUR	2007	2006
Bonds	54,483	54,308
Long-term bank loans	5,904	679
	60,387	54,987
Lease liabilities	1,851	2,226
Deferred income (non-current)	516	512
Other	135	–
	62,889	57,725

S&T System Integration & Technology Distribution AG in 2005 issued two bonds with a nominal value of EUR 15,000,000 and EUR 10,000,000 respectively, a duration of seven years and interest rates of 4.375% and 4%. The bond issued in 2006 with a nominal value of EUR 30,000,000 has a maturity of five years and an interest rate of 5.375%.

Long-term loans and borrowings include bank loans partially guaranteed by the Republic of Austria. Furthermore, “50% plus one share” of the shares in The Information Management Group (AG), St. Gallen, Switzerland, was pledged as collateral for long-term financial liabilities in the amount of TEUR 5,904.

The weighted average effective interest rates are:

- bank overdrafts 4–19%
- long-term bank borrowings and loans 4–5%

Maturity of bonds and non-current borrowings (excluding finance lease liabilities):

in TEUR	Carrying amounts		Fair value		Cash flows	
	2007	2006	2007	2006	2007	2006
Within 1 year (Note 25)	2,179	3,829	3,284	4,997	3,364	4,297
Between 1 and 5 years	60,387	30,035	57,380	33,181	69,967	41,370
More than 5 years	–	24,952	–	19,409	–	26,056
Total	62,566	58,816	60,664	57,587	73,331	71,723

The fair value was calculated under the DCF-method using current market rates.

Finance lease liabilities - minimum lease payments:

in TEUR	2007	2006
Not later than 1 year	1,661	1,461
Later than 1 year and not later than 5 years	2,187	2,559
	3,848	4,020
Future finance charges on finance leases	(416)	(395)
Present value of finance lease liabilities	3,432	3,625
Representing lease liabilities:		
- current (not later than 1 year)	1,581	1,399
- non current	1,851	2,226
	3,432	3,625

The average interest rate for lease liabilities ranged from 3% to 13%.

22. Long-term provisions

Provisions for employee benefits relate to obligations of the parent company and some subsidiaries towards its employees and as such it is based on local labour law, including provisions for leaving indemnities and provisions for service anniversary bonuses (jubilee payments). Indemnities must be paid to employees upon their release from service or retirement at pension age. Employees leaving voluntarily or dismissed for good cause are not entitled to such indemnities. These employee benefit liabilities are unfunded.

According to local labour laws, service anniversary bonuses must be paid to employees. The present value of accrued liabilities is also included in the calculation.

The amounts, recognized in the balance sheet, are determined as follows:

in TEUR	2007	2006
Provisions for pensions	2,242	56
Provisions for leaving indemnities	1,749	2,064
Provisions for service anniversary bonuses and other commitments	1,050	615
Provisions for employee benefits	5,041	2,735

Provisions for pensions

in TEUR	2007	2006
Present value of funded obligations	11,959	141
Fair value of plan assets	(11,001)	(106)
	958	35
Present value of unfunded obligations	408	–
Unrecognized actuarial gains/(losses)	876	21
Provisions for pensions	2,242	56

Unfunded pension obligations are partially covered by an insurance policy in the amount of TEUR 333 (2006: TEUR 0) with expected returns of 4.5% (see Note 12).

The amounts recognized in the income statement are as follows:

in TEUR	2007	2006
Current service cost	373	16
Amortization of actuarial (gains)/losses	2	–
Total included in staff costs	375	16
Interest cost *	349	11
Expected return on plan assets †	(184)	(7)
	540	20

* included in the finance costs

The movement in the liability recognized in the balance sheet is as follows:

in TEUR	2007	2006
Beginning of the year	56	73
Acquisition and disposal of subsidiaries	2,142	–
Net expense recognized in the income statement	540	20
Contributions paid	(461)	(37)
Exchange differences	(35)	–
End of the year	2,242	56

The movement in the present value of the defined benefit obligation is as follows:

in TEUR	2007	2006
Beginning of the year	141	238
Acquisition and disposal of subsidiaries	15,245	–
Current service cost	373	16
Interest cost	349	11
Settlement	(2,106)	(116)
Actuarial losses/(gains)	(1,354)	(8)
Exchange differences	(281)	–
End of the year	12,367	141

The movement in the fair value of plan assets is as follows:

in TEUR	2007	2006
Beginning of the year	106	174
Acquisition and disposal of subsidiaries	13,103	–
Expected return	184	7
Contributions paid	461	37
Settlement	(2,106)	(116)
Actuarial gains/(losses)	(497)	4
Exchange differences	(250)	–
End of the year	11,001	106

The principal actuarial assumptions used were as follows:

in TEUR	2007	2006
Discount rate	3.25 - 4.75%	4.75%
Expected return on plan assets	3.25 - 3.50%	4.20%

The Austrian mortality table "AVÖ 1999-P" and the mortality table of Dr. Klaus Heubeck "2005 G" were used as basis for the calculation. The actuarial calculations were based on an estimated increase in salaries of 1.25% and in pensions of 1.00%.

Provisions for leaving indemnities

in TEUR	2007	2006
Present value of obligations	1,679	2,073
Unrecognized actuarial gains/(losses)	70	(9)
Provisions for leaving indemnities	1,749	2,064

The amounts recognized in the income statement are as follows:

in TEUR	2007	2006
Current service cost	215	260
Amortization of actuarial gains and losses	(250)	3
Curtailment	–	(238)
Total included in staff costs	(35)	25
Interest cost *	97	105
	62	130

* included in the finance costs

The movement in the liability recognized in the balance sheet is as follows:

in TEUR	2007	2006
Beginning of the year	2,064	2,367
Acquisition and disposal of subsidiaries	–	1
Net expense recognized in the income statement	62	130
Contributions paid	(383)	(434)
Exchange differences	6	–
End of the year	1,749	2,064

The principal actuarial assumptions used were as follows:

in TEUR	2007	2006
Discount rate	5.00 - 5.50%	4.75 - 5.00%
Future salary increases	3.00 - 5.00%	1.50 - 5.00%

The Austrian mortality table "AVÖ 1999-P" and the "Polish Life Tables 2004" were used as basis for the calculation.

23. Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method.

in TEUR	2007	2006
Deferred tax assets	(6,748)	(3,850)
Deferred tax liabilities	745	438
	(6,003)	(3,412)

Deferred income tax assets on tax loss carry forwards and deductible temporary differences are recognized only to the extent that realization is probable. The Group has deferred income taxes in connection with tax losses of TEUR 14,064 (2006: TEUR 11,345) which can be carried forward against future taxable income and which have not been recognized in these financial statements due to uncertainty of their recoverability. Net deferred tax assets in the amount of TEUR 833 (2006: TEUR 1,282) resulting from other deductible temporary differences have not been recognized because it is not probable that sufficient taxable profit will be available. Deferred tax liabilities in the amount of TEUR 1,274 (2006: TEUR 384) were not recognized in accordance with IAS 12.39 (f).

Deferred tax assets and liabilities and deferred tax charges/(credits) in the income statement are attributable to the following items:

in TEUR	Dec. 31, 2006	Charged (credited) to equity	Charged/ (credited) to P/L	Acquisition and disposal of subsidiaries	Reclassi- fications	Exchange differences	Dec. 31, 2007
Deferred income tax liabilities							
Valuation of non-current assets	355	–	29	2	(88)	(13)	285
Valuation of receivables and inventory	403	–	291	–	32	(49)	677
Accruals and provisions	(320)	–	87	4	–	12	(217)
Tax loss carry forwards	–	–	2	(2)	–	–	–
	438	–	409	4	(56)	(50)	745
Deferred income tax assets							
Valuation of non-current assets	46	3	(159)	63	(85)	21	(111)
Impairment of receivables and inventory	(27)	–	(239)	(216)	(34)	(43)	(559)
Provisions and liabilities	(1,729)	–	1,078	(2,535)	(91)	(14)	(3,291)
Accounts payable	(1)	–	15	18	2	(1)	33
Unused tax credits	(1,204)	–	486	(125)	(2)	1	(844)
Tax loss carry forwards	(935)	–	(669)	(656)	266	18	(1,976)
	(3,850)	3	512	(3,451)	56	(18)	(6,748)
Net deferred income tax assets	(3,412)	3	921	(3,447)	–	(68)	(6,003)
From discontinuing operations			151				
From continuing operations			770				

24. Other payables

in TEUR	2007	2006
Advances received	4,440	5,637
Payables due to non-consolidated subsidiaries	29	–
Employees' bonuses/salaries	3	284
Other payables	16,591	14,635
	21,063	20,556

Other payables mainly consist of liabilities to social security agencies and tax authorities (VAT and payroll taxes) in the amount of TEUR 12,098 (2006: TEUR 8,020) and the negative fair value of derivative financial instruments in the amount of TEUR 49 (see Note 6).

25. Short-term financial liabilities

in TEUR	2007	2006
Bank overdrafts	15,344	7,747
Short-term portion of long-term loans	2,179	3,829
Lease liabilities (see Note 21)	1,581	1,399
	19,104	12,975

The average effective interest rates for bank overdrafts ranged from 4% to 19% depending on the currency of the respective overdrafts and other factors (2006: 3% to 19%). Trade accounts receivable of TEUR 16,690 (2006: TEUR 20,081) are pledged, in the context of a global cession, as collateral for short-term borrowings.

26. Provisions

in TEUR	Dec. 31, 2006	Acquisiton/ disposal of subsidiaries	Additions	Usage	Reversal	Currency translation differences	Dec. 31, 2007
Provisions for warranties and similar obligations	794	–	775	(86)	(312)	14	1,185
Provisions for pending losses	518	1,027	427	(299)	(942)	24	755
Total provisions	1,312	1,027	1,202	(385)	(1,254)	38	1,940

The provisions for warranties refer to warranty claims taken on by the Group over and above the manufacturer's warranty. The calculated amounts were determined based on past experience. The provisions for pending losses relate to risks from onerous contracts calculated at their probable value.

27. Accrued liabilities

in TEUR	2007	2006
Deferred income	14,393	12,782
Accrued liabilities:		
- for short-term personnel benefits	16,440	9,892
- other	9,073	7,621
	39,906	30,295

Accrued liabilities mainly comprise consultancy and legal fees and goods received but not yet invoiced. Deferred income mainly represents the deferred portion of sales revenues, rentals and other income received in advance.

28. Operating lease commitments

The future minimum lease payments as a result of non-cancellable operating leases amount to TEUR 5,675 (2006: TEUR 6,366) of which TEUR 698 (2006: TEUR 2,426) is due not later than 1 year.

29. Non-cash transactions

The principal non-cash transactions relate to the acquisition of property, plant and equipment through finance leases (Note 10 and 21) and the sale of goods under finance lease (Note 12).

30. Disclosures regarding certain non-financial risks

The operations and earnings of the Group continue, from time to time and to a varying degree, to be affected by political, legislative, fiscal and regulatory developments in the countries in which it operates. The nature and frequency of these developments and events, of which not all are covered by insurance, as well as their effect on future operations and earnings are not predictable. Furthermore, due to the fact that the Company's operations are primarily project-oriented, the level of earnings will naturally fluctuate according to the size and number of projects.

Due to the uncertainty of the tax regulations in various Eastern European countries, there may be contingent taxation liabilities which, at present, cannot be quantified.

31. Contingencies

In the ordinary course of business, the Group has issued performance bonds and bid bonds to the total amount of TEUR 13,980 (2006: TEUR 7,794).

32. Acquisitions and initial consolidation

With effect from April 1, 2007, the Group acquired The Information Management Group (AG), St. Gallen, Switzerland. The subsidiary IMG Americas Inc., USA, was acquired with a view to its subsequent disposal (Note 33). The acquired businesses contributed revenues of TEUR 55,694 and TEUR 1,727 to the profit before tax in 2007.

The impact of these acquisitions for the year 2007 is as follows:

in TEUR	
Purchase consideration	36,482
Fair value of net assets acquired	(17,865)
Goodwill	18,617

The fair values of assets and liabilities arising from acquisitions are as follows:

in TEUR	
Cash and cash equivalents	10,507
Property, plant and equipment (Note 10)	1,627
Intangible assets (Note 11)	488
Available for sale financial instruments (Note 12)	25
Other non-current receivables	457
Deferred tax assets	3,451
Current receivables	21,712
Held for trading financial instruments (securities)	106
Assets classified as held for sale	1,313
Non-current liabilities	(3,091)
Deferred tax liabilities	(4)
Current liabilities	(6,257)
Current loans	(33)
Provisions and deferred income	(12,214)
Liabilities in connection with assets classified as held for sale	(1,265)
Minority interest	1,043
Fair value of net assets acquired	17,865
Goodwill (Note 11)	18,617
Total purchase consideration	36,482
Less:	
Assumption of liabilities	(486)
Purchase consideration paid in previous periods	(206)
Cash and cash equivalents in subsidiaries acquired	(10,507)
Cash outflow of acquisition	25,283
Subsequent changes in acquisition costs (acquisitions in previous periods):	
- Changes in consideration payable	1,834
Total cash outflow	27,117

The book values of assets, liabilities and contingent liabilities are not disclosed due to impracticability in accordance with IFRS 3.67 (f).

33. Disposals of investments and deconsolidation

IMG Americas Inc., USA, was sold effective September 11, 2007. Plaut Romania S.R.L. i.L., Romania, was liquidated and deconsolidated.

in TEUR

Disposal consideration/Liquidation proceeds	1,156
Book value of net assets disposed of including debt forgiven and cumulative translation adjustments	(1,088)
	68

The effect of the deconsolidation on the Consolidated cash flow statement for the year 2007 is as follows:

in TEUR

Assets classified as held for sale	1,497
Current liabilities	(36)
Liabilities in connection with assets classified as held for sale	(5,928)
Minority interest	944
Bookvalue of net assets	(3,523)
Cumulative translation adjustments	(357)
Debt forgiven	4,968
	1,088
Profit on disposal	68
	1,156
Less:	
Purchase consideration payable	(433)
Cash inflow on disposal	723

Reconciliation to profit from discontinuing operations:

in TEUR

Profit on disposal	68
Profit from liquidation of Plaut Romania S.R.L. i.L., Romania (Note 4)	(96)
Loss on disposal of IMG Americas Inc., USA	(28)
Current result IMG Americas Inc., USA	202
Income tax expense (Note 23)	(151)
Profit from discontinuing operations	23

34. Management Board and related party transactions

No transactions of a material or non-business-related nature were concluded with related parties in 2007.

In 2007 the Management Board consisted of two members:

Christian Rosner, CEO and
Martin Bergler, CFO

In 2007 remunerations for members of the Management Board amounting to TEUR 1,008 (2006: TEUR 761), consisting of TEUR 399 (2006: TEUR 345) fixed salaries and benefits, TEUR 544 (2006: TEUR 650) of bonuses and TEUR 65 (2006: TEUR 60) for a defined contribution retirement plan. In the past fiscal year, no allocation was made to the provisions for leaving indemnities, (2006: reversal TEUR 294), as the corresponding contractual arrangement expired in 2006. As at December 31, 2007 no provision for leaving indemnities (2006: TEUR 0) for the members of the Management Board had been raised. In addition, the managing director Martin Bergler exercised 2,500 of the stock options granted to him under the stock option plan.

Members of the Supervisory Board:

Thomas Streimelweger, Chairman
Reinhard Moser, Deputy Chairman
William de Gelsey (member until May 2, 2007)
Franz Jurkowitsch
Karl-Michael Millauer
Karl Nigl
Ernst Nonhoff (member since May 2, 2007)
Kurt Waniek

The members of the supervisory board and related companies received remuneration and reimbursements of TEUR 166 in 2007 (2006: TEUR 139). The members of the Supervisory Board did not receive any other remuneration or benefits in kind from the Company or its subsidiaries.

Loans to employees amounted to TEUR 129 (2006: TEUR 284) per balance sheet date. There were no loans granted to members of the Supervisory or Management Board.

35. Events after balance sheet date

There are no material events after the balance sheet date.

Authorized for issue:

Vienna, March 4, 2008



Christian Rosner



Martin Bergler

The following auditor's report ("Bestätigungsvermerk") has been issued in German in accordance with Section 274 of the Austrian Commercial Code on the German language version of the consolidated financial statements of S&T System Integration & Technology Distribution AG, Vienna, as of and for the fiscal year ended 31 December 2007 as a whole consisting of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes thereto and the management report ("Lagebericht").

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of S&T System Integration & Technology Distribution AG, Vienna, for the financial year from January 1 to December 31, 2007. These consolidated financial statements comprise the consolidated balance sheet as at December 31, 2007, the consolidated income statement, the consolidated cash flow statement and consolidated statement of changes in equity for the year ended December 31, 2007, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit, in our opinion the consolidated financial statement present fairly, in all material respects, the financial position of the group as of December 31, 2007 and of its financial performance and its cash flows for the financial year from January 1 to December 31, 2007 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Report on the Consolidated Management Report

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, March 4, 2008

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:

Mag. Felix Wirth
Austrian Certified Public Accountant

Jahresabschluss zum 31. Dezember 2007

der

**S & T System Integration & Technology
Distribution AG,
Wien**

**S & T System Integration & Technology Distribution AG,
Wien**

BILANZ ZUM 31. DEZEMBER 2007

	31. Dez. 2007	31. Dez. 2006		31. Dez. 2007	31. Dez. 2006
AKTIVA	<u>EUR</u>	<u>EUR</u>	PASSIVA	<u>EUR</u>	<u>EUR</u>
A. ANLAGEVERMÖGEN			A. EIGENKAPITAL		
I. Immaterielle Vermögensgegenstände			I. Grundkapital	7.170.034	7.137.310
1. gewerbliche Schutzrechte und ähnliche Rechte und Vorteile	626.481	142.031	II. Kapitalrücklagen		
	<u>626.481</u>	<u>142.031</u>	1. gebundene	7.839.559	7.741.387
II. Sachanlagen				<u>7.839.559</u>	<u>7.741.387</u>
1. Bauten auf fremdem Grund	866.424	905.954	III. Gewinnrücklagen		
2. andere Anlagen, Betriebs- und Geschäftsausstattung	242.149	165.988	1. gesetzliche Rücklage	90.841	90.841
	<u>1.108.573</u>	<u>1.071.942</u>	2. andere Rücklagen (freie Rücklagen)	--	147.530
III. Finanzanlagen				<u>90.841</u>	<u>238.371</u>
1. Anteile an verbundenen Unternehmen	82.933.778	44.937.772	IV. Rücklage für eigene Anteile	1.168.173	38.387
2. Wertpapiere (Wertrechte) des Anlagevermögens	68.616	69.768	V. Bilanzgewinn,	1.075.073	2.842.325
3. geleistete Anzahlungen	--	206.050	davon Gewinnvortrag EUR 2.842.325 (2006: EUR 0)		
	<u>83.002.394</u>	<u>45.213.590</u>		<u>17.343.680</u>	<u>17.997.780</u>
	<u>84.737.448</u>	<u>46.427.563</u>			
B. UMLAUFVERMÖGEN			B. RÜCKSTELLUNGEN		
I. Vorräte			1. Rückstellungen für Abfertigungen	66.986	50.754
1. Waren	193.906	2.105.809	2. sonstige Rückstellungen	2.851.263	4.455.690
	<u>193.906</u>	<u>2.105.809</u>		<u>2.918.249</u>	<u>4.506.444</u>
II. Forderungen und sonstige Vermögensgegenstände			C. VERBINDLICHKEITEN		
1. Forderungen aus Lieferungen und Leistungen	1.963.660	4.864.951	1. Anleihen	55.000.000	55.000.000
2. Forderungen gegenüber verbundenen Unternehmen	16.033.928	14.847.455	2. Verbindlichkeiten gegenüber Kreditinstituten	14.488.671	4.609.462
3. sonstige Forderungen und Vermögensgegenstände	605.015	521.123	3. erhaltene Anzahlungen auf Bestellungen	471.517	226.845
	<u>18.602.603</u>	<u>20.233.529</u>	4. Verbindlichkeiten aus Lieferungen und Leistungen	3.820.936	1.075.585
III. Wertpapiere und Anteile			5. Verbindlichkeiten gegenüber verbundenen Unternehmen	8.105.583	477.808
1. eigene Anteile	1.168.173	38.387	6. sonstige Verbindlichkeiten,	2.615.140	3.340.866
	<u>1.168.173</u>	<u>38.387</u>	davon aus Steuern EUR 203.133 (2006: EUR 4.004),		
IV. Kassenbestand, Guthaben bei Kreditinstituten	45.720	18.081.119	davon im Rahmen der sozialen Sicherheit EUR 42.233 (2006: EUR 35.364)		
	<u>45.720</u>	<u>18.081.119</u>		<u>84.501.847</u>	<u>64.730.566</u>
	<u>20.010.402</u>	<u>40.458.844</u>	D. RECHNUNGSABGRENZUNGSPOSTEN	<u>838.855</u>	<u>361.775</u>
C. RECHNUNGSABGRENZUNGSPOSTEN	<u>854.781</u>	<u>710.158</u>			
SUMME AKTIVA	<u><u>105.602.631</u></u>	<u><u>87.596.565</u></u>	SUMME PASSIVA	<u><u>105.602.631</u></u>	<u><u>87.596.565</u></u>
			HAFTUNGSVERHÄLTNISSE	<u>18.053.658</u>	<u>6.955.618</u>

**S & T System Integration & Technology Distribution AG,
Wien**

**GEWINN- UND VERLUSTRECHNUNG FÜR DEN ZEITRAUM
VOM 1. JÄNNER BIS 31. DEZEMBER 2007**

	2007 EUR	2006 EUR
1. Umsatzerlöse	29.046.760	29.392.676
2. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom und der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen	--	--
b) Erträge aus der Auflösung von Rückstellungen	867.939	1.033.044
c) übrige	2.588.505	3.702.350
	<u>3.456.444</u>	<u>4.735.394</u>
	<u>32.503.204</u>	<u>34.128.070</u>
3. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Materialaufwand	(20.254.834)	(21.533.999)
b) Aufwendungen für bezogene Leistungen	(3.618.240)	(3.181.647)
	<u>(23.873.074)</u>	<u>(24.715.646)</u>
4. Personalaufwand		
a) Gehälter	(3.016.010)	(2.679.051)
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	(35.951)	266.285
c) Aufwendungen für Altersversorgung	(100.383)	(82.558)
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	(513.321)	(415.897)
e) sonstige Sozialaufwendungen	(24.878)	(26.666)
	<u>(3.690.543)</u>	<u>(2.937.887)</u>
5. Abschreibungen		
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	(264.433)	(171.983)
b) auf Gegenstände des Umlaufvermögens, soweit diese die im Unternehmen üblichen Abschreibungen überschreiten	(1.041.612)	--
	<u>(1.306.045)</u>	<u>(171.983)</u>
6. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter "Steuern vom Einkommen und vom Ertrag" fallen	(14.805)	(7.207)
b) übrige	(5.704.503)	(4.570.600)
	<u>(5.719.308)</u>	<u>(4.577.807)</u>
7. Zwischensumme aus Z 1 bis 6 (Betriebsergebnis) / Übertrag	<u>(2.085.766)</u>	<u>1.724.747</u>

	2007 EUR	2006 EUR
Übertrag	(2.085.766)	1.724.747
8. Erträge aus Beteiligungen, davon aus verbundenen Unternehmen EUR 2.817.565 (2006: EUR 2.507.589)	2.817.565	2.507.589
9. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	1.600	1.600
10. sonstige Zinsen und ähnliche Erträge, davon aus verbundenen Unternehmen EUR 579.985 (2006: EUR 416.619)	852.902	1.079.586
11. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen, davon betreffend verbundene Unternehmen: EUR 1.193.244 (2006: EUR 258.645)	1.193.242	259.997
12. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens, davon a) Abschreibungen EUR 39.328 (2006: EUR 9.005) b) Aufwendungen aus verbundenen Unternehmen EUR 2 (2006: EUR 121.370)	(39.330)	(144.136)
13. Zinsen und ähnliche Aufwendungen, davon betreffend verbundene Unternehmen EUR 92.899 (2006: EUR 0)	(3.518.669)	(2.509.452)
14. Zwischensumme aus Z 8 bis 13 (Finanzergebnis)	1.307.310	1.195.184
15. Ergebnis der gewöhnlichen Geschäftstätigkeit	(778.456)	2.919.931
16. Steuern vom Einkommen und vom Ertrag, abzgl. Weiterverrechnung an Gruppenmitglieder EUR 3.500 (2006: EUR 5.250)	(6.540)	(77.606)
17. Jahresfehlbetrag/-überschuss	(784.996)	2.842.325
18. Zuweisung zu Rücklagen für eigene Anteile	(982.256)	--
19. Gewinnvortrag aus dem Vorjahr	2.842.325	--
20. Bilanzgewinn	1.075.073	2.842.325

Entwicklung des Anlagevermögens im Geschäftsjahr 2007

	Anschaffungs- bzw. Herstellungskosten					Wertberichtigungen				Buchwerte	
	Stand am 1.1.2007	Zugänge / Kauf- preisminderungen	Abgänge	Umbuchung	Stand am 31.12.2007	Stand am 1.1.2007	Abschreibung lauf. Jahr	Abgänge	Stand am 31.12.2007	31.12. lauf. Jahr	31.12. Vorjahr
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände											
1. gewerbliche Schutzrechte und ähnliche Rechte und Vorteile	383.973	595.742	54.039	0	925.676	241.942	111.290	54.037	299.195	626.481	142.031
ZWISCHENSUMME	383.973	595.742	54.039	0	925.676	241.942	111.290	54.037	299.195	626.481	142.031
II. Sachanlagen											
1. Bauten auf fremdem Grund	1.092.571	0	0	0	1.092.571	186.617	39.530	0	226.147	866.424	905.954
2. andere Anlagen, Betriebs- und Geschäftsausstattung	449.505	177.106	31.403	0	595.208	283.517	98.461	28.919	353.059	242.149	165.988
3. geringwertige Vermögensgegenstände	0	15.152	15.152	0	0	0	15.152	15.152	0	0	0
ZWISCHENSUMME	1.542.076	192.258	46.555	0	1.687.779	470.134	153.143	44.071	579.206	1.108.573	1.071.942
III. Finanzanlagen											
1. Anteile an verbundenen Unternehmen	47.950.673	40.996.714	3.267.263	206.050	85.886.174	3.012.901	0	60.505	2.952.396	82.933.778	44.937.772
2. Wertpapiere (Wertrechte) des Anlagevermögens	74.440	0	0		74.440	4.672	1.152	0	5.824	68.616	69.768
3. geleistete Anzahlungen	206.050	0	0	(206.050)	0	0	0	0	0	0	206.050
ZWISCHENSUMME	48.231.163	40.996.714	3.267.263	0	85.960.614	3.017.573	1.152	60.505	2.958.220	83.002.394	45.213.590
SUMME	50.157.212	41.784.714	3.367.857	0	88.574.069	3.729.649	265.585	158.613	3.836.621	84.737.448	46.427.563

Anhang zum Jahresabschluss zum 31. Dezember 2007

Allgemeine Erläuterungen

Auf den vorliegenden Jahresabschluss wurden die Rechnungslegungsbestimmungen des Unternehmensgesetzbuches in der geltenden Fassung angewandt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln (§ 222 Abs. 2 UGB), aufgestellt. Bei der Aufstellung des Jahresabschlusses wurden die Grundsätze der Vollständigkeit und der ordnungsmäßigen Bilanzierung eingehalten. Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen. Bei Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewendet. Dem Vorsichtsprinzip wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne und Verluste ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste, die im Geschäftsjahr 2007 oder in einem früheren Geschäftsjahr entstanden sind, wurden berücksichtigt.

1. Bilanzierungs- und Bewertungsmethoden

1.A. Anlagevermögen

1.A.I. Immaterielle Vermögensgegenstände

Entgeltlich erworbene immaterielle Vermögensgegenstände werden zu Anschaffungskosten, vermindert um planmäßige Abschreibungen entsprechend der Nutzungsdauer, bewertet. Die planmäßigen Abschreibungen werden linear vorgenommen. Als Nutzungsdauer wird ein Zeitraum von 4 bis 5 Jahren zugrundegelegt.

Außerplanmäßige Abschreibungen wurden nicht vorgenommen.

1.A.II. Sachanlagen

Das Sachanlagevermögen wurde zu Anschaffungs- und Herstellungskosten abzüglich der bisher aufgelaufenen und im Berichtsjahr planmäßig fortgeführten Abschreibungen bewertet. Zur Ermittlung der Abschreibungssätze wird generell die lineare Abschreibungsmethode gewählt.

Der Rahmen der Nutzungsdauer beträgt für die einzelnen Anlagegruppen:

1. Bauten auf fremdem Grund:
6 - 33,3 Jahre
2. Andere Anlagen, Betriebs- und Geschäftsausstattung:
3 - 5 Jahre, PKW 5 - 8 Jahre.
3. Geringwertige Vermögensgegenstände im Sinne des § 13 EStG 1988 werden im Zugangsjahr jeweils voll abgeschrieben und sind in der Entwicklung des Anlagevermögens als Zugang und Abgang ausgewiesen.

Die Abschreibungsdauer von Bauten auf fremdem Grund wurde auf die Mindestdauer des Mietverhältnisses auf sechs Jahre angepasst.

Außerplanmäßige Abschreibungen wurden nicht vorgenommen.
Festwerte gemäß § 209 Abs. 1 UGB werden nicht verwendet.

1.A.III. Finanzanlagen

Die Finanzanlagen sind zu fortgeschriebenen Anschaffungskosten bilanziert. Außerplanmäßige Abschreibungen wurden nur im Falle einer voraussichtlich dauernden Wertminderung vorgenommen.

1.B. Umlaufvermögen

1.B.I. Vorräte

1.B.I.1. Waren

Die Handelswaren sind zu Anschaffungskosten bzw. zum niedrigeren Teilwert bewertet.

1.B.II. Forderungen und sonstige Vermögensgegenstände

Bei der Bewertung von Forderungen wurden erkennbare Risiken durch individuelle Abwertungen berücksichtigt. Das allgemeine Kreditrisiko wird durch eine pauschale Einzelwertberichtigung berücksichtigt (siehe Erläuterungen zur Bilanz); soweit erforderlich, wurde die spätere Fälligkeit durch Abzinsung berücksichtigt. Fremdwährungsforderungen wurden zum Anschaffungskurs bzw. zum niedrigeren Geldkurs am Abschlussstichtag bewertet.

1.C. Rückstellungen

1.C.1. Rückstellungen für Abfertigungen

Die Abfertigungsrückstellung wurde nach IAS 19 (Anwartschaftsbarwertverfahren) unter Zugrundelegung eines Kapitalisierungszinssatzes von 5,25 % (2006: 4,75 %) und von Fluktuationsabschlägen, basierend auf den Erfahrungswerten der Vorjahre, angesetzt. Für die Berechnung der Abfertigungsrückstellung wurde ein Pensionseintrittsalter auf Grund der Pensionssicherungsreform 2003 angesetzt. Der die Abfertigungsrückstellung betreffende Zinsaufwand wurde im Posten „Zinsen und ähnliche Aufwendungen“ der Gewinn- und Verlustrechnung ausgewiesen. Außerdem wurden versicherungsmathematische Verluste in Höhe von EUR 35.995 (Vorjahr: Verluste in Höhe von EUR 26.738) nicht berücksichtigt.

1.C.2. Sonstige Rückstellungen

Die Rückstellungen wurden unter Bedachtnahme auf den Vorsichtsgrundsatz in Höhe des voraussichtlichen Anfalles gebildet. Rückstellungen aus Vorjahren wurden, soweit sie nicht verwendet wurden und der Grund für ihre Bildung weggefallen ist, über sonstige betriebliche Erträge aufgelöst.

Die Jubiläumsgeldrückstellung wurde nach IAS 19 (Anwartschaftsbarwertverfahren) unter Zugrundelegung eines Kapitalisierungszinssatzes von 5,25 % (Vorjahr: 4,75 %) und von Fluktuationsabschlägen, basierend auf den Erfahrungswerten der Vorjahre, sowie eines Pensionseintrittsalters auf Grund der Pensionssicherungsreform 2003 angesetzt. Gehaltssteigerungen werden wie im Vorjahr mit 5 % berücksichtigt. Der die Jubiläumsgeldrückstellung betreffende Zinsaufwand wurde im Posten „Zinsen und ähnliche Aufwendungen“ der Gewinn- und Verlustrechnung ausgewiesen.

1.D. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Rückzahlungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht bewertet.

2. **Währungsumrechnung**

Forderungen und Verbindlichkeiten sind mit dem Devisenkurs zum Zeitpunkt der Entstehung berechnet, wobei Kursverluste aus Kursänderungen zum Bilanzstichtag berücksichtigt wurden.

3. Änderungen von Bewertungsmethoden

Änderungen von Bewertungsmethoden sind, sofern vorhanden, bei den betreffenden Posten angegeben.

4. Allgemeine Erläuterungen zur Bilanz und zur Gewinn- und Verlustrechnung

4.1. Mitzugehörigkeit von Vermögensgegenständen oder Verbindlichkeiten zu anderen Bilanzposten

Soweit erforderlich, ist die Mitzugehörigkeit von Vermögensgegenständen oder Verbindlichkeiten zu anderen Bilanzposten bei den jeweiligen Posten im folgenden Abschnitt angegeben.

5. Erläuterungen zur Bilanz - Aktiva

5.A. Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens und die Aufgliederung der Jahresabschreibung nach einzelnen Posten ist aus der Tabelle „Entwicklung des Anlagevermögens“ auf Seite 4 ersichtlich.

5.A.I. Immaterielle Vermögensgegenstände

Unter den immateriellen Vermögensgegenständen ist Software ausgewiesen. Es wurden planmäßige Abschreibungen in Höhe von EUR 111.290 (Vorjahr: EUR 39.892) vorgenommen.

5.A.II. Sachanlagen

Im Bereich des Sachanlagevermögens wurden insgesamt nutzungsbedingte Abschreibungen in Höhe von EUR 153.143 (Vorjahr: EUR 132.091) vorgenommen.

5.A.III. Finanzanlagen

Die Beteiligungen sind im beiliegenden Beteiligungsspiegel (siehe Seite 15) aufgliedert.

5.B. Umlaufvermögen

5.B.II Forderungen und sonstige Vermögensgegenstände

Die Fristigkeit der Forderungen stellt sich folgendermaßen dar:

Bezeichnung	Summe		davon mit einer Restlaufzeit von mehr als 1 Jahr	
	2007 EUR	2006 EUR	2007 EUR	2006 EUR
Forderungen aus Lieferungen und Leistungen	1.963.660	4.864.951	0	0
Forderungen gegenüber verbundenen Unternehmen	16.033.928	14.847.455	4.550.000	4.550.000
sonstige Forderungen und Vermögensgegenstände	605.015	521.123	0	268.265

5.B.II.1. Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen wurden um eine pauschale Einzelwertberichtigung (Länderrisiko) in Höhe von EUR 26.758 (Vorjahr: EUR 167.976) vermindert. Diese Forderungen wurden im Rahmen einer Globalzession zur Besicherung kurzfristiger Bankverbindlichkeiten abgetreten.

5.B.II.2. Forderungen gegenüber verbundenen Unternehmen

Die Forderungen gegenüber verbundenen Unternehmen betreffen mit EUR 3.794.271 (Vorjahr: EUR 1.783.465) Lieferungen und Leistungen und mit EUR 12.239.657 (Vorjahr: EUR 13.063.990) sonstige Verrechnungen.

5.B.II.3. Sonstige Forderungen und Vermögensgegenstände

Die sonstigen Forderungen gliedern sich in folgende Posten:

Bezeichnung	Summe		davon mit einer Restlaufzeit von mehr als 1 Jahr	
	2007	2006	2007	2006
	EUR	EUR	EUR	EUR
Forderungen aus der Verrechnung mit Abgabenbehörden	44.301	44.527	0	0
andere sonstige Forderungen	560.714	476.596	0	268.265

Die sonstigen Forderungen enthalten keine wesentlichen Erträge, die erst nach dem Bilanzstichtag zahlungswirksam werden.

5.B.III. Wertpapiere und Anteile

5.B.III.1. eigene Anteile

Zum Bilanzstichtag hält die Gesellschaft 25.122 Stück eigene Aktien. Das entspricht einem Anteil von 0,7 % am Grundkapital. Gemäß der Ermächtigung der Hauptversammlung vom 2. Mai 2007 wurden im abgelaufenen Geschäftsjahr 20.955 Stück eigene Aktien erworben.

6. Erläuterungen zur Bilanz - Passiva

6.A. Grundkapital

Das Grundkapital wurde durch die Ausgabe von Aktien im Rahmen des Opitionsprogrammes, unter Ausnützung des genehmigten Kapitals, von EUR 7.137.310 auf EUR 7.170.034 erhöht und ist in 3.585.017 auf Inhaber lautende Stückaktien zerlegt. Der Vorstand ist gemäß § 169 AktG ermächtigt, das Grundkapital bis zum 23. Dezember 2009 um bis zu EUR 3.535.930 durch Ausgabe von bis zu 1.767.965 auf Inhaber lautende Stückaktien zu erhöhen.

6.B. Rückstellungen

Rückstellungen	31.12.2007	31.12.2006
	EUR	EUR
1. Rückstellungen für Abfertigungen	66.986	50.754
2. sonstige Rückstellungen		
a) Rückstellungen für Verpflichtungen gegenüber Arbeitnehmern	1.011.952	1.781.837
b) übrige Rückstellungen	1.839.311	2.673.853
Summe	2.918.249	4.506.444

Bei den übrigen sonstigen Rückstellungen handelt es sich insbesondere um Rückstellungen für ausstehende Eingangsrechnungen und zu erwartende Aufwendungen in Höhe von EUR 1.514.319 (2006: EUR 2.193.605).

6.C. Verbindlichkeiten

Die Aufgliederung der Verbindlichkeiten gemäß § 225 Abs. 6 und § 237 Z 1 a und b UGB stellt sich folgendermaßen dar:

		Summe	Restlaufzeit		
			bis zu 1 Jahr	über 1 Jahr	über 5 Jahre
		EUR	EUR	EUR	EUR
Anleihen	2007	55.000.000	0	55.000.000	0
	2006	55.000.000	0	30.000.000	25.000.000
Verbindlichkeiten gegenüber Kreditinstituten	2007	14.488.671	8.584.186	5.904.485	0
	2006	4.609.462	3.930.760	678.702	0
erhaltene Anzahlungen auf Bestellungen	2007	471.517	471.517	0	0
	2006	226.845	226.845	0	0
Verbindlichkeiten aus Lieferungen und Leistungen	2007	3.820.936	3.820.936	0	0
	2006	1.075.585	1.075.585	0	0
Verbindlichkeiten gegenüber verbundenen Unternehmen	2007	8.105.583	3.927.401	4.178.182	0
	2006	477.808	477.808	0	0
sonstige Verbindlichkeiten	2007	2.615.140	2.615.140	0	0
	2006	3.340.866	3.179.866	161.000	0

Für Verbindlichkeiten gegenüber Kreditinstituten in Höhe von EUR 3.500.000 wurden im Rahmen einer Globalzession die Forderungen aus Lieferungen und Leistungen abgetreten sowie Wertpapiere in Höhe von EUR 68.616 verpfändet. Daneben wurden zur Besicherung von Verbindlichkeiten gegenüber Kreditinstituten in Höhe von EUR 5.904.485 „50 % plus eine Aktie“ an den Anteilen der The Information Management Group (AG), St. Gallen, Schweiz, verpfändet.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen betreffen mit EUR 873.894 (Vorjahr: EUR 477.808) Lieferungen und Leistungen und mit EUR 7.231.689 (Vorjahr: TEUR 0) sonstige Verbindlichkeiten.

Die o.a. sonstigen Verbindlichkeiten setzen sich wie folgt zusammen:

		Summe	Restlaufzeit		
			bis zu 1 Jahr	über 1 Jahr	über 5 Jahre
		EUR	EUR	EUR	EUR
Verbindlichkeiten gegenüber Abgabenbehörden	2007	203.133	203.133	0	0
	2006	4.004	4.004	0	0
Verbindlichkeiten gegenüber Sozialversicherungsträger	2007	42.233	42.233	0	0
	2006	35.364	35.364	0	0
Kaufpreisrückstand Akquisitionen	2007	179.494	179.494	0	0
	2006	1.434.175	1.273.175	161.000	0
Anleihezinsen	2007	1.674.724	1.674.724	0	0
	2006	1.674.724	1.674.724	0	0
sonstige Verbindlichkeiten	2007	515.556	515.556	0	0
	2006	192.599	192.599	0	0

Die sonstigen Verbindlichkeiten enthalten Aufwendungen, die erst nach dem Bilanzstichtag zahlungswirksam werden, in Höhe von EUR 2.233.551.

7. Sonstige Angaben zur Bilanz

7.1. Haftungsverhältnisse

Die unter der Bilanz gemäß § 199 UGB ausgewiesenen Haftungsverhältnisse beinhalten EUR 2.389.306 für Bietungs-, Erfüllungs- und Gewährleistungsgarantien sowie EUR 15.664.352 für Garantien zugunsten verbundener Unternehmen.

Zur finanziellen Unterstützung der S & T IT Systems & Services Inc., Istanbul, Türkei, wurde mit 1. Februar 2008 eine mit 31. Dezember 2008 befristete Patronatserklärung abgegeben. Weiters wurde eine bis 31. Dezember 2008 gültige Patronatserklärung für die S & T Austria GmbH, Wien gegenüber einer Bank ausgestellt. Mit 31. Dezember 2007 ergeben sich keine Verpflichtungen aus diesen Erklärungen.

7.2. Verpflichtung aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen

Der Gesamtbetrag der finanziellen Verpflichtungen aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen für die folgenden fünf Jahre beläuft sich auf EUR 2.571.568, davon entfallen auf das nächste Geschäftsjahr EUR 697.506.

7.3. Angaben zu Finanzinstrumenten gemäß § 237a UGB

a) Angaben gemäß § 237a Abs. 1 Z 1 UGB

Die Gesellschaft verpflichtet sich zum 31. Dezember 2007 aus einem EUR-CHF-Forward (Nominale: CHF 5.000.000) mit einem beizulegenden Zeitwert von EUR 49.335, der in den sonstigen Rückstellungen erfasst wurde. Der beizulegende Zeitwert wurde auf Basis des Marktwertes ermittelt.

b) Angaben gemäß § 237a Abs. 1 Z 2 UGB

Zum Stichtag bestehen keine Finanzanlagen, die über dem Marktwert bewertet wurden.

8. **Erläuterungen zur Gewinn- und Verlustrechnung**

8.1. Umsatzerlöse

	2007	2006
	EUR	EUR
a) Handelswarenerlöse Inland	67.911	21.448
b) Handelswarenerlöse Ausland	23.517.168	24.000.241
c) Leistungserlöse Inland	1.062.119	15.651
d) Leistungserlöse Ausland	4.399.636	5.355.336
e) Erlösschmälerungen und Zahlungsdifferenzen	-74	0
Summe	29.046.760	29.392.676

8.2. Steuern vom Einkommen und vom Ertrag

Die Steuerbelastung beträgt im Geschäftsjahr 2007 EUR 6.540 (2006: EUR 77.606).

In diesem Betrag sind ausländische Quellensteuern in Höhe von EUR 3.040 (2006: EUR 72.849) enthalten. Der Bestand an aktiven latenten Steuern, berechnet zum aktuellen Körperschaftsteuersatz von 25 %, beträgt zum Bilanzstichtag EUR 825.933 (Vorjahr: EUR 1.238.290). Vom Aktivierungswahlrecht gemäß § 198 Abs. 10 UGB wurde nicht Gebrauch gemacht.

Für Zwecke der Ertragsbesteuerung besteht seit dem Geschäftsjahr 2005 eine steuerliche Unternehmensgruppe zwischen der S & T System Integration & Technology Distribution AG als Gruppenträger und der S & T Austria GmbH, Wien, sowie der High Performance Systems Holding GmbH, Wien, als Gruppenmitglieder.

9. Sonstige Angaben

- 9.1. Die durchschnittliche Zahl der Arbeitnehmer betrug 29 (nur Angestellte) (Vorjahr: 21).
- 9.2. Die Gesellschaft ist Mutterunternehmen des S&T-Konzerns. Mit Tochtergesellschaften bestehen neben Liefer- und Leistungsbeziehungen auch Finanzbeziehungen aus der Gewährung von Finanzkrediten.
- 9.3. Der VORSTAND setzt sich aus folgenden Personen zusammen:

Christian ROSNER, Vorsitzender
Ing. Mag. Martin BERGLER

Die Bezüge des Vorstandes haben im Berichtsjahr EUR 942.497 betragen. Daneben wurden im Zuge des Stock-Option-Programms vom Vorstandsmitglied Ing. Mag. Martin Bergler 2.500 Stück der eingeräumten Optionen in Aktien ausgeübt (siehe Tabelle „Stock-Option-Programm“, Seite 14). Die Aufwendungen für Altersversorgung betragen EUR 65.280.

Die Aufwendungen für Abfertigungen in Höhe von EUR 35.951 betreffen Arbeitnehmer. Davon entfallen EUR 23.396 auf Beiträge an die Mitarbeitervorsorgekasse. Von den restlichen Aufwendungen für Altersversorgung betreffen EUR 33.090 andere Arbeitnehmer und EUR 2.013 leitende Angestellte.

- 9.4. Der AUFSICHTSRAT setzt sich aus folgenden Personen zusammen:

Ing. Mag. Thomas STREIMELWEGER, Vorsitzender
Univ.-Prof. Dr. Reinhard MOSER, Stellvertreter des Vorsitzenden
William DE GELSEY, MA (Mitglied bis 2. Mai 2007)
Dkfm. Dr. Franz JURKOWITSCH
DDr. Karl Michael MILLAUER
Ing. Karl NIGL
Dr. Ernst NONHOFF (Mitglied seit 2. Mai 2007)
Dr. Kurt WANIEK

Die Mitglieder des Aufsichtsrates und ihnen nahestehende Gesellschaften erhielten für 2007 Aufwandsentschädigungen und Kostenersätze in Höhe von EUR 165.774.

9.5 Stock-Option-Programm

Entwicklung der zugesagten Optionen auf Aktien der Gesellschaft:

							Kurs 31.12.2007:	46,50	
	Stock Option Programm	Stand 01.01.2007 Stück	Um- gliederung	In 2007 eingräumt Stück	In 2007 verfallen Stück	In 2007 ausgeübt Stück	Stand 31.12.2007 Stück	Ausübungs- preis EUR	Innerer Wert 31.12.2007 EUR
Vorstand									
Ing. Mag. Martin Bergler	2003	5.000	0	0	0	(2.500)	2.500	8,00	96.250
Angestellte S&T AG	2003	9.050	0	0	(1.250)	(4.525)	3.275	8,00	126.088
S&T AG		14.050	0	0	(1.250)	(7.025)	5.775		222.338
Angestellte (Töchter)	2003	27.935	0	0	(5.500)	(9.337)	13.098	8,00	504.273
Insgesamt		41.985	0	0	(6.750)	(16.362)	18.873		726.611

Die Ausübung der Aktienoptionen im Geschäftsjahr 2007 erfolgte im Ausübungszeitraum bei einem Durchschnittsaktienkurs von EUR 55,00.

Der letzte Ausübungszeitraum für das Programm 2003 ist der Zeitraum von 15. Mai bis 15. Juni 2008.

Die im Jahr 2003 zugesagten Optionen sind in den ersten vier Ausübungszeiträumen zu einem Viertel kumuliert derart ausübbar, dass in jedem Ausübungszeitraum ein Viertel der zugesagten Optionen und die bisher nicht ausgeübten auf die Ausübungszeiträume der Vorjahre entfallenden Zusagen ausgeübt werden können.

9.6 Anteile an verbundenen Unternehmen

Anteile an verbundenen Unternehmen	Ort	Anteil am Kapital in %	Eigenkapital (negatives Eigenkapital)		Jahresüberschuss (Jahresfehlbetrag)	
			31.12.2006 Landeswährung		2006 Landeswährung	
S & T CEE Holding s.r.o.	Bratislava	100,00 %	T SKK	919.039	T SKK	17.200
S & T Plus s.r.o.	Prag	1,00 %	T CZK	46.855	T CZK	3.277
S&T CZ s.r.o.	Prag	1,00 %	T CZK	78.218	T CZK	26.894
S & T Romania S.R.L.	Bukarest	100,00 %	T RON	25.423	T RON	7.459
S&T Software S.R.L.	Bukarest	100,00 %	T RON	914	T RON	-128
S & T International ooo	Moskau	100,00 %	T RBL	19.006	T RBL	4.172
S & T Yugoslavia d.o.o.	Belgrad	100,00 %	T YUN	256.664	T YUN	118.378
S & T Mold S.R.L.	Chisinau	99,00 %	T MDL	1.099	T MDL	656
S&T Magyarorszag Kft	Budaörs	100,00 %	T HUF	211.921	T HUF	125.208
UNITIS Rendszerhaz Informatikai Zrt.	Budaörs	100,00 %	T HUF	468.038	T HUF	117.704
S & T Austria GmbH	Wien	100,00 %	T EUR	4.984	T EUR	-2.732
S & T IT Systems & Services Inc. ¹⁾	Istanbul	100,00 %	T TRY	-3.773	T TRY	-808
T-Systems Bilisim Teknolojileri A.S.	Istanbul	100,00 %	T TRY	1.814	T TRY	-4.268
The Information Management Group (AG) ²⁾	St. Gallen	100,00 %	T CHF	21.323	T CHF	394
S & T Albania SHPK	Tirana	100,00 %	T ALL	-9.280	T ALL	-6.996

1) wurde im Jahr 2007 mit T-Systems Bilisim Teknolojileri A.S. verschmolzen

2) Zugang im Geschäftsjahr 2007, Angaben gemäß Jahresabschluss zum 30. September 2006

Wien, am 22. Februar 2008

Der Vorstand:

Christian ROSNER
e.h.

Ing. Mag. Martin BERGLER
e.h.

Lagebericht 2007 der S&T System Integration & Technology Distribution AG, Wien

1. Wirtschaftliche Rahmenbedingungen

Das Jahr 2007 war herausfordernd für die Weltwirtschaft. Ein hoher Ölpreis und ein niedriger Dollar prägten die Wirtschaft. Aus der US-Immobilienkrise entwickelte sich im Laufe des zweiten Halbjahres eine Kreditmarktkrise. Diese negative Entwicklung zeigte ihre Auswirkungen in der gesamten Weltwirtschaft. Auch die internationalen Börsen wurden dadurch in Mitleidenschaft gezogen.

Dennoch lag das Wachstum der Weltwirtschaft das vierte Jahr in Folge über dem langjährigen Durchschnitt. Die globale Wirtschaftsleistung hat nach Berechnung der Europäischen Kommission um 5,3 Prozent zugelegt. Besonders stark fiel das Wachstum mit 11,4 % (Quelle: National Bureau of Statistics of China) in China aus.

Europas Wirtschaft wächst weiter

Auch die Länder der Europäischen Union konnten ein respektables Wachstum erzielen. Die im Jahr 2007 durch den Beitritt von Bulgarien und Rumänien auf 27 Mitgliedsländer angewachsene EU erzielte ein BIP-Wachstum von 2,4 %. Auch in den EU-15 reichte es zu einem Wachstum des Bruttoinlandsprodukts im Ausmaß von 2,2 % (Quelle: Statistik WKO). In der Euro-Zone erreichte das BIP-Wachstum 2,7 % (Quelle: OECD) und damit das erste Mal seit dem Jahr 2001 einen höheren Wert als die USA. Allerdings waren diese Wachstumswerte im Laufe des zweiten Halbjahres durch die Auswirkungen der US-amerikanischen Kreditmarktkrise nach unten korrigiert worden.

Besonders hohe Zuwachsraten wurden erneut für die meisten Staaten in Zentral- und Osteuropa erwartet. Ungarn liegt hier mit einer BIP-Wachstumsrate von 2,7 % hinter den anderen Staaten zurück. In den übrigen Ländern der Region lag das Wirtschaftswachstum im vergangenen Jahr zwischen 4 % (Mazedonien) und 8,5 % (Slowakei). Die Prognosen für das Jahr 2008 weisen ähnliche Werte auf. Gerechnet wird mit Zuwachsraten zwischen 4 % (Mazedonien) und 8 % (Slowakei), lediglich Ungarn liegt mit prognostizierten 3,1 % auch hier ein wenig zurück (Quelle: Wiener Institut für Internationale Wirtschaftsvergleiche).

Erfreuliches IT-Marktwachstum

Der IT-Markt erreichte im Jahr 2007 weltweit ein Marktvolumen von 978 Mrd. Euro, wovon 34,6 % auf den europäischen Markt entfielen. Auf die USA entfallen 37,7 % des Weltmarktes, auf Japan 13,5 % und der Rest der Welt teilt sich 14,2 % auf. Insbesondere Software und IT-Services boomen mit einem Wachstum von 6,5 % bzw. 5,5 %. S&T konnte im Jahr 2007 erneut vom überproportionalen Wachstum in den Ländern Zentral- und Osteuropas und vom Wachstum der IT-Branche profitieren.

Besonders hoch sind die kombinierten Wachstumsraten aus Länder- und Branchenwachstum in den CEE-Ländern. So wurde für das Jahr 2007 für nicht weniger als drei Länder in dieser Region ein zweistelliges Wachstum des IT-Marktes prognostiziert: Bulgarien (+14,8 %), Slowakei (+11,4 %) und Tschechische Republik (+10,3 %), Polen folgt mit 9,9 % Wachstum knapp dahinter (Quelle: EITO 2007).

2. Solutions und Services: der Motor für Umsatz- und Ergebniswachstum

Mit dem Geschäftsjahr 2007 hat die S&T-Gruppe ihren Rekordwert von 2006 bei den Umsatzerlösen mit EUR 522,2 Mio. um rund EUR 61 Mio. übertroffen. Das sind 13 % mehr als im Vorjahr. Schubkraft dieses Wachstums waren die Geschäftsfelder Business Solutions mit EUR 149,1 Mio. und Managed Services mit EUR 86,5 Mio. Sie konnten ihre Umsatzerlöse um 59 % bzw. 16 % gegenüber 2006 steigern. Hier zeigt sich welche Dynamik der Wandel der S&T-Gruppe entfaltet. In diesen Geschäftsfeldern haben wir auch Strukturen und Prozesse den neuen Größenordnungen und Komplexitäten angepasst und neue, zukunftssträchtige Geschäftspotenziale erschlossen. Zusammen machen diese beiden Geschäftsfelder bereits 45 % des Gesamtumsatzes aus. Wir sind damit auf dem besten Wege unser strategisches Ziel, das Geschäft in diesen beiden Business Units bis 2010 zu verdoppeln und den Anteil am Gesamtumsatz auf mehr als 60 % zu erhöhen, voll umzusetzen. In Business Solutions sind wir mittlerweile ein führender SAP-Berater in CEE und DACH. Wichtige Aufträge wie etwa jene des Wasserwerks Fejerviz in Ungarn, des Sojabohnenverarbeiters Sojaprotein in Serbien oder von A&D Pharma in Rumänien trieben das Geschäft.

In der Unit Managed Services verzeichnete S&T einen rein organischen Zuwachs von EUR 11,8 Mio. und 16 % auf EUR 86,5 Mio. S&T hat sich vor allem als Anbieter von multinationalen „Managed Desktop Services“ und „Selective Outsourcing“ am Markt etabliert und erhielt den Zuschlag für mehrere Millionenprojekte wie z.B. für die OMV und die Verteidigungsministerien in der Slowakei und in der Tschechischen Republik.

Das Geschäftsfeld Enterprise Systems war mit EUR 286,6 Mio. nahezu stabil und lag mit -2 % auf Vorjahresniveau. So zog in dieser Business Unit das Geschäft mit Servervirtualisierungen und IT-Infrastrukturharmonisierungen deutlich an, aber auch das Netzwerk und Security Geschäft entwickelte sich sehr positiv. S&T wickelte unter anderem komplexe Projekte für den ORF, Ukrainian High Technologies und Vitana in der Tschechischen Republik erfolgreich ab. In den nächsten Jahren steht hier für uns Profitabilität und ein klarer Fokus auf so genannte „Value Infrastructure“ an erster Stelle. Wir konzentrieren uns zunehmend auf margenstärkere Projekte, die auch Consulting- und Serviceleistungen erfordern.

Insgesamt war das Jahr 2007 das Jahr der Integration und des fortgesetzten Wachstums. Mit der Konsolidierung unserer größten Akquisition der Unternehmensgeschichte, der The Information Management Group (IMG) in der Schweiz, haben wir im zweiten Halbjahr unsere Präsenz in der DACH-Region deutlich ausgebaut und unsere Kernkompetenzen in Business Solutions klar erweitert. Die Integration der IMG und auch der vier Akquisitionen aus 2006 (Grall-Group / Tschechische Republik,

UNITIS / Ungarn, T-Systems / Türkei und Beelc / Polen) in die Organisationsstruktur der S&T ist inzwischen großteils abgeschlossen. Das alles wirkte sich insbesondere mit einem Anstieg der Gesamt-Bruttomarge von 28 % auf 34 % sehr positiv aus.

Die DACH-Region hat sich, auch getrieben durch die Akquisition der IMG, mit EUR 140,3 Mio. und +23 % Umsatzwachstum gut entwickelt. Das betrifft vor allem die S&T Austria. Diese hat sich 2007 mit dem Gewinn der vier größten Aufträge in Österreich im Bereich Managed Services in die Liga der Top-IT-Unternehmen Österreichs katapultiert. Dies ermöglicht der S&T AG und den Konzerngesellschaften verstärkt, Unternehmen aus der DACH-Region bei ihrer Expansion in die neuen EU-Länder zu begleiten. Einen kräftigen Anstieg der Umsatzerlöse erzielte auch die Region Central von EUR 149,5 Mio. auf EUR 170,8 Mio. bzw. +14 %, vor allem die Tschechische Republik und Polen, aber auch Moldawien, zeigten starkes Wachstum. In der Region Adriatic erreichten wir mit Umsatzerlösen von EUR 117,1 Mio. nach einem Rekordjahr 2006 das Vorjahresniveau; Kroatien und Serbien sind überdurchschnittlich gewachsen. Erstmals steuerte auch die Region Asia mit EUR 12 Mio. ihren Umsatzanteil bei. In der Region East erzielten vor allem Rumänien und Bulgarien ausgezeichnete Ergebnisse.

Die klare Fokussierung auf wenige, aber wachstumsstarke und profitable Schlüsselindustrien ist einer der Erfolgsgaranten der S&T-Gruppe. Dazu zählen die drei großen Bereiche Fertigung, Finanzdienstleistung, Handel und die seit Jahren zuwachsstarken Sektoren Öffentliche Verwaltung, Telekommunikation und Energieversorgung.

S&T ist in der DACH- und CEE-Region ein führender Anbieter von IT-Dienstleistungen und Consulting.

Das EBITDA hat 2007 mit einem Plus von 13 % und EUR 20,4 Mio. abgeschlossen. Und das Ertrags-Rekordjahr 2006 mit EUR 12,1 Mio. konnten wir mit EUR 13 Mio. und einem Zuwachs von 7 % übertreffen. Mit dem dritten und vierten Quartal 2007 haben wir jeweils die besten „Ergebnis-Quartale“ in der Unternehmensgeschichte erzielt. Dies trotz wesentlicher akquisitionsbedingter Integrationsaufwendungen und Restrukturierungskosten der Akquisitionen aus 2006 und 2007. Dazu zählten insbesondere wie schon vorher erwähnt IMG, UNITIS, Grall, T-Systems Türkei und Beelc. S&T Russland haben wir 2007 erfolgreich neu in Richtung Business Solutions, und da vor allem Business Intelligence bzw. SAP Consulting, orientiert.

Weitere Kompetenz- und Serviceerweiterung standen bei zahlreichen Initiativen und Investitionen des Unternehmens zur Umsetzung der strategischen Ziele klar im Vordergrund. Dazu zählt die Eröffnung zweier Kompetenzzentren in Ljubljana (IBM Tivoli und EMC Velocity² Signature Solution Center) und einem weiteren in Bukarest (Customer Concept Center gemeinsam mit HP). S&T konzentrierte sich auch auf den Ausbau des SAP-Geschäfts und anderer strategischer Geschäftsfelder. Hinzu kommen die Kompetenzerweiterung durch Technologie-Zertifizierungen - unter anderem durch den Start einer SAP-Mittelstandsoffensive in mehreren Ländern - und die Eröffnung eines zertifizierten SAP-Trainingscenters. Das Wachstum von S&T und der dafür erforderlichen Infrastruktur brachte u.a. erhöhte Abschreibungen auf Sachanlagen mit sich. Die EBIT-Marge blieb auf Vorjahresniveau und betrug 2007

rund 2,5 % gegenüber 2,6 % des Geschäftsjahres 2006. Die Integrationsarbeiten sind jetzt weitgehend abgeschlossen und das zeigt: Wir können Unternehmen effizient und rasch integrieren, die Strukturen anpassen und zügig schlagkräftig machen.

Das Finanzergebnis veränderte sich von EUR -1,6 Mio. auf EUR -5,2 Mio. Dies ist im Wesentlichen zu annähernd gleichen Teilen drei Gründen zuzuordnen: Dem gestiegenen Zinsaufwendungen aus der im Mai 2006 begebenen Anleihe (Volumen 30 Mio. EUR, Zinssatz 5,375 %), die dem Konzern im Wesentlichen zur Finanzierung der Übernahme der IMG-Gruppe diente. Diese und die für das Wachstum erforderliche Finanzierung durch kurzfristige Finanzdarlehen verursachte zusätzliche Zinsaufwendungen. Hinzu kommen Währungskursbelastungen in Höhe von EUR 1,2 Mio., im Wesentlichen durch erhöhte Volatilitäten in US-Dollar und dem polnischen Zloty. Geschäfte zum US-Dollar-Kurs schließt der Konzern häufig in den Ländern der Ukraine, Russland und der Türkei ab. Die Währungskurschwankungen befinden sich auf einem überschaubaren Niveau. Der positive Einmaleffekt eines Derivategeschäft (Zinssicherung) im Geschäftsjahr 2006 ist 2007 nicht gegeben. Der trotz gesunkenem Vorsteuergewinn von EUR 10,5 Mio. auf EUR 7,9 Mio. erhöhte Steueraufwand reflektiert die Tatsache, dass ergebniswirksame Aufwendungen für Integration und Investition in das Dienstleistungsgeschäft vor allem in Ländern mit niedrigeren Steuersätzen anfielen sowie die Aufrechnung von Gewinnen in erfolgreichen Ländern nur begrenzt mit steuerlichen Verlusten in anderen Ländern möglich ist. Das Ergebnis aus dem verkauften (einzustellenden) Geschäftsbereichen – IMG USA – betrug EUR 0,02 Mio. Insgesamt wurde ein Nettoergebnis von EUR 3,8 Mio. erwirtschaftet und entspricht einem Gewinn je Aktie (unverwässert) von EUR 1,03.

Die S&T-Gruppe beschäftigt in 22 Ländern 3.138 Mitarbeiter zum 31.12.2007. Der Großteil der Mitarbeiter konzentriert sich mit 2.339 auf Zentral- und Osteuropa. Das sind 415 mehr als im Vorjahr (+22 %). Es folgt die DACH-Region mit 639 Mitarbeitern und die sich im Aufbau befindliche Asien-Region mit 160 Mitarbeitern. Zusätzlich haben wir mehr als 200 neue Mitarbeiter für die Bereiche Solutions und Service aufgenommen. Für Aus- und Weiterbildung investiert S&T ca. EUR 3 Mio. und pro Jahr geben wir rund 3 % der Gehaltssumme für Höherqualifikationen unserer Mitarbeiter aus. Unsere Mitarbeiter sind unser wichtigstes Kapital und Basis für eine weitere erfolgreiche Entwicklung des Unternehmens.

3. S&T System Integration & Technology Distribution AG als Obergesellschaft des S&T-Konzerns

Die Ertrags- und Finanzlage der Gesellschaft zum Ende des Geschäftsjahres 2007 spiegelt die starke Akquisitionstätigkeit und die dafür gewählten Finanzierungsoptionen sowie die verstärkten Holdingaktivitäten zur strategischen Ausrichtung wider: Die finanziellen Kennzahlen der S&T AG sind durch ihre Holdingfunktion und die geringen über die Gesellschaft geführten Umsätze von keiner Aussagekraft für die wirtschaftliche Entwicklung des Konzerns. Die wirtschaftlichen Substanz- und Ertragswerte der

Beteiligungen, die die wesentlichen Vermögenswerte der Gruppe bzw. der Muttergesellschaft darstellen, weichen von den im Einzelabschluss angeführten Werten ab. Die Beurteilung der Vermögens- und Ertragslage des S&T-Konzerns ist daher nur anhand des Konzernabschlusses möglich.

Durch die Akquisition der Schweizer IMG Holding AG ist die Bilanzsumme von EUR 87,6 Mio. um 20,6 % auf EUR 105,6 Mio. gestiegen. Verantwortlich dafür war vor allem der Anstieg der Anteile an verbundenen Unternehmen von EUR 44,9 Mio. auf EUR 82,9 Mio. Gegenläufig wirkte der Rückgang der flüssigen Mittel um EUR 18,1 Mio. Auf der Passivseite ließen zusätzlich aufgenommene Fremdmittel die Verbindlichkeiten gegenüber Kreditinstituten ansteigen. Dadurch ist die Fremdkapitalquote von 79 % auf 84 % gestiegen, wobei ein großer Teil des Fremdkapitals langfristig zur Verfügung steht. Das gezeichnete Kapital erhöhte sich geringfügig von EUR 7,14 Mio. auf EUR 7,17 Mio. aufgrund einer Kapitalerhöhung aus genehmigtem Kapital zur Bedienung von Aktienoptionen aus dem Aktienoptionsprogramm 2003. Das Eigenkapital ging von EUR 18,0 Mio. auf EUR 17,3 Mio. leicht zurück.

Der Fachsenat für Betriebswirtschaft und Organisation der Kammer für Wirtschaftstreuhänder Österreichs empfiehlt die Veröffentlichung finanzieller Leistungsindikatoren. Wir entsprechen diesen Empfehlungen und veröffentlichen gemäß den vorgeschlagenen Indikatoren des 3. Betriebswirtschaftlichen Fachgutachtens folgende ausgewählte Kennzahlen:

Kennzahlen der S&T AG 2007 gemäß KFS/BW3:	2007	2006
Umsatzerlöse in Mio. EUR	29,0	29,4
Ergebnis vor Zinsen und Steuern in Mio. EUR	2,7	5,4
Rohgewinnmarge in %	17,81 %	15,91 %
Eigenkapitalrentabilität in %	-4,49 %	16,22 %
Gesamtkapitalrentabilität in %	2,59 %	6,20 %
Nettoverschuldung in Mio. EUR	57,3	28,6
Working Capital in Mio. EUR	(7,0)	22,4
Nettoverschuldungsgrad in %	330,53 %	158,74 %

4. Risikomanagement

Das frühzeitige Erkennen von Risiken und Chancen, deren Bewertung und die Ableitung geeigneter Maßnahmen zur Vermeidung der Risiken und zur Nutzung der Chancen haben elementare Bedeutung für den geschäftlichen Erfolg von S&T. Dies gilt insbesondere bei der Holdingfunktion der Spitzengesellschaft – zusätzlich zu den Geschäften der Tochtergesellschaften – für die Werthaltigkeit der Beteiligungen (Impairment-Test) und Konzernforderungen sowie hinsichtlich des damit verbundenen Fremdwährungsrisikos.

Die Gesellschaft hat diese Aktivitäten 2007 erweitert – auch, um der deutlich gestiegenen Konzerngröße Rechnung zu tragen. Die Implementierung eines erweiterten Risikomanagementsystems inklu-

sive der Umsetzung der dazu erforderlichen organisatorischen Maßnahmen ist im Geschäftsjahr 2007 weiter vorangetrieben worden und wird 2008 abgeschlossen.

Die finanziellen Risiken beinhalten Risiken aus der Entwicklung von Fremdkapitalkosten, Währungsrisiken sowie Zinsrisiken. Unter Bezugnahme auf diese inhärenten Risiken versucht das zentrale S&T-Risikomanagement, mögliche Verluste und deren Einfluss auf die Finanzkraft der Gesellschaft zu minimieren. Hierbei bedient sich die Gesellschaft gelegentlich derivativer Finanzinstrumente, wie z.B. Devisentermingeschäfte, Währungs- und Zins-Swaps, zur Absicherung offener Positionen. Zur Minimierung des Liquiditätsrisikos werden von der S&T AG und ihren Tochtergesellschaften wöchentlich Liquiditätspläne erstellt.

Das Risikomanagement wird in einer zentralen Risikomanagementfunktion sowie in den lokalen Controlling- und Treasury-Abteilungen wahrgenommen und unterliegt einer von der Geschäftsleitung vorgegebenen Konzernrichtlinie. Das lokale und zentrale Treasury identifiziert und bewertet die Finanzrisiken in enger Zusammenarbeit mit den operativen Geschäftseinheiten und sichert diese gegebenenfalls ab. Die Geschäftsleitung erstellt schriftliche Vorgaben zum Umgang mit den operativen Risiken sowie Richtlinien für bestimmte spezielle Bereiche, wie z.B. den Umgang mit Wechselkursrisiken, Kreditrisiken usw.

Durch die internationale Ausrichtung der Gruppe unterliegt diese Wechselkursrisiken aus Transaktionen, insbesondere in US-Dollar sowie in unterschiedlichen lokalen Währungen in Zentral- und Osteuropa. Zur Verringerung des Fremdwährungsrisikos werden in Einzelfällen Devisentermingeschäfte zur Absicherung offener Fremdwährungspositionen gegenüber der lokalen Berichtswährung abgeschlossen.

Das Zinsänderungsrisiko stellt das Risiko dar, das sich aus der Änderung von Wertschwankungen von Finanzinstrumenten, anderen Bilanzposten und/oder zinsbedingten Zahlungsströmen infolge von Schwankungen der Marktzinssätze ergibt. Das Zinsänderungsrisiko beinhaltet das Barwertrisiko und das Zahlungsstromrisiko bei variabel verzinsten Bilanzposten. Bei Finanzinstrumenten mit fester Zinsbindung wird über die gesamte Laufzeit ein Marktzinssatz vereinbart. Das Risiko besteht darin, dass sich bei schwankendem Zinssatz der Kurswert (Barwert der künftigen Zahlungen, das sind Zinsen und Rückzahlungsbetrag, abgezinst mit dem zum Stichtag für die Restlaufzeit gültigen Marktzinssatz) des Finanzinstruments verändert. Das zinsbedingte Kursrisiko führt dann zu einem Verlust oder Gewinn, wenn das festverzinsliche Finanzinstrument vor Ende der Laufzeit veräußert wird. Bei variabel verzinslichen Finanzinstrumenten wird der Zinssatz zeitnah angepasst und folgt dabei in der Regel dem jeweiligen Marktzinssatz. Hier besteht das Risiko, dass der Marktzinssatz schwankt und infolgedessen veränderte Zinszahlungen fällig werden. Die Gesellschaft setzte zum Stichtag 31. Dezember 2007 außer einem Schweizer-Franken-Forward keine derivativen Finanzinstrumente ein.

Das Kunden- und Kreditrisiko wird durch die hohe Kundendiversifikation innerhalb der Konzern-Tochtergesellschaften minimiert. Die Kundenstruktur ist charakterisiert durch die Internationalisierung der Kunden sowie deren Tätigkeiten in unterschiedlichen Branchen, wie z.B. Fertigungsindustrie, Telekom und Finanzdienstleistung. Sofern erforderlich, wird auf Grund der Erfahrungen im Bereich des Forderungsmanagements den Risiken im Bereich der Kundenforderungen durch die Bildung ausreichender Wertberichtigungen Rechnung getragen. Die Geschäftsleitung sieht derzeit keine weiteren Forderungsrisiken, die zusätzliche, über die bereits im Jahres- und Konzernabschluss erfassten Wertberichtigungen hinausgehende Vorsorgen erforderlich machen würden.

Die in der Bilanz ausgewiesenen Forderungen aus Lieferungen und Leistungen und sonstige Forderungen und Verbindlichkeiten sowie Zahlungsmittel entsprechen auf Grund der kurzen Laufzeit im Wesentlichen den Zeitwerten und wurden soweit in Fremdwährung zum Stichtagskurs 31.12.2007 bewertet.

5. Forschung und Entwicklung

S&T ist überwiegend im Dienstleistungs- und Lösungsgeschäft tätig. Deshalb investiert die Gesellschaft nicht wesentlich in allgemeine Forschung und Entwicklung. Laufende Trainings, projektbezogene Studien und Entwicklungen und lokale Kompetenzzentren etablieren technisches Know-how innerhalb des Konzerns auf höchstem Niveau.

6. Nichtfinanzielle Leistungsindikatoren

Durch den steigenden Anteil von wiederkehrendem Dienstleistungsgeschäft wird jährlich eine Überprüfung der Kundenzufriedenheit durchgeführt. Die Ergebnisse dieser Untersuchung werden auch in die Zielerreichung der Servicemitarbeiter einbezogen. Weiters wird der Auslastungsgrad der Mitarbeiter im Dienstleistungsbereich zur Beurteilung der Effizienz herangezogen.

Der Personalstand der S&T AG entwickelte sich im Geschäftsjahr von 25 auf 30 Mitarbeiter (Stand per 31. Dezember 2007).

Eine spezielle Rücksichtnahme auf Umweltaspekte und diesbezügliche Aufwendungen wie z.B. durch Umweltverträglichkeitsprüfungen sind durch die Natur des Geschäftes von S&T nicht gegeben.

7. Angaben gemäß Übernahmerechts-Änderungsgesetz 2006

Das Grundkapital der Gesellschaft besteht aus 3.585.017 auf Inhaber lautenden Stückaktien. Nach dem Prinzip „One Share - One Vote“ vermitteln sämtliche ausgegebenen Aktien die gleichen Rechte und Pflichten. Es bestehen keine Beschränkungen die Stimmrechte oder die Übertragung von Aktien betreffend. Dem Vorstand sind keine Vereinbarungen zwischen Gesellschaftern bekannt, welche die Stimmrechte oder die Übertragung von Aktien einschränken. Dem Vorstand sind zum Berichtsstichtag folgende Beteiligungen, die zumindest 5 % betragen, bekannt: Ing. Mag. Thomas Streimelweger (~28 %), AvW Invest AG (~26 %), Österreichische Postversicherung AG (~5 %). Keinem Aktionär stehen besondere Kontrollrechte zu.

Die Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstandes ergeben sich ausschließlich aus den einschlägigen Vorschriften des Aktiengesetzes 1965 (AktG) in der jeweils geltenden Fassung. Der Vorstand ist gemäß § 169 AktG ermächtigt, das Grundkapital bis zum 23.12.2009 um bis zu EUR 3.535.930 durch Ausgabe von bis zu 1.767.965 auf Inhaber lautenden Stückaktien zu erhöhen.

Die Gesellschaft hat keine bedeutenden Vereinbarungen abgeschlossen, die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebotes wirksam werden, sich ändern oder enden. Im Falle einer Übernahme der Gesellschaft haben die Vorstandsmitglieder bei Weiterbeschäftigung Anspruch auf eine Übergangsprämie; alternativ stehen dem Vorstand Kündigungsrechte unter Abfertigungsanspruch zu.

Mit Beschluss der 16. ordentlichen Hauptversammlung der S & T System Integration & Technology Distribution AG vom 2. Mai 2007 wurde der Vorstand ermächtigt, eigene Aktien gemäß § 65 Abs. 1 Z 4 und Z 8 AktG im gesetzlichen Ausmaß zu einem niedrigsten Gegenwert von EUR 1 und zu einem höchsten Gegenwert von EUR 150 bei einer Geltungsdauer der Erwerbsermächtigung bis 1.11.2008 zu erwerben. Der Vorstand hat beschlossen, von dieser Ermächtigung Gebrauch zu machen. Das Rückkaufprogramm beginnt am 14. Jänner 2008, endet voraussichtlich am 30. Juni 2008 und bezieht sich auf Inhaber lautende Stückaktien der S & T System Integration & Technology Distribution AG. Das beabsichtigte Volumen (Stück) des Rückkaufs eigener Aktien lautet auf bis zu 100.000 auf Inhaber lautende Stück Aktien, dies entspricht ca. bis zu 2,8 % des Grundkapitals. Der Rückkauf der Aktien der S & T System Integration & Technology Distribution AG auf Grund dieses Rückkaufprogramms findet über die Wiener Börse statt, wobei dieser ausschließlich über Kreditinstitute erfolgt. Zweck des Rückkaufs der Aktien ist deren Verwendung im Zuge eines möglichen Erwerbes von Beteiligungen. Auswirkungen des Rückkaufprogramms auf die Börsenzulassung des Emittenten gibt es keine.

Darüber hinaus wurde der Vorstand in der 16. ordentlichen Hauptversammlung gemäß § 65 Abs. 1b AktG zur Veräußerung eigener Aktien in anderer Art als über die Börse unter Ausschluss einer Kauf-

gelegenheit beziehungsweise eines Bezugsrechts der Aktionäre bei einer Geltungsdauer der Veräußerungsermächtigung von fünf Jahren ermächtigt. So können eigene Aktien z.B. als Zahlungsmittel im Rahmen einer Akquisition verwendet werden.

8. Wesentliche Ereignisse nach Schluss des Geschäftsjahres

Nach Ende des Geschäftsjahres 2007 sind keine wesentlichen Ereignisse eingetreten.

9. Ausblick

Zumindest in der ersten Hälfte des Jahres 2008 ist weiterhin mit einem herausfordernden Marktumfeld zu rechnen. Die Gründe liegen in der US-Immobilienkrise und der daraus entstandenen Krise am Kreditmarkt. Hinzu kommen der schwache US-Dollar und der steigende Rohölpreis, der immer wieder neue Rekordmarken jenseits der 100 US-Dollar pro Barrel Rohöl übertrifft. Abzuwarten bleibt wie sich diese Indikatoren auf die „Realwirtschaft“ in unseren Kernregionen DACH und CEE – da vor allem im gehobenen Mittelstand in unseren Kernindustrien – auswirken. Wir sind jedenfalls weiterhin optimistisch für 2008.

So sieht die UNO in ihrem Jahresbericht zur globalen Wirtschaftsentwicklung Abschwungtendenzen für das Wachstum der Weltwirtschaft. Trotz des schwierigen Umfelds hält die UNO ein Wachstum der Weltwirtschaft im Jahr 2008 um etwa 3,4 % für möglich. Fest steht, dass generelle Prognosen derzeit besonders schwer zu treffen sind und das Jahr wirtschaftlich gesehen ein sehr herausforderndes wird.

Erfreulich ist aus der Sicht von S&T, dass der IT-Markt auch weiterhin zulegen wird. Für den Weltmarkt wird für das Jahr 2008 ein Anstieg um 5,3 % vorhergesagt. Sehr positiv entwickelt sich auch der für S&T besonders wichtige europäische Markt. Das Wachstum soll hier 4,7 % betragen (Quelle: EITO in Kooperation mit IDC). Deutlich dynamischer soll das Wachstum jedoch in den neuen EU-Ländern ausfallen. Laut einer Studie des IT-Marktforschungsunternehmens IDC werden bis 2013 die jährlichen IT-Ausgaben in diesen zehn Staaten um durchschnittlich 12 % steigen.

Was die gesamtwirtschaftliche Entwicklung betrifft, rechnen die Analysten 2008 in Osteuropa mit einem Wirtschaftswachstum zwischen 3,1 % in Ungarn und 6 % in der Ukraine. Ein noch beträchtlicher Aufschwung wird für die Türkei (6,5 %) und für China (10 %) erwartet. Die Analysten von PAC (Pierre Audin Consultants) gehen zum Beispiel davon aus, dass der Einzelhandel überdurchschnittlich in seine IT-Ausstattung investieren wird, um seine Verbindung zu den einzelnen Verkaufsstellen auszubauen und die Netzwerke, die in den vergangenen Jahren immer komplexer wurden, einheitlich zu gestalten. Allein in Deutschland werden die Investitionen des Großhandels in die Bereiche Software und IT-Dienstleistungen voraussichtlich von rund EUR 600 Mio. im Jahr 2007 auf EUR 800 Mio. im Jahr 2011 ansteigen. Im selben Zeitraum erhöhen sich die Investitionen in IT der deutschen Nah-

rungsmittelindustrie von EUR 600 Mio. auf EUR 700 Mio. und der Non-Food-Industrie von EUR 1,2 Mrd. auf EUR 1,5 Mrd. Im Finanzdienstleistungssektor werden die Versicherungsunternehmen unter zunehmenden Druck geraten, wenn es darum geht, ihre Abläufe zur Erzielung größtmöglicher Rentabilität zu optimieren, während die Hersteller und Zulieferbetriebe in der Automobilindustrie sich gezwungen sehen werden, ihre Versorgungsketten zu rationalisieren und ihre Netzwerke zu straffen, um ihre Wirtschaftlichkeit angesichts des zunehmenden globalen Wettbewerbs zu erhöhen.

Neben Marktexpansion und dauerhafter Direktinvestitionen im Ausland rechnen wir damit, dass der Unternehmenserfolg auch dadurch angekurbelt werden wird, dass Unternehmen verschiedenster Branchen ihre Geschäftsabläufe durch den Einsatz moderner IT-Systeme zu optimieren suchen. In einem zunehmend wettbewerbsorientierten Umfeld streben sowohl etablierte als auch aufstrebende Firmen mit Instrumenten wie etwa selektives Outsourcing, dem Einsatz aktueller weltweit gültiger IT-Standards, darunter Serviceorientierte Architektur (SOA) sowie Business Intelligence (BI) und CRM-Lösungen, nach erhöhter Kosteneffizienz. IDC etwa geht davon aus, dass der Markt für SOA-Services von derzeit USD 6,3 Mrd. auf USD 32,7 Mrd. im Jahr 2010 anwachsen wird. Aus einer im Oktober 2007 von Equaterra veröffentlichten Studie geht ebenfalls hervor, dass der Bereich Business Process Outsourcing (BPO) in Europa, Nahost und Afrika (EMEA) 2008 beachtliche Zuwächse aufweisen wird, was insbesondere darauf zurückzuführen ist, dass diese Sparte hier noch weit weniger entwickelt ist als in anderen Ländern wie etwa in Nordamerika. Angesichts derartiger Entwicklungen erwarten wir, dass die Nachfrage nach IT-Services auch weiterhin gleichbleibend groß sein wird, insbesondere was Schlüsselmärkte wie Mittel- und Osteuropa und Asien betrifft.

Die Auftragsbücher der S&T-Gruppe sind gut gefüllt. Der Konzern wird seinen Wachstumskurs – auch durch weitere Akquisitionen – unvermindert fortsetzen. Die S&T-Gruppe erwartet 2008 aus heutiger Sicht einen Umsatz von EUR 560 Mio. bis EUR 580 und ein EBIT von EUR 15 bis EUR 17 Mio. und damit wiederum ein deutlich stärkeres Wachstum als der Markt. Wir sind überzeugt, dass die IT-Ausgaben für hochwertige Beratungs- und Servicelösungen in CEE weiter steigen werden und sich für uns auch in der DACH-Region in unseren Kernsegmenten weiterhin große Chancen eröffnen. Indem wir unsere einzigartige geographische Präsenz, unser vorhandenes Know-how und Ressourcen sowie die Synergien aus den Integrationen optimal nutzen, werden wir unser Unternehmen entsprechend der „Strategie 2010“ weiter entwickeln.

Wien, den 22. Februar 2008

Der Vorstand:

Christian Rosner
e.h.

Ing. Mag. Martin Bergler
e.h.

Bestätigungsvermerk

Wir haben den Jahresabschluss der S & T System Integration & Technology Distribution AG, Wien, für das Geschäftsjahr vom 1. Jänner bis 31. Dezember 2007 unter Einbeziehung der Buchführung geprüft. Die Buchführung, die Aufstellung und der Inhalt dieses Jahresabschlusses sowie des Lageberichtes in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung und einer Aussage, ob der Lagebericht in Einklang mit dem Jahresabschluss steht.

Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, die Prüfung so zu planen und durchzuführen, dass ein hinreichend sicheres Urteil darüber abgegeben werden kann, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist, und eine Aussage getroffen werden kann, ob der Lagebericht mit dem Jahresabschluss in Einklang steht. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld des Unternehmens sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Nachweise für Beträge und sonstige Angaben in der Buchführung und im Jahresabschluss überwiegend auf Basis von Stichproben beurteilt. Die Prüfung umfasst ferner die Beurteilung der angewandten Rechnungslegungsgrundsätze und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Unsere Prüfung hat zu keinen Einwendungen geführt. Gemäß den bei der Prüfung gewonnenen Erkenntnissen entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Unternehmens zum 31. Dezember 2007 sowie der Ertragslage des Unternehmens für das Geschäftsjahr vom 1. Jänner bis 31. Dezember 2007 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung. Der Lagebericht steht in Einklang mit dem Jahresabschluss.

Wien, den 22. Februar 2008

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

gez.:

Mag. Felix Wirth
Wirtschaftsprüfer

Eine von den gesetzlichen Vorschriften abweichende Offenlegung, Veröffentlichung und Vervielfältigung im Sinne des § 281 Abs. 2 UGB in einer von der bestätigten Fassung abweichenden Form unter Beifügung unseres Bestätigungsvermerks ist nicht zulässig. Im Fall des bloßen Hinweises auf unsere Prüfung bedarf dies unserer vorherigen schriftlichen Zustimmung.

BERICHT DES AUFSICHTSRATS

Der Aufsichtsrat der S&T AG hielt 2007 insgesamt fünf Sitzungen ab. Vom Vorstand wurde er regelmäßig über die Entwicklung und die Lage des Unternehmens sowie über wesentliche Projekte und Geschäftsvorgänge informiert. Anhand der Vorstandsberichte und erteilten Auskünfte hat der Aufsichtsrat alle ihm vom Gesetz und Satzung übertragenen Kontrollaufgaben wahrgenommen. Sämtliche Maßnahmen, die der Zustimmung des Aufsichtsrats bedürfen, sowie sonstige Geschäftsvorgänge von besonderer Bedeutung sind eingehend beraten worden. Von der Ordnungsmäßigkeit der Geschäftsführung hat sich der Aufsichtsrat eingehend überzeugt.

Der Jahresabschluss und der Konzernabschluss für das Geschäftsjahr 2007 wurden von der als Abschlussprüfer bestellten PwC Wirtschaftsprüfung AG (nunmehr PwC Wirtschaftsprüfung GmbH) Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, geprüft und mit dem uneingeschränkten Bestätigungsvermerk versehen. Darüber hinaus hat der Abschlussprüfer erklärt, dass der Lagebericht sowie der Konzernlagebericht des Geschäftsjahres 2007 in Einklang mit dem Jahresabschluss bzw. dem Konzernabschluss stehen.

Nach eingehender Prüfung und Erörterung im Prüfungsausschuss und im Aufsichtsrat unter Hinzuziehung des Abschlussprüfers erklärte sich der Aufsichtsrat mit dem gemäß § 127 Aktiengesetz (AktG) erstatteten Lagebericht einverstanden und billigte den Jahresabschluss der S&T AG des Geschäftsjahres 2007 einschließlich der Verwendung des Bilanzergebnisses, der damit gemäß § 125 Abs. 2 AktG festgestellt ist. Weiters erklärt sich der Aufsichtsrat nach eingehender Prüfung und Erörterung im Prüfungsausschuss und im Aufsichtsrat unter Hinzuziehung des Abschlussprüfers mit dem nach § 127 AktG erstatteten Konzernlagebericht und dem Konzernabschluss des Geschäftsjahres 2007 einverstanden.

In der Hauptversammlung am 2. Mai 2007 wurde Dr. Ernst Nonhoff neu in den Aufsichtsrat gewählt. Die Funktionsperiode von Herrn William de Gelsey ist ausgelaufen.

Wien, 13. März 2008

Für den Aufsichtsrat



Ing. Mag. Thomas Streimelweger

