



We Report on
improve Q1 results 2008
IT

S&T: IT consulting and solutions business records +55% growth in Q1

EBIT up 40%

Sales Q1 2008: €116.6m (+12%)

EBIT Q1 2008: €2.2m (+40%)

EBITDA Q1 2008: €4.1m (+30%)

April 29, 2008. The S&T Group achieved remarkable results in Q1 2008: Overall sales rose 12% to €116.6m, and sales in the Business Solutions area rocketed an outstanding +55%. EBIT increased to €2.2m. EBITDA also rose by +30% to €4.1m. S&T stock performed well despite challenging market conditions – in March the share price rose +7.4% to outperform all other shares of the ATX Prime Index. The outlook for the 2008 financial year remains unchanged: S&T anticipates sales of between €60m and €80m, and EBIT of between €15m and €17m.

The success of the S&T Group's strategy has been confirmed by the IT consulting and solution provider's Q1 2008 results. The company has been pushing its consulting, solutions and service operations as they are less affected by seasonal influences than the IT infrastructure business. During the traditionally weak business period at the start of the year, S&T recorded growth in sales of 12% and EBIT growth of 40%. "As expected, after record results in the 4th Quarter of 2007 and for the 2007 financial year as a whole, our growth is set to continue. We have won new and strategically important business. At the same time we have successfully completed other contracts and laid solid foundations for another successful year in 2008," explains Christian Rosner, CEO S&T.

A boom in IT consulting and solutions

The IT consulting and solutions area of the business recorded particularly outstanding results in the 1st Quarter of 2008 – rising 55% to €34.6m. By 2010, the company plans to generate more than 60% of its sales from both this and the Managed Services business areas. S&T's results reflect the expectations of market experts – the German Association for Information Technology, Telecommunications and New Media (BITKOM) published a survey in April 2008 that highlighted strong demand for IT services. Current public

discussion of the value of IT has also led to full order books in the consulting area. Many CIOs and IT decision makers need support when it comes to introducing transparent evaluation systems, structures and processes with which they can demonstrate and communicate IT's positive contribution to the bottom line. In addition, S&T is one of the leading ERP/SAP consulting and implementation partners in Central and Eastern Europe, as well as in the German-speaking countries. Growth in the Business Solutions area of the company can be attributed to numerous successful ERP and SAP projects, as well as Business Intelligence contracts, throughout S&T countries. For example, S&T implemented a modern SAP system for the Serbian Direct Trade and Direct Group – the project was worth more than half a million euros. In Russia, S&T optimized Danone's analysis and reporting system as part of a large and comprehensive project. Meanwhile S&T Romania was named as the country's leading ERP provider in a report by Pierre Audoin Consultants that was published at the beginning of the year.

Multi-million euro contracts in the Managed Services area

“Particularly in the DACH region, we have achieved a good market position by assuming responsibility for the servicing of entire IT areas,” explains Rosner. Numerous large contracts in this area in Q1 led to an organic sales growth of 18% to €23m. One contract alone was worth €1.8m: The S&T Group was contracted by ISS Facility Services to manage the planning, implementation and servicing of a data center, as well as the IT setup for 450 workstations and 140 printers at 51 ISS locations. In addition, January saw S&T begin work on the implementation of a multi-million euro Managed Desktop Service contract in 14 countries for OMV. Rosner: “IT managers are acknowledging the challenge of gradually having to develop IT into a business partner rather than simply a service provider. For this reason, many companies are increasingly entrusting the commodity end of their IT operations to an external service provider so that they can concentrate on strategic IT aspects.” As expected, Q1 also saw the Enterprise Systems business unit with sales of €59m demonstrating robust and profitable performance.

S&T Stock: No. 1 in ATX Prime Market in March

Despite the negative influence of ongoing turbulence on stock exchanges throughout the world, a 7.4% increase in March saw S&T outperforming all other shares of Austria's ATX Prime Index. Rosner: “Our stock remains attractive – particularly compared with other IT shares.”

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

With more than 3,100 employees and 522.2 million euros of sales in 2007, S&T is the leading provider of IT consulting, IT solutions and IT services to customers in Central and Eastern Europe, the DACH region (Germany-Austria-Switzerland), Japan and China. With around 70 branch offices in 22 countries, the Group has established a successful international presence. S&T's core business is IT consulting as well as the development, rollout and operation of customized IT solutions, processes and systems. The company provides large and medium-sized enterprises with support along the entire IT value chain. S&T's target customers are active in the manufacturing, financial services, trade and telecommunications sectors as well as in public administration and utilities. Headquartered in Vienna, Austria, S&T AG has been listed on the Vienna Stock Exchange since 2003.

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Consolidated income statement

Period from 01.01., ended	31.03.2008	31.03.2007	31.12.2007
Sales			
Business Solutions (BS)	34.639	22.304	149.060
Enterprise Systems (ES)	59.031	62.615	286.623
Managed Services (MS)	22.930	19.482	86.553
Total Sales	116.600	104.401	522.236
Merchandise, spare parts and purchased services	(70.213)	(73.085)	(342.445)
Staff costs	(32.824)	(21.071)	(119.589)
Other operating expenses	(12.457)	(7.837)	(46.970)
	(115.494)	(101.993)	(509.004)
Other operating income	3.004	762	7.163
Total operating expenses less other income	(112.490)	(101.231)	(501.841)
<i>Profit from operations before depreciation, amortization and finance costs (EBITDA)</i>	<i>4.110</i>	<i>3.170</i>	<i>20.395</i>
Depreciation and amortization	(1.884)	(1.575)	(7.363)
<i>Profit from operations (EBIT)</i>	<i>2.226</i>	<i>1.595</i>	<i>13.032</i>
Finance costs - net	(1.671)	(970)	(5.163)
Profit before tax	555	625	7.869
Income tax expense ¹⁾	(457)	(552)	(4.133)
Profit from continuing operations	98	73	3.736
Profit from discontinuing operations	--	--	23
Profit for the period	98	73	3.759
Attributable to:			
Equity holders of the company	80	73	3.661
Minority interest	18	--	98
Profit for the period	98	73	3.759
Earnings per share from continuing operations attributable to equity holders of the company in EUR:			
Basic earnings per share	0,02	0,02	1,03
Diluted earnings per share	0,02	0,02	1,03
Weighted number of ordinary shares in issue (thousands)	3.557	3.564	3.558
¹⁾ Thereof deferred tax	378	(336)	(770)

Consolidated balance sheet

Assets	31.03.2008	31.03.2007	31.12.2007
<i>Non-current assets</i>			
Property, plant and equipment	14.753	14.863	16.209
Intangible assets	44.551	25.086	44.012
Financial assets	4.348	4.233	4.319
Deferred tax assets	7.183	3.479	6.748
	<u>70.835</u>	<u>47.661</u>	<u>71.288</u>
<i>Current assets</i>			
Inventories	16.799	19.184	17.323
Trade accounts receivable	105.934	76.065	126.040
Other receivables and prepayments	24.414	18.821	21.304
Financial assets	114	--	146
Cash and cash equivalents	26.773	39.856	29.947
	<u>174.034</u>	<u>153.926</u>	<u>194.760</u>
Total assets	244.869	201.587	266.048
Equity and Liabilities			
<i>Shareholders' equity</i>			
Issued capital	7.170	7.137	7.170
Share premium	6.035	5.936	6.034
Treasury shares	(1.319)	61	(1.097)
Retained earnings	37.984	33.244	37.262
	<u>49.870</u>	<u>46.378</u>	<u>49.369</u>
Equity attributable to equity holders of the company	49.870	46.378	49.369
Minority interest	12	3	(2)
	<u>49.882</u>	<u>46.381</u>	<u>49.367</u>
<i>Non-current liabilities</i>			
Long-term financial liabilities and other long-term liabilities	63.141	57.446	62.889
Long-term provisions	5.270	2.750	5.041
Deferred tax liabilities	731	399	745
	<u>69.142</u>	<u>60.595</u>	<u>68.675</u>
<i>Current liabilities</i>			
Trade accounts payable	38.287	34.664	65.536
Current tax liabilities	296	241	457
Other payables	19.961	18.336	21.063
Short-term financial liabilities	29.882	12.552	19.104
Provisions	1.629	1.167	1.940
Accrued liabilities	35.790	27.651	39.906
	<u>125.845</u>	<u>94.611</u>	<u>148.006</u>
Total equity and liabilities	244.869	201.587	266.048

Statement of changes in equity

	Issued capital	Share premium	Treasury shares	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total
Period ended March 31, 2008							
Balance at January 1, 2008	7.170	6.034	(1.097)	37.262	49.369	(2)	49.367
Currency translation differences	--	--	--	690	690	(4)	686
Securities available for sale	--	--	--	(34)	(34)	--	(34)
Net income recognized directly in equity	--	--	--	656	656	(4)	652
Net profit for the year	--	--	--	80	80	18	98
Total recognized income for 2008	--	--	--	736	736	14	750
Initial consolidation	--	--	--	(14)	(14)	--	(14)
Changes in treasury shares	--	--	(222)	--	(222)	--	(222)
Share option plan	--	1	--	--	1	--	1
Balance at March 31, 2008	7.170	6.035	(1.319)	37.984	49.870	12	49.882

Period ended March 31, 2007

Balance at January 1, 2007	7.137	5.933	61	33.603	46.734	3	46.737
Currency translation differences	--	--	--	(423)	(423)	--	(423)
Securities available for sale	--	--	--	(9)	(9)	--	(9)
Net income recognized directly in equity	--	--	--	(432)	(432)	--	(432)
Net profit for the year	--	--	--	73	73	--	73
Total recognized income for 2007	--	--	--	(359)	(359)	--	(359)
Changes in treasury shares	--	--	--	--	--	--	--
Share option plan	--	3	--	--	3	--	3
Balance at March 31, 2007	7.137	5.936	61	33.244	46.378	3	46.381

Period ended December 31, 2007

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	--	--	--	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

Consolidated cash flow statement

Period from 01.01., ended	31.03.2008	31.03.2007	31.12.2007
Cash flows from operating activities			
Profit before tax	555	625	7.869
Adjustments			
Finance costs - net	1.671	970	5.163
Depreciation and amortization	1.884	1.575	7.363
(Gain)/loss on disposal of subsidiary	--	--	(68)
Other (net)	(2.385)	(942)	(2.858)
	<u>1.725</u>	<u>2.228</u>	<u>17.469</u>
Changes in working capital			
(Increase)/decrease in trade accounts and other receivables	17.945	26.360	(4.874)
(Increase)/decrease in inventory	524	2.301	4.162
Increase/(decrease) in current liabilities	(32.778)	(30.863)	(1.289)
	<u>(14.309)</u>	<u>(2.202)</u>	<u>(2.001)</u>
Cash generated from operations	(12.584)	26	15.468
Interest received	152	338	980
Interest paid	(506)	(277)	(4.948)
Taxes paid	(1.067)	(730)	(3.660)
Net cash generated from operating activities	(14.005)	(643)	7.840
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(991)	(1.287)	(5.823)
Purchase of financial assets (securities and investments)	(26)	--	--
Proceeds from sale of property, plant and equipment	2.168	704	1.326
Proceeds from sale of financial assets	--	--	380
Disposal of subsidiaries, net of cash	--	--	723
Acquisition of subsidiaries, net of cash	--	(714)	(27.117)
Long-term loans and receivables (granted)/repaid	(22)	(116)	(560)
Net cash used in investing activities	1.129	(1.413)	(31.071)
Cash flows from financing activities			
Capital increase	--	--	131
(Purchase)/sale of treasury shares	(222)	--	(1.158)
Increase in long-term borrowings	57	--	5.989
Decrease in long-term loans and borrowings	--	(301)	(679)
Repayment of finance lease liabilities	(704)	(248)	(1.076)
Increase/(decrease) in short-term borrowings	10.201	(1.440)	5.953
Net cash generated from financing activities	9.332	(1.989)	9.160
Net (decrease) / increase in cash and cash equivalents	(3.544)	(4.045)	(14.071)
Movement in cash and cash equivalents			
At beginning of period	29.947	43.904	43.904
Increase/(decrease)	(3.544)	(4.045)	(14.071)
Effect of exchange rate changes	370	(3)	114
At end of period	26.773	39.856	29.947

Notes to the consolidated interim financial statements

Basis of preparation

The consolidated interim financial statements at March 31, 2008 were compiled in accordance with International Financial Reporting Standards (IFRS). Presentation currency is the Euro. The figures are presented in thousands of Euro (TEUR). With the exception of the new pronouncements described below, the consolidated interim financial statements use the same accounting and valuation methods as the consolidated financial statements for the 2007 financial year. For additional information see the consolidated financial statements as of December 31, 2007, which form the basis for this interim financial statements. IAS 34 "Interim Reporting" was additionally applied.

Initial adoption of new standards

The IASB has issued standards as well as amendments to existing standards and interpretations, which are not yet mandatory for the 2008 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 following standards or amendments to standards and interpretations were adopted by the IASB or IFRIC, however, by the time these consolidated financial statements were prepared, they had not yet been adopted by the EU.

- 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.

Events after balance sheet date

There were no events of major importance after the end of March 31, 2008.

Segment results

The segment breakdown applied to sales is as detailed in the profit and loss account.

The segment results for the first three months are as follows:

	2008	2007
Business Solutions	105	1.110
Enterprise Systems	3.853	2.286
Managed Services	4.108	2.678
	<hr/> 8.066	<hr/> 6.074
Unallocated expenses less other income	(5.840)	(4.479)
Profit from operations (EBIT)	<hr/> 2.226	<hr/> 1.595

Other information

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

Vienna, May 8, 2008

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