

# **S&T Press Conference “Annual Results 2008”**

**March 31, 2009**



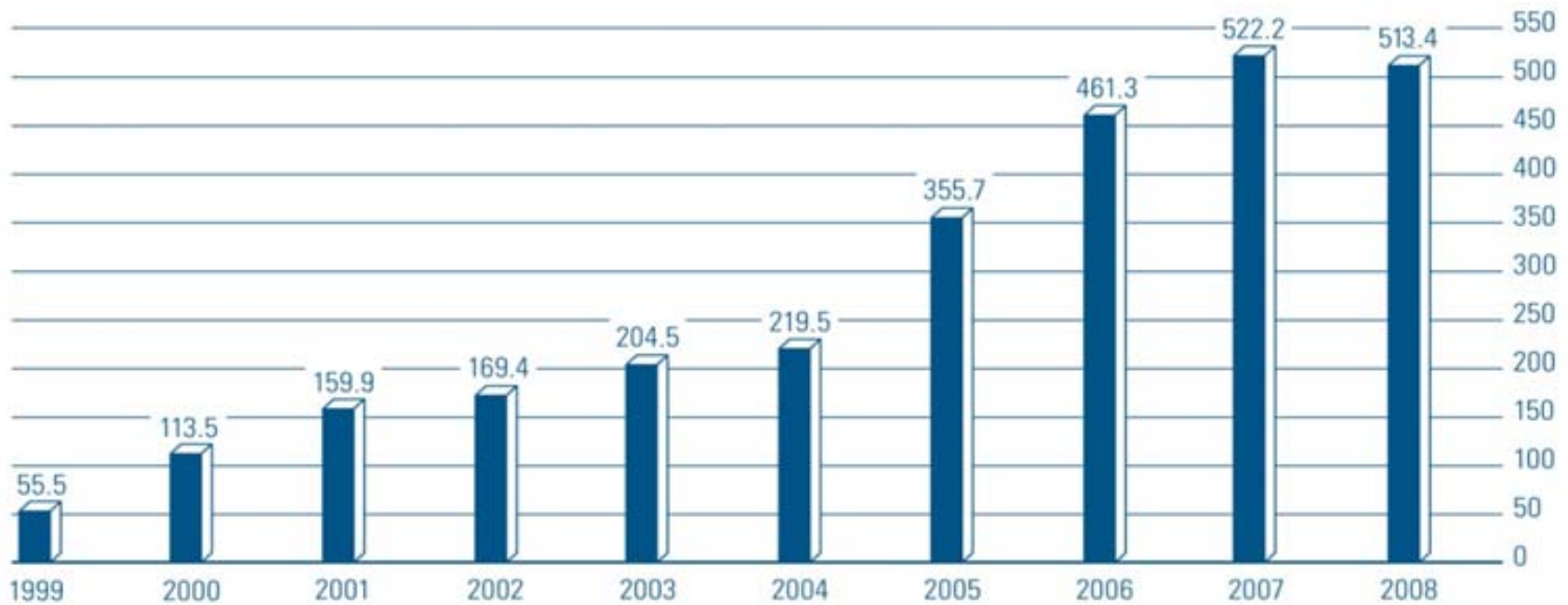
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- ➔ **Refocusing of the business areas from regions to 'Business Units'** and addition of Georg Komornyik & Peter Sturz to the executive board
- ➔ **Implementation of successful measures for increasing productivity**
- ➔ **Realization of numerous large projects, including:**
  - Desktop Services in 14 countries for OMV
  - SAP solution for the Serbian postal service
  - S&T services all Pizza Hut restaurants in Poland
- ➔ **Strategic milestone reached: 50 % of total sales generated by the solutions and services business for the first time.**

# Sales – 10-year overview

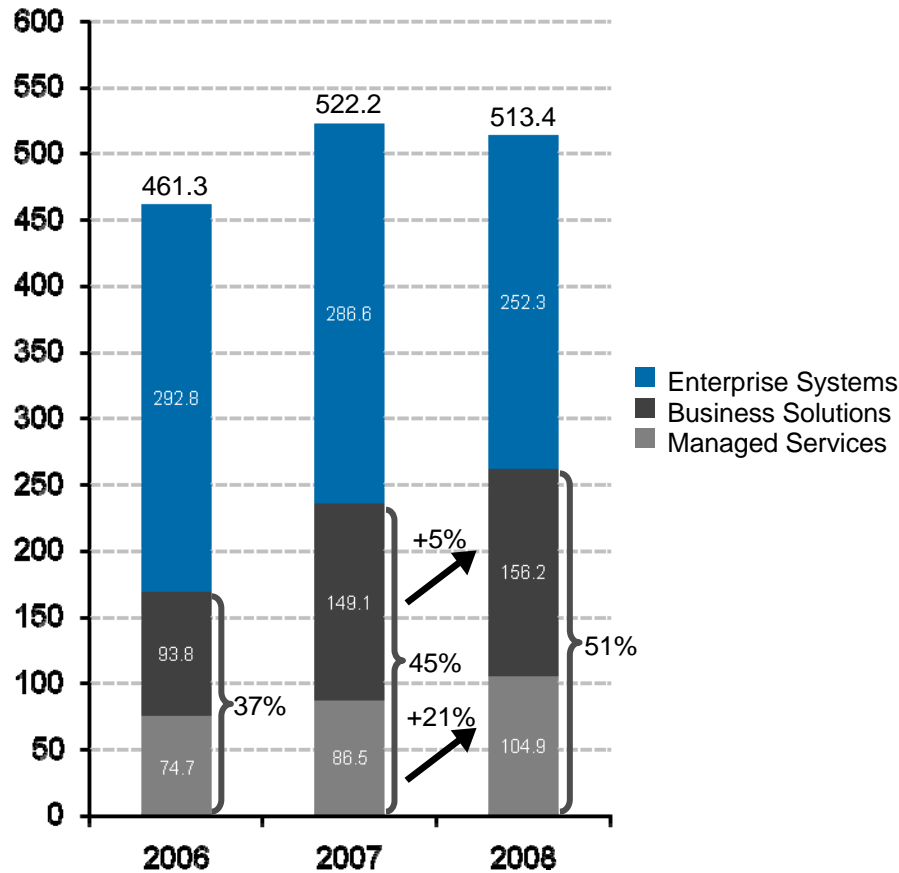


Sales (in million EUR)

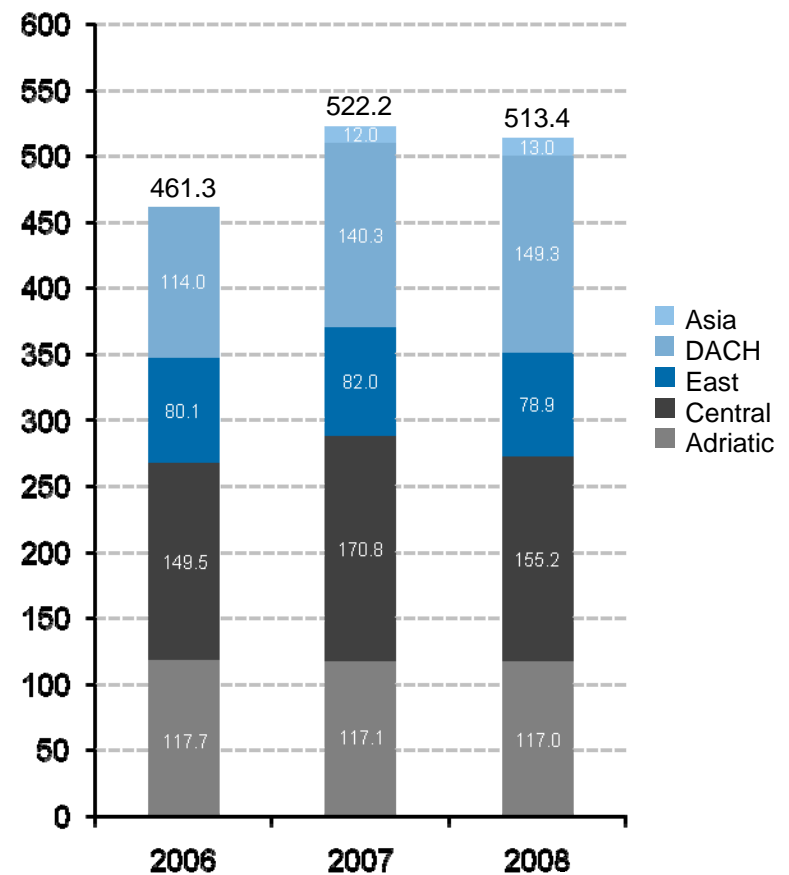


# Sales by business area and by region

## Sales by business area (in EUR million)



## Sales by region (in EUR million)



Adriatic: Albania, Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia  
 Central: Moldova, Poland, Slovakia, Czech Republic, Hungary, Ukraine  
 East: Bulgaria, Romania, Russia, Turkey  
 DACH: Germany, Austria, Switzerland  
 Asia: China, Japan

# Sales distribution by industry

**Sales per industry sector in 2008**  
(in %)

6% Utilities

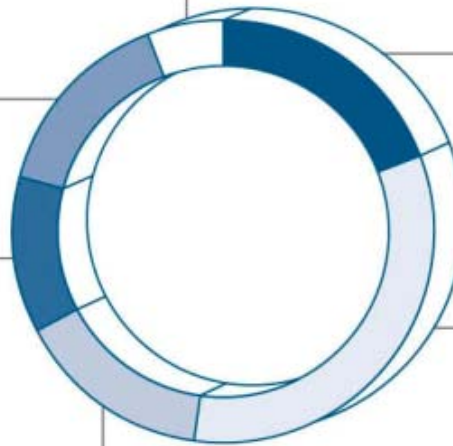
15% Telecommunications

12% Public Administration

19% Financial Services

33% Manufacturing

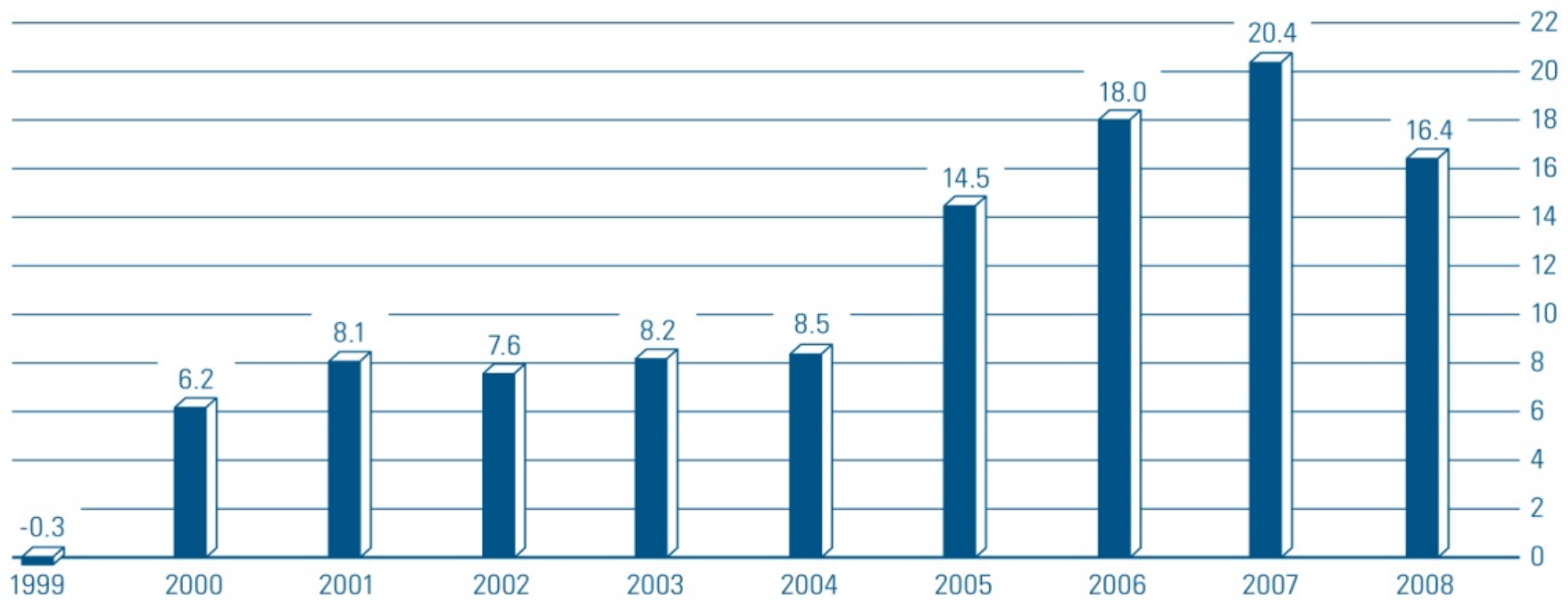
15% Trade



# EBITDA – 10-year overview



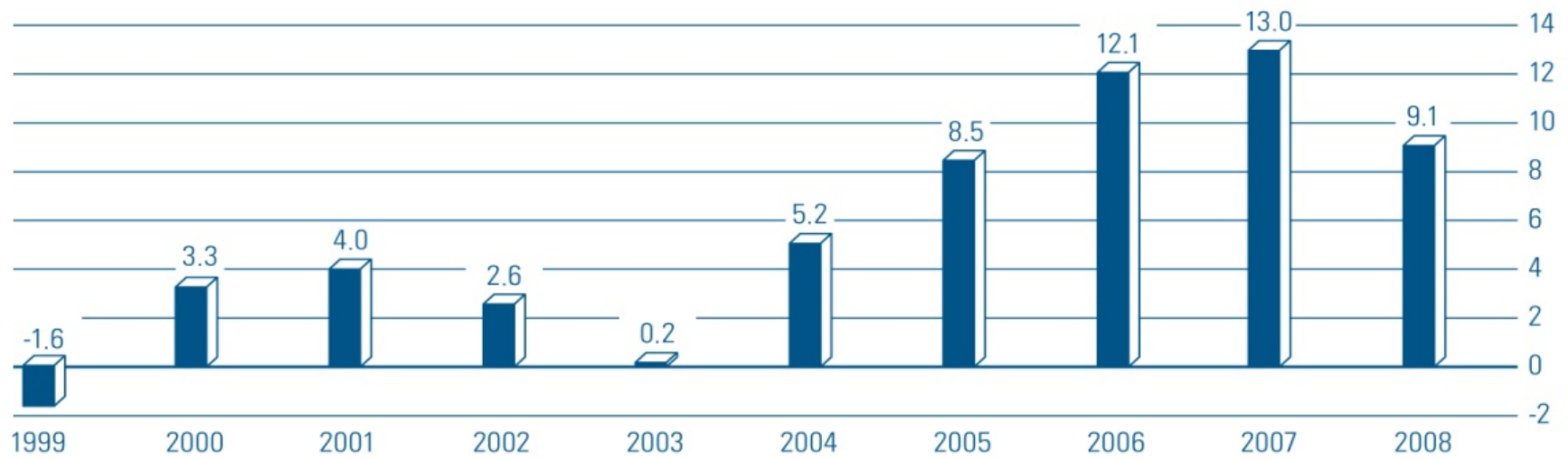
EBITDA (in million EUR)



# EBIT – 10-year overview



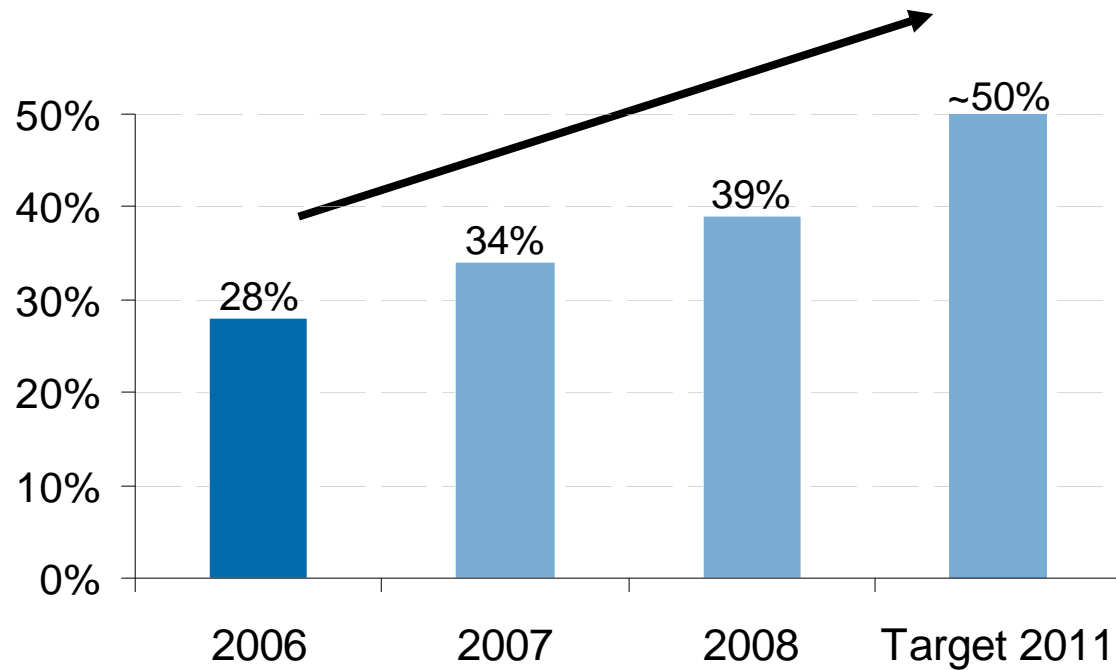
EBIT (in million EUR)



# Services and solutions are driving margins



## Development of Gross Margin

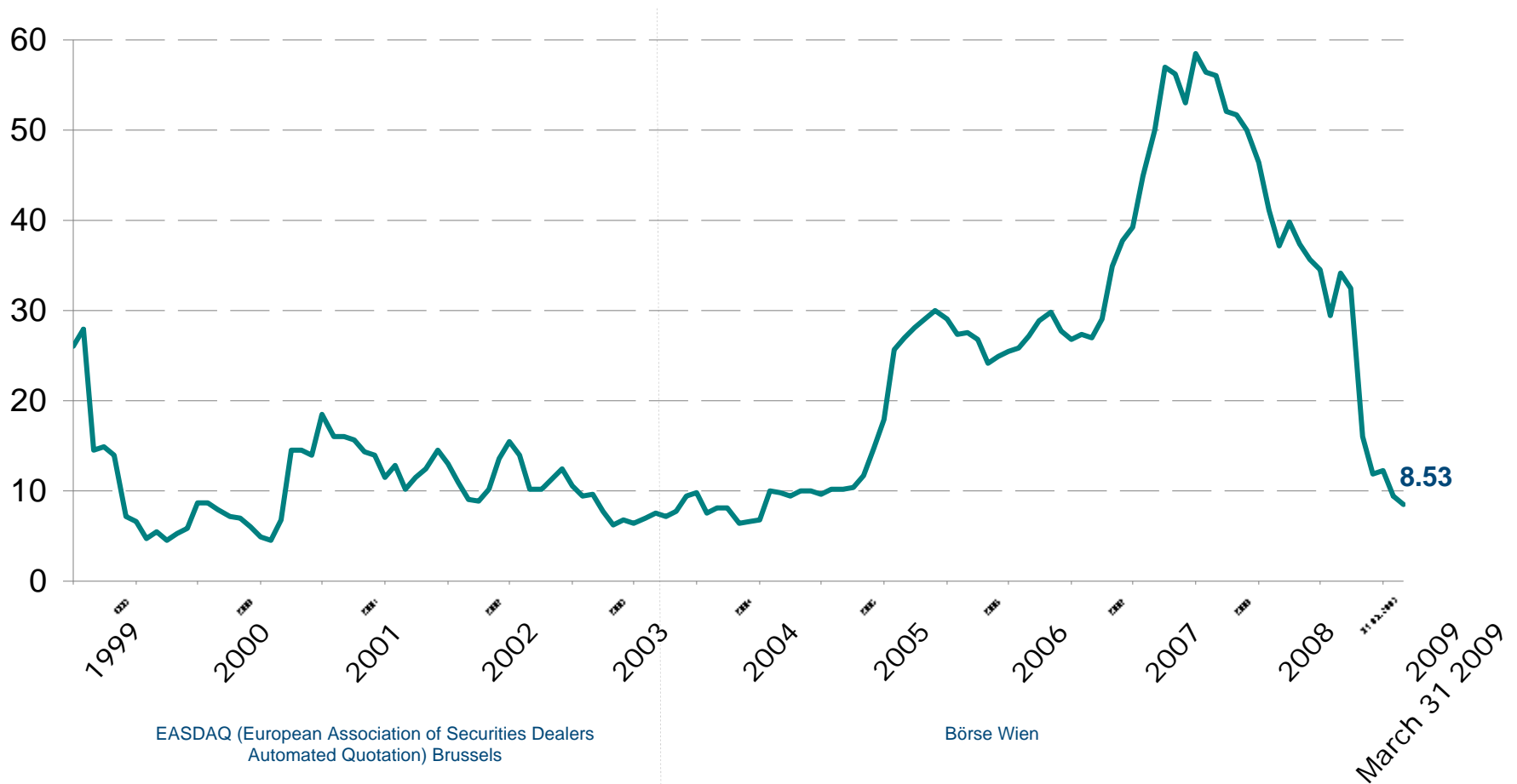


# Share Price (in euros)



## Share price development since IPO in July 1998

At: March 31, 2009

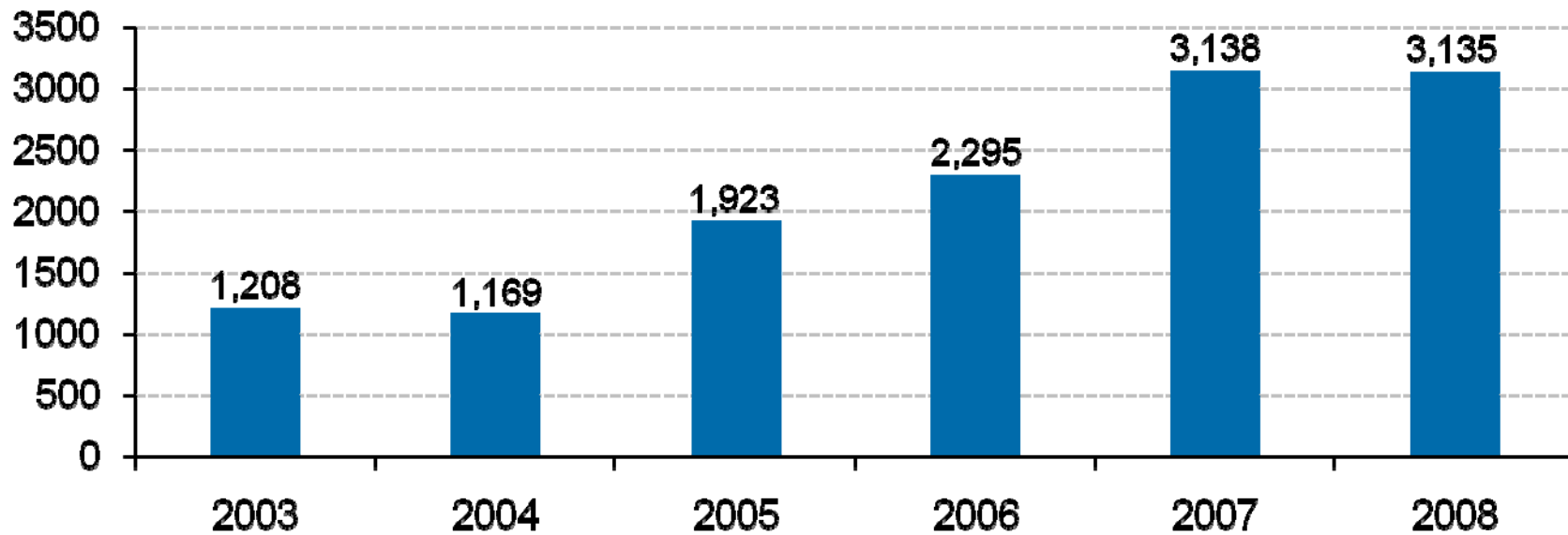


## S&T stock – key figures



	2006	2007	2008
Market capitalization year-end in million EUR	139.9	166.7	31.5
Number of shares year-end	3,568,655	3,585,017	3,585,017
Share price year-end in EUR	39.20	46.50	8.80
High in EUR	39.20	59.20	46.20
Low in EUR	24.90	39.00	8.80
Diluted earnings per share in EUR	1.89	1.03	(0.05)
Free float	56%	46%	34%

# Stable number of employees



# S&T Group financial figures



## S&T Group – Overview of Results (in million EUR)

	2006	2007	2008
Sales	461.3	522.2	513.4
EBITDA	18.0	20.4	16.4
Profit from operations (EBIT)	12.1	13.0	9.1
Result before tax	10.5	7.9	1.7
Result for the year / Net result	6.8	3.8	(0.3)
Diluted earnings per share in EUR	1.89	1.03	(0.05)
Shareholder's equity	46.7	49.4	46.8
Total assets	235.0	266.0	255.5
Net financial liabilities	26.8	52.0	55.2
Net gearing	11.4%	19.5%	21.6%
Number of employees at year-end	2,295	3,138	3,135

# Outlook

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## S&T: potential risks over the next 18 months



- Consolidation in the IT market
- Unstable economic situation resulting in project postponements and delays
- Price dumping
- Shareholder structure / impact on image
- Financing difficult to obtain for acquisitions and large projects
- Incentives for IT investment still too weak  
(keyword: 'scrap bonus' for IT systems)
- Underestimation of the multiplier effect of the IT sector for the overall economy / infrastructure

## S&T: opportunities over the next 18 months



- **Regional presence / distribution of risks over various economic regions**
- **Good customer mix / distribution of risks over various industry sectors**
- **Local presence – close to customers / advantage for long-term consulting and services projects**
- **Strong market position in the individual countries and regions**
- **Flat / rapid decision making hierarchy**
- **Experienced management teams in the S&T countries**
- **Attractively financed / stable financial situation**
- **Possibility to increase quality of personnel**

## Customer perspective: mastering the crisis with cautious optimism



- **The current economic environment demands the making of difficult decisions and the exercising of increased discipline with regard to IT expenses.**
- **However, drastic cuts that have a negative effect on the core business (decrease in speed, increase in faults) are to be avoided.**
- **IT costs usually amount to between 2 and 6 percent of the overall costs for a company.**
- **I.e. even a 30% reduction in IT costs only results in a 0.6%-1.8% reduction in overall costs.**
- **Targeted IT investment and innovation can lead to considerable overall cost savings due to improved efficiency (productivity) and effectiveness (avoidance of errors).**

## Customer perspective: IT as the solution, not a part of the problem



- Investment in core IT concepts such as standardization, virtualization and storage consolidation can save costs right from the start, with a correspondingly rapid attainment of break even.
- Stopping business intelligence and data warehouse projects ultimately leads to costs being incurred – as the associated improvements in transparency and corporate control cannot be realized.
- Generate positive impulses for sales revenues through implementation of innovative IT solutions (e.g. improving interaction with customers).
- Innovative technologies can make a crucial contribution to combating the crisis.

➡ IT increasingly makes ‘the’ competitive difference for companies.

## Disclaimer

The information presented in this report describes the situation for S&T as of 31st December 2008.

This report contains certain statements oriented towards the future. These future-oriented statements contain assessments made by the management, known and unknown risks, uncertainties and other factors that may lead to the actual results, financial situation, performance or achievements of S&T, or the sector, differing considerably from any results, performances or achievements predicted or implied by such future-oriented statements. Such factors include: competition from other organizations, changes in operating expenditure, development and successful integration of acquired companies, recruitment of qualified personnel and the binding of such personnel to the company, uncertainties resulting from business carried out by S&T outside Austria, negative developments in legal and tax conditions, negative developments in government and economic policy, unrest, acts of God, acts of war and all other factors taken into consideration in this report. Investors are advised, in light of these uncertainties, to judge such future-oriented statements for themselves. S&T takes no responsibility, either expressly or implied, for the correctness or the completeness of any information contained in this report based on future-oriented statements, or for any opinions or assessments. S&T does not accept any responsibility for adjusting such future-oriented statements in the future in order to take account of future events or developments. S&T, and persons acting in the name of S&T, do not accept any responsibility in conjunction with the use of this report or the information contained therein. This report is neither a public offer for, nor an invitation to subscribe to, S&T securities.

**Thank You.**

A large, spherical object made of many thin, white paper strips tangled together. A single, thicker blue strip is woven through the center of the ball, creating a horizontal band. The background is a light, neutral color.

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