

PRESS RELEASE
Regulated information

10 November 2011

Interim statement: 3rd quarter 2011

Sales in the 3rd quarter of 2011 of EUR 34.2 million compared with EUR 33.7 million in Q3 2010.

Profit from operations of EUR 1.3 million compared with EUR 0.5 million in Q3 2010.

Net profit of EUR 821,000 compared with EUR 150,000 in Q3 2010.

Order book of EUR 70.7 million at end of Q3 2011 (72 million end-Q2 2011).

Connect Group NV (Euronext Brussels: CONN) announces 3rd quarter 2011 sales of EUR 34.2 million and a profit from operations of EUR 1.3 million. In the comparable 3rd quarter of 2010, sales were EUR 33.7 million with a profit from operations of EUR 0.5 million.

Given the holiday period, third quarter sales are in line with expectations. Continuing cost saving and efficiency measures have brought operating profit up to 3.8 percent of sales.

At the end of Q3 2011, the order book stood at EUR 70.7 million, down slightly on the EUR 72.0 million at the end of Q2.

[Statement by the persons responsible for preparing the interim statement](#)

This interim statement has been compiled under the responsibility of the management of Connect Group. The figures given in this statement have not been audited. The information contained in this interim statement does not contain all the information referred in IFRS 34.

Condensed consolidated income statement on 30 September 2011 and 30 September 2010

<i>(in 000 Eur)</i>	Q3 2011		Q3 2010		1-9 2011		1-9 2010	
Continuing operations								
Sales	34,231	100.0	33,703	100.0	116,759	100.0	96,525	100.0
Cost of sales	-29,591	-86.4	-30,062	-89.2	-102,046	-87.4	-86,779	-89.9
Gross profit	4,640	13.6	3,641	10.8	14,713	12.6	9,746	10.1
Research and development expenses	-291	-0.8	-304	-0.9	-943	-0.8	-956	-1.0
General and administrative expenses	-1,532	-4.5	-1,543	-4.6	-4,853	-4.1	-4,679	-4.8
Selling expenses	-1,523	-4.5	-1,573	-4.7	-4,959	-4.2	-4,943	-5.1
Other operating income	19	0.0	370	1.1	119	0.1	377	0.4
Other operating expenses	-5	0.0	-36	-0.1	-12	-0.0	-53	-0.1
Profit / (loss) from operations	1,308	3.8	555	1.6	4,065	3.5	-508	-0.5
Financial charges	17	0.0	18	0.1	287	0.2	34	0.0
Financial income	-504	-1.5	-417	-1.3	-1,612	-1.4	-2,042	-2.1
Profit / (loss) before taxes	821	2.4	156	0.4	2,740	2.3	-2,516	-2.6
Income taxes	0	0.0	-6	0.0	305	0.3	-19	0.0
Profit/(loss) from continuing operations	821	2.4	150	0.4	3,045	2.6	-2,535	-2.6
Discontinued operations								
Profit/(loss) from discontinued operations	0	0.0	0	0.0	0	0.0	1,096	1.1
Net profit / (loss)	821	2.4	150	0.4	3,045	2.6	-1,439	-1.5

Condensed consolidated balance sheet at 30 September 2011 and 31 December 2010

<i>(in 000 Eur)</i>	30 September 2011	31 December 2010
Assets		
Current assets:		
Cash and cash equivalents	710	79
Trade receivables	30,726	27,744
Other receivables	613	606
Inventories	34,875	38,045
Other current assets	109	153
Total current assets	67,033	66,627
Fixed assets:		
Other receivables	1,900	1,900
Deferred tax assets	1,500	1,500
Property, plant and equipment	9,898	11,250
Intangible assets	1,699	2,156
Goodwill	4,649	4,649
Total non-current assets	19,646	21,455
TOTAL ASSETS	86,679	88,082
Liabilities and equity		
Current liabilities:		
Bank loans and overdrafts	25,400	21,459
Current portion of long-term debt	2,634	3,784
Trade payables	20,955	26,470
Accrued expenses, payroll and related taxes and deferred income	8,085	7,724
Provisions	322	479
Total current liabilities	57,396	59,916
Non-current liabilities:		
Long-term debt less current portion	6,939	13,200
Valuation derivative	0	645
Total non-current liabilities	6,939	13,845
Equity of the parent company - attributable to the shareholders of the group	22,344	14,321
TOTAL LIABILITIES AND EQUITY	86,679	88,082

Condensed consolidated cashflow statement for the period from 1 January 2011 to 30 September 2011 and 1 January 2010 to 30 September 2010

<i>(in 000 Eur)</i>	1-9 2011	1-9 2010
Profit /(loss) from operations	4.065	-508
Adjustments for:		
Allowance for doubtful receivables and obsolete stock	1.990	-155
Depreciation and amortization	2.693	3.044
Provisions	-157	-311
Cash flow before changes in working capital	8.591	2.070
Cash flow from change in working capital	-6.613	-7.447
Cash flow from operating activities	1.978	-5.377
Income taxes	0	-18
Exchange differences	-75	-598
Interest / Financial charges	-1.313	-1.444
Other	-22	-310
Net cash from/(used in) operating activities of continuing operations	568	-7.747
Cash flows from/(used in) operating activities of continuing operations	-821	-528
Cash flows from/(used in) continuing operations	-253	-8.276
Cash flows related to activities of discontinued operations	0	-404
Cash flows from financing activities	883	10.124
Increase/(decrease) in cash and cash equivalents	630	1.444

Connect Group

Connect Group offers cost-effective, high quality production services to the professional industry. Activities include the production of cables and cable trees, PCB assembly and testing, production of semi-manufactures and final product assembly.

Connect Group's references include companies such as Alstom, ASML, Atlas Copco, Atos, Barco and Philips.

The company currently employs around 1,700 people in various facilities in Europe. The company's shares are traded on NYSE Euronext Brussels: CONN (www.euronext.com).

Updated financial calendar

Announcement annual results 2011:	16 February 2012
Announcement interim statement 1 st quarter 2012:	10 May 2012
Announcement half yearly results 2012:	9 August 2012
Announcement interim statement 3 rd quarter 2012:	8 November 2012

