



**IPTE – Third quarter 2006 results**

**Third quarter sales up 17% on 2005  
€ 1 million operating profit**

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Genk, 16 November 2006

**IPTE NV, (Euronext Brussel: IPT) announces third quarter 2006 sales of EUR 35.8 million (Q3 2005: EUR 30.5 million). At EUR 0.95 million operating profit was slightly higher than in the third quarter of 2005. Net profit for the quarter rose to EUR 347,000 from EUR 303,000 a year before.**

**At EUR 46.3 million, the order book at the end of Q3 2006 remains unchanged from the end of the second quarter.**

**Managing Director Huub Baren:** “Our third quarter results are in line with our expectations. Sales are 17% higher when compared with the same period last year, and profitability has improved slightly.

Net profit would have been EUR 215,000 higher had we not written off a receivable from an Asian client.

Sales of the Automation division rose from EUR 11.3 million in Q3 2005 to EUR 13.8 million in Q3 2006. The division ended the third quarter with an order book of EUR 9.8 million (EUR 13.3 million at the end of the second quarter).

Sales of the Contract Manufacturing division rose from EUR 19.2 million in Q3 2005 to EUR 22.1 million in Q3 2006. The division’s order book rose from EUR 32.8 million at the end of the second quarter to EUR 36.5 million at the end of third quarter.

The total order book at the end of the third quarter remained unchanged at EUR 46.3 million.”



### Third quarter 2006 results – IPTE Group

The consolidated balance sheet at 30.09.06 and the consolidated income statement for the nine months to 30.09.06 have not been verified by the statutory auditor.

Financial servicing of IPTE shares is provided by KBC bank.

#### Profit and loss accounts at 30 September 2006 and 30 September 2005

	<b>Q3 2006</b>		<b>Q3 2005</b>		<b>1-9 2006</b>		<b>1-9 2005</b>	
	<b>EUR '000</b>	<b>%</b>	<b>EUR '000</b>	<b>%</b>	<b>EUR '000</b>	<b>%</b>	<b>EUR '000</b>	<b>%</b>
Sales	35,851	100.0	30,511	100.0	103,070	100.0	98,424	100.0
Cost of sales	-28,907	-80.6	-23,149	-75.9	-81,623	-79.2	-76,223	-77.4
<b>Gross profit</b>	<b>6,944</b>	<b>19.4</b>	<b>7,362</b>	<b>24.1</b>	<b>21,447</b>	<b>20.8</b>	<b>22,201</b>	<b>22.6</b>
Research and development expenses	-1,515	-4.2	-1,519	-5.0	-4,694	-4.5	-4,204	-4.3
General and administrative expenses	-2,168	-6.0	-2,438	-8.0	-6,843	-6.6	-7,850	-8.0
Selling expenses	-2,433	-6.7	-2,513	-8.2	-7,272	-7.0	-7,484	-7.6
Other income/(expense) (net)	125	0.3	28	0.1	253	0.2	499	0.5
<b>Profit from operations</b>	<b>953</b>	<b>2.6</b>	<b>920</b>	<b>3.0</b>	<b>2,891</b>	<b>2.8</b>	<b>3,162</b>	<b>3.2</b>
Financial income/(charges) (net)	-584	-1.6	-640	-2.1	-1,562	-1.5	-1,536	-1.6
<b>Profit before taxes</b>	<b>369</b>	<b>1.0</b>	<b>280</b>	<b>0.9</b>	<b>1,329</b>	<b>1.2</b>	<b>1,626</b>	<b>1.7</b>
Income taxes	-22	-0.1	23	0.1	-176	-0.1	-119	-0.1
<b>Profit after taxes</b>	<b>347</b>	<b>0.9</b>	<b>303</b>	<b>1.0</b>	<b>1,153</b>	<b>1.1</b>	<b>1,507</b>	<b>1.5</b>
Attributable to:								
Equity holders of the parent	386	1.0	288	0.9	1,186	1.1	1,438	1.5
Minority interest	-39	-0.1	15	0.0	-33	-0.1	69	0.1
Number of shares:	5,476,092							
Number of warrants:	1,641,182							
Profit/(loss) per share in EUR	0.06		0.05		0.21		0.29	
Diluted profit/(loss) per share in EUR	0.04		0.04		0.16		0.22	



**Balance sheet at 30 September 2006 and 31 December 2005**

	<b>30.09.06</b>	<b>31.12.05</b>
	EUR '000	EUR '000
Intangible assets	219	253
Goodwill	6,181	5,942
Property, plant and equipment	12,537	12,000
Deferred tax assets	901	901
Non-current receivables	1,491	1,502
Inventories and contracts in progress	27,321	23,988
Trade receivables	36,822	26,267
Other receivables	2,511	2,539
Cash, bank deposits and current investments	1,687	3,695
Other current assets	363	390
<b>Total assets</b>	<b>90,033</b>	<b>77,477</b>
Equity	23,576	22,894
Subordinated loan	7,000	7,000
Provisions	2,382	2,342
Deferred tax liability	901	901
Long-term debt less current portion	2,874	2,750
Bank loans and overdrafts	23,729	18,147
Other short-term debt	8,343	8,591
Trade payables	21,228	14,852
<b>Total liabilities</b>	<b>90,033</b>	<b>77,477</b>

**Equity**

	<b>2006</b>
	EUR '000
Equity at 31.12.2005	22,894
Net profit for the period from 01/01/2006 until 30.09.2006	1,153
Acquisition of minority interest in Antest	-465
Translation difference	98
<b>Equity at 30.09.2006</b>	<b>23,680</b>
Attributable to:	
Equity holders of the parent	23,576
Minority interest	104



**Cash flow table for the period from 1 January 2006 to 30 September 2006 and from 1 January 2005 to 30 September 2005**

	2006	2005
	EUR '000	EUR '000
<b>Profit from operations</b>	<b>2,891</b>	<b>3,162</b>
<b>Adjustments for</b>		
Allowance for doubtful receivables and obsolete stock	34	653
Depreciation	1,952	1,910
Provisions	40	-1,198
<b>Operating cash flow before changes in working capital</b>	<b>4,917</b>	<b>4,527</b>
<b>Changes in working capital</b>	<b>-7,671</b>	<b>1,563</b>
<b>Cash flow from operating activities</b>	<b>-2,754</b>	<b>6,090</b>
Taxes	-176	-119
Financial result	-1,562	-1,536
Other	1	1
<b>Net cash from/(used in) operating activities</b>	<b>-4,491</b>	<b>4,436</b>
<b>Cash flow from investing activities</b>	<b>-3,159</b>	<b>-2,994</b>
<b>Proceeds from /(repayments of) bank financing</b>	<b>5,642</b>	<b>-1,125</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>2,008</b>	<b>317</b>

**The company**

IPTE is a market leader in the supply of production equipment for the electronics industry.

The company is sub-divided into two divisions. IPTE 'Factory Automation' is a market leader in the supply of production equipment for the electronics industry. The division develops manual, semi-automatic and turnkey automation systems for producing, testing and handling of printed circuit boards and for final assembly work.

The 'Contract Manufacturing' division, Connect Systems Group, offers high quality, cost-effective 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.

The IPTE Group's references include Alcatel, Bosch, Delphi, Ericsson, Flextronics, Jabil, Johnson Controls, Lear, Mitsubishi, Motorola, Nokia, Philips, Sanmina, Siemens, Solectron and Visteon.



The company presently employs over 1,400 people in facilities in Europe, the United States and Asia.  
Shares in the company, which was founded in 1992, are traded on Euronext Brussels. ([www.ipte.com](http://www.ipte.com))

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