



IPTE NV – Results for third quarter of 2008

**Reorganisation of the automation business
Reorganisation of the contract manufacturing activity**

EMBARGO until 3 November 2008, 18.00

Genk, 3 November 2008

**Obligations concerning periodic information as a result of the
transparency guidelines in force as of 1 January 2008**

***Declaration relating to the information given in this report for the 9
months ending on 30 September 2008***

The signatories declare that:

- the quarterly accounts, which were drawn up in accordance with the applicable standards for annual accounts, provide a faithful picture of the assets, financial status and results of the issuer and the companies included in the consolidation;*
- the report for the 9 months ending on 30 September 2008 provides a faithful picture of the company's development and results and of the position of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.*

Luc Switten CEO

Hugo Ciroux CFO

Management discussion and analysis of the results

IPTE NV, (Euronext Brussels: IPT) reports sales of EUR 50.7 million for the third quarter of 2008 compared with EUR 58.1 million in the same period last year. The profit from operations in the third quarter of 2008 was EUR 193,000 compared with EUR 3,290,000 in the same quarter last year. The net profit was EUR 203,000 for the period versus EUR 2,642,000 last year.

The order book at the end of the third quarter of 2008 fell to EUR 88.8 million versus EUR 93.2 million at the end of the second quarter.

The sales of the automation division for the quarter fell from EUR 16 million in 2007 to EUR 15.2 million (including Platzgummer sales representing EUR 3.1 million). The order book slipped from EUR 30.5



million at the end of the second quarter of 2008 to EUR 28 million at the end of the third quarter.

The 'Contract Manufacturing' division's sales decreased from EUR 42.2 million in 2007 to EUR 35.7 million in 2008. The order book for the division fell to EUR 60.8 million compared with EUR 62.6 million at the end of the second quarter of 2008.

The financial results for the third quarter were positively influenced by EUR 796,000 through the cancellation of all existing dollar contracts.

Reorganisation of the automation business

The results of the automation business in 2008 are disappointing. This is due to insufficient incoming orders, inadequate structural cost cover for a number of products and the poor profitability of a number of projects. When we take account of the global economic and financial crisis we believe that the current automation organisation demands important adjustment so it can be competitive.

It was therefore decided to reorganise the automation business. This reorganisation aims to reduce the cost structure in the automation activity by more than 10 percent. A number of activities will be merged to retain and reinforce the core competencies. We are keeping our customer strategy of a local presence with service and support in the 3 continents (Europe/America/Asia) and the most important European sub-markets. A full plan will be worked out with our staff in the coming weeks.

Reorganisation of the contract manufacturing activity

The contract manufacturing division announced the shutdown of the factory in Slovakia at the start of October 2008. This closure is the result of centralising the back-offices in Eastern Europe. In May 2008, the group opened a new factory in Oradea, Romania, with a total capacity of 16,000m² (including 8,000 m² for PCB assembly and 8,000 m² for cable assembly). "Maintaining two similar back-office cable factories led to inefficient production, increasing operating costs (stock management) and double management. Moreover, the option to expand the Slovakian factory was limited in view of its location and structure. By moving the Connect Systems Slovakia cable business to Romania, efficiency will be improved and communication and logistics will be simplified so we can achieve our low cost structure. The cost of this shutdown is estimated at EUR 500,000 and will be posted in the fourth quarter of 2008; it will produce an annual cost saving of EUR 850,000 from 2009.



The most important events during the third quarter:

The TAF3 company based in Estonia was taken over at the end of July 2008. TAF3 specialises in automation and test and employs 30 highly trained mechanical, electrical and software engineers for this purpose. These have more than 10 years of experience on average in the telecoms and automotive sectors. IPTE paid goodwill of EUR 964,000 for this takeover.

IPTE Group results for the third quarter of 2008

The consolidated balance sheet on 30 September 2008 and the consolidated income statement for the nine-month period ending on 30 September 2008 have not been examined by the auditor.

The financial service for the IPTE shares is provided by KBC bank.

Income statements on 30 September 2008 and 30 September 2007

	Q3 2008		Q3 2007		1-9 2008		1-9 2007	
	000 EUR	%	000 EUR	%	000 EUR	%	000 EUR	%
Sales	50,763	100.0	58,138	100.0	173,874	100.0	186,799	100.0
Cost of sales	-41,571	-81.8	-46,807	-80.5	-142,282	-81.8	-153,401	-82.1
Gross profit	9,192	18.2	11,331	19.5	31,592	18.2	33,398	17.9
Research & Development expenses	-2,606	-5.1	-1,805	-3.1	-7,683	-4.4	-5,790	-3.1
General & administrative expenses	-3,292	-6.5	-3,365	-5.8	-10,594	-6.1	-9,995	-5.4
Selling expenses	-3,172	-6.3	-3,031	-5.2	-9,802	-5.6	-9,275	-5.0
Other operating income/expenses (net)	71	0.1	160	0.3	248	0.1	500	0.3
Profit from operations	193	0.4	3,290	5.6	3,761	2.2	8,838	4.7
Financial income/charges (net)	47	0.1	-675	-1.2	-1,252	-0.8	-1,728	-0.9
Profit before taxes	240	0.5	2,615	4.5	2,509	1.4	7,110	3.8
Income taxes	-37	0.0	27	0.0	-248	-0.1	-394	-0.2
Profit after taxes	203	0.4	2,642	4.5	2,261	1.3	6,716	3.6
Attributable to:								
Equity holders of the parent	146	0.3	2,642	4.5	2,100	1.2	6,701	3.6
Minority interest	57	0.1	0	0.0	161	0,1	15	
Number of shares	6,934,424							
Number of warrants	182,850							
Profit per share in EUR	0.02		0.38		0.32		0.96	
Diluted profit per share in EUR	0.02		0.37		0.31		0.94	



Balance sheet on 30 September 2008 and 31 December 2007

	30/Sep/08	31/Dec/07
	000 EUR	000 EUR
Intangible fixed assets	1,321	254
Goodwill	8,935	5,943
Property, plant and equipment	20,865	17,102
Deferred tax assets	1,615	1,615
Amounts receivable after 1 year	1,240	1,240
Inventories and contracts in progress	50,667	46,243
Trade receivables	46,979	52,919
Other receivables	3,182	2,865
Cash, bank deposits and current investments	3,326	3,414
Other current assets	344	211
Total assets	138,474	131,806
Equity	44,309	41,655
Provisions	2,327	2,016
Deferred tax liability	115	115
Long-term financial debts	5,636	4,812
Bank loans and overdrafts	33,805	26,933
Trade payables	31,142	40,059
Other current liabilities	21,140	16,216
Total liabilities	138,474	131,806

Equity

	000 EUR
Equity on 31/12/2007	41,655
Net profit for the period 01/01/2008 to 30/09/2008	2,261
Minority interest (Platzgummer)	390
Translation difference	3
Equity on 30/09/2008	44,309
Attributable to:	
Equity holders of the parent	43,757
Minority interest	552



Cash flow table for the period from 1 January 2008 to 30 September 2008 and from 1 January 2007 to 30 September 2007

	2008	2007
	000 EUR	000 EUR
Profit from operations	3,761	8,838
Adjustments for		
Valuation allowance on customer receivables and inventory	53	2,263
Depreciation	3,863	3,032
Provisions	-561	860
Operating cash flow before changes in working capital	7,116	14,993
Change in working capital	-1,089	-1,181
Cash flow from operating activities	6,027	13,812
Taxes	-248	-395
Financial income/charges (net)	-1,252	-1,728
Other	75	0
Net cash from operating activities	4,602	11,689
Takeover of the Barco component-assembly activity	0	-15,391
Takeover of the IPTE Estonia shares (TAF3)	-964	0
Takeover of Platzgummer shares	-2,827	0
Cash flow from investments	-8,596	-5,032
Increase (+)/decrease (-) in bank financing	7,697	10,001
Increase (+) /decrease (-) in the cash position	-88	1,267

The company

IPTE is a worldwide supplier of automated production equipment for the electronics industry and a provider of manufacturing services to electronic and industrial markets in Europe.

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 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 companies like Barco, ASML, Alcatel-Lucent, Bosch, Delphi, Philips, Ericsson, Flextronics, Jabil, Johnson Controls, Lear, Continental, SCI-Sanmina, Siemens VDO and Visteon.



The company currently employs approximately 2,500 people, spread across facilities in Europe, the United States and Asia.
Shares in the company, which was founded in Belgium in 1992, are traded on Euronext Brussels. (www.ipte.com)

Note for the media, not for publication:

You can consult the website for more information about IPTE and this press release.

Of course, we shall be happy to send you additional information and photographs on request.

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