



## **IPTE and Barco agree take-over of PCB assembly activity**

Genk, 20 December 2006

**IPTE NV (Euronext Brussels: IPT) announces an agreement with Barco NV to take over the PCB assembly activity of the Barco Manufacturing Services division.**

From 1 January 2007, Barco's PCB assembly activity will be part of the IPTE group.

Barco's PCB assembly activity will generate revenues of around EUR 60 million in 2006, that is around EUR 45 million of sales to other Barco divisions and EUR 15 million to outside customers. This assembly activity takes place in two plants, at Poperinge (Belgium) and at Kladno (Czech Republic). More than 350 persons are employed in this activity, 200 at Poperinge and 150 at Kladno.

As part of the agreement IPTE has signed a contract, under which Barco will, over a period of at least 5 years, regard IPTE as its main PCB assembler. Barco has also guaranteed IPTE annual sales of minimum EUR 40 million during the first three years and over EUR 25 million during the last two years of this agreement.

The take-over is based on the net carrying value of the assets and liabilities acquired. The effect on IPTE's income statement will be an increase of sales by around EUR 60 million (a 46 % increase on the IPTE' group's expected 2006 sales volume). The acquisition of all related assets and liabilities will increase the IPTE group's balance sheet total by around EUR 30 million (+ 33% on 30 September 2006 balance sheet total of EUR 90 million).



The transaction is being financed as follows:

On the one hand LRM and management have signed an irrevocable promise to convert, in October 2007, the EUR 7 million subordinated loan concluded in 2003 into capital based on the pre-established exercise price of EUR 4.8 per share. This will increase the total number of IPTE shares from EUR 5,476,092 to EUR 6,934,425.

At the same time the working capital for the activity will be put up in full by the banks. This transaction expresses management's and LRM's confidence in the further growth of the company.

Managing Director Huub Baren: "We are delighted at successfully completing this deal with Barco. The discussions have taken a long time because both parties wanted to be certain of making the right choice. The ultimate aim of both parties is to develop a long-term relationship aimed at a win-win situation. Barco has restructured this activity in recent years and made it profitable, and we therefore assume that it will contribute to the IPTE group's profits from day one. We also believe strongly in the synergies that can be achieved within IPTE's global PCB assembly activity. Our total PCB assembly activity will amount to around EUR 95 million, and consist of facilities in Belgium (Ieper and Poperinge), Germany and production units in Romania and Czech Republic. This business volume will enable us to offer a complete range of PCB assembly services that will make us attractive to larger international customers.

## IPTE

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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