



IPTE announces a net annual profit of EUR 2.1 million in 2005
Order book grows by EUR 6 million

FOR IMMEDIATE CIRCULATION

Genk, 23 February 2006.

IPTE NV, (Euronext Brussel: IPT) closed the 2005 fiscal year with a net profit of EUR 2.16 million compared to a loss of EUR 5.6 million in 2004. The turnover for 2005 amounts to EUR 126.6 million, compared to EUR 128.6 million in 2004.

After four difficult years, IPTE returned to positive figures. Witness the fact that the order book is growing, the management expect this positive trend to continue in the coming fiscal year of 2006.

The net profit/loss for the fourth quarter of 2005 amounts to EUR +661,000, compared to EUR 303,000 for the previous quarter and a loss of EUR -4.4 million for the same quarter in 2004. The turnover for the fourth quarter of 2005 amounts to EUR 27.8 million compared to EUR 30.5 million for the third quarter of 2005 and EUR 32.5 million for the fourth quarter of 2004.

Huub Baren, Managing Director: “2005 was clearly a year of recovery for IPTE. While on the one hand we carried through and completed a restructuring within the automation division, we also transferred our focus from sales to profitability, which returned us to positive figures.

As a result the operating results of the automation division rose from a loss of EUR -4.7 million in 2004 to a profit of EUR 412,000 in 2005.

The contract manufacturing division, ConnectSystems, performed well once again with an operating profit of EUR 3.8 million, a rise of 3.5% compared to 2004.

For the group this means that after four consecutive years of loss, we are presenting positive results again in 2005. We are also on course for this fiscal year. The order book at the group level grew from EUR 36.8 million at the end of 2004 to EUR 43.2 million at the end of 2005. This increase is mainly due to ConnectSystems who saw the order book grow by 8 million EUR.”



Profit and loss account at 31 December 2005 and 31 December 2004

	Q4 2005		Q4 2004		2005		2004	
	31/12/2005		31/12/2004		31/12/2005		31/12/2004	
	EUR '000	%	EUR '000	%	EUR '000	%	EUR '000	%
Sales	27,797	100.0	32,565	100.0	126,662	100.0	128,587	100.0
Cost of sales	-20,994	-75.5	-30,065	-92.3	-97,911	-77.3	-103,797	-80.7
Gross margin	6,803	24.5	2,500	7.7	28,751	22.7	24,790	19.3
Research and development costs	-1,603	-5.8	-1,500	-4.6	-5,807	-4.6	-5,680	-4.4
General and administrative costs	-1,453	-5.2	-2,459	-7.6	-8,387	-6.6	-8,212	-6.4
Sales costs	-2,531	-9.1	-3,149	-9.7	-10,016	-7.9	-11,915	-9.3
Amortisation of goodwill**	0	0.0	-174	-0.5	0	0.0	-765	-0.6
Other operating income/expenses (net)	-182	-0.7	-52	-0.2	-345	-0.3	-28	0.0
Operating profit/loss	1,034	3.7	-4,834	-14.8	4,197	3.3	-1,810	-1.4
Financial charges	-504	-1.8	-755	-2.3	-2,041	-1.6	-1,842	-1.4
Sale of subsidiary	0	0.0	-345	-1.1	0	0.0	-1,969	-1.5
Profit/loss before taxes	530	1.9	-5,934	-18.2	2,156	1.7	-5,621	-4.4
Taxes	131	0.5	1,490	4.6	12	0.0	-6	0.0
Profit/loss after taxes	661	2.4	-4,444	-13.6	2,168	1.7	-5,627	-4.4
Attributable to:							0.0	
Group	608	2.2	-4,454	-13.7	2,046	1.6	-5,600	-4.4
Minorities	53	0.2	10	0.0	122	0.1	-27	0.0
Number of shares	5,476,092							
Number of warrants	1,641,182							
Profit per share in EUR	0.12		-0.81		0.39		-1.02	
Diluted profit per share in EUR	0.09		-0.62		0.30		-0.79	

(**) In accordance with IFRS 3 “Business combinations”, the goodwill expressed in a business combination beginning on or after 31 March 2004 can no longer be amortised but is subject to an annual impairment test. This has also to be applied to previously recognised goodwill (IFRS 3.79).



Annual results by activity

Factory Automation

	2005		2004	
Figures in EUR '000		%		%
Sales	48,076	100.0	54,557	100.0
Cost of sales	-33,937	-70.6	-43,379	-79.5
Gross margin	14,139	29.4	11,178	20.5
Research and development costs	-5,068	-10.5	-5,004	-9.2
General and administrative costs	-4,323	-9.0	-4,380	-8.0
Sales costs	-4,847	-10.1	-7,181	-13.2
Other operating income/expenses (net)	511	1.1	694	1.3
Operating profit/loss before amortisation of goodwill	412	0.9	-4,693	-8.6

Connect Systems

	2005		2004	
Figures in EUR '000		%		%
Sales	78,856	100.0	74,254	100
Cost of sales	-64,244	-81.5	-60,641	-81.7
Gross margin	14,612	18.5	13,613	18.3
Research and development costs	-738	-0.9	-676	-0.9
General and administrative costs	-4,825	-6.1	-4,591	-6.2
Sales costs	-5,168	-6.6	-4,736	-6.4
Other operating income/expenses (net)	-95	-0.1	38	0.0
Operating profit/loss before amortisation of goodwill	3,786	4.8	3,648	4.9

**Balance sheet at 31 December 2005 and 31 December 2004**

	31-dec-05	31-dec-04
	EUR '000	EUR '000
Intangible fixed assets	254	410
Positive consolidation differences (goodwill)	5,943	5,134
Tangible fixed assets	12,000	10,656
Deferred taxes (DR)	901	915
Amounts receivable after more than one year	1,502	1,437
Inventories and contracts in progress	23,988	22,814
Trade receivables	26,267	32,260
Other receivables	2,539	2,773
Cash, bank deposits and current investments	3,695	2,852
Other current assets	388	319
Total assets	77,477	79,570
Shareholders' equity	22,894	19,609
Subordinated loan	7,000	7,000
Provisions	2,342	4,150
Deferred taxes (CR)	901	915
Long-term financial debt	2,960	2,728
Short-term financial debt	18,628	18,056
Other short-term debt	822	620
Trade debts	14,852	17,896
Other liabilities and provisions	5,827	6,789
Other amounts payable	1,251	1,807
Total liabilities	77,477	79,570

Cash flow table for the period from 1 January 2005 to 31 December 2005 and from 1 January 2004 to 31 December 2004.

	2005	2004
	EUR '000	EUR '000
Operating profit/loss	4,197	-1,810
Adjustments for		
Goodwill amortisation	0	766
Reserves for doubtful receivables and obsolete stock	298	90
Depreciation	2,862	3,198
Provisions	-1,808	-443
Operating cash flow before changes in working capital	5,549	1,801
Change in working capital	988	564
Cash flow from operating activities	6,537	2,365
Taxes	12	-6
Net financial results	-2,041	-1,842
Other	309	79
Net cash flow from operating activities	4,817	596
Acquisition of Infotron	0	-713
Deconsolidation of Autoveyor	0	-512
Investments in intangible and tangible fixed assets	-4,048	-2,803
Proceeds from/repayments of bank loans and overdrafts	75	-8,800
Translation differences	-1	15
Increase (+) / Decrease (-) in cash and cash equivalents	843	-12,217

Shareholders' equity

	EUR '000
Shareholders' equity at 31/12/2004	19,609
Net profit for the period from 01/01/2005 to 31/12/2005	2,168
Effect of change in valuation rules*	808
Translation differences	309
Shareholders' equity at 31/12/2005	22,894
Attributable to:	
Group	22,359
Minorities	535

(*) According to IFRS 3.81 the carrying amount of negative goodwill at the beginning of the first annual period beginning on or after March 2004 arising from a business combination for which the agreement date was before 31 March 2004, should be derecognised at the beginning of that period, with a corresponding adjustment to the opening balance of shareholders' equity.



Customers and order book

IPTE's 'Factory Automation' consists of delivering production and test automation systems in the following market segments: automotive, telecommunications, consumer electronics, and computers.

The 'Contract Manufacturing' division, ConnectSystems, acts as a contract manufacturer for printed circuit boards and in board assembly, off-the-shelf cabling and product assembly, and is also active in the industrial and medical sector.

The IPTE group's annual sales of 126.6 million EUR can be broken down as follows: automotive 30%, telecommunications 16%, consumer electronics 2%, computers 2%, industrial products 27%, medical products 6%, and others 17%.

'Factory Automation' customers come mainly from the automotive 48%, consumer electronic 35% and subcontracting 7% market segments.

ConnectSystems customers come mainly from the industrial products 42%, telecommunications 24% and automotive 18% sectors.

Geographically, IPTE's annual sales can be broken down as follows: Benelux 46%, rest of Europe 47% and America/Asia 7%.

At the end of the reporting period, the order book stood at EUR 43.2 million (2004: EUR 36.8 million), of which EUR 12.9 million (EUR 14.3 million at end 2004) relates to 'Factory Automation' and EUR 30.3 million (EUR 22.5 million at end 2004) relates to ConnectSystems.



IPTE Group Annual Results 2005

The statutory auditor confirmed that his audit work, which has been finalized in-depth, did not reveal any significant corrections which should have been recorded in the accounting information included in the press release over the consolidated financial statements as of December 31, 2005.

Financial servicing of IPTE shares is provided by KBC bank.

IPTE Group Annual Results

	2005		2004		2003	
	31/12/2005		31/12/2004		31/12/2003	
	EUR '000	%	EUR '000	%	EUR '000	%
Sales	126,662	100.0	128,587	100.0	110,251	100
Cost of sales	-97,911	-77.3	-103,797	-80.7	-85,083	-77.1
Gross margin	28,751	22.7	24,790	19.3	25,168	22.9
Research and development costs	-5,807	-4.6	-5,680	-4.4	-6,472	-5.8
General and administrative costs	-8,387	-6.6	-8,212	-6.4	-6,415	-5.8
Sales costs	-10,016	-7.9	-11,915	-9.3	-9,693	-8.7
Amortisation of goodwill**	0	0.0	-765	-0.6	-1,545	-1.4
Other operating income/expenses (net)	-345	-0.3	-28	0.0	10	0.0
Operating profit/loss	4,197	3.3	-1,810	-1.4	1,053	1.0
Financial charges	-2,041	-1.6	-1,842	-1.4	-1,905	-1.7
Sale of subsidiary	0	0.0	-1,969	-1.5	0	0
Profit/loss before taxes	2,156	1.7	-5,621	-4.4	-852	-0.8
Taxes	12	0.0	-6	0.0	-101	-0.1
Profit/loss after taxes	2,168	1.7	-5,627	-4.4	-953	-0.9
Attributable to:		0.0				
Group	2,046	1.6	-5,600	-4.4	-701	-0.6
Minorities	122	0.1	-27	0.0	-252	-0.2
Number of shares	5,476,092					
Number of warrants	1,641,182					
Profit per share in EUR	0.39		-1.02		-0.17	
Diluted profit per share in EUR	0.30		-0.79		-0.13	

(**) In accordance with IFRS 3 “Business combinations”, the goodwill expressed in a business combination beginning on or after 31 March 2004 can no longer be amortised but is subject to an annual impairment test. This has also to be applied to previously recognised goodwill (IFRS 3.79).

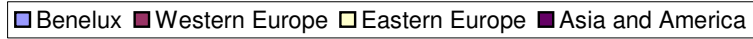
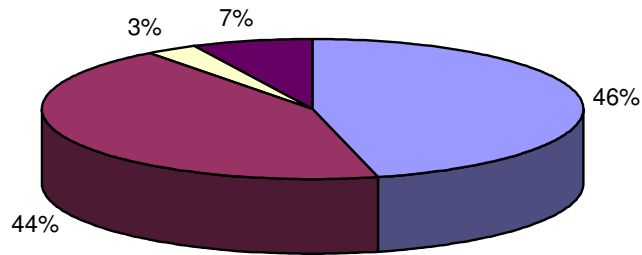
**Balance sheet**

	31/12/2005	31/12/2004	31/12/2003
	EUR '000	EUR '000	EUR '000
Intangible fixed assets	254	410	555
Positive consolidation differences (goodwill)	5,943	5,134	6,572
Tangible fixed assets	12,000	10,656	11,192
Deferred taxes (DR)	901	915	1,088
Amounts receivable after more than one year	1,502	1,437	1,434
Inventories and contracts in progress	23,988	22,814	20,616
Trade receivables	26,267	32,260	35,281
Other receivables	2,539	2,773	3,010
Cash, bank deposits and current investments	3,695	2,852	15,069
Other current assets	388	319	203
Total assets	77,477	79,570	95,020
Shareholders' equity	22,894	19,609	24,692
Subordinated loan	7,000	7,000	3,500
Provisions	2,342	4,150	4,593
Deferred taxes (CR)	901	915	1,222
Long-term financial debt	2,960	2,728	3,188
Short-term financial debt	18,628	18,056	29,030
Other short-term debt	822	620	1,167
Trade debts	14,852	17,896	18,981
Other liabilities and provisions	5,827	6,789	6,210
Other amounts payable	1,251	1,807	2,437
Total liabilities	77,477	79,570	95,020

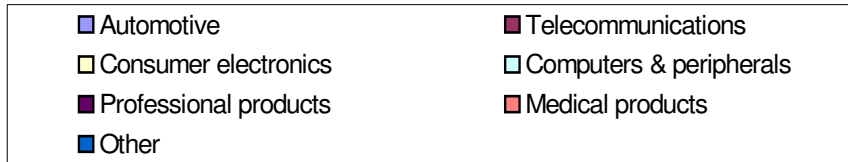
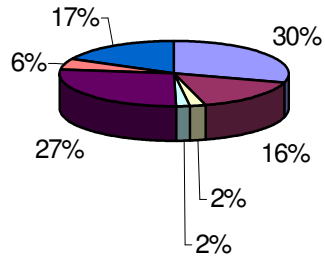
Cash flow table

	2005	2004	2003
	EUR '000	EUR '000	EUR '000
Operating profit/loss	4,197	-1,810	1,053
Adjustments for			
Goodwill amortisation	0	766	1,544
Reserves for doubtful receivables and obsolete stock	298	90	815
Depreciation	2,862	3,198	2,959
Provisions	-1,808	-443	-110
Operating cash flow before changes in working capital	5,549	1,801	6,261
Change in working capital	988	564	-2,180
Cash flow from operating activities	6,537	2,365	4,081
Taxes	12	-6	-101
Net financial results	-2,041	-1,842	-1,961
Other	309	79	0
Net cash flow from operating activities	4,817	596	2,019
Acquisition of Infotron	0	-713	3,566
Deconsolidation of Autoveyor	0	-512	0
Investments in intangible and tangible fixed assets	-4,048	-2,803	-2,486
Proceeds from/repayments of bank loans and overdrafts	75	-8,800	9,654
Translation differences	-1	15	0
Increase (+) / Decrease (-) in cash position	843	-12,217	12,753

IPTE Sales by region



IPTE Sales by market





The company

IPTE is a market leader in the supply of production equipment for the electronics industry. The company is divided into two divisions. IPTE 'Factory Automation' is a market leader in the supply of production equipment for the electronics industry. This 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, ConnectSystems, offers cost-effective, high-quality production services to the professional industry. Its 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 such as Alcatel, Bosch, Delphi, Ericsson, Flextronics, Jabil, Johnson Controls, Lear, Mitsubishi, Motorola, Nokia, Philips, Sanmina, Siemens, Solectron and Visteon.

The company currently employs more than 1,400 people in facilities throughout Europe, the US and Asia.

Shares in the company, which was founded in 1992, are traded on Euronext Brussels. (www.ipte.com)

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