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PRESS RELEASE
Regulated information

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Interim statement

Connect Group NV (Euronext Brussel: CONN) achieved sales of EUR 26.4 million in Q3 2016. The comparable figure for Q3 2015 was EUR 28.6 million. Sales to ASML, a customer with whom all activities are being phased out, still reached EUR 980K, against EUR 3 million in Q3 2015. Taking account of this situation, sales remained stable. As of Q4 2016, it is expected that sales to ASML will decline to a negligible level.
EBITDA is at EUR 1,346K, against EUR 787K in Q3 2015.
The net result for Q3 2016 shows a profit of EUR 521K, against a loss of EUR 885K in Q3 2015, a quarter in which restructuring costs of EUR 740K were incurred. Without these restructuring costs, the Q3 2015 result would have been a loss of EUR 145K.

Cumulative sales for the first nine months of 2016 amounted to EUR 88.2 million, compared to EUR 85.4 million in the comparable period of 2015 (up 3.3%).
EBITDA before restructuring costs for the first nine months of 2016 amounted to EUR 4,369K, against EUR 293K in 2015.
Net profit for the first nine months of 2016 is EUR 656K, against a loss of EUR 7,902K in 2015.
The net 2016 profit includes EUR 1,155K of extraordinary expenses (restructuring costs), while the net loss for the first nine months of 2015 included EUR 5,288K extraordinary expenses (EUR 740K restructuring costs and EUR 4,548K goodwill impairment).
Without these extraordinary expenses, the net result for the first nine months of 2016 shows a profit of EUR 1,811K, compared to a loss of EUR 2,614K in 2015.

All restructuring measures announced in the past have been fully implemented and will not impact results in the next quarters.

Orders as of 30 September 2016 stand at EUR 82.9 million (EUR 78.5 million as of 30 June 2016). The order book contains formal commitments from customers, but may be subject to adjustments in numbers and timeframes. For this reason, it cannot be used as a financial indicator of future results.

With regard to its plant in Romania, the group is in dispute with the VAT authorities over the way intra-Community supplies were reported over the past 5 years. The Romanian authorities have requested information on all intra-Community transactions from several European countries. Though as yet no specific assessment has been presented, the local inspectorate in Romania is adopting positions that would make a substantial proportion of the supplies exported from Romania to Western Europe subject to Romanian VAT. The inspectorate's position is not shared by Connect Group and its financial advisers. Should the local inspectorate in Romania, on the basis of its viewpoint, arrive at assessments of which the amounts are possibly material but not known or estimable, the Group will be forced to challenge these through the normal procedures and/or in the courts. The Group is convinced that, should the assessments be established, it can provide sufficient supporting documentation to resolve the dispute in its favour.

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Connect Group

Connect Group is a leading certified supplier of technology, production systems, printed circuit boards and cable assembly services for industry. Connect Group develops products to user specifications from the concept stage onwards with optimal production, price and quality results.
Connect Group's references include such companies as Alstom, Atlas Copco, Atos, Barco and Philips.
The company currently employs around 1,500 people in various facilities in Europe.
The company's shares are traded on NYSE Euronext Brussels: CONN (www.euronext.com).

Updated financial calendar

Announcement of the annual results for 2016	23 February 2017

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