



- **The New Business Year Gets off to a Profitable Start**
- **Revenues EUR 61.9 million – EBIT EUR 2.5 million**

S&T Announces First Quarter Results 2005

Thank you:

Austria
The Baltics
Bosnia and Herzegovina
Bulgaria
Croatia
Cyprus
Czech Republic
Greece
Hungary
Republic of Macedonia
Malta
Moldova
Poland
Romania
Russia
Serbia and Montenegro
Slovakia
Slovenia
Turkey
Ukraine
Albania

S&T: First Quarter 2005 Results

The New Business Year Gets off to a Profitable Start as the S&T Group Records Higher Sales and Profits

in EUR million	Q1 2005	Q1 2004 ¹	Change in %
Group Revenues	61.9	53.8	15%
EBIT	2.5	1.4	79%
EBITDA	3.7	2.2	68%
Gross Margin	32.6%	27.2%	5.4%

¹ Adjusted in accordance with IFRS 2 and IFRS 3

April 26, 2005, Vienna – Austria. S&T System Integration & Technology Distribution AG (ISIN AT0000905351) has got the year off to a perfect start with a profitable first quarter 2005 result.

Increased Sales

Group revenues rose 15% in Q1 2005 to EUR 61.9 million (Q1 2004: EUR 53.8 million) even though EUR 16 million generated by subsidiary T-Systems DSS which was only acquired in January was not included in this result (consolidation as of Q2 2005). The acquisitions ITS and Computacenter Austria have been included in the results since January 1, 2005.

Significant Improvement in Earnings

EBIT rose to EUR 2.5 million (2004: EUR 1.4 million) despite expenses incurred in connection with the integration of the recent acquisitions.

This positive development was also supported by income from the initial consolidation of ITS and Computacenter Austria.

Increase in Gross Margin

Higher than average growth in the Services segment improved the gross margin from 27.2 in the same period of the previous year to 32.6%.

Outlook

S&T continued its growth strategy with acquisitions in Austria at the beginning of 2005. Integration of ITS, Computacenter Austria and T-Systems DSS is proceeding as planned and should be successfully completed by summer 2005. Management expects total sales of EUR 380 million for the reporting year 2005.

Consolidated income statement
(all amount in EUR '000)

Period from 01.01., ended	31.03.2005	31.03.2004 ¹⁾	31.12.2004 ²⁾
Sales			
Business Solutions (BS)	11.821	10.660	49.779
Enterprise Systems (ES)	32.298	30.919	114.320
Customer Support (CS)	10.848	7.160	31.418
Managed Services (MS)	1.183	805	2.881
Medical (MED)	3.082	3.844	21.141
Information Technology Distributions (ITD)	--	--	--
Total Sales	59.232	53.388	219.539
Other operating income	2.729	357	1.342
Total revenues	61.961	53.745	220.881
Merchandise, spare parts and purchased services	(39.906)	(38.876)	(157.054)
Staff costs	(13.147)	(8.569)	(36.660)
Other operating expenses	(5.205)	(4.134)	(18.799)
Total operating expenses	(58.258)	(51.579)	(212.513)
<i>Profit from operations before depreciation and amortization (EBITDA)</i>	3.703	2.166	8.368
Depreciation and amortization	(1.224)	(797)	(3.279)
<i>Profit from operations after depreciation/amortization and before amortization of goodwill (EBITA)</i>	2.479	1.369	5.089
Amortization and impairment of goodwill	--	--	--
<i>Profit from operations (EBIT)</i>	2.479	1.369	5.089
Finance costs (net)	5	67	(943)
Profit/(loss) before tax	2.484	1.436	4.146
Income tax expense	(728)	(454)	(1.479)
Profit for the period	1.756	982	2.667
Attributable to:			
Equity Holders of the company	1.755	982	2.666
Minority interest	1	--	1
Net profit/(loss) for the period	1.756	982	2.667
Earnings per share attributable to equity holders of the company:			
Basic earnings per share in EUR	0,50	0,29	0,77
Diluted earnings per share in EUR	0,49	0,28	0,76
Weighted number of ordinary shares in issue (thousands)	3.478	3.436	3.451

¹⁾ Adjusted in accordance with IAS 1, IFRS 2 and IFRS 3

²⁾ Adjusted in accordance with IAS 1 and IFRS 2

Consolidated balance sheet

(all amounts in EUR '000)

Assets	31.03.2005	31.03.2004 ¹⁾	31.12.2004 ²⁾
<i>Non-current assets</i>			
Property, plant and equipment	12.126	10.733	10.755
Intangible assets	12.389	11.087	10.954
Investments in affiliated companies	3.804	36	32
Other investments	532	232	144
Non-current receivables	1.641	458	828
Deferred tax assets	3.370	5.210	4.405
	<u>33.862</u>	<u>27.756</u>	<u>27.118</u>
<i>Current assets</i>			
Inventories	12.226	10.091	8.771
Trade accounts receivable	45.876	47.300	46.131
Other receivables and prepayments	11.489	9.804	10.595
Cash and cash equivalents	10.840	12.098	12.086
	<u>80.431</u>	<u>79.293</u>	<u>77.583</u>
Total assets	114.293	107.049	104.701
Equity and Liabilities	31.03.2005	31.03.2004 ¹⁾	31.12.2004 ²⁾
<i>Equity</i>			
Issued capital	7.137	7.091	7.137
Share premium	8.325	8.112	8.302
Treasury shares	(601)	(778)	(638)
Accumulated translation adjustments	(900)	(1.281)	(1.195)
Retained earnings and other reserves	19.587	16.148	17.832
Equity attributable to equity holders of the company	<u>33.548</u>	<u>29.292</u>	<u>31.438</u>
Minority interest in subsidiaries	2	--	1
	<u>33.550</u>	<u>29.292</u>	<u>31.439</u>
<i>Non-current liabilities</i>			
Loans and other liabilities	10.715	11.081	8.065
Deferred tax liability	477	3.065	1.543
	<u>11.192</u>	<u>14.146</u>	<u>9.608</u>
<i>Current liabilities</i>			
Trade accounts payable	23.808	24.106	26.148
Current tax liabilities	537	414	719
Other payables	10.080	9.255	9.675
Short-term borrowings	19.521	15.064	14.732
Provisions and deferred income	15.605	14.772	12.380
	<u>69.551</u>	<u>63.611</u>	<u>63.654</u>
Total equity and liabilities	114.293	107.049	104.701

¹⁾ Adjusted in accordance with IAS 1, IFRS 2 and IFRS 3

²⁾ Adjusted in accordance with IAS 1 and IFRS 2

Consolidated cash flow statement
(all amounts in EUR '000)

Period from 01.01., ended	31.03.2005	31.03.2004 ¹⁾	31.12.2004 ²⁾
Operating activities			
Profit from operations	2.479	1.369	5.089
Adjustments for items not affecting cash:			
Depreciation and amortization	1.224	797	3.279
Gain on disposal of subsidiary	--	--	(48)
Other (net)	(1.874)	280	274
	<u>1.829</u>	<u>2.446</u>	<u>8.594</u>
Changes in working capital:			
(Increase) / decrease in trade accounts and other receivables	13.529	(175)	(50)
(Increase) / decrease in inventory	525	(652)	591
Increase / (decrease) in current liabilities	(14.029)	(9.833)	(8.793)
	<u>25</u>	<u>(10.660)</u>	<u>(8.252)</u>
Interest received	88	66	250
Interest paid	(409)	(369)	(1.473)
Taxes paid	(648)	(559)	(1.996)
Net cash from operating activities	885	(9.076)	(2.877)
Investing activities			
Capital expenditure	(768)	(370)	(2.685)
Purchase of investments	(5)	(5)	(66)
Proceeds from sale of fixed assets	108	54	563
Proceeds from sale of investments	138	4	176
Disposal of subsidiary, net of cash		--	(158)
Acquisition of subsidiaries, net of cash	(3.064)	397	(6)
Decrease in time deposit for a period longer than three months	52	882	1.765
Long-term loans and receivables from other parties	(187)	(25)	(395)
Net cash used in investing activities	(3.726)	937	(806)
Financing activities			
Capital increase	--	--	166
Treasury shares	37	--	140
Increase in long-term loans and borrowings	(1.226)	(645)	(3.444)
Repayment of finance lease	(281)	(88)	(584)
Increase/(decrease) in short-term borrowings	2.962	1.929	888
Net cash used in financing activities	1.492	1.196	(2.834)
Net (decrease) / increase in cash and cash equivalents	(1.349)	(6.943)	(6.517)
Movement in cash and cash equivalents			
At start of year	12.034	18.010	18.010
Increase/(decrease)	(1.349)	(6.943)	(6.517)
Effect of exchange rate changes	155	96	541
At end of year	10.840	11.163	12.034
Time deposits for a period longer than three months	--	935	52
Cash and cash equivalents (in Balance Sheet)	10.840	12.098	12.086

¹⁾ Adjusted in accordance with IFRS 2 and IFRS 3

²⁾ Adjusted in accordance with IFRS 2

Statement of changes in equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves		Minority interest	Total
Period ended March 31, 2005								
Closing amount 31.12.04 (as previously reported)	7.137	8.194	(638)	(1.195)	17.940	31.438	1	31.439
Adjustment (IFRS 2)	--	108	--	--	(108)	--	--	--
Opening amount 01.01.05	7.137	8.302	(638)	(1.195)	17.832	31.438	1	31.439
Currency translation differences	--	--	--	295	--	295	--	295
Transactions with treasury shares	--	--	37	--	--	37	--	37
Equity compensation plans	--	23	--	--	--	23	--	23
Capital increase	--	--	--	--	--	--	--	--
Negative Goodwill accord. to IFRS 3.81	--	--	--	--	--	--	--	--
Net profit for the period	--	--	--	--	1.755	1.755	1	1.756
Closing amount	7.137	8.325	(601)	(900)	19.587	33.548	2	33.550

Statement of changes in equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves		Minority interest	Total
Period ended March 31, 2004 ¹⁾								
Closing amount 31.12.03 (as previously reported)	7.091	8.074	(778)	(1.360)	14.193	27.220	--	27.220
Adjustment (IFRS 2)	--	15	--	--	(15)	--	--	--
Opening amount 01.01.04	7.091	8.089	(778)	(1.360)	14.178	27.220	--	27.220
Currency translation differences	--	--	--	79	--	79	--	79
Equity compensation plans	--	23	--	--	--	23	--	23
Capital increase	--	--	--	--	--	--	--	--
Negative Goodwill accord. to IFRS 3.81	--	--	--	--	988	988	--	988
Net profit for the period	--	--	--	--	982	982	--	982
Closing amount	7.091	8.112	(778)	(1.281)	16.148	29.292	--	29.292

¹⁾ Adjusted in accordance with IFRS 2 and IFRS 3

Statement of changes in equity	Issued Capital	Share premium	Treasury shares	Accumulated translation adjustment	Retained earnings and other reserves		Minority interest	Total
Period ended December 31, 2004 ¹⁾								
Closing amount 31.12.03 (as previously reported)	7.091	8.074	(778)	(1.360)	14.193	27.220	--	27.220
Adjustment (IFRS 2)	--	15	--	--	(15)	--	--	--
Opening amount 01.01.04	7.091	8.089	(778)	(1.360)	14.178	27.220	--	27.220
Currency translation differences	--	--	--	165	--	165	--	165
Transactions with treasury shares	--	--	140	--	--	140	--	140
Equity compensation plans	--	93	--	--	--	93	--	93
Capital increase	46	120	--	--	--	166	--	166
Negative Goodwill accord. to IFRS 3.81	--	--	--	--	988	988	--	988
Net profit for the period	--	--	--	--	2.666	2.666	1	2.667
Closing amount	7.137	8.302	(638)	(1.195)	17.832	31.438	1	31.439

¹⁾ Adjusted in accordance with IFRS 2 and IFRS 3