

Ad hoc announcement

08/02/06

AT&S to buy Korean manufacturer of flexible printed circuit boards

AT&S AG, Vienna, Austria, 8 February 2006

On 8 February 2006, the board at AT&S Austria Technologie und Systemtechnik AG started the takeover of 86% in Tofic Co. Ltd., a Korean manufacturer of flexible printed circuit boards (PCBs). The initial consolidation of Tofic Co. Ltd. will take place in the first quarter of the 2006/07 financial year, i.e. by 30 June 2006. A Letter of Intent (LOI) was signed today, which prepared the takeover of Tofic under the conditions of an environmental due-diligence audit as well as an audited annual statement.

Deal structure

AT&S is to pay USD 1.2 million for 59% of the shares in Tofic Co. Ltd. and will give the company a further USD 4 million via a capital increase. This results in 86% shareholding for AT&S, the remaining 14% are held by the two founders/managers of Tofic. AT&S is taking over Tofic's debts, including trade accounts payable, of around USD 20 million.

About the company

Tofic is a manufacturer of flexible PCBs based in Korea, near Seoul, with a strong focus on the high-tech sector. Tofic's principal customers are Korean manufactures of mobile phones as well as suppliers for Japanese telecom companies. Tofic Co.Ltd. was founded in 2004 by former managers at one of the world's largest flexible PCB manufacturers and started mass production in the first quarter of 2005. In its first year of production (2005) Tofic recorded sales of around \$13 million, of which the majority were generated in the second half of the year. For 2006, based on already installed capacities, sales of around \$40 million and the break-even are forecast. Tofic currently has 240 employees.

Tofic fits perfectly in AT&S' growth strategy

With this deal, AT&S is continuing its growth strategy and is entering the market for flexible PCBs. Tofic is expanding the current AT&S Portfolio not just in terms of technology but also from the point of view of the customer (Korean mobile phone manufacturers in particular) and forms an important pillar in AT&S' one-stop-shopping service.

AT&S thus decided to acquire a young company with brilliant technological know-how and an attractive client portfolio in order to offer its clients flexible PCBs faster and consequently to be able to instigate further growth, as dictated by market conditions, for instance in the second AT&S plant in Shanghai.

This approach offers decisive advantages for AT&S' strategy compared with building up its own production of flexible PCBs (time-to-market, volume-to-market).

Today at 3.30 PM (CET) – 2.30 PM London Time – we will hold a conference call. Harald Sommerer, CEO of AT&S and René Berger (IRO) will present the details of the transaction. Details (Dial-in-Number and Conference Call presentation) are available at www.ats.net in the Investors section (IR Events).

Further information is available from Dr René Berger, IRO, Tel. + 43-1-68300-9215, e-mail: r.berger@ats.net.