

# Ad-hoc Announcement

## 09/04/09

### **New orientation of AT&S strategy in mobile devices sector**

AT&S AG, Vienna, Austria, 9 April 2009

AT&S's success relies on a strategy of deliberate differentiation based on concentration on new technologies, with the Group's particular strength the ability to produce large volumes rapidly (time to market and volume to market), top-level quality combined with precisely timed deliveries. The experience of the AT&S Team, together with the business processes specially defined to cope with these requirements, have made it possible to differentiate from competitors, underwriting the Group's long-term growth and sustained profitability.

The AT&S focus on technology combined with its exceptional skills in implementation have been the foundations of the growth achieved in recent years, because the portions of the various markets represented by high technology printed circuit boards experienced vigorous growth. Between 1999 and 2007 the Group grew eight times as fast as the market as a whole, and has become one of the world's leading suppliers of circuit boards.

In the mobile devices market, where AT&S makes roughly 64 % of its sales, new developments are now afoot, and these necessitate a change in strategy. The market for mobile telephones must increasingly be divided into a low cost segment and a high technology, high-end segment. In the low cost segment the aim is to achieve the lowest possible production costs also by using simpler and less expensive technologies; this is also true for the printed circuit boards. In the high-end segment, in contrast, increasingly complex applications and the desire for thinner, smaller devices mean that extremely rapid technological development is still to be expected.

In the light of its core competences, installed capacities and current market positioning, the Group's focus will in future be increasingly on this high-end segment. In terms of the overall market, this decision will entail loss of market share, especially with customers who attach great importance to the low cost segment. But at the same time, it will help AT&S to successfully strengthen its market presence in the high-end segment. The Group will continue to pursue a strategy of growth in this target market, where differentiation from the competition is possible.

With this focus, AT&S will strengthen its position as technology leader. The emphasis on new technologies – making possible finer structures, rigid-flex solutions and the embedding of components inside the circuit board – will be stepped up, and the necessary investments will be made.

The present global market environment and the Group's new strategic orientation in the mobile devices sector lead Management to expect no growth in financial 2009/10 and 2010/11, or even negative growth. For AT&S as well, macroeconomic developments require rigorous cost-saving measures and adaptation of production capacities to match capacity utilisation. The Group's Management, however, continues to be convinced that AT&S – with its relentless concentration on its core competences, its global presence, the well-defined technological orientation of each of its individual facilities and its unique customer portfolio – is excellently set up for future challenges.

#### Further information

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