

Ad hoc Announcement

24/01/2008

Results for third quarter 2007/08, ended 31 December 2007

AT&S records strongest first nine months' sales in its history, increasing earnings per share (EPS) by 36% to a new high of EUR 1.46.

AT&S AG, Vienna, Austria, 24 January 2008

AT&S posted revenues of EUR 368.3m for the first three quarters of financial 2007/08, 3% higher than in the same period last year. Third quarter revenues were about EUR 126.6m, about 1% up on 2006/07 despite the strong decline in the US dollar and the almost total absence – compared with the previous year – of assembly contracts.

Gross profit for the first three quarters of the year of EUR 67.6m was up 19% year-on-year, and the third quarter's gross profit of EUR 23.8m was 39% higher than in the same period last year. The gross margin for the first three quarters reached 18.3% (Q1–3 06/07: 15.9%), with 18.8% (Q1–3 06/07: 13.6%) for the third quarter.

EBIT for the first nine months came to EUR 33.8m (up 20%), and the EBIT margin was 9.2% (Q1-3 06/07: 7.9%). In the third quarter EBIT reached EUR 11.6m, a year-on-year increase of 22%. The EBIT margin advanced to 9.2% (Q1–3 06/07: 7.6%).

Profit before tax for the first three quarters was EUR 36.4m (up 30%), with pretax profit for the third quarter amounting to EUR 13.2m (up 36%).

Net income for the first nine months of EUR 33.3m (up 25%), was the highest in the Group's history. Net income for the third quarter amounted to EUR 11.7m (up 42%).

Net debt at 31 December 2007 amounted to EUR 157.2m (EUR 79.0m a year earlier), with net gearing at 68.0%. The increase in net borrowings of EUR 47.3m since 31 March 2007 is largely attributable to capital investment in further extension of the Shanghai plants, payment of dividends and the repurchase of own shares.

Outlook

AT&S does not expect any significant improvements in the US dollar in the fourth quarter. This means that the currency will have fallen an average of about 10% since this time a year ago. Prices for a high proportion (about 68%) of the telecoms business are dependent on the US dollar, as our competitors are almost exclusively from countries whose currencies are linked to it. That said, AT&S expects fourth quarter sales to be roughly at the same level as a year earlier.

AT&S has now established a significant proportion of its production for the telecoms market in the extended US dollar area. Since the remaining currency exposures have been hedged, the impact of dollar exchange losses was largely confined to revenues and had a much reduced effect on earnings.

Based on its excellent performance over the first three quarters and the success of its hedging activities, AT&S continues to be optimistic about the outlook for the Group's net income and EPS for the whole of the financial year, and reaffirms guidance for the latter of EUR 1.60–1.70.

Information and notes on this stock exchange announcement by the Company

Results in accordance with IFRS (in EUR m, earnings per share (EPS) in EUR):

Q1–3 2007/08 compared with Q1–3 2006/07

	Q1-3 07/08	Margin	Q1-3 06/07	Margin
Total revenues	368.3		357.8	
Gross profit	67.6	18.3%	56.8	15.9%
EBITDA	60.1	16.3%	58.6	16.4%
EBIT	33.8	9.2%	28.3	7.9%
Net income	33.3		26.5	
EPS	1.46		1.07	
Net debt	157.2		79.0	
Net gearing	68.0%		33.7%	

Q3 2007/08 compared with Q3 2006/07

	Q3 07/08	Margin	Q3 06/07	Margin
Total revenues	126.6		125.3	
Gross profit	23.8	18.8%	17.0	13.6%
EBITDA	21.1	16.7%	20.3	16.2%
EBIT	11.6	9.2%	9.5	7.6%
Net income	11.7		8.2	
EPS	0.52		0.34	

Notes to results for first three quarters of 2007/08

Record earnings per share. Revenues and profitability exceed results for the first three quarters of 2006/07 despite weakness of US dollar.

Product mix and capacity utilization in the period were both satisfactory. The fourth production line entered into service at the second Shanghai site. Work has also begun on the ramp-up of the third plant.

Strong sales in AT&S's core printed circuit board manufacturing business more than compensated for the considerable fall in Service segment orders (Q3 2007/08: EUR 1.7m; Q3 2006/07: EUR 20.4m) and the effects of a considerably weakened US dollar (down by an average of 12%). Profitability was also again up noticeably, even compared with the strong performance of the first three quarters of 2006/07. Gross profit and net income for the period both reached their highest levels in the Group's history.

The relatively new project-driven Service business provides design and assembly services as well as PCB procurement services. The business model is geared towards offering customers, mainly industrial operations in Europe, a comprehensive portfolio of services at competitive rates. Orders for customers from other sectors are also accepted as and when they arise: last year this resulted in a number of major orders from the telecommunications sector. These orders were filled as required and came to an end in

the spring of 2007. In the first three quarters of 2006/07 Service business accounted for about 12% of Group sales. Although there have been no orders of comparable size in the current financial year, Services still contributed EUR 7.4m to total revenues.

AT&S's greatest competitors in the telecommunications market are Asian companies operating in the extended US dollar area. Prices for such PCBs are therefore dollar-linked. The decline of the dollar against the euro has pushed down telecoms PCB prices, with a consequent reduction in revenues. As AT&S has already established a large part of its production for the telecommunications market in this extended US dollar area, these exogenous effects have no material impact on the Group's results. The major effects of exchange rate fluctuations are thus already reflected at the gross profits stage. Other currency exposures are protected by hedges.

The effective tax rate for the first nine months was about 11.7%. Earnings per share were up by about 36% year-on-year to reach a new record high of EUR 1.46.

With 6,452 employees at 31 December 2007, the AT&S headcount again reached a record level, with the bulk of the growth in China.

In the first three quarters, 68% of revenues was generated by the telecoms business, with handheld products. Industrial/medical contributed 20%, and automotive customers roughly 10%. As discussed above, Services (assembly, trading and design) made up 2% of total revenue.

Net capital investment in the first nine months of EUR 83.3m was largely for further expansion of our Shanghai facilities.

Share buy-back program

As at 31 December 2007, AT&S held 2,574,171 treasury shares, equivalent to about 9.9% of issued share capital. About 51% of the shares are in the free float.

The results and the Excel format interim report (not including notes) for the first three quarters of 2007/08 were posted today at 8am (CET) on the investors section of www.ats.net. The quarterly report will be available in .pdf format from early February.

For more information please contact Hans Lang, IRO, Tel. +43 (0)1 68300 9215, e-mail: h.lang@ats.net.