

# Ad hoc Announcement

## 24/10/2007

### Results for first half 2007/08, period ended 30 September 2007

**AT&S's first half 2007/08 revenues top last year's strong performance, and show 18% increase in operating profit. First half net income of EUR 21.6 million (m) and earnings per share of EUR 0.94 set new records.**

AT&S AG, Vienna, Austria, 24 October 2007

AT&S posted revenues of EUR 241.7m for the first half of financial 2007/08, up 4% on the same period last year. Second quarter revenues of about EUR 127.0m were down about 0.5% on 2006/07. This was attributable to the strong decline of the US dollar and the fact that – compared with the previous year – assembly contracts were largely absent.

Gross profit for the first half of the year of EUR 43.8m was up 10% year-on-year, and the second quarter's gross profit of EUR 25m was 5% higher than in the same period last year. The gross margin for the first half reached 18.1% (H1 06/07: 17.1%), with 19.7% for the second quarter (Q2 06/07: 18.7%).

EBIT for the first half of 2007/08 came to EUR 22m (up 18%), and the EBIT margin was 9.2% (H1 06/07: 8.1%). In the second quarter EBIT reached EUR 14.4m, a year-on-year increase of 11%. The EBIT margin advanced to a healthy 11.4% (Q2 06/07: 10.2%).

Profit before tax for the first half year was up 27% to EUR 23.1m. Pretax profit for the second quarter amounted to EUR 14.1m (up 15%).

Net income for first half 2007/08 of EUR 21.6m (up 18%) was at its highest level since AT&S's stock exchange listing. Net income for the second quarter amounted to EUR 12.4m (up 7%).

Net debt at September 30, 2007, amounted to EUR 150.6m (EUR 103.2m a year earlier), with net gearing at 67.4%. The increase in net borrowings of EUR 40.0m since March 31, 2007, is largely attributable to capital investment in further extension of the Shanghai plants, payment of dividends and the repurchase of own shares.

### Outlook

Differences in the EUR/USD exchange rate were particularly dramatic in the second quarter, with the dollar weakening some 5.4%. Prices for a significant part of the telecoms business are dependent on the US dollar, as our competitors are almost exclusively from countries whose currencies are linked to the dollar. That said AT&S has now established a significant proportion of production for the telecoms market in the extended US dollar area. Since the remaining currency positions were hedged, the impact of the unfavorable US dollar was largely confined to revenues and had a much lesser effect on earnings.

In the coming months AT&S expects to continue to be exposed to considerable uncertainties as a result of currency fluctuations. Management sees increasing uncertainty attaching to revenue trends expressed in euro, and has therefore decided to suspend revenue guidance until further notice.

Based on its positive performance over the first half of the year and the success of its hedging activities, AT&S continues to be optimistic about the outlook for the Group's net income and EPS, 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):

### H1 2007/08 compared with H1 2006/07

	H1 07/08	Margin	H1 06/07	Margin
Total revenues	241.7		232.5	
Gross profit	43.8	18.1%	39.8	17.1%
EBITDA	38.6	16.0%	38.3	16.5%
EBIT	22.2	9.2%	18.8	8.1%
Net income	21.6		18.3	
EPS	0.94		0.73	
Net debt	150.6		103.2	
Net gearing	67.4%		43.4%	

### Q2 2007/08 compared with Q2 2006/07

	Q2 07/08	Margin	Q2 06/07	Margin
Total revenues	127.0		127.7	
Gross profit	25.0	19.7%	23.9	18.7%
EBITDA	22.7	19.9%	22.9	18.0%
EBIT	14.4	11.4%	13.0	10.2%
Net income	12.4		11.6	
EPS	0.54		0.47	

## Notes to results for first half 2007/08

### Revenues and profitability exceed strong results for the first half of 2006/07 despite weak US dollar

Product mix and capacity utilization were both satisfactory. The third production line at the second Shanghai site entered into service; the fourth line is scheduled to follow by the end of November.

AT&S was successful in compensating for the significant drop in revenues from Services business and the effects of a considerably weaker US dollar on its core printed circuit board manufacturing business. Profitability was once again up noticeably, even compared with the strong performance of first half 2006/07.

The relatively new project-driven Services business provides design and assembly services combined with PCB trading activities. In the first half of 2006/07 it contributed roughly 9% of total revenues, and in the same period this year just 2%. This relatively high revenue business requires virtually no investment. The Group expects performance in this area to improve considerably in the second half of the year.

AT&S's greatest competitors in the telecommunications market are Asian companies with close ties to the US dollar. Accordingly, prices for their PCBs are dependent on that currency. The weakening of the dollar against the euro has led to a decline in

telecom PCB prices which is reflected in revenues. As AT&S has already established a large part of its production for the telecommunications market in the extended US dollar area, exogenous effects do not have any significant impact on the Company's results. Most of the major effects of exchange rate differences are thus already reflected at the gross profits stage. Remaining currency exposures are protected by hedges.

The effective tax rate for the first half of the year was about 6.5%. Earnings per share were up by about 29% year-on-year to reach a new record high of EUR 0.94.

With 6,250 employees at September 30, 2007, the AT&S headcount also reached a record level, with the bulk of the growth in China.

In the first half year, 67% of revenues was generated by telecoms business, with handheld products. Industrial/medical contributed 21%, 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 half came to EUR 59.8m, spent principally on further expansion of the Shanghai facility.

### Share buy-back program

As at September 30, 2007, AT&S held 2,532,652 own shares, equivalent to about 9.8% of share capital; 51% of shares are in the free float.

The results and the Excel format interim financial statements (not including notes) for the first half of 2007/08 were posted today at 8am (CET) on the investors section of [www.ats.net](http://www.ats.net). The quarterly report will be available in .pdf format from early November.

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