

Ad hoc Announcement

27/07/06

Results for the first quarter 2006/07 to June 30, 2006

AT&S improves revenues by 17% and raises forecast for the financial year

AT&S AG, Vienna, Austria, July 27, 2006

In the first quarter of 2006/07 AT&S posted record revenues of EUR 105m, up 17% on the same period in the previous year. This performance significantly exceeded both the Group's forecasts and the market's expectations.

Gross profit of EUR 15.9m was about 6% down on the previous year, to leave the gross margin at 15.1%.

First quarter EBIT was EUR 5.8m (-34%). The EBIT margin of 5.6% was significantly up on the original forecast of 4%, which assumed start-up costs of about EUR 2m at the second Shanghai site and of about EUR 1.6m in Korea. The 5.6% achieved is chiefly attributable to strong demand for printed circuit boards for handheld applications. Compared with the last quarter EBIT was up by 19.7%.

Profit for the quarter before tax came to EUR 6m, a year-on-year improvement of 6% and sequentially a progression of 47.7%.

Net income for the period of EUR 6.7m (including tax credits) was up 5%.

Earnings per share (EPS) for the first quarter of 2006/07 amounted to EUR 0.26 (up 6%).

Net debt at the end of the quarter amounted to EUR 74.2m (EUR 8.1m at June 30, 2005). The resulting gearing ratio as of June 30, 2006 was 30.6%. The increase of net debt in the first quarter compared to March 31, 2006 (gearing ratio 13.9%) is due to a reduction of cash and equivalents used in investments (CAPEX) and share buyback program as well as additional debt of Tofic, the Korean company AT&S consolidated for the first time..

On the basis of the better than budgeted first quarter and a major order for the new Trading/DCC operations, Management has raised the original revenue forecast for 2006/07 from 455m to 470m. Forecast profit per share was also revised upwards, from EUR 1.10 to EUR 1.15.

Information and notes on this ad hoc announcement by the Company

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

	Q1 06/07	Margin	Q1 05/06	Margin
Total revenues	104.8		89.9	
Gross profit	15.9	15.1%	17.0	18.9%
EBITDA	15.4	14.7%	19.4	21.6%
EBIT	5.8	5.6%	8.8	9.8%
Net income	6.7		6.4	
Earnings per share	0.26		0.25	
Net debt	74.2		8.1	
Gearing ratio	30.6%		3.5%	

Notes to the first quarter 2006/07 results

Excellent capacity utilization and good product mix deliver record revenues

The first quarter went better than expected in terms both of revenues and of margins. This is mainly attributable to a higher value product mix and AT&S's strengths in the market for highly complex printed circuit boards for mobile phone handsets. On the other side, the results also included start-up costs for the second site in China of about EUR 2m (production to start in August), and in Korea (about EUR 1.6m), where AT&S's April acquisition of Tofic was included in consolidation for the first time in this quarter. The resulting operating margin was 5.6% higher than budgeted.

New Trading/DCC operations surprisingly positive

AT&S won a major order for its new Trading/DCC operations which will lead to better-than-budgeted revenues for this area in the coming months. The contract is however for a fixed period only, and the nature of the business in this area means lower margins than those of AT&S's core business, the production of printed circuit boards. This success is a sign that the new operations constitute a sensible addition to the core business, and AT&S will make every effort expand this business during the rest of the financial year.

The results and the Excel format interim financial statements (not including notes) for the first quarter of 2006/07 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 in August.

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