

Press release

08/02/06

AT&S buys high-tech company in Korea

AT&S is to acquire 86% in Tofic. Co.Ltd., a manufacturer of flexible printed circuit board near Seoul.

On 8 February 2006, the board at AT&S Austria Technologie und Systemtechnik AG, one of the world's leading manufacturers of printed circuit board (PCBs) and the largest in Europe, commenced the takeover of 86% of Tofic Co. Ltd., a Korean manufacturer of flexible PCBs.

A Letter of Intent (LOI) was signed today, which prepared the takeover of Tofic under the conditions of an environmental due-diligence audit and an audited financial statement for 2005.

With the acquisition of the company, which was formed in 2004 and commenced mass-production in 2005, AT&S is not just continuing its international growth strategy – Tofic is set to record sales of around \$50m next year – but is also achieving three strategic goals in one: AT&S is entering the high-tech sector and growth market of flexible PCBs, Tofic's Korean customers in the mobile phone sector will become AT&S customers and AT&S is thus the first mobile phone-specialised PCB manufacturer to offer not only rigid but also flexible PCBs for the top high-tech sector.

“We've been looking for a long time and we've finally found the pearl,” explains Harald Sommerer, CEO of AT&S. “The decision to buy Tofic was based above all on technological and strategic reasons. As a group we are strong enough to turn Tofic into an important player in Asia and in Europe we will profit from Tofic's know-how. We have taken a very important step in our growth strategy.” Peter Müller, Director Strategy and M&A illustrates: “Tofic has shown their ability to grow quickly in an early development period. They are top from a technology point of view and have strong management skills. The perfect target for AT&S”.

“The acquisition of Tofic is cheaper for AT&S than building up production ourselves. And above all we can offer our clients products much faster,” emphasises Steen Hansen, CFO at AT&S, regarding the decision to buy the company.

„In Korea itself we forecast a sales potential of up to €70 million, and we are also likely to start flex production in China, since we have the facilities in Shanghai“ says Hansen, outlining the company's future plans.

The takeover of Tofic. Co. Ltd. includes the acquisition price of \$1.2 million for 59% of the shares. In addition there is a capital increase of some \$4 million borne by AT&S, resulting in a total shareholding of 86%. The remaining 14% are held by the minority shareholders which are founders/managing directors of Tofic. Next year Tofic. Co Ltd. is set to record sales of around \$40m and will thus boost the growth of AT&S.

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