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In an extremely difficult market environment, AT&S posts respectable earnings. Significant one-time effects depress profits. Existing conservative dividend policy nonetheless retained.

AT&S's recently ended financial year – 2008/09 – was affected by the general economic developments. Sales compared with the last financial year fell by 7.4% to EUR 449.9m. Customer uncertainties about future developments were already discernible in the first quarter of 2008/09. Following a very satisfactory second quarter, in November sales suffered a massive collapse and did not recover during the rest of the financial year. All AT&S works were at times struggling with significant capacity under-utilisation. With a high fixed cost business such as printed circuit board production, this inevitably constituted a considerable burden on the Group's profitability.

In spite of these problems, AT&S achieved very respectable earnings from its regular business activities – given the overall economic situation. The operating profit was EUR 26.6m, with an EBIT margin of 6%. EBITDA was EUR 70.8m. Consolidated net income (adjusted for non-recurring items) of EUR 24.8m and hence earnings per share of EUR 1.08 show that AT&S is a healthy business, and is well able to adapt to the difficult circumstances.

The restructuring of the Leoben-Hinterberg works and provisions at AT&S Korea depressed AT&S's results further. One-time effects reduced operating profits by EUR 27.6m, to a final EUR -1.1m. EBITDA including one-time effects came to EUR 52.4m. Because tax loss carryforwards at AT&S Korea were reduced by EUR 2.9m, there was an extraordinary increase in the tax charge of the same amount. Final consolidated net income came out at EUR -5.8m, and earnings per share were EUR -0.23.

Based on the solid performance of its ordinary operating results, the successful ramp-up of new high-end customers, its outstanding positioning in its target markets and its strong equity position, AT&S will continue to adhere to its existing conservative dividend policy. AT&S's Management Board will recommend to the Annual General Meeting on 2 July 2009 the distribution of a dividend of EUR 0.18 per share. "Our decision to pay a dividend – particularly in the current difficult market environment – underlines our optimistic view of the future of the Group," explains Harald Sommerer, Chairman of AT&S's Management Board. Despite the present weakness of demand in individual target markets and the capacity and cost adjustments which that necessitates – predominantly in the Austrian facilities, overall AT&S Group is outstandingly well positioned for the future. AT&S's healthy equity of EUR 252.7m, equivalent to EUR 10.8 per share, is what underpins the Group's stable financial situation.

Analysts are assuming that worldwide sales in the printed circuit board industry will shrink by some 16% in 2009, and it is not to be expected that AT&S will be able to remain untouched by this trend. The new strategic direction in Mobile Devices will also mean losses in market share. Fortunately, AT&S's installed production capacities allow it to restrict new investment (CAPEX) to a minimum. Planned investments for financial 2009/10 amount to EUR 30m, half of which relates to projects begun in 2008/09. "Our focus in the current year will definitely be on cash flow generation and on further improving our positioning, especially in Europe," explains Steen Hansen, CFO and member of AT&S's Management Board.

As at 31 March 2009, AT&S employed 5,610 people worldwide.

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