

# AT&S builds second plant in China

Total investment around 80 - 100 million Euro – Production to begin 2006

**Vienna (September 17, 2004) AT&S is to begin immediate construction of a second plant in Shanghai. This was confirmed today by CEO Willi Dörflinger. The total investment will be between 80 – 100 million Euro and production in the second plant is planned to start in fall 2006. AT&S expects that around fifty percent of its total sales will come from Asia within the next few years.**

The positive decision by AT&S to construct a second plant in Shanghai is a continuation of its expansion strategy. In an initial step, construction work will begin immediately on a second building located directly next to the existing plant in the Xinzhuang Industrial Park. The site for this is already available and total investments will be 80 – 100 million Euro. 10 million Euro has been earmarked solely for constructing the new plant.

No decision has yet been reached whether the new plant in China is to be given over to HDI Microvia technology and/or flexible printed circuit board technology. Dörflinger: "Both these segments are currently exhibiting high growth. By fall 2005 at the latest we will decide how we intend to position the second plant in Shanghai. In any event, we are well prepared for both options. We are looking to commence production in fall 2006."

The growth currently being enjoyed by the AT&S Group with its production facilities in China (Shanghai) and India (Nanjangud) is illustrated very clearly by another key figure. Around 25 percent of total sales during the last fiscal year were generated in Asia and the rest in Europe. According to Dörflinger, this split is expected to reach 50:50 over the next few years. "China is simply the market with the fastest and most powerful growth worldwide. At the same time, we also believe that India offers enormous potential."

In parallel to the construction of the second plant in Shanghai, AT&S also plans to redouble its commitment to Eastern Europe in future. In a first step along this road, AT&S is now setting up its own sales office in Russia and a small team was recently assigned to this task. "What's important is to draw up a detailed market analysis, examine the potential opportunities and risks, and plan our next moves," states Dörflinger.

AT&S Member of the Board Harald Sommerer has revised his forecast for the current year. He now predicts total sales to grow by around ten percent, while results are anticipated to return a "higher rate of growth". AT&S will publish its half-yearly figures in Vienna on October 21, 2004.

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