

AT&S demonstrates new growth options

Best bi-annual results in company's history – Start for new growth projects

Vienna (October 21, 2004) – AT&S, Europe's largest circuit board manufacturer, is increasingly investing in future growth of the company after the record profit results of the past months. Besides the construction of a second plant in China, AT&S has entered the business field of Trading. In the consolidating circuit board branch, AT&S sees good opportunities to play an active role in the future.

The position of AT&S has further improved in the first half of the financial year, which closed on September 30. Firstly, the mobile telephone manufacturers expect sales of at least 600 million devices for 2004. Secondly, the third and fourth production lines in Shanghai have been successfully installed and started, which enables full capacity availability for AT&S during the second fiscal half.

"In the last 18 months, we've permanently renewed our capacity in the market. In China alone, we have established four new production lines since the beginning of 2003. But in our other plants as well, we've either modernized or built up capacity. And the use of capacity has almost always been optimal in the plants. Our good relationships with customers, who in the meantime amount to more than 500 companies, and our attention to quality and the newest technologies are, of course, the main reasons for this success. Now we are in a position to use this excellent position to seize new growth opportunities. We've already achieved the necessary means to do so," explains AT&S CEO Willi Dörflinger.

AT&S sees several concrete growth options. First of all, the company must grow organically, through construction of a second plant in Shanghai, for example, which was confirmed in September. Secondly, considering the increasing consolidation of the market, AT&S will take a more active role in identifying competition that could possibly be interesting as acquisition targets. Lastly, AT&S will take on the new business field of Trading. The goal here is to establish a bridge between European customers in the industrial market and Asian circuit board manufacturers from the base-technology segment.

As the construction of a further AT&S production facility for these kinds of circuit boards is not feasible, despite demand for such products in Europe and especially among existing customers, AT&S will take advantage of the price differentiation of Europe and Asia, along with additional services, such as quality control and supply chain management, to secure the function of a "middle-man" in commerce. This new business model has the advantage that with little investment, and therefore less risk, the AT&S product pallet could expand, ensuring a further step towards becoming a global "one-stop-shopping" agent.

The financial results of AT&S from the first half of the business year 2004/05 demonstrate the successful implementation of the growth strategy in the past months. Turnover reached 163.9 million Euro in the first half. This means a plus of 7.7%. The EBIT grew by 24% to 15.2 million Euro and profit could be increased by 273% to 16.1 million Euro. "With these results, we can ensure future growth, contrary to many other competitors. The second plant in Shanghai will be constructed; we can finance this through cash flows. The idea of Trading can bring much while costing little. Concerning acquisitions, one must always be careful. They can occur quickly or take a long time to work out. In any case, we are determined to act here with more resolve," says Dr. Harald Sommerer, Board Member of AT&S, concerning future plans.

Expectations for turnover for the 2004/2005 financial year remain unchanged at a plus of 10%. Profit will increase above proportion in this respect.

Further Information: