Austria Technologie & Systemtechnik
Aktiengesellschaft

Press release
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AT&S – results for first quarter of financial year 2010/11

For the first quarter of financial year 2010/11 AT&S reported one of its best first quarter results. The 14% increase in revenues compared with the previous quarter meant not only a respectable pre-tax profit, but was also substantially in excess of both AT&S forecasts and market expectations. The EBIT margin also improved, and the net gearing ratio as a consequence significantly dropped.

Revenues for the first quarter of 2010/11 were up 14% compared with the last quarter of the previous financial year, and 37% higher than in the first quarter of 2009/10. Earnings before interest and tax (EBIT) for first quarter 2010/11 – adjusted for non-recurring items – came to EUR 10.1 million (m), which was 14% higher than in the preceding quarter and nearly equalling the year before the financial crisis.

	Q1 2010/11	Margin	Q4 2009/10	Margin
Total revenues*	113,9		99,7	
Gross profit*	19,8	17,4%	12,8	12,9%
EBITDA*	21,9	19,3%	17,3	17,3%
EBIT*	10,1	8,9%	6,2	6,2%
PBT	10,1	8,9%	4,5	4,5%
Net income	7,57	6,6%	2,7	2,8%
EPS**	0.33		0,12	
Avg. # share outstanding ***	23,323		23,323	

In EUR million
* in EUR million excl. non-recurring items
** in EUR
*** in 1.000 shares

Although net capital investment rose from EUR 2m in the previous quarter to EUR 19m in the first quarter of 2010/11, the Group's gearing ratio fell by more than 24 percentage points to 62%. "The business results for our first quarter look extremely promising," says CEO Andreas Gerstenmayer. "Our focus on the high-end market is paying off handsomely, primarily because the global economy is recovering quicker than we were able to anticipate only three months ago."

AT&S is planning to expand its capacity in Shanghai (China) and Nanjangud (India). However, respect for the environment is a major concern of AT&S's management all around the world. "For example, during the last quarter we received the "Model Enterprise Award" by Shanghai Water Authority for our outstanding contribution to water conservation," explains Gerstenmayer.

"We are currently examining a number of investment options for our plant in Leoben-Hinterberg. The weakling of the Euro may allow us to improve our ability to produce in Europe," explains Gerstenmayer. "In India, on the other hand, we still have some homework to do, and the stronger dollar is not necessarily playing in our cards. But overall, I am pretty confident that – as long as the prospects for the world economy remain favourable – we have put ourselves in an excellent strategic position to add value to our customers and to further enhance our competitive edge."

As at 30 June 2010, AT&S employed 6,541 people at its production sites in Austria, India, China and Korea, and in a total of 16 sales offices around the world.

AT&S is driving innovation in printed circuit board technology

With smartphones, AT&S has another opportunity to demonstrate its prowess as a technology pioneer, with solutions needing to be found to engineering and styling challenges: the device must be reliable, must be able to connect with all existing mobile networks, must include GPS, digital camera, touchscreen, internet services. These requirements massively impact circuit board design and construction. “AT&S’s investment in printed circuit board innovations heavily focuses on customer-specific requirements,” explains Andreas Gerstenmayer. “We provide our customers with advice and practical support in order to find the best possible solutions for their products.”

As an example: to cover the full range of frequencies used by the mobile networks, between 8 and 14 layers are needed, but the whole printed circuit board can only be between 0.6 and 1.2 mm thick. This restricts the thickness of the insulating layers separating the conductive copper layers to a mere 30 to 50 µm – special materials are called for, which must be both strong and flexible. Despite the extreme thinnesses, the printed circuit boards must be robust enough neither to break nor to warp. For the purposes of comparison: the thickness of a normal sheet of 80 gram paper is 100 µm.

The electrical connections between the increasingly tiny components (e.g., capacitors, surface mount resistors 254µm by 127µm in size) are supplied by the tracks in the copper layers and the mechanically or laser drilled holes, which are also filled with copper. In order to be able to connect the layers in multilayer circuits boards selectively, nowadays laser drilled holes (microvias) are used almost exclusively. Depending on the specifications, between 10,000 and 15,000 vias per circuit board are required, compared with the 500–1,000 needed for the first mobile telephones. The number of holes continues to rise as the number of applications for mobile devices increases and ever smaller and more complex components need to be included.

And in order to keep up with the latest trends, printed circuit boards today even match the colour of the cases – smartphones are not just mobile telephones, but fashion accessories in every sense of the expression.

AT&S wins award for EU-backed HERMES© research project

The HERMES© research project, which was initiated by AT&S and is supported by the EU, is investigating the next technical innovation in printed circuit boards: a new packaging solution for semiconductors that takes connectivity far beyond what is presently possible. Industrial implementation of this technology opens up a wide range of potential applications in medicine (e.g., a new generation of hearing aids) and in functional modules such as GPS.

The future of mobile devices (handsets, digital cameras, etc.) lies in stepping up their performance and in integrating new functions, and it is these performance enhancements that HERMES© will make possible. At IPC APEX EXPO™, the world’s most important technical conference and trade fair for the printed circuit board and electronic components industry, in Las Vegas, the technological contribution of the HERMES© project was recognised with the “Best International Conference Paper” award. The research paper “Industrial PCB Development Using Embedded Passive & Active Discrete Chips Focused on Process and DfR” is the result of close collaboration between Thales Corporate Services and AT&S as part of the EU-funded HERMES© Project.

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About AT&S
AT&S Austria Technologie & Systemtechnik Aktiengesellschaft (AT&S) is the European market leader and one of the world's strongest-performing printed circuit board manufacturers. AT&S is especially well positioned worldwide in the high-tech market segment for HDI microvia printed circuit boards, which are chiefly used in mobile devices. The Group is also highly successful in the automotive printed circuit board market, and in the industrial and medical technology sectors. As a vigorous and growing international enterprise, AT&S has a global presence, with three production facilities in Austria (Leoben, Fehring, Klagenfurt) and one each in India (Nanjangud), China (Shanghai) and Korea (Ansan, near Seoul).

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