

Press Release

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AT&S first half results once again exceed expectations

**New factory in Shanghai breaks even after just
two months!**

**(Vienna) – With revenues of EUR 232m and earnings of
over EUR 18m, AT& again tops even optimistic
expectations.**

Following first quarter revenues of over EUR 104m, AT&S went on to outperform this achievement by 22% in the second quarter – sales in excess of EUR 127m were an impressive demonstration of the robustness of its growth. In the first half of 2006/07 AT&S generated revenues of EUR 232m, up 25% on the same period in the previous year. A jump in revenues and profits of this magnitude was not expected until the second half of 2006/07. That it happened sooner was due to the exceptional performance of the Shanghai factory on the one hand, and favorable product mix resulting in ideal capacity utilization at all sites on the other. And the Indian plant, which had not been running at its full potential in previous periods, finally returned to profit.

“The quick ramp-up of new capacity in Shanghai and the overall exceptional second quarter performance allowed us to generate a double digit EBIT margin again for the first time in a long while,” says AT&S's CEO, Harald Sommerer. “We had budgeted for operating losses in the second facility for about half a year. We are pleasantly surprised to find ourselves generating profits after only two months,” Sommerer explains.

The second factory in Shanghai has helped AT&S to further consolidate its position as Austria's largest investor in China. Capital expenditure of about EUR 300m on AT&S Shanghai accounts for about half of all Austrian investment in the country.

The second half of the year will again bring record sales for AT&S. The Group's current forecasts for 2006/07 predict total revenues around the EUR 490m mark. With earnings per share of EUR 1.75, profits are expected to be more than 50% higher than last year.

“We believe that we will be able to sustain margins at the second quarter level during the second half of the year, and can therefore confirm our recently improved forecasts,” says AT&S's CFO Steen Hansen, looking ahead with confidence.

AT&S employs about 5,400 people at its production sites in Austria, India, China and Korea and its more than 15 sales offices.

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