

Press Release

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AT&S raises first half revenues, and increases operating profit by 18%. First half net income of EUR 21.6 million (m) and earnings per share of EUR 0.94 set new records.

(Vienna) – With revenues of EUR 241.7m and net profit of EUR 21.6m in the first half of financial 2007/08, AT&S continues to deliver consistently strong growth.

AT&S, largest producer of printed circuit boards in Europe and India, has once again succeeded in bettering its results of the preceding year. Revenues were up 4% compared with the same period a year earlier, to EUR 241.7m. Operating profit was up 11% to EUR 22.2m. "Despite the dollar's marked weakness, which had a considerable negative impact on our revenues, we were successful in raising total revenues once again," reports Chairman of AT&S's Board of Management, Harald Sommerer.

The ramp-up of the fourth production line at Shanghai II, which will be completed by the end of November, and Shanghai III, which is scheduled to enter production at the start of 2008, provide further opportunities for growth.

Healthy revenues in our core printed circuit board manufacturing operation more than compensated for the decline in revenues contributed by our fledgling Services business. While Services contributed about 9% of total revenues in the first half of 2006/07, its share of the total in the same period this year slipped to just 2%. The Group expects performance in this area to improve considerably in the second half of the year. In addition to its core business of manufacturing printed circuit boards, AT&S offers its customers design and assembly services and PCBs from its business partners. This business model has the potential to generate relatively high revenues and requires extremely low levels of investment.

The weak US dollar also had a considerable impact on revenues. As AT&S's main competitors for telecoms business are located in Asia and closely linked to the dollar, prices for printed circuit boards of this kind are at the mercy

of fluctuations in the dollar. AT&S has now established the majority of its production for the telecoms market in the extended US dollar area, so that exogenous effects on costs are already reflected at the operating levels. Since the remaining currency positions were hedged, the impact of the unfavorable US dollar was largely confined to revenues and had a much lesser effect on earnings.

"Given these dramatic exchange rate fluctuations, we are highly satisfied with the results. Margins are better even than in the highly successful first half of financial 2006/07. Operating profit was up 18%, and earnings per share by fully 29%," explains Harald Sommerer.

AT&S today employs 6,250 people at its production sites in Austria, India, China and Korea, and its worldwide sales offices.

In the coming months AT&S expects to continue to be exposed to considerable uncertainties as a result of currency fluctuations. "We see increasing uncertainty attaching to revenue trends expressed in euro, and have therefore decided to suspend revenue guidance until further notice," explains AT&S CFO Steen Hansen.

On the basis of its positive performance over the first half of the year and the success of its hedging activities, AT&S continues to be optimistic about the outlook for the Group's net income and EPS, and reaffirms guidance for the latter of EUR 1.60–1.70.

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