

AT&S profits double despite weak dollar

2005 to be a year of strategic positioning for future growth

Vienna (January 26, 2005) – AT&S, Europe's largest circuit board manufacturer was able to double its profit despite a weak dollar thanks to foresighted hedging. 2005 will be a year of positioning for long-term growth. Sales offices have already been opened up in Japan and Russia.

AT&S has further strengthened its position in the market through steps into new markets such as Japan and Russia in the past quarter. New products, such as flexible circuit boards, and new customers, such as TCL&Alcatel Mobile Phones, have also serve to strengthen AT&S. Thus continues the AT&S strategy for long-term positioning in the world market as a high-performance circuit board manufacturer in the high-tech sector. The construction of a second plant in Shanghai is yet another step towards this goal. "We're following our growth strategy after our eleventh year after privatisation," explains Willi Dörflinger, CEO of AT&S. "We are still maintaining our competitive edge being based in Austria, and we're becoming stronger in Asia. This demonstrates the niche we've found in Europe, as well as the success of having made the right steps at the right time with our production in Asia. We will continue along this path."

A recently published study reveals the success achieved by following this strategy based upon a sturdy financial base: AT&S drew in almost two-thirds of all operating profits (EBIT) in the entire European circuit board industry. In 2003 (the study for 2004 will be available at a later point in time), exactly 68 % of European profits was made by AT&S. In previous years, AT&S achieved 56 % (2002) and 27 % (2001). This trend is impressively indicative of the consolidation of the circuit board industry and the continuous strengthening of AT&S in the market.

However, as AT&S successes were dimmed in the past quarter through the weak dollar. While revenues clearly grew by a constant dollar value, growth after three quarters was only around 4.8 %. In the third quarter (October-December 2004), especially, the dollar lost value by 10%. AT&S, however, managed to further its profits thanks to a foresighted hedging strategy against fluctuating currency. "We have been able to strengthen our position in the market this quarter in regards to both our customers and our products. We cannot change the fact that the dollar cost us turnover. But, the fact that our profit still grew 129% in the first three quarters demonstrates what would be possible with a positive dollar development," says Harald Sommerer, member of the AT&S Board of Directors, glimpsing back upon the closing period.

AT&S now begins the last quarter with a turnover of EUR 249 million after three quarters (+4.8 %), an EBIT of EUR 19.2 million (-2.7 %) and a profit of EUR 24.7 million (+128.8 %). Considering the continuously weak dollar, management expects a turnover of EUR 335 to 345 million, as well as EUR 1.15 to 1.2 earnings per share for the entire financial year. Similar conditions prevailing in 2005/2006 will inhibit, from an organical point of view, any significant growth in revenues. The second plant in Shanghai and the acquisition strategy, however, will enable AT&S to actively drive forth the consolidation of the circuit board industry. 2005 will be a year for strategic positioning.

Further Information: