

AT&S continues to grow after record quarter

Production at once massively increased – Investments made to counter future problems

Vienna (July 28, 2004) AT&S, Europe's largest circuit board manufacturer, will increase production massively in the coming months. The most growth will occur in India and China, but also in Klagenfurt. In an effort to counter possible delivery problems, AT&S will strengthen its laser capacity. In the past quarter, AT&S managed the highest turnover ever achieved in a first quarter period. Profit grew accordingly very high.

The current climate of the circuit board market is clearly better than one year ago. The market has grown constantly in the past months and AT&S has been able to secure further market share through its anti-cyclical investments. As in 2003, more mobile phones will be sold this year than initially forecasted. The forecasts are between 560 – 600 and more mobile phone purchases.

"In this market, we are, worldwide, one of the most important suppliers of HDI Microvia circuit boards. Four of the five largest mobile phone manufacturers – Nokia, Siemens, Motorola, Sony-Ericsson – trust in our technology. Market leaders such as RIM, manufacturer of the Blackberry, as well as Chinese enterprises such as Putian, TCL or Yuhua belong to our list of customers. This broadening of our customer base enables us to maintain a balance in the market share fluctuations between the manufacturers," said AT&S CEO Willi Dörflinger.

In order to meet increasing demand, especially for the new 2N2 technology, AT&S will increase production significantly. Alone in this year, production in China will almost double. The market development in "the coming weeks" should reveal, says Dörflinger, "whether or not a second plant in Shanghai is necessary. We want to, and need to, make a quick decision in any case." Currently the fourth production line is being brought into operation to meet the demands created by the new 2N2 technology. Additionally, about 5 Million Euro was invested into this new technology for the Leoben plant. This enables the fulfillment of 30 percent of the entire capacity for the new technology.

Significant production growth has also occurred at the plant in India. The plant's capacity will be increased by 50% in the coming months. Along with the telecommunications branch, demand in the industry branch is very strong. Dörflinger – "After China, India, followed by Eastern Europe, has without a doubt the most exciting market growth opportunities for AT&S." A strong growth is also expected for the plant in Klagenfurt. Production is expected to grow here by a half and achieve positive results. A positive break-even balance has already been achieved in the first quarter.

The next step for AT&S will be towards Eastern Europe. Dörflinger – "We see an enormous potential here. It is an extremely exciting market." A sales office will soon be established in Russia in order to prepare for further activities.

Furthermore, the financial statistics of the first quarter at AT&S demand attention. Turnover was increased by 6% to 77.9 million Euro, the EBIT by 60% to 6.4 million Euro. Profit (surplus) exploded by 460% to 7.5 million Euro. CFO Harald Sommerer – "Such a high first quarter turnover has never been achieved in the entire history of AT&S. The profit margin is also very positive, although it can be explained by unique conditions." Sommerer concretely bases the enormous profit growth on three reasons: the sinking group tax-rate with good turnover results, unique conditions derived from floating means from latent taxes, caused through reductions in the corporation tax, as well as successful cost-cutting measures (with the purchasing center in Hongkong, for example).

AT&S will maintain course for the complete financial year. Afterwards, turnover should increase by at least 10 percent in comparison to the previous year and revenue should exceed current proportions.

Further Information:

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