

Press Release

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AT&S increases the full year guidance after the first quarter

Turnover of EUR 89.9 million outperforms that of the previous year by 15% - Operating result increases by 39% to EUR 8.8 million. The forecast for the whole year is increased.

(Vienna) - AT&S Austria Technologie und Systemtechnik AG, the biggest circuit board manufacturer in Europe and India and one of the world's leading contractors in the high-tech sector, was once again able to accelerate growth in the first quarter of the financial year.

With EUR 89.9 million turnover (+15%) and an increase of 39% in the operating result, the new Chairman of the Board, Harald Sommerer, did not just submit one of the best results in the history of AT&S. He was also able to go way beyond the analysts' expectations and in so doing lay the foundation for a successful financial year in 2005/06.

"There are several reasons for our strong turnover and EBIT growth. Firstly, we have strong growth in the end market in the mobile phone sector. This is providing us with an exceptional work load. Secondly, our European strategy appears to be bearing fruit. Our competitors in Europe are having difficulties and customers are turning to us. Finally, the stronger US Dollar has also improved our competitive position", is how Harald Sommerer summarises the present situation. The fact that earnings in the first quarter were 15% below those of the previous year is accounted for by a weaker hedging result due to a stronger US Dollar. "We anticipated this", explains Steen Hansen, AT&S Financial Director. "The strong Dollar suits us because it helps our operations. If it were to stay as it is today, no further hedging losses would accrue in the rest of the year. Were it to become weaker, hedging profits would if anything be greater."

After the first quarter and looking at AT&S customer forecasts, the management has now also increased the forecast released in May for the whole year. From what we can see today, growth in turnover will be at least 10% and earnings per share will not amount to 1 Euro as assumed, but instead 1.20 EUR. Uncoupling the Chinese Yuan from the US Dollar should be a further advantage for AT&S because the competitiveness of the European sites will increase.

In addition to the operating results, AT&S was also able to clinch an acquisition in July. The Indian printed circuit board design firm, ECAD, a company with a workforce of 70, a turnover of around USD 1.2 million and an EBIT margin of just under 12%, was taken over on 28 July 2005. The aim in acquiring this company was to extend the range of services AT&S provide and as a supplier, to offer customers good prices at the printed circuit board design stage. AT&S are thereby extending their value-added chain and, as the largest manufacturer of printed circuit boards in India, are now also becoming the biggest designer of these components.

"ECAD is an interesting addition for us and a profitable business model. We wanted to use this opportunity. But our acquisition aims are still quick turn-around and prototype manufacturers and producers of flexible printed circuit boards", explains Sommerer about the takeover of the Indian company.

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