

Ad-hoc Announcement

21/10/2008

Results for second quarter 2008/09, ended 30 September 2008

AT&S improves earnings on the same period last year in difficult market environment – EBIT for second quarter up by 4%, earnings reach record EUR 14 million

AT&S AG, Vienna, Austria, 21 October 2008

AT&S's revenues in second quarter 2008/09 totalled EUR 119.0m, down 6% on the same period last year. In the first two quarters of financial 2008/09 revenues amounted to EUR 234.2m, 3% less than in the comparable period in 2007/08.

Gross profit for the second quarter of EUR 23.2m was 7% less than a year ago, and the first two quarters' gross profit of EUR 39.1m was 11% down. The gross margin in the second quarter was 19.5% (2007/08: 19.7%), and in the first two quarters 16.7%, compared with 18.1% a year ago.

EBIT in the second quarter was up 4% to EUR 14.9m, with the EBIT margin climbing to 12.6% (11.4%) For the first six months, EBIT was EUR 20.6m (down 7%), and the EBIT margin fell to 8.8% (9.2%).

Income before tax for the second quarter rose 7% to EUR 15.0m, while for the first two quarters it was EUR 20.3m, down 12%.

Net income in the second quarter reached a record EUR 13.6m, a gain of 9.3%, while for the first six months it was EUR 18.6m, down by 14%.

Net debt at 30 September 2008 amounted to EUR 171.9m (EUR 150.0m a year earlier), with net gearing at 66.3%. The increase in net borrowings of EUR 15.6m since 31 March 2008 is largely attributable to capital investment in further extension of the Shanghai plants and the payment of dividends. In the first quarter of financial 2008/09 AT&S placed a five-year EUR 80 million bond, exchanging short-term for longer-term debt and improving its financial structure.

Outlook

Although capacity utilisation at AT&S's plants is at present good, it is to be expected that the overall economic situation and global competition will make 2009 a difficult year. This means that adjustments to capacity in the Austrian facilities can not be excluded, nor possible effects on the value of goodwill at AT&S Korea.

AT&S is therefore not currently prepared to give any precise guidance.

Information and notes on this ad-hoc announcement by the Company

Results in accordance with IFRS (in EUR m, earnings per share (EPS) in EUR)

1H 2008/09 compared with 1H 2007/08				
	1H 08/09	Margin	1H 07/08	Margin
Total revenues	234.2		241.7	
Gross profit	39.1	16.7%	43.8	18.1%
EBITDA	41.3	17.6%	38.6	16.0%
EBIT	20.6	8.8%	22.2	9.2%
Net income	18.6		21.6	
EPS	0.80		0.94	
Net debt	171.9		150.0	
Net gearing	66.3%		67.1%	

Q2 2008/09 compared with Q2 2007/08				
	Q2 08/09	Margin	Q2 07/08	Margin
Total revenues	119.0		127.0	
Gross profit	23.2	19.5%	25.0	19.7%
EBITDA	25.6	21.5%	22.7	17.9%
EBIT	14.9	12.6%	14.4	11.4%
Net income	13.6		12.4	
EPS	0.58		0.54	

Notes to results for first two quarters of 2008/09

AT&S's business is seasonal: in the first and fourth quarters of the financial year capacity utilisation is generally lower, while in the second and third quarters it is as a rule extremely good. For a high fixed cost business like AT&S's, reduced capacity utilisation necessarily means pressure on margins.

The general macro-economic environment meant that seasonal effects in the first quarter of financial 2008/09 were particularly marked, so that the pressure on margins was especially high. This situation continued into the beginning of the second quarter, after which the product mix and loading improved rapidly at all its plants.

Prices for a large part of the mobile devices business, but also in the industrial and automotive sectors, (in total roughly 75% of total sales) are dependent of the US dollar, because AT&S's competitors are almost without exception located in countries whose currencies follow the dollar. The US dollar fell by an average of some 12.5% in comparison with the first half of 2007/08, putting further pressure on revenues.

Other operating income in the first half of the financial year contributed EUR 4.1m to EBIT. This contribution largely reflected valuation effects associated with the rise in the US dollar and the Renminbi against the Euro as at the end of September 2008.

The effective tax rate for the first six months was approximately 8.4%. Earnings per share (EPS) reached EUR 0.80, and in the second quarter even a record EUR 0.58.

At 30 September 2008 AT&S employed 6,450 people.

In the first two quarters Mobile Devices generated around 62% of revenues, while Industrial/Medical contributed roughly 25%, and Automotive customers roughly 11%. Services (assembly, trading and design) made up 3% of total revenues.

First half year net capital investment came to EUR 29.5m, spent principally on further expansion of our Shanghai facility.

Share buy-back program

Since the beginning of the current financial year no further shares have been repurchased.

The results and the Excel format interim report (not including notes) for the first two quarters of 2008/09 were posted today at 7.30 am (CET) on the investors section of www.ats.net. The quarterly report will be available in .pdf format from early November 2008.

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