

# Ad hoc Announcement

## 24/10/06

### Results for the first half year 2006/07 to September 30, 2006

#### AT&S increases revenues by 25% and earnings by 20%. China II breaks even after just two months.

AT&S AG, Vienna, Austria, October 24, 2006

AT&S's revenues for the first half of 2006/07 reached a new record high of EUR 232m, up 25% on the same period the previous year. Second quarter revenues were EUR 127.5m (up 32%).

Gross profit for the first half year of EUR 40m was 15% up on the same period in 2005/06, and for the second quarter it was up 37% year-on-year, to EUR 24m. Gross margin amounted to 17% in the first half year, and to 19% in the second quarter.

EBIT in the first half of the year came to EUR 19m (up 8%), and the EBIT margin was 8.1%. In the second quarter, EBIT reached a new high of EUR 13m, or a year-on-year increase of 49%. This is significantly higher than the original second quarter forecasts, and is attributable to the faster than expected ramp-up of the second facility in Shanghai and to a very satisfactory product mix.

Profit for the second quarter before tax came to EUR 18m, a 32% improvement on the same period last year. Pretax profit for the second quarter amounted to EUR 12.3m (up 51%).

Net income for the first half of the year of EUR 18m was up 20% on the same period in the previous year. Net income for the second quarter amounted to EUR 11.6m (up 31%).

Earnings per share (EPS) for the first half of 2006/07 were EUR 0.73 (up 23%), and for the second quarter EUR 0.47 (up 34%).

Net debt at the end of the first half amounted to EUR 103.2m (EUR 12.6m at September 30, 2005). The resulting gearing ratio as of September 30, 2006 was 43.3%. The increased net debt, relates to the reduction in cash and cash equivalents, which were used to fund the CAPEX investment program and the share repurchase scheme, and is in line with AT&S's balance sheet optimization strategy, which was adopted in the spring.

In the second half of 2006/07 AT&S expects the market environment to remain favorable, and is forecasting that sales and profits will be held at roughly the exceptional levels achieved in the second quarter. Revenue guidance for the whole of 2006/07, with sales of EUR 490m and earnings per share of EUR 1.75, is confirmed.

Information and notes on this stock exchange announcement by the Company  
Results in accordance with IFRS (in EUR m, earnings per share in EUR):

	H1 06/07	Margin	H1 05/06	Margin
Total revenues	232.5		186.4	
Gross profit	39.8	17.1%	34.5	18.5%
EBITDA	38.3	16.5%	37.9	20.4%
EBIT	18.8	8.1%	17.5	9.4%
Net income	18.3		15.2	
Earnings per share	0.73		0.59	
Net debt	103.2		12.6	
Gearing ratio	43.4%		5.3%	

  

	Q2 06/07	Margin	Q2 05/06	Margin
Total revenues	127.7		96.5	
Gross profit	23.9	18.7%	17.5	18.1%
EBITDA	22.9	18.0%	18.5	19.2%
EBIT	13.0	10.2%	8.7	9.0%
Net income	11.6		8.8	
Earnings per share	0.47		0.34	

#### Notes to the results for the first half of 2006/07

##### Successful ramp-up in Shanghai, favorable product mix and encouraging results in India

AT&S's success in achieving the levels of revenue and earnings originally forecast for the third quarter by the end of the second quarter is chiefly attributable to the far quicker than expected ramp-up of the second facility in Shanghai, a favorable products mix groupwide and a strong improvement in

India's performance. In Shanghai the first line went into production at full capacity. The ramp-up was scheduled and budgeted to last at least 6 to 8 weeks. As a consequence of the accelerated production start, break-even point came in September, after only two months. This in turn led to an improvement in Group earnings.

**Revenue distribution reflects strong focus on telecoms**

About 62% of AT&S revenues in the first half of 2006/07 related to telecommunications, with the industrial and automotive sectors accounting for 18% and 10% respectively. DCC/Trading and Design together generated about 9%.

The results and the Excel format interim financial statements (not including notes) for the first half of 2006/07 were posted today at 8am (CET) on the investors section of [www.ats.net](http://www.ats.net). The quarterly report will be available in .pdf format from early November.

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