

Ad-hoc announcement dated 26 January 2005

Result for the third quarter of 2004/05 to 31 December 2004

AT&S's sales increase by 4.8% after three quarters, Net income more than doubled.

AT&S AG, Vienna, Austria, 26 January 2005

After the first three quarters of 2004/05, with a turnover of EUR 249.1 million, AT&S has exceeded the year-on-year growth by 4.8%. Referring to the third quarter, this means there has been a turnover of EUR 85.2 million. This corresponds to the figures of the same period of the previous year. The changing value of the US dollar, which from its weak position in the third quarter has lost another 10%, is the reason why sales in third quarter were flat.

The EBIT has been negatively affected both by the decline of the US dollar and by impairments of EUR 2.5 million, so that the EBIT was EUR 4.0 million in the third quarter and is therefore 46.6% below the figure for the previous year (excl. impairments, -13%). The accumulated EBIT after three quarters is therefore EUR 19.2 million. This corresponds to a decrease of 2.7% (excl. impairments +10%). The result of this is an EBIT margin in the third quarter of 4.6% (excl. impairments 7.6%), accumulated for three quarters this means 7.7% (excl. impairments 8.7%).

The quarterly result before tax - and this is where the effects of the hedging programme can be seen - was EUR 10.2 million, which was an increase of 26.7% of the value of the third quarter of the previous financial year. Over the first three quarters, this produces a pre-tax result of EUR 27.5 million which is 67% higher than the pre-tax result for the same period of 2003/04.

The net income in the third quarter was EUR 8.6 million (+32.7%) and in the first three quarters amounted to EUR 24.7 million. This corresponds to an increase of 128.8% in comparison to the previous year.

As a result, the earnings per share (EPS) achieved EUR 0.96 euro after three quarters and therefore achieved an increase of 128.6% in comparison to the previous year.

AT&S's overall tax ratio is 9.6% after three quarters and will remain around 10% for the whole year.

At the end of the third quarter, AT&S's net indebtedness was EUR 47.3 million (EUR 41.3 million a year ago). As a result, the net gearing is 21.9%.

After the third quarter, AT&S's management expects overall annual sales of between EUR 335 million and EUR 345 million, if the US dollar continues to be weak. The earnings per share will have a margin of fluctuation of between EUR 1.15 and EUR 1.20.

Information and notes by the issuer concerning today's ad-hoc memorandum:

Results in accordance with US-GAAP (in millions of euro, profit/share in euro):

	Q3 04/05	Margin	Q3 03/04	Margin
Total revenues	85.2		85.6	
Gross profit	13.4	15.7 %	12.9	15.1 %
EBITDA	16.0	18.8 %	20.5	23.9 %
EBIT	4.0	4.6 %	7.4	8.6 %
Net income	8.6		6.5	
Earnings/share	0.34		0.25	

	Q1-Q3 04/05	Margin	Q1-Q3 03/04	Margin
Total revenues	249.1		237.7	
Gross profit	41.1	16.5 %	34.2	14.4 %
EBITDA	53.4	21.5 %	53.2	22.4 %
EBIT	19.2	7.7 %	19.7	8.3 %
Net income	24.7		10.8	
Earnings/share	0.96		0.42	
Net debt	47.3		41.3	
Net gearing	21.9 %		21.2 %	

Notes on the result of the third quarter 2004/05

In the first three quarters of the year, AT&S profited from strong growth in mobile telephone sales as telecommunications is the area which achieves the highest turnover in the company with just over 60% as in previous years. In the same period however, the US dollar fell by some 10%, which resulted in considerable competitive

disadvantages for European manufacturers and restricted the turnover. AT&S's gross result and its EBIT margin were also reduced as a result. The influence on the results was markedly restricted by the precautionary measures within the hedging programmes.

In addition to hedging and a regional expansion of our production base achieved by organic growth in India and China, both countries belong to the US dollar zone, AT&S has balanced out the negative impact on our European sites with acquisition activities in the Asian market, and has implemented other important operational measures for the future.

New sales offices, new certification and new customers

As a result, sales offices in Japan and Moscow were opened or planned which will result in more efficient sales activities in these markets. The Nörvenich site in Germany, which includes AT&S's logistics centre, has been awarded ISO 9001:2000 certification. Above all, however, in addition to quite a few new customers in the area of industry, in TCL&Alcatel AT&S has won an important new customer in the area of telecommunications which has approved the quality of the components from our Shanghai factory in the past quarter.

Looking towards 2005/06

Looking at the 2005/06 financial year from today's point of view, there will not be any organic growth in turnover while the US dollar continues to be weak. With naturally low hedging profits, according to all predictions, we will not achieve the result of this current financial year. Given the customer situation, the current situation in Siemens' mobile telephone division, one of AT&S's important customers, represents a further uncertainty.

Our customer base, which is continuing to broaden, will possibly dilute negative consequences resulting from our Siemens business. Above all, AT&S will use the coming financial year to expand its strategic market position and prepare for growth for subsequent years. This will include increased efforts in acquisition in the USA and Asia.

The presentation of results and the follow-up of the third quarter of 2004/05 can be found in an Excel sheet (without notes) from 8 am (CET) today on www.ats.net



(Investors). The Q3 report will be available from the beginning of February 2005 as a pdf document.

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