

Ad-hoc Announcement

27/01/2009

Results for third quarter 2008/09, ended 31 December 2008

AT&S achieves operating profits in first three quarters of 2008/09 despite restructuring expenses

AT&S AG, Vienna, Austria, 27 January 2009

AT&S's revenues in third quarter 2008/09 totalled EUR 117.1m, down 7.5% on the same period last year. In the first three quarters of financial 2008/09 revenues amounted to EUR 351.4m, 4.6% less than in the comparable period in 2007/08.

Gross profit for the third quarter of EUR 20.0m was 15.7% less than a year ago, and the first three quarters' gross profit of EUR 59.2m was 12.5% down. The gross margin in the third quarter was 17.1% (2007/08: 18.8%), and in the first three quarters 16.8%, compared with 18.3% a year ago.

Largely as a result of the restructuring of the Leoben-Hinterberg facility and the writedown of goodwill at AT&S Korea, which have depressed operating results by EUR 25.8m, the Group shows a negative EBIT of EUR 18.2m for the third quarter. EBIT for the same period last year came to EUR 11.6m, so that the EBIT margin declined from 9.2% last year to -15.6% in 2008/09. EBIT for the first nine months nonetheless reached EUR 2.3m, compared with EUR 33.8m for same period last year. The EBIT margin dropped to 0.7% (Q1-3 2007/08: 9.2%).

Pretax losses for the third quarter amounted to EUR 21.0m, compared with profits of EUR 13.2m for the same period last year. For the first three quarters, pretax losses were EUR 0.6m, compared with pretax profits of EUR 36.3m a year ago.

The writeoff of loss carryforwards at AT&S Korea increased taxes on income by EUR 1.4m in the quarter just ended.

For the third quarter of the financial year there was a net loss (negative net income) of EUR 23.5m, as against a net profit of EUR 11.7m for Q3 2007/08. The net loss for the first nine months was EUR 4.9m, compared with net profits of EUR 33.3m a year ago.

AT&S's net debt at 31 December 2008 amounted to EUR 189.6m (EUR 157.7m a year earlier), with net gearing at 78.8%. The increase in net borrowings of EUR 33.3m since 31 March 2008 is largely attributable to capital investment in further extension of the

Shanghai plants, the construction of the new plant in India, payment of dividends and the low level of factoring activities. In the first quarter of financial 2008/09 AT&S placed a five-year EUR 80m bond, exchanging short-term for longer-term debt and improving its financial structure.

Outlook

For the printed circuit board industry worldwide, 2009 will be a challenging year – global sales are expected to fall by roughly 6.5%. In the light of the Group's healthy finances and market positioning, AT&S's Management expects the Group to emerge as a winner from the market shakedown precipitated by the change in economic climate.

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

Information and notes on this stock exchange announcement by the Company

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

Q1-3 2008/09 compared with Q1-3 2007/08

	Q1-3 08/09	Margin	Q1-3 07/08	Margin
Total revenues	351.4		368.3	
Gross profit	59.2	16.8%	67.6	18.3%
EBITDA	43.9	12.5%	60.1	16.3%
EBIT	2.3	0.7%	33.8	9.2%
Net income	-4.9		33.3	
EPS	-0.2		1.46	
Net debt	189.6		157.7	
Net gearing	78.8%		68.3%	

Q3 2008/09 compared with Q3 2007/08

	Q3 08/09	Margin	Q3 07/08	Margin
Total revenues	117.1		126.6	
Gross profit	20.0	17.1%	23.8	18.8%
EBITDA	2.6	2.2%	21.5	17.0%
EBIT	-18.2	-15.6%	11.6	9.2%
Net income	-23.5		11.7	
EPS	-1.0		0.52	

Notes to results for first three quarters of 2008/09

The past quarter was marked by the extreme harshness of the macro-economic environment, the restructuring of the Leoben-Hinterberg facility and writedowns at AT&S Korea.

As a rule, November counts as one of the strongest months in AT&S's financial year, before in December demand falls off in anticipation of the impending holiday season. Reflecting the current economic situation, however, the third quarter of the current financial year showed orders dropping off as early as mid-November. This meant capacity under-utilisation in November rather than full capacity operation, with the trend worsening in December: high fixed costs mean that this impacts the Group's profitability.

Migration of volume orders to Asia has become progressively more noticeable in the last few years, and recently reached a level that made it necessary to make adjustments to capacity at AT&S's Austrian facility in Leoben-Hinterberg. Production capacity, measured in surface area of printed circuit boards manufactured, was reduced from 215,000 m² to 130,000 m². In the course of the restructuring process, 293 of AT&S's own staff and 159 contract workers are being made redundant. The cost of these measures – amounting to EUR 20.2m – is disclosed in the income statement under non-recurring items.

AT&S Korea achieved a positive EBIT for the first time in October 2008, and its future development is viewed very positively. Its business plan has however had to be adapted to the global economic climate. This has meant a writedown of EUR 5.6m to goodwill, which is also disclosed in the income statement under non-recurring items. In addition, loss carryforwards amounting to EUR 1.5m were written off, resulting in a higher charge for taxes on income in the income statement.

The financial result was adversely affected by the increase in interest payments caused by the higher level of debt. Compared with last year, hedging gains were also considerably lower. The higher gearing ratio is attributable to capital investment in further extension of the Shanghai plants, the construction of the new plant in India, payment of dividends and the low level of factoring. Equity also decreased due to the impact of one-off effects, which were the cause of a consolidated loss in the third quarter.

Earnings per share (EPS) for the first three quarters were down to EUR -0.20, and in the third quarter came out at EUR -1.00.

At 31 December 2008 AT&S employed 6,158 people.

In the first three quarters Mobile Devices generated around 64% of revenues, with Industrial/Medical contributing some 22%, and Automotive customers roughly 10%. Services (assembly, trading and design) made up 3% of total revenues.

Net capital investment in the first nine months of EUR 47.1m was largely for further expansion of Shanghai facilities and the construction of the second plant in India.

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 three quarters of 2008/09 were posted today at 07:30am (CET) on the investors section of www.ats.net. The quarterly report will be available in .pdf format from early February 2009.

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