

**Ad hoc announcement of 6 May 2004**

**Result of the 2003/04 financial year to 31 March 2004**

**AT&S doubles profit and exceeds expectations**

AT&S AG, Vienna, Austria, 6 May 2004

During the 2003/04 financial year, AT&S achieved sales of EUR 316.4m, 14% higher than in the previous year. The sales figures for the fourth quarter stood at EUR 78.7m, 9% higher than in the previous year.

At EUR 28.1m, EBIT was 39% higher than during the same period in the previous year. EUR 8.4m of this related to the fourth quarter (+115%). Consequently the EBIT margin during the fourth quarter stood at 10.6%, and at 8.9% for the full year. AT&S achieved this improvement in the margin thanks to a positive product mix, lower price pressure than in previous year and the success of its cost reduction measures.

The earnings before tax stood at EUR 25.2m (+37%), with profits before tax of EUR 8.7m during the fourth quarter (+107%).

Net income for the full year amounted to EUR 17.9m, a rise of 104%. Due to the fact that the fourth quarter was far more successful than normal, the earnings for this quarter rose from EUR 0.4m in the year before to EUR 7m.

At 0.69%, the 2003/04 earnings per share (EPS) were 108% higher than in the previous year.

Thanks to strong cashflows, AT&S was able to reduce its net indebtedness during the financial year to EUR 33.8m, despite the investments necessary to establish the Chinese factory in Shanghai. The debt equity ratio calculated on this basis stood at only 16.6% at the close of the account on 31 March 2004.

On the basis of these results, a dividend of EUR 0.24 is proposed to the shareholders' meeting.

Thanks to the extremely dynamic market environment and the expansion of capacity, the management is expecting a growth in sales of at least 10% during 2004/05, coupled with significantly higher profits due to improved margins and a falling tax ratio. Although the industry will remain subject to the traditional seasonal effects during the current financial year, these should be less marked than in previous years.

**Information and explanations from the issuer in relation to this ad hoc announcement:**

Results according to US-GAAP (in millions of Euros earnings per share in EUR):

	03/04	Margin	02/03	Margin
Total revenues	316.4		277.5	
Gross profit	48.9	15.5 %	48.0	17.3 %
EBITDA	72.5	22.9 %	59.6	21.5 %
EBIT	28.1	8.9 %	20.3	7.3 %
Net income	17.9		8.8	
Earning per share	0.69		0.33	
Net debt	33.8		54.9	
Net gearing	16.6 %		28.5 %	

  

	Q4 03/04	Margin	Q4 02/03	Margin
Total revenues	78.7		72.3	
Gross profit	14.7	18.7 %	10.6	14.7 %
EBITDA	19.4	24.6 %	15.1	20.9 %
EBIT	8.4	10.6 %	3.9	5.4 %
Net income	7.1		0.4	
Earning per share	0.27		0.01	

**2003/04 review**

**Return to growth**

The last financial year saw a return to growth. In particular the rise in demand for mobile phones from the end of the second quarter brought new impetus. AT&S was able to take full advantage of this upturn, and managed to acquire new clients in the mobile telephony sector, such as Sony-Ericsson and Motorola and also a number of Chinese manufacturers, to add to its existing partners such as Nokia and Siemens. AT&S will continue to place greater emphasis on this broader client base in the coming financial year.

**Strong industrial and telecommunications business - good condition for the automotive industry**

Telecommunications business accounted for 64% of AT&S's total production during 2003/04. Despite rising sales in this sector, AT&S was able to increase its share of business in the industrial and medical sectors from 18% to 24%, and consequently managed to almost achieve its medium-term target of 25% early than anticipated, thanks to a concentrated sales and marketing offensive amongst European industrial clients.

Supplies to the automotive industry rose by 1% to reach 12% within the industrial breakdown of AT&S clients. Here too the company continued to pursue its aim of achieving a share of 25%, thanks to its good position in a number of projects.

### **Shanghai already profitable in the first year**

The Shanghai factory, which came on stream in December 2002, produced operational profits from the summer of 2003, contrary to expectations. Both quality and productivity were well above anticipated levels, with the result that the factory contributed to AT&S's profits for the year as a whole.

This especially positively affected the company's tax rate, which fell during the course of the year from 72% in the first quarter to 20% in the fourth quarter, thanks to the tax exemption in China.

### **Weak US dollar as a burden**

Despite the slight recovery of the US dollar during the fourth quarter of 2003/04, the weak dollar brought AT&S a serious competitive disadvantage, in particular for its European factories. It was possible to partially offset this via Group purchasing through AT&S Asia Pacific in Hong Kong, whilst AT&S in China and India benefited from the weak dollar. However the continuing concentration of AT&S's European base caused the Group's sales and margins to fall.

### **AT&S stronger for the coming year**

After several years of either downturn or stagnation, during which AT&S managed to win market shares and to place itself in an optimum position through anticyclical investments, the Group is now well equipped to confront the challenges of the forthcoming months, in technological and financial terms and as a supplier to nearly all the top players in the electronics industry. The 2004/05 financial year will allow it to consolidate this position and will bring increased growth with higher profits. AT&S's investments during 2004/05 will be in the order of EUR 50m, around 30% of which will be in the new 2N2 technology. The fourth production Line in Shanghai will be installed as a laser line and will be fully available in autumn.

The earnings presentation and the annual financial statements in Excel (excl. the notes) for 2003/04 will be available from 8 a.m. (CET) today at [www.ats.net](http://www.ats.net) (Investors). The business report will be available as a pdf file from mid June 2004.

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