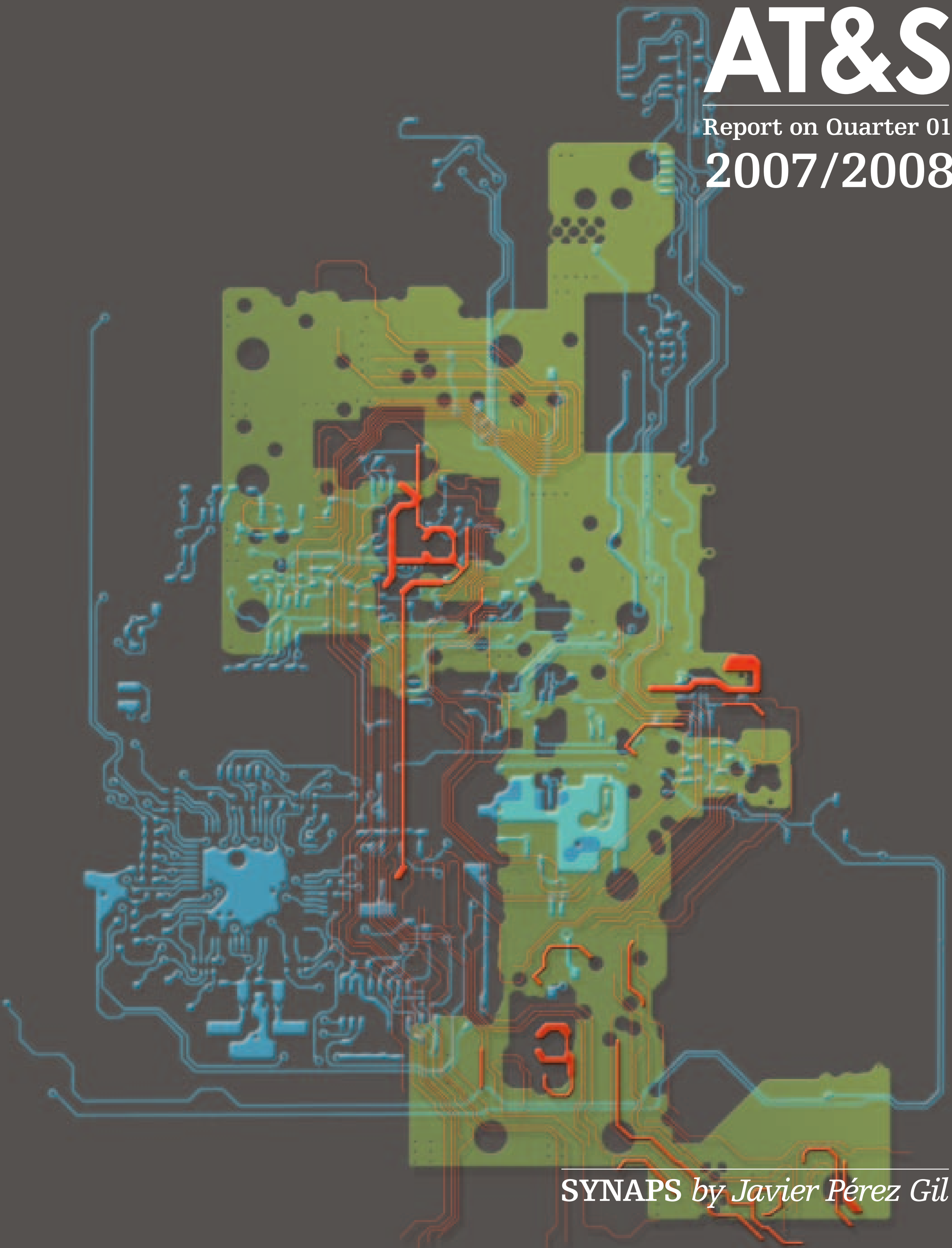
AT&S

Report on Quarter 01

2007/2008



SYNAPS *by Javier Pérez Gil*

Highlights

- AT&S continues to drive growth forward: revenue up 9%, EBIT advances 33%, earnings per share up 51% to EUR 0.40
- Product mix and capacity utilization reflect growth and trend towards increased complexity
- AT&S backing research into printed circuit boards of the future at the new Christian-Doppler-Laboratory at the Vienna University of Technology
- 25-year anniversary of Group head office at Leoben-Hinterberg: AT&S looks back on a long-term success story

Dear shareholders,

In first quarter 2007/08, AT&S successfully continued its dynamic growth of recent years. For the tenth successive quarter, the Group recorded improved revenues compared with the previous year. Product mix and capacity utilization also continued to improve during the quarter. In particular, production of complex high-tech HDI (High Density Interconnection) PCBs was up on plan at all HDI production sites. Until recently, the mass markets for HDI circuit boards were primarily in the handheld sector (mobile telephones, digital cameras, etc.). The general trend towards miniaturization and enhanced functionalities has opened the way for new applications, as for example in the automotive industry. AT&S's years of experience in the handheld market, and its accumulated expertise and technological competences, mean that it is extremely well placed to supply HDI printed circuit boards to other industries.

Successful first quarter: higher revenues and earnings

AT&S posted revenues of EUR 114.7m for the first quarter of financial year 2007/08, up about 9% on the same period last year. Of this total, 65% was accounted for by telecoms business, with handheld products. Industrial/medical contributed 22%, and 11% came from automotive customers. DCC/Trading and Design accounted for 2%. The share of the total contributed by these operations is expected to increase significantly as the year progresses.

Gross profit was up 19% to EUR 18.8m compared with first quarter 2006/07, taking the gross profit margin to 16.4%.

EBIT increased even more rapidly in the first three months – at EUR 7.8m, it was up 33% compared with the same period last year. Compared with the previous quarter, EBIT was up by as much as 78%. In the first quarter, the EBIT margin was 6.8%, a year-on-year improvement of 1.2 percentage points, or of 2.8 percentage points compared with the previous quarter.

Profit for the quarter before tax came to EUR 9.1m, a year-on-year improvement of 53%. Net income came out at a highly satisfactory EUR 9.2m, an increase of 37% over the comparable figure last year. The effective rate of taxation for the first quarter was some +1.8% (tax credit). Earnings per share were up 51%, to EUR 0.40.

Net debt at June 30, 2007, amounted to EUR 123.7m (EUR 74.2m a year earlier), with a gearing ratio of 54.5%. The increase in net borrowings of EUR 13.1m since March 31, 2007, is largely attributable to capital investment in further extension of the Shanghai plants.

With 5,972 employees at June 30, 2007, AT&S's headcount reached a new record. Almost all the increase was in the plants in Asia, and predominantly in China. In Europe the headcount remained unchanged.

Outlook

In the telecommunications industry, the technology mix is migrating towards the high tech end, with customers increasingly calling for 3-n-3 PCBs. Increased use of HDI printed circuit boards by the automotive industry is expected to have a thoroughly positive impact on the Group's performance. AT&S will counter the unrelenting pressure on prices by increasing productivity still further.

On the basis of results for first quarter 2007/08 and the currently high levels of capacity utilization at AT&S's factories, Management is highly confident of achieving its published guidance for financial year 2007/08 (revenues of EUR 540–550m and earnings per share of EUR 1.60 to EUR 1.70).

25 years AT&S Leoben – a success story with a long pedigree

In recent years AT&S has grown to become a global player with factories in China, India and now Korea. And still the group remains unmistakably true to its Austrian roots, with its home in Leoben and facilities in Fehring and Klagenfurt. The 25th anniversary of Leoben-Hinterberg shows that we can be proud of everything that we have achieved here. All the necessary investments have been made to ensure that the Austrian facilities are well prepared for the challenges ahead. Facilities in Austria are ideally geared towards production of small batches and prototypes, and Leoben's HDI activities are also a major element in the AT&S strategy.

International R&D network sets the signal for the future

AT&S invests heavily in research and development so that it can continue to provide its customers with innovative, optimal solutions. To this end, the Group maintains its own research departments in Austria and China, is part of an international R&D network and works in close cooperation with numerous research institutions. For example in Austria, AT&S and Christian-Doppler-Forschungsgesellschaft support the new Christian-Doppler-Laboratory at the Vienna University of Technology. The new facility is devoted to basic research into next generation printed circuit boards.

Combined with a robust strategy for growth and the positive sales outlook, this forward-looking approach gives us every confidence that the future will see us continue to grow.

Yours sincerely

Harald Sommerer	Steen Hansen	Heinz Moitzi
Chairman of the Board	Member of the Board	Member of the Board

Interim Financial Statements (IFRS)

Consolidated Income Statements

(in € 1,000)		April 1, – June 30, 2007	2006
Net sales	€	114,595	104,577
Other revenues		87	225
Total revenues		114,682	104,802
Cost of sales		(95,870)	(88,947)
Gross profit		18,812	15,855
Selling cost		(5,447)	(5,678)
General and administrative costs		(5,429)	(4,606)
Other gains, net		(169)	270
Operating profit		7,767	5,841
Financing income		2,925	3,023
Financing expense		(1,637)	(2,028)
Financial result		1,288	95
Profit before income tax		9,055	5,936
Income tax expense		160	766
Profit for the period	**€**	**9,215**	**6,702**
Thereof minority interest	€	(160)	(86)
Thereof equity holders of the Company	€	9,375	6,788
Earnings per share for profit attributable to equity holders of the Company:			
Basic earnings per share (in €)		0.40	0.26
Diluted earnings per share (in €)		0.40	0.26
Weighted average number of shares outstanding – basic (in thousands)		23,498	25,743
Weighted average number of shares outstanding – diluted (in thousands)		23,543	25,769

Consolidated Balance Sheets

(in € 1,000)		June 30, 2007	March 31, 2007
ASSETS			
Non-current assets			
Property, plant and equipment	€	265,112	240,268
Intangible assets		11,525	11,566
Long-term investments		119	119
Other non-current assets		3,185	3,129
Deferred tax assets		8,292	7,089
		288,233	262,171
Current assets			
Inventories		54,983	49,815
Assets held for sale		3,864	3,865
Trade receivables		81,729	75,723
Other current assets		19,362	22,235
Securities available for sale at fair value		64	61
Financial assets at fair value through profit or loss		13,607	13,477
Restricted cash		182	194
Cash and cash equivalents		16,454	24,403
		190,245	189,773
Total assets	**€**	**478,478**	**451,944**
EQUITY			
Share capital	€	46,914	49,529
Fair value and other reserves		(14,532)	(14,924)
Retained earnings		195,934	186,559
Unallocated losses attributable to minority interest		(1,112)	(942)
Capital and reserves attributable to equity holders of the Company		227,204	220,222
Minority interest		555	545
Total equity		227,759	220,767
LIABILITIES			
Non-current liabilities			
Long-term borrowings		6,993	16,195
Retirement, termination benefits and other benefit obligations		10,910	10,890
Provisions		80	200
Other long-term liabilities		3,742	3,475
Deferred tax liabilities		6,596	6,872
		28,321	37,632
Current liabilities			
Short-term borrowings		136,239	121,760
Trade payables		50,947	38,194
Tax payables		1,268	1,109
Provisions		2,956	2,661
Other short-term liabilities		30,988	29,821
		222,398	193,545
Total liabilities		250,719	231,177
Total equity and liabilities	**€**	**478,478**	**451,944**

Consolidated Cash Flow Statements

(in € 1,000)		April 1, – June 30, 2007	2006
Cash flows from operating activities			
Profit for the period	€	9,215	6,702
Adjustments to reconcile profit for the period to net cash generated from operating activities:			
Depreciation, amortization and impairment less reversal of impairment		8,093	9,511
Other, net		(730)	(5,788)
Proceeds from the disposal of financial assets at fair value through profit or loss		–	6,420
Changes in working capital		807	(4,766)
Other long-term liabilities		37	(183)
Cash generated from operations		17,422	11,896
Interest paid		(1,560)	(929)
Income tax paid		(1,038)	(452)
Net cash generated from operating activities	**€**	**14,824**	**10,515**
Cash flows from investing activities			
Capital expenditure for property, plant and equipment and intangible assets	€	(25,800)	(29,601)
Proceeds from sale of property, plant and equipment		44	78
Proceeds from/(Payments for) hedging transactions		324	435
Purchase of securities available for sale		–	(216)
Proceeds from sale of securities available for sale		–	21,341
Acquisition of subsidiaries, net of cash acquired		–	(1,215)
Change in loans granted		–	3,201
Net cash used in investing activities	**€**	**(25,432)**	**(5,977)**
Cash flows from financing activities			
Proceeds from borrowings	€	19,756	10,829
Repayments of borrowings		(14,627)	(18,114)
Others		408	203
Proceeds from the exercise of stock options		6	–
Payments for the acquisition of treasury shares		(2,796)	(6,247)
Net cash generated from/(used in) financing activities	**€**	**2,747**	**(13,329)**
Effects of exchange rate changes on cash		(100)	(713)
Decrease in cash, cash equivalents and restricted cash	**€**	**(7,961)**	**(9,504)**
Movement in cash, cash equivalents and restricted cash			
At beginning of period	€	24,597	28,343
Decrease		(7,961)	(9,504)
At end of period	**€**	**16,636**	**18,839**

Consolidated Statements of Changes in Equity

(in € 1,000)		Share capital	Fair value and other reserves	Retained earnings	Unallocated losses attributable to minority interest	**Capital and reserves attributable to equity holders of the Company**	Minority interest	**Total equity**
March 31, 2006	**€**	**91,272**	**(3,341)**	**163,197**	**(1,354)**	**249,774**	**538**	**250,312**
Profit for the period				6,788		**6,788**	(86)	**6,702**
Reclassification of losses attributable to minority interest					(126)	**(126)**	126	**–**
Takeover of minority interests				6		**6**	(98)	**(92)**
Securities available for sale, net of tax:								
– Change in unrealized gains			(47)			**(47)**	–	**(47)**
– Reclassification adjustment for (gains) that are part of profit for the period			(1,051)			**(1,051)**	–	**(1,051)**
– Tax on fair value			165			**165**	–	**165**
Change of foreign currency translation adjustment			(6,924)			**(6,924)**	(31)	**(6,955)**
Stock option plan:								
– Value of employee services		25				**25**	–	**25**
Change in treasury stock		(6,247)				**(6,247)**	–	**(6,247)**
June 30, 2006	**€**	**85,050**	**(11,198)**	**169,991**	**(1,480)**	**242,363**	**449**	**242,812**
March 31, 2007	**€**	**49,529**	**(14,924)**	**186,559**	**(942)**	**220,222**	**545**	**220,767**
Profit for the period				9,375		**9,375**	(160)	**9,215**
Reclassification of losses attributable to minority interest					(170)	**(170)**	170	**–**
Change of foreign currency translation adjustment			392			**392**	–	**392**
Stock option plan:								
– Value of employee services		20				**20**	–	**20**
– Exercised stock options		1				**1**	–	**1**
Change in treasury stock		(2,636)				**(2,636)**	–	**(2,636)**
June 30, 2007	**€**	**46,914**	**(14,532)**	**195,934**	**(1,112)**	**227,204**	**555**	**227,759**

Segment Report

a. Geographical segment

1st Quarter of financial year 2007/08:

(in € 1,000)		Europe	Asia	Not allocated and consolidation	Group
External sales	€	89,769	24,913	–	114,682
Intercompany sales		–	37,497	(37,497)	–
Total revenues	€	89,769	62,410	(37,497)	114,682
Segment result/Operating profit	€	3,634	11,912	(7,779)	7,767
Financial result					1,288
Profit before income tax					9,055
Income tax expense					160
Profit for the period	**€**				**9,215**
Total assets	€	163,001	301,602	13,875	478,478
Liabilities	€	61,429	49,700	367,349	478,478
Capital expenditures	€	1,290	29,711	166	31,167
Depreciation/amortization of tangible and intangible non-current assets	€	2,512	5,198	383	8,093

1st Quarter of financial year 2006/07:

(in € 1,000)		Europe	Asia	Not allocated and consolidation	Group
External sales	€	88,694	16,108	–	104,802
Intercompany sales		–	25,870	(25,870)	–
Total revenues	€	88,694	41,978	(25,870)	104,802
Segment result/Operating profit	€	5,908	6,948	(7,015)	5,841
Financial result					95
Profit before income tax					5,936
Income tax expense					766
Profit for the period	**€**				**6,702**
Total assets	€	205,339	226,077	11,670	443,086
Liabilities	€	66,352	38,961	337,773	443,086
Capital expenditures	€	1,898	31,101	75	33,074
Depreciation/amortization of tangible and intangible non-current assets	€	4,661	4,426	424	9,511

b. Business segment

The Group's sales are broken down as follows:

		April 1, – June 30,	
(in € 1,000)		2007	2006
Telecommunications	€	74,841	64,466
Industry		24,946	25,108
Automotive		12,413	9,603
Other		2,395	5,400
	€	**114,595**	**104,577**

Total assets are used jointly by all business segments. Thus a breakdown according to industry as well as an allocation of capital expenditures cannot be presented.

Sales broken down by country are as follows:

		April 1, – June 30,	
(in € 1,000)		2007	2006
Austria	€	5,288	7,778
Germany		31,395	27,779
Hungary		9,791	11,633
Other EU–Countries		6,595	14,256
Asia		46,401	29,482
Canada, USA		11,629	9,494
Other		3,496	4,155
	€	**114,595**	**104,577**

Analysis of Results of Operations and Financial Condition

Profitability

Net sales

Net sales in the first quarter of 2007/08 rose by EUR 10.0m to EUR 114.6m, an increase of 9.6% in comparison with the same period last year.

The main factors behind the rise were increased volumes. These were made possible chiefly by the additional capacity of the second facility in China, which came into operation in 2006/07. Production was also up at the Indian site, and Tofic more than doubled its output. In line with strategy, lower volumes than in the previous year at the original Austrian sites were to some extent offset by a more favorable product mix.

Gross profit

A combination of capacity increases in Asia and the associated improvements in cost structures with an increased proportion of high-value products, particularly in the telecommunications sector, resulted in a year-on-year increase in first quarter gross profit of EUR 3.0m. The decision to extend the useful life of certain plant and machinery with effect from January 1 also had a positive impact on gross profit.

Gross profit as a percentage of total revenues advanced from 15.1% to 16.4%.

Operating profit

The EUR 1.9m increase in operating profit compared with the same period last year chiefly reflects the increase in gross profit. Selling and distribution costs declined as a result of lower transportation costs. The increase in administrative costs was attributable to higher personnel costs required in order to keep pace with growth. The year-on-year change in other gains, net, was attributable to a combination of a decline in contractual allowances from local authorities and the lower start-up costs recognized in the first quarter for the third production facility in China as compared with those for the second facility last year.

Financial result

The high financing income of the first quarter last year, mainly the result of the disposal of securities, were almost matched in first quarter 2007/08 thanks to exchange rate movements favorable to Group financing activities.

Exchange rate movements more favorable to Group financing activities this year meant a fall in financing expense. Interest expense has increased year on year. The Group's financial result in first quarter 2007/08 was EUR 1.2m better than a year ago.

Income tax expense

Compared with the same period last year, there has been an increase in the effective tax rate for the Group. The increase is mainly a consequence of the different proportions of Group earnings contributed by subsidiaries with differing rates of taxation.

Balance sheet

At the 11th Annual General Meeting on July 5, 2005, and again at the 12th Annual General Meeting on July 4, 2006, the Management Board was authorized to acquire up to 10% of the Company's share capital within 18 months of the respective resolutions.

A total of 158,440 treasury shares were acquired under the share repurchase scheme in the first quarter of 2007/08 at a cost of EUR 2.8m. On June 30, 2007, and after taking into account the effect of stock options exercised, the Group held a total of 2,519,991 treasury shares with a cost of EUR 45.6m.

Cash flow

Net cash generated from operating activities in first quarter 2007/08 rose by EUR 4.3m in comparison with the same period last year. The main reason was a positive variance in the change in working capital of EUR 5.5m.

Net cash used in investing activities amounted to EUR 25.4m (2006/07: EUR 6.0m). Capital expenditure amounted to EUR 25.8m, of which some EUR 23.8m was spent on expansion of the site in China. The significant difference in net cash used reflects the disposal of securities in the first quarter 2006/07.

Net cash inflows from financing activities, amounting to EUR 2.7m, were chiefly the result of increases in borrowings and of the acquisition of treasury stock.

Financial position

Net debt increased year on year by EUR 49.5m to EUR 123.7m, largely as a result of taking on additional short-term financial liabilities. Changes in consolidated equity were positive compared to the same period last year. The decline in the Group's equity in the first quarter of 2006/07 was mainly due to the change in the foreign currency translation adjustment, which does not affect income or expense, and to the acquisition of treasury stock. In the first quarter of 2007/08, changes in the exchange rates of functional currencies against the euro were on the whole positive, and the repurchase of own shares declined.

Notes to the interim report

The interim report for the quarter ended June 30, 2007, has been prepared in accordance with the standards (IFRS and IAS) of the International Accounting Standards Board (IASB), with particular reference to IAS 34, and interpretations (IFRIC and SIC), as adopted by the European Union.

There are no differences in accounting and valuation policies compared with those applied in the financial year ended March 31, 2007.

Directors' Holdings and Dealings

	STOCKS				OPTIONS			
	Holdings March 31, 2007	Change	Holdings June 30, 2007	% capital	Holdings March 31, 2007	Change	Holdings June 30, 2007	Average strike price
Harald Sommerer[1]	40,000	1,500	41,500	0.16%	132,000	40,000	172,000	€ 17.16
H.S. Private Foundation	100,600		100,600	0.39%				
Total – Sommerer	140,600		142,100	0.55%				
Steen Hansen[2]	0		0	0.00%	84,000	30,000	114,000	€ 18.28
Heinz Moitzi[3]	1,672		1,672	0.01%	60,000	30,000	90,000	€ 18.67
Hannes Androsch	445,853		445,853	1.72%				
Androsch Private Foundation	5,570,666		5,570,666	21.51%				
Total – Androsch	6,016,519		6,016,519	23.23%				
Willibald Dörflinger	0		0	0.00%				
Dörflinger Private Foundation	4,574,688		4,574,688	17.66%				
Total – Dörflinger	4,574,688		4,574,688	17.66%				
Erich Schwarzbichler	0		0	0.00%				
Georg Riedl	9,290		9,290	0.04%				
Albert Hochleitner	0		0	0.00%				
Karl Fink	0		0	0.00%				
Markus Schumy	0		0	0.00%				
Johann Fuchs	4		4	0.00%				
Gerhard Fürstler	1		1	0.00%				
Maximilian Sommerer	2,500		2,500	0.01%				
Niklas Sommerer	2,500		2,500	0.01%				
Clemens Sommerer	2,500		2,500	0.01%				
Total directors holdings and dealings	**10,750,274**	**1,500**	**10,751,774**	**41.51%**	**276,000**	**100,000**	**376,000**	
Treasury stock[4,5]	2,361,951	158,040	2,519,991	9.73%				
Other shares in issue	12,787,775		12,628,235	48.76%				
Total[5]	**25,900,000**		**25,900,000**	**100.00%**	**276,000**	**100,000**	**376,000**	

[1] Options (according to Stock Option Plan): allocation of 40,000 stock options on April 1, 2007 (eighth allocation).
[2] Options (according to Stock Option Plan): allocation of 30,000 stock options on April 1, 2007 (fourth allocation).
[3] Options (according to Stock Option Plan): allocation of 30,000 stock options on April 1, 2007 (third allocation).
[4] The nominal value of treasury stock at June 30, 2007, was EUR 2,771,990.
[5] Repurchased shares are used for the employee participation scheme or stock option plans and for possible acquisitions.

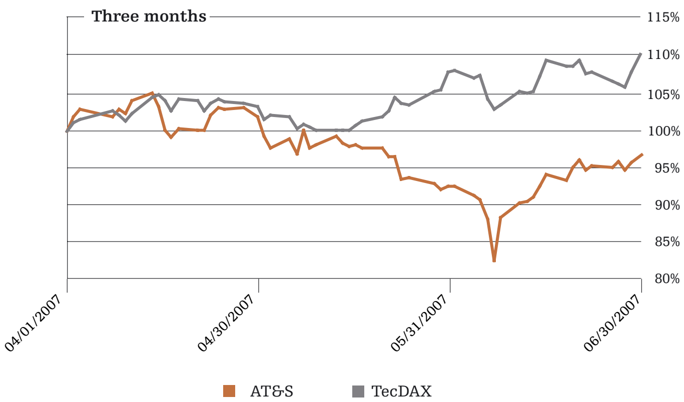
Investor Relations

Share price

The Group's gratifying performance over the first three months of the financial year was, unfortunately, not reflected in the share price. Following a bright start early in the quarter with a high of EUR 20.44 (intraday) on April 16, 2007, a downwards trend set in, reaching its lowest point of EUR 16.10 (intraday) on June 7, 2007. The stock then rallied, ending the quarter at EUR 18.60, 3% below the price at the start of the quarter. AT&S stock significantly underperformed the TecDAX, which posted gains of 10%. Both closing price and average price for first quarter 2007/08 were, however, still about 18.5% higher than in the same period last year.

At 67,334 shares or EUR 1,250,564 per day, the liquidity of AT&S stock remained satisfactory. In terms of liquidity, AT&S stock ranked 22nd on the TecDAX. From a market capitalization point of view, the Group placed 35th.

AT&S against the TecDAX



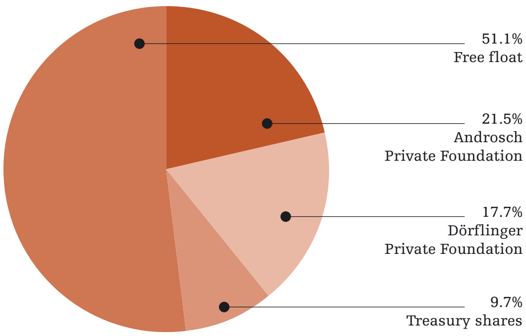
Key importance of personal communication

During the quarter, IR activities included roadshows in Brussels, Dublin, Frankfurt and London aimed at reinforcing the financial community's confidence in AT&S stock and attracting new investors. AT&S was also represented at the Institutional Investors Conference in Zürs, and in May 2007 hosted an investors' lunch in Vienna for institutional investors and analysts.

AT&S's 13th Annual General Meeting was held on July 3 at Leoben Congress Center. All resolutions were approved by over 99% of stockholders. The agenda included the recommended payment of a dividend of EUR 0.31 per share, the discharge of Management and Supervisory Boards from liability, the compensation of members of the Supervisory Board, appointment of auditors for individual and consolidated financial statements for financial year 2007/08, and the acquisition of treasury stock by the Management Board for the purposes authorized. These include retraction of own shares and their use to meet obligations under employee participation and stock options schemes. The Management Board was also authorized to use treasury stock to pay for business acquisitions.

At June 30, 2007 AT&S held 2,519,991 treasury shares, 9.7% of the share capital. The free float now amounts to 51.1%.

Shareholdings



More in-depth information is available to interested investors on our website www.ats.net.

AT&S share

Security ID number	922230
ISIN code	AT0000969985
Frankfurt Stock Exchange symbol	AUS
Reuters RIC	ATSV.DE
Bloomberg	AUS:GR

Financial calendar

Quarter 02 2007/08	October 24, 2007
Quarter 03 2007/08	January 24, 2007
Annual results 2007/08	May 14, 2008
14th Annual General Meeting	July 3, 2008

Investor Relations

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Key figures in accordance with IFRS and key stock figures

	June 30, 2007	June 30, 2006
EBIT-margin	6.8%	5.6%
EBITDA-margin	13.8%	14.7%
Equity ratio	47.5%	54.7%
Net debt	€ 123.7m	€ 74.2m
Net gearing	54.5%	30.6%
ROE *	16.8%	11.0%
Earnings per share**	€ 0.40	€ 0.26
High/low	€ 20.44/16.10	€ 16.95/13.73
Close	€ 18.60	€ 15.73
Average daily volume (shares traded)	67,334	45,242
Average daily volume (EUR)	1,250,564	706,591

* Calculated on the basis of the average shareholders' equity for the period, annualized.
** Calculated on the basis of the weighted average number of shares outstanding at June 30, 2007 (23,498,132 shares) and at June 30, 2006 (25,743,183 shares), in accordance with IFRS.

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