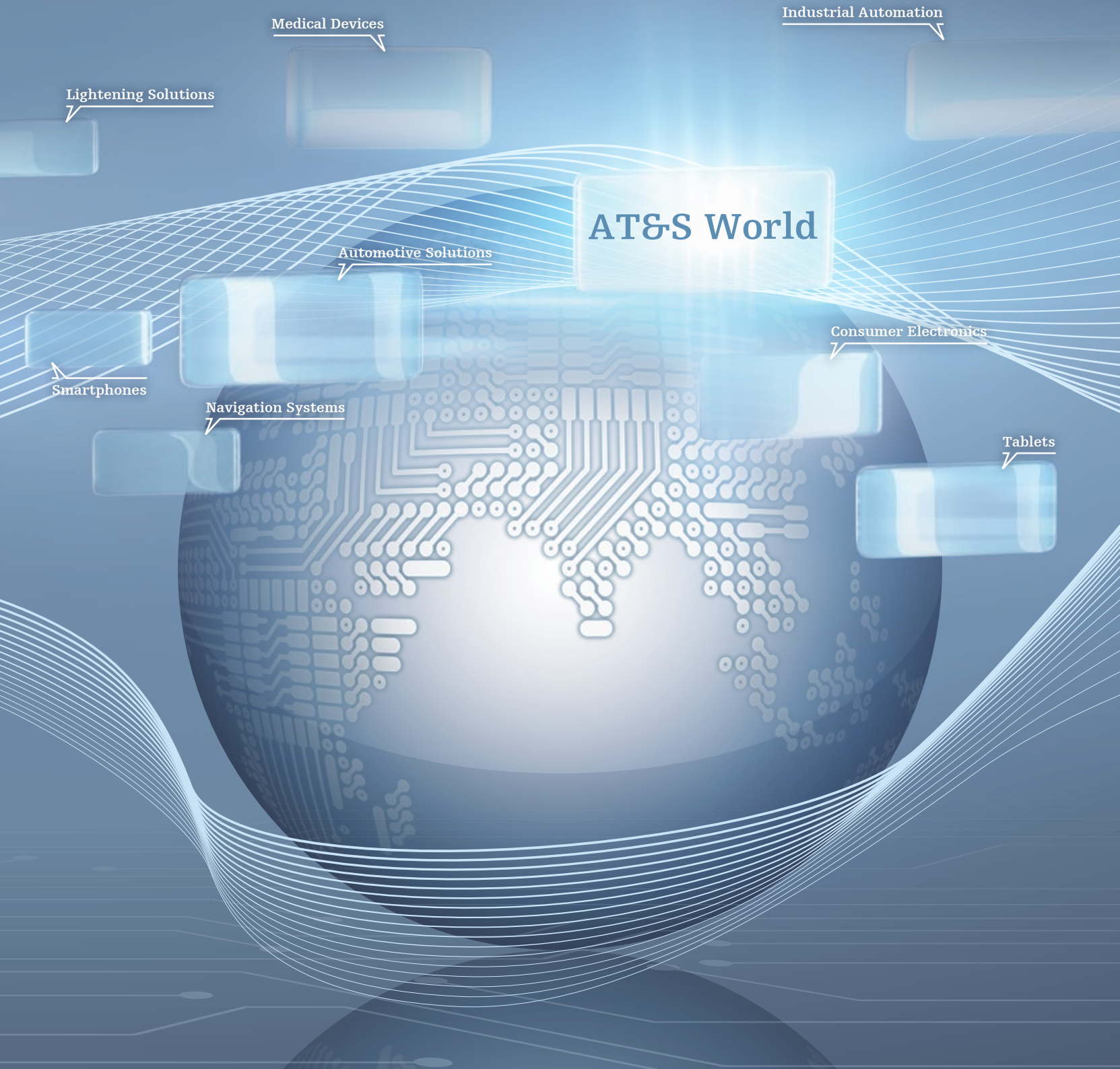


AT&S

Annual Report 2010/11



Key figures

	IFRS					
	2010/11		2009/10		2008/09	
	before non-recurring items ¹⁾	after non-recurring items ¹⁾	before non-recurring items ²⁾	after non-recurring items ²⁾	before non-recurring items ³⁾	after non-recurring items ³⁾
(If not otherwise stated, all figures in EUR 1,000)						
CONSOLIDATED INCOME STATEMENT						
Revenues		487,948		372,184		449,881
thereof produced in Asia		68.6%		67.1%		61.0%
thereof produced in Europe		31.4%		32.9%		39.0%
EBITDA	98,582	95,947	54,082	34,480	70,778	52,377
EBITDA margin	20.2%	19.7%	14.5%	9.3%	15.7%	11.6%
EBIT	49,208	46,531	10,971	(25,562)	26,582	(1,060)
EBIT margin	10.1%	9.5%	2.9%	(6.9%)	5.9%	(0.2%)
Net income	37,709	35,032	(1,084)	(37,617)	24,755	(5,787)
Net income of owners of the parent company	37,845	35,168	(739)	(37,271)	25,166	(5,376)
Cash earnings	87,218	84,584	42,372	22,771	69,362	48,060
CONSOLIDATED BALANCE SHEET						
Total assets		575,335		483,390		536,815
Total equity		229,816		208,793		252,734
Total equity of owners of the parent company		229,463		208,304		252,240
Net debt		193,726		147,985		174,379
Net gearing		84.3%		70.9%		69.1%
Net working capital		79,357		71,906		99,424
Net working capital per revenues		16.3%		19.3%		22.1%
Equity ratio		39.9%		43.2%		47.0%
CONSOLIDATED CASH FLOW STATEMENT						
Net cash generated from operating activities (OCF)		70,707		47,003		38,733
CAPEX, net		115,145		19,505		58,802
GENERAL INFORMATION						
Payroll (incl, leased personnel), ultimo		7,486		5,875		5,610
Payroll (incl, leased personnel), average		6,987		5,616		6,319
KEY STOCK FIGURES						
Earnings per share (EUR)	1.62	1.51	(0.03)	(1.60)	1.08	(0.23)
Cash earnings per share (EUR)	3.74	3.63	1.82	0.98	2.97	2.06
Dividend per share (EUR) ⁴⁾		0.36		0.10		0.18
Dividend yield (year end close) ⁴⁾		2.3%		1.2%		6.1%
Market capitalisation, ultimo		369,430		192,411		68,802
Market capitalisation per equity ⁵⁾		161.0%		92.2%		27.2%
Weighted average number of shares outstanding		23,322,588		23,322,588		23,322,588
KEY FINANCIAL FIGURES						
ROE ⁶⁾	17.2%	16.0%	(0.5%)	(16.3%)	10.5%	(2.3%)
ROCE ⁶⁾	7.7%	7.2%	1.9%	(7.5%)	5.5%	(1.7%)
ROS	10.5%	9.8%	(0.3%)	(10.1%)	5.5%	(1.3%)

¹⁾ Non-recurring items include the closing of the Vienna office and the advanced resignation of Board Member Steen Hansen.

²⁾ Non-recurring items particularly include the restructuring of Leoben-Hinterberg plant.

³⁾ Non-recurring items particularly include the restructuring of Leoben-Hinterberg plant and impairments at AT&S Korea.

⁴⁾ 2010/11: Proposal for the Annual General Meeting on 7 July 2010.

⁵⁾ Equity attributable to owners of the parent company.

⁶⁾ Calculated on the basis of average values.



Annual Report 2010/11

Highlights 2010/11

- *AT&S relocates headquarters to Hinterberg.*
- *IPC award for research paper in AT&S-led EU Hermes Project*
- *AT&S and leading semiconductor manufacturer become first to implement ECP[®] technology in series production.*
- *AT&S takes innovative printed circuit board to production readiness.*
- *Ramp-up of eleventh new high-end HDI line in Shanghai in October*
- *AT&S ranked among top -500 growth companies in Europe*
- *Sustainability: AT&S measures global CO₂ footprint*

AT&S Austria Technologie &
Systemtechnik Aktiengesellschaft
Fabriksgasse 13
8700 Leoben
Austria

Highlights 2010/11

AT&S acquires new site in China

In March 2011 AT&S acquired a plot of land in the Lianjiang development zone in the southwestern Chinese city of Chongqing, paving the way for continued growth in China. At about 120,000 m², the Lianjiang site is roughly the same size as the AT&S Shanghai facility. This new acquisition will enable AT&S to expand its capacities to match market developments and meet customer requirements.

AT&S ranked among top 500 growth companies in Europe

In December 2010 Martin A. Schoeller, president of Europe's 500, informed AT&S management that the company had been ranked among the top 500 growth enterprises in Europe. This award is testimony to our strategic focus on sustained and profitable growth.

AT&S takes new technology to market

Modern devices are becoming ever smaller and more multifunctional, which means that the manufacturers' prime concern is making the most of the available space. A breakthrough innovation creates space in the smallest devices: AT&S's patented Embedded Component Packaging technology (ECP[®]) increases miniaturisation capabilities while enhancing the performance of the devices.

Panasonic licences ALIVH[®] technology to AT&S

AT&S and Panasonic Electronic Devices Co., Ltd., a Panasonic Group company specialising in manufacturing state-of-the-art electronic components, have concluded an agreement under which AT&S is licensed to use Any Layer Interstitial Via Hole (ALIVH[®]), Panasonic's unique technology for multilayer printed circuit boards. Both sides are committed to intensifying their close collaboration and working together to develop the next generation of printed circuit boards as they pool resources to drive forward the development of mobile devices such as smartphones.

Thomas Obendrauf appointed Chief Financial Officer

Following Steen E. Hansen's announcement of his decision for personal reasons to resign as CFO, a role he had fulfilled since 2004, long-term AT&S employee Thomas Obendrauf was appointed to the Management Board of AT&S as new Chief Financial Officer.

AT&S moves headquarters to Leoben

The relocation of the Vienna headquarters to Leoben-Hinterberg was successfully completed in December 2010, a further commitment to the future of the site in the heart of the Austrian province of Styria.

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AT&S at a Glance

The largest manufacturer of printed circuit boards in Europe and India, and operator of China's biggest HDI printed circuit board plant

AT&S is by far the largest producer of printed circuit boards in Europe and India, and ranks among the top suppliers worldwide. AT&S Group employs about 7,500 people. Founded in 1987, its headquarters are in Leoben, Austria. The Group was listed on the stock exchange in 1999, following a management buy-out in 1994. Its financial year runs from 1 April to 31 March.

Printed circuit boards

Printed circuit boards (PCBs) are the nerve centres of many electronic devices, as they integrate active and passive components. There are a variety of types of printed circuit board, adapted to differing technological and cost requirements: single-sided; double-sided; multilayer; high density interconnection (HDI); multilayer (PCBs with ultra-fine structures); flexible; rigid-flexible; and semi-flexible.

PCB technologies have made extremely rapid progress in recent years. Mobile phones are an illustration of how fast things are moving: a decade ago they were twice as large on average as they are today, and were only designed for telephony. Modern handsets are multimedia devices complete with GPS, camera and television functions. The trend towards miniaturisation and ever more complex components is central to the challenges facing PCB manufacturers.

AT&S in the supply chain

Our core business is manufacturing printed circuit boards tailored to customer specifications. In order to offer its customers a wider range of products and services and to strengthen its market position, AT&S also offers design services. Thanks to its new embedding technology, AT&S will also in future be able to offer chip packaging services.

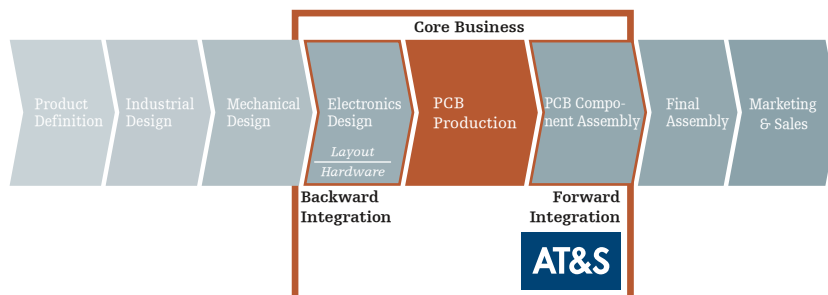
The printed circuit board market

Global PCB sales amounted to USD 51 billion (bn) in 2010. Production in China was up by almost 30%. Although production recovered in Europe by some 21% in 2010, at USD 2.5bn volumes fell well short of 2009 levels as the collapse in the crisis year had seen the European market contract by some 45.7%. The world market is forecast to grow to USD 69.8bn by 2015. Markets in Asia will be the main growth driver, whereas demand is expected to increase only slightly in Europe, Japan and the USA.

AT&S and the competition

The printed circuit board market is highly fragmented. There are currently some 2,000 manufacturers around the world, of which about 290 are in Europe. In 1997 AT&S was the third-largest manufacturer in Europe, and by 2000 it was the largest. We have since extended our lead to such a degree that we are now larger than our closest four competitors put together. There has been a trend towards market consolidation for some years now, and it has picked up speed as a result of the economic crisis, which benefited well-positioned enterprises such as AT&S.

AT&S was quick to recognise that mass production would migrate to Asia from Europe and America. In response to the new situation, we acquired India's largest printed circuit board manufacturer in 1999, and significantly expanded its capacity in the years that followed. To keep pace with growing customer demand we have now constructed a second plant next to the existing one, which has strengthened our leadership position in India. In 2002 the first phase of construction on our new production site in Shanghai was completed and taken into service. Since then the plant has been progressively enlarged in response to customer needs. The Shanghai factory is now not only the largest in the AT&S Group but also the largest specialist HDI plant in China. AT&S is one of the world's leading producers in this segment, and our main competitors are all located in Asia (Japan and Taiwan).



AT&S's positioning

AT&S has three sites in Austria (Leoben, Fehring and Klagenfurt) and three in Asia (Shanghai in China; Nanjangud in India; and Ansan in Korea). Each of the plants concentrates on a specific portfolio of technologies.

The Austrian plants are geared to the European market and also, increasingly, to the American one. Typical for Europe are short lead times, special applications and a greater emphasis on suppliers' closeness to customers. The facilities in India also focus on serving the European market and specialise in medium-sized series production of double-sided and multilayer PCBs. The plant in Korea, acquired in 2006, manufactures flexible circuit boards for the European market, as well as for customers of the Mobile Devices business. Shanghai – the largest plant in the AT&S Group – concentrates on producing long runs using HDI technology, but is also increasingly specialising in applications for the automotive and computer industries. The research units in Leoben-Hinterberg and Shanghai are AT&S Group's main technology drivers.

Key AT&S differentiators

AT&S is valued for much more than simply its technological strengths, and European and global customers tend to attach importance to different things. European customers particularly value AT&S's:

- role as technology leader,
- competitive production capacity in Asia,
- closeness to customers,
- financial stability and
- commitment to high quality.

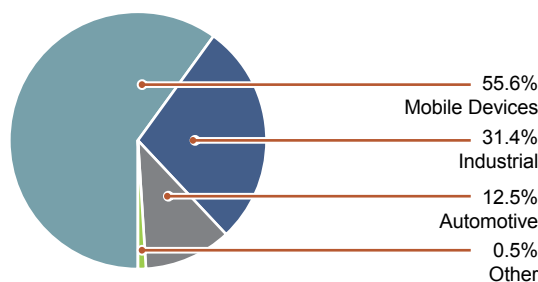
Global customers prize AT&S's:

- many years of experience in HDI technology and its consistently high level of quality,
- high-volume HDI production capacity, with scope for expansion in future,
- a portfolio of long-standing, global reference customers and
- high standards at the Shanghai facility.

Business segments

AT&S has three core printed circuit board businesses: Mobile Devices, Automotive and Industrial. Mobile Devices (PCBs for mobile telephones, digital cameras, portable music players, etc.) is our largest business, and contributes 55.6% of total revenue. As a supplier to five of the six largest mobile phone manufacturers AT&S has a unique position in this market. Automotive accounts for 12.5% of revenues; its customer base includes all of the major automotive component suppliers in Europe. Industrial contributes 31.4% of revenues; it is geared towards the European market, and has over 500 customers.

Revenues by segment



Technology leadership

AT&S is one of the technological leaders in the printed circuit board market. One reason for this is our outstanding research and development performance. AT&S works with networks of customers, suppliers and research institutes to develop a pipeline of innovative technologies. We can also draw on many years of detailed experience in large series production. It was this that enabled AT&S to establish itself as a partner to the world's largest and best known manufacturers of electronic equipment.

Special features of our business

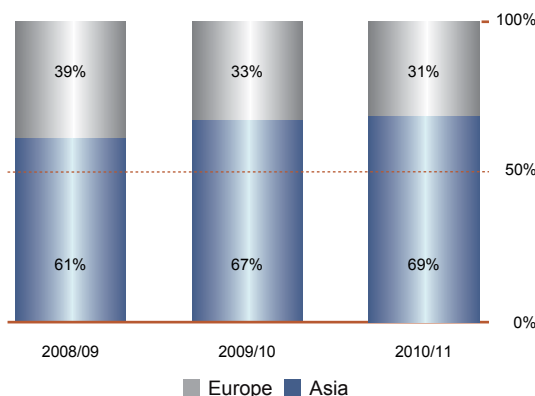
Mobile Devices is a highly seasonal business, and because it contributes such a high proportion of Group's revenue, AT&S Group's total sales also fluctuate seasonally. In the first and fourth quarters of the financial year capacity utilisation is generally lower than in the second and third quarters. In a high fixed cost business like ours, low capacity utilisation puts pressure on margins.

A technological leader in the printed circuit board market thanks to outstanding research and development performance

Strategy geared towards innovation and long-term, profitable organic growth

We have increasingly relocated our HDI capacity to Asia, in line with our strategic focus. At the same time, volatility caused by the widening fluctuations in currency markets has increased. This is reflected in increased numbers of foreign currency translation differences being reported under Group equity and increased recognition of other operating gains and losses in the income statement

Revenues produced in Europe / Asia over the last years



Strategy

Our strategic goal is to become the world’s most competitive supplier of interconnection solutions. For us this means being the most competitive in terms of quality, reliability, efficiency and service. The AT&S strategy is geared towards innovation and fostering long-term, profitable organic growth. Achieving technology leadership in selected target markets plays a key role in the realisation of this goal.

AT&S share

AT&S was initially listed on the Frankfurt Stock Exchange, Neuer Markt, in July 1999, and then formed part of the TecDAX, which was launched after the dot.com bubble burst. After dropping out of the TecDAX in spring 2008, AT&S decided to switch to its home stock exchange in Vienna. AT&S has been quoted in the Vienna Stock Exchange prime market segment since 20 May 2008.

The free float comprises 50.8% of the shares, and just under 10.0% are held by AT&S, with 21.5% held by the Androsch Private Foundation and 17.7% by the Dörflinger Private Foundation. Hannes Androsch and Willibald Dörflinger were two of the three initiators of the 1994 management buy-out.

Corporate Governance

As a listed company, AT&S is expressly committed to good corporate governance, and therefore subscribes to the Austrian Corporate Governance Code. During financial 2010/11, the members of the AT&S Management Board were as follows:

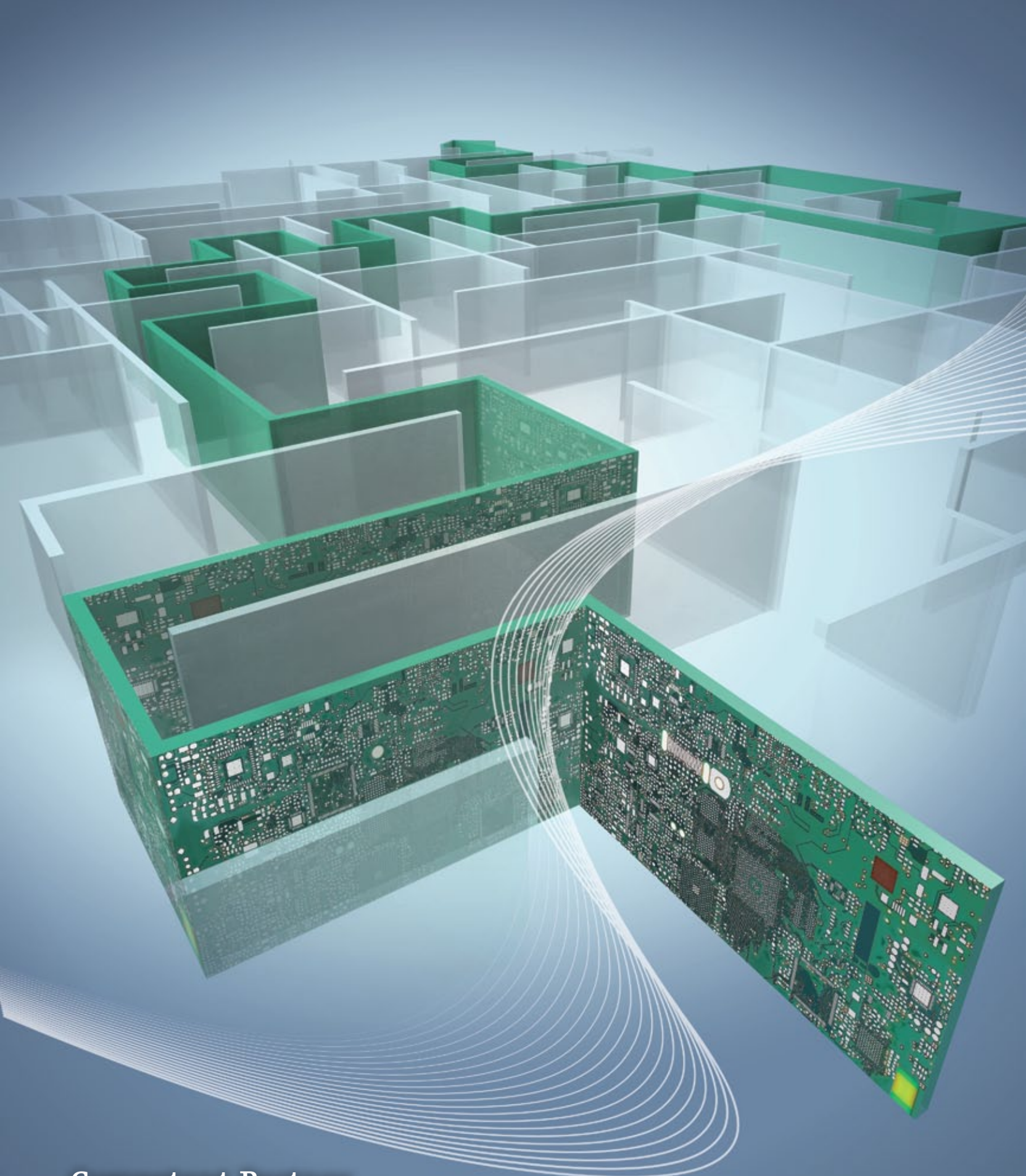
- Andreas Gerstenmayer, Chairman since February 2010
- Thomas Obendrauf, CFO and Deputy Management Board Chairman since October 2010
- Heinz Moitzi, Chief Technical Officer since April 2005
- Steen E. Hansen, Chief Financial Officer since April 2004, and Deputy Chairman since June 2005, resigned his Management Board appointment at the start of October 2010, and left the company at the end of January 2011.

The Supervisory Board has nine members, three of whom are employee representatives. The Chairman of the Supervisory Board is Hannes Androsch. Willibald Dörflinger is the Deputy Chairman.

Corporate social responsibility

Sustainable business practice at AT&S means using the available resources to deliver the best possible long-term results for all stakeholders. We recognise that the “people, planet and profit” dimensions of performance need not conflict with each other. On the contrary, all three underpin the sustainability of a good business. The AT&S integrated management system (IMS) attaches equal importance to quality, the environment and people.

Our Code of Business Ethics, which applies to all our staff throughout the world, sets out the rules according to which we do business in an ethical and socially responsible manner.



**Competent Partner
for Navigation Systems**

Letter to our Shareholders



Dear shareholders,

Strong demand for high-end printed circuit boards in mobile devices in particular, but also from industrial and automotive customers, have helped AT&S Group to achieve one of the best sets of results in its history. Although we experienced a number of ups and downs in the individual quarters, our core businesses performed very well overall over the past 12 months, each returning double-digit growth. AT&S Group posted total sales of EUR 488m for the financial year just ended, surpassing the previous record of EUR 486m million in pre-crisis 2007/08. AT&S is today in a stronger position than it was before the crisis, an achievement of which we can justly be proud.

Results of ordinary business activities

Earnings before interest and tax (EBIT) for the financial year 2010/11 (adjusted for non-recurring expenses) came to EUR 49.2m, with earnings per share amounting to EUR 1.51.

In the first quarter of financial 2010/11 further changes in the organisational structure were decided on, in the interests of improving administrative efficiency. The Vienna office, which until then had been responsible for the Group's major holding company functions, was closed with effect from the end of 2010. These functions were transferred to the Leoben-Hinterberg production facility and other Group sites.

The results also show that AT&S has a critical competitive edge over its competitors in Asia as well: the plant in Shanghai is one of the most modern of its kind, particularly in terms of automation. Our strategy of emphasising a high degree of automation in Asia has so far paid dividends, as we are significantly less exposed to rising wage costs than our competitors in the region.

The combination of rapid capacity expansion and ongoing development of new technologies is the key to the Group's success, and both aspects have been the focus of intense activity over the past 12 months. The commercialisation of our ECP® technology in cooperation with a leading international manufacturer of semiconductors is a highly promising first move into this market. But this is just the start. We will shorten development lead times to ensure that new technologies for printed circuit board manufacturing are implemented more rapidly. The cooperation agreement concluded with Panasonic and the acquisition of the ALIVH® technology is a major milestone in this process. We firmly believe that our innovative technologies will facilitate new designs and functionality and, in turn, promote the development of new applications – especially in the mobile phone segment.

We were delighted to learn from the President of Europe's 500 in December that we are ranked among the top 500 growth companies in Europe. This award is testimony to our strategic focus on sustained and profitable growth.

Sustainability

Environmental sustainability is a high priority at AT&S. We are convinced that our careful use of resources will bring the Group additional significant competitive advantages in the medium term. The results of our customer CSR audits are already bearing fruit, clearly showing that here too we play a leading role in our industry. We were one of the first printed circuit board manufacturers in the world to decide to measure and publish its global CO₂ footprint, making us a pioneer among our competitors. We are optimistic that we will be able to reduce average CO₂ emissions still further from the level of 53 kg/m² achieved by the end of last financial year. However, this will require a major effort from all of our sites, and can only be achieved if we adhere to our principles of conserving natural resources.

Innovation

AT&S's development departments in Leoben and Shanghai, and our extensive network of external partners, maintain a strong focus on the future trends. We deliberately did not cut our research and development budget – in fact, investment was increased from around EUR 21m to EUR 28m in the financial year 2010/11. We have publicly stated our commitment to further increasing our technology pioneering role so that we continue to be a leader in determining the direction of technological advance in our industry. We are working closely with customers on promising concepts and technologies because printed circuit boards – the nerve centres of many electronic devices – must be able to meet increasingly complex challenges as devices become ever smaller and more multi-functional. We firmly believe that maintaining extremely close ties with our customers from the earliest stages of product development is the key to continuing success.

We have become one of the first printed circuit board manufacturers worldwide to take a new technology for embedding active and passive electronic components (ECP®) to series production in a vanguard project with a leading semiconductor manufacturer, demonstrating once again our leadership in technological innovation. This sophisticated high-value-added technology makes possible the efficient miniaturisation of electronic devices, while at the same time enhancing their performance.

The global mobile telephone market is currently undergoing a systematic shift away from conventional handsets towards smartphones. The advent of the Long Term Evolution (LTE) mobile telephony standard and the expected proliferation of tablet PCs point towards continued growth in this segment of the market and increased demand for highly integrated multilayer printed circuit boards. With this in mind, Panasonic Electronic Devices and AT&S have undertaken to work together closely on the development of printed circuit board technologies such as Any Layer Interstitial Via Hole (ALIVH®). ALIVH® represents a key component for meeting future requirements in all segments.

Trends

We are certain that the trend towards miniaturisation will continue, so we expect to see demand for high value HDI printed circuit boards remaining strong, with new applications emerging in, e.g., the automotive industry. If we are to build on our strong market position (number two worldwide) in the HDI (high density interconnect) segment we will need to ensure that we continue to keep pace with our existing customers' growth while providing additional capacity for new customers. AT&S Group was one of the first in the printed circuit board industry to identify the global economic upturn as sustainable, and we have reacted by investing heavily in expanding capacity in India and China. We have also acquired land for a new production facility in Chongqing, China. Our successes confirm the correctness of our approach, as can be seen from our impressive results.

With best regards

Andreas Gerstenmayer
Chairman

Thomas Obendrauf
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

Report of the Supervisory Board



On 7 July 2010, the 16th Annual General Meeting (AGM) of AT&S Austria Technologie und Systemtechnik Aktiengesellschaft (AT&S) re-elected Willibald Dörflinger, Hannes Androsch, Karl Fink and Albert Hochleitner to the Company's Supervisory Board.

Hannes Androsch was unanimously appointed Chairman of the Supervisory Board. All the elected members have signed a declaration pursuant to section 87(2) Austrian Companies Act (AktG) that they possess the appropriate professional or comparable qualifications, and that no circumstances exist that could give rise to concern about possible conflicts of interest.

Throughout the financial year ended 31 March 2011, the Supervisory Board received written and oral reports from the Management Board on the company's policies and performance, and was closely involved in a number of business-related issues. The Supervisory Board met five times during the financial year 2010/11, with the Management Board participating. In these meetings the Management Board and the Supervisory Board discussed the state of AT&S Group's affairs in depth. As part of the Company's ongoing reporting process and at all board meetings, the Management Board also gave the Supervisory Board comprehensive reports on the Group's operating and financial position, as well as its interests in other companies, its staff situation and its planned investments. Strategic projects, the Group's long-term international focus, new statutory requirements, the development of international compliance standards, and structural and personnel changes were discussed and authorised. Outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board also held ongoing discussions on the Group's strategic focus and the progress of its business activities.

The committees established by the Supervisory Board carried out detailed analysis of particular issues and reported their findings to the Supervisory Board. The Audit Committee met twice in the last financial year. The meetings were chaired by Gerhard Pichler who in this function was regularly involved in the quarterly reporting and reported on these matters to the Audit Committee.

Steen E. Hansen, AT&S's CFO since 2004, resigned his Management Board appointment for personal reasons on 8 October 2010. The Supervisory Board accepted his resignation. He is succeeded by Thomas Obendrauf. Mr Obendrauf's appointment as CFO and

member of AT&S's Management Board comes after many years of extensive experience at AT&S. He joined the Group in 2001, and during the last five years was responsible for the organisation and expansion of AT&S (China) Co. Ltd. in Shanghai.

The annual financial statements of AT&S AG and the consolidated financial statements for the year ended 31 March 2011 were both audited by PwC Wirtschaftsprüfung GmbH, Vienna and were awarded an unqualified audit report. The management report and the Group management report for the financial year 2010/11 were consistent with the annual financial statements and the consolidated financial statements. Based on the prior discussions of the Audit Committee, and after its own detailed consideration and examination, the Supervisory Board approved the annual financial statements for the year ended 31 March 2010 in accordance with section 96(4) AktG. Based on the prior discussions of the Audit Committee, and after its own detailed consideration and examination, it also approved the consolidated financial statements drawn up in accordance with section 245a Austrian Business Code (UGB) and with IFRS, as well as the management report, the consolidated management report and the corporate governance report. The Supervisory Board review did not give rise to any objections.

The Supervisory Board adopted the Management Board's recommendation for the application of profits: the retained earnings as at 31 March 2011 amounting to EUR 24,754,662.80 are to be distributed in payment of a dividend of EUR 0.36 per share, and the remaining amount is to be carried forward.

The Supervisory Board would like to thank the Management Board and all of the Group's employees for their hard work and dedication during the financial year 2010/11.

On behalf of the Supervisory Board

Hannes Androsch
Chairman of the Supervisory Board



**Competent Partner
for Medical Devices**

Our Mission and Strategy for Continuing Success

Technology leader in the market for high-end printed circuit boards

Our mission

AT&S Group is technology leader in the market for high-end printed circuit boards. We lead the field in miniaturisation and integration, and our interconnection solutions give our customers a decisive competitive edge. As a global provider with European roots, we practise sustainability and make quality and efficient management of resources the core focuses of our efforts.

Our strategy

The AT&S Group strategy is built around three clearly defined strategic pillars:

- Innovation
- Sustainability
- Quality

This has important practical implications.

Innovation

As the global printed circuit board industry's leading innovator, we develop for our customers highly-integrated and efficient electronic interconnection solutions for tomorrow's networked world.

By continually increasing integration density and miniaturisation, we are creating the technological foundations for tomorrow's interconnected world. In the world of tomorrow there will be a much higher level of electronic interaction between man and machine than today. Our interconnection solutions make it possible to integrate hundreds of sensors and processors for each individual. Vehicles will become more intelligent and economical, mobile devices smaller and more integrated, technology more reliable and resource friendly. As we see it, the function of R&D is to anticipate today what our customers will want tomorrow. Our main strength lies in developing highly innovative solutions that we can implement with high process quality on an industrial scale.

We currently manufacture tracks with a width of 50 µm and are able to offer a width of 35 µm for prototypes – a quarter the width of a human hair. We are one of the first manufacturers to have implemented the highly integrated Embedded Component Packaging (ECP®) Technology. In the last three years alone AT&S has filed 66 patents applications. As technology partner to our customers, we carry out R&D as part of a global network.

Sustainability

The efficient and sustainable use of resources is the key to our business success.

Using raw materials and energy efficiently is not only a service to society – the economical use of all resources contributes to our ability to compete and continue to grow. In all our plants we manufacture to the same high environmental standards as in Europe. For us, sustainable business practice also involves extending the same high degree of responsibility to our employees and society.

Business activities go hand in hand with social commitment at all of our plants. Our efforts in these areas are reflected in our low staff turnover, low absenteeism and high level of workplace safety.

Our water consumption per square metre of printed circuit board is roughly one sixth of the industry average. We reduce our annual CO₂ emissions by an average of five percent, and we can boast similar increases in efficiency in energy consumption. Our emissions of exhaust air and wastewater have been below any existing EU standard for years.

And the outstanding characteristics of our end products contribute to solving the energy problem.

Quality

Our quality requirements are the mainstay of our position as high-tech supplier. We test our printed circuit boards at every stage in the manufacturing process, thus reducing the reject rate by eliminating defects at the earliest possible point. Implementing quality management at every level makes us a reliable supplier in the high-end segment – AT&S has achieved mastery over its processes and employs the most modern manufacturing technologies. Furthering the development of systems that guarantee efficient analysis of process and product data has the highest priority and ensures that quality continues to improve and costs continue to fall.

The number of customer complaints per million printed circuit boards delivered is in single digits; in some product groups we have even achieved values as low as 1.3, and for critical applications in the automotive and aviation industries our products are supplied with nearly zero defects.

Thanks to their exceptional quality, our printed circuit boards are used in life-critical applications such as pacemakers, and can survive the harshest conditions. For us, quality assurance also includes investing in the training and education of our staff: the amount we spend on training programs in our plants in China and India is significantly higher than the industry average.

This has important implications for our core businesses.

Automotive

The core competence of AT&S's Automotive business lies in the combination of HDI printed circuit board expertise and production know-how for the car manufacturing industry. Our goal is therefore to secure a share of the growth in the market for HDI printed circuit boards and to encourage the use of this technology in new applications in and around the automobile. With special technologies in such areas as heat management we can develop new niches and generate additional growth, especially in Europe. We also aim to continue turning what is primarily a European business into a global one by expanding our market into Asia. This is why we are predicting growth rates of up to 10%.

Industrial

In our traditional industrial business we have optimised our customer base and increased revenues and market share in the USA. This is the course we must continue systematically to pursue. We will also continue to expand our traditional industrial business: for this purpose a second plant has just been constructed in India. We see great potential in the medical sector, where we want to increase sales in the diagnosis segment. We also intend to boost growth in applications for therapeutic and medical equipment and are aiming at a growth rate of 10% per year.

Mobile Devices

Mobile Devices continues to focus its efforts on the high-end segment, and our HDI capacities have been expanded once again. In addition to mobile telephones (predominantly smart phones), Mobile Devices caters to the growing markets for applications such as tablets, digital cameras and games consoles. To further enhance our market position, we also enter into collaborative agreements with

the market's top players. In this way we can manufacture thinner and more powerful printed circuit boards, which will have beneficial effects on the end products.

R&D

Our research and development work covers the development of materials, processes and applications. We are contributing to the general trend towards miniaturisation with our ECP® (Embedded Component Packaging) technology and other solutions such as the 2.5D™ technology that we have developed.

Another current development project is Nucleus®. With this technology, AT&S has successfully developed a method for series production of individual printed circuit boards that makes optimal use of the production format and only connects them to their frames immediately before they are shipped out to sub-contract assemblers for population. This makes it possible to reduce costs and increase efficiency.

Quality requirements are the mainstay of AT&S's position as a high-tech supplier



1200 H: 18°
L: 10°
Intermittent clouds

Call History
1 new voicemail

Appointments:
No upcoming appointments

No tasks

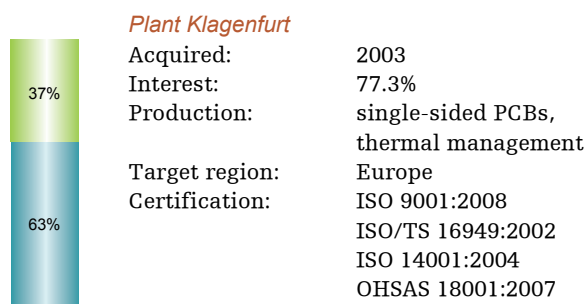
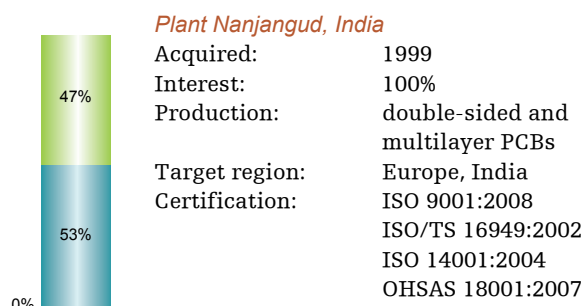
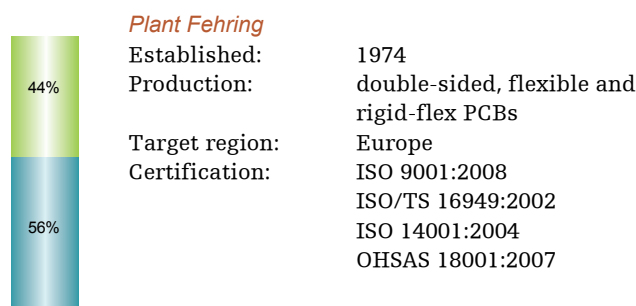
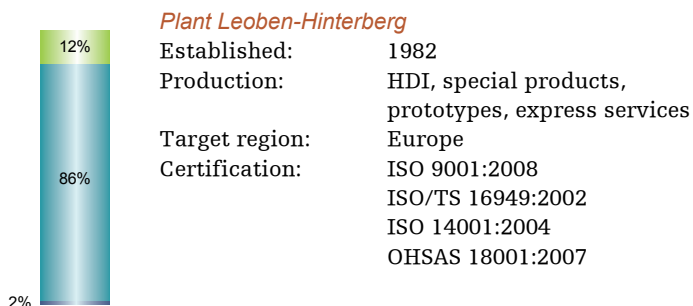
Profile: Normal

Competent Partner
for Smartphones

AT&S – a Global Player

Austrian production sites

Asian production sites



■ Automotive ■ Industrial ■ Mobile Devices

Sales offices

Australia
China
Germany
France

Hong Kong
India
Ireland/UK
Japan

California/USA
Malaysia
Austria
Singapore

Spain
South Korea
Czech Republic
Hungary

A Comprehensive Product Portfolio

AT&S has six high-tech manufacturing facilities, which enables us to offer our customers a broad range of products and top quality, efficient production. Technological and economic considerations determine which variety of printed circuit board should be selected for any given application.

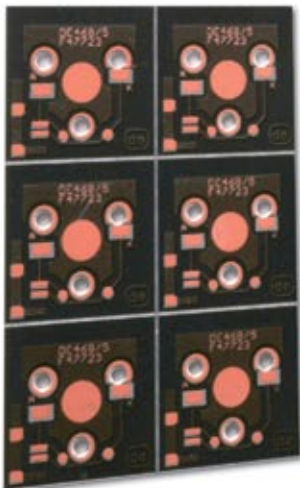


◀ Single-sided PCBs

Phenolic or epoxy resin materials for populating, in industrial and automotive applications.

▶ Double-sided plated-through PCBs

Epoxy resin or special materials for high frequency applications. Used in all applications and industries in electronics.

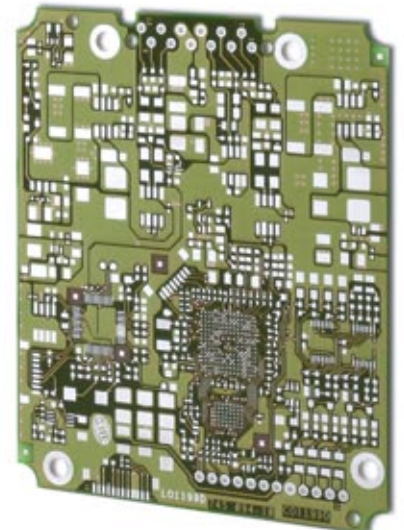


◀ Insulated metallic substrate (IMS)

Printed circuit boards with enhanced cooling of components. Applications in LED technology for the automotive sector and for lighting in buildings.

▶ Multilayer PCBs (up to 22 layers)

Standard to high Tg materials, as well as special materials, for high-frequency applications and all applications and industries in electronics.





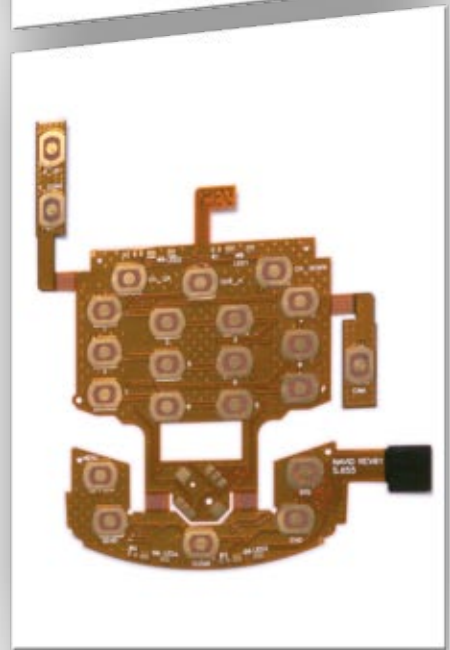
Semi-flexible PCBs ▶

Based on thin epoxy resin materials for flex-to-install applications. For one-time bending (radius 5 mm), mainly in automotive and industrial applications.



◀ HDI microvias*

Laser-drilled circuit boards with up to 5 microvia build-up layers per printed circuit board side, or with stacked microvias throughout, over the whole thickness of the circuit board. Main applications in hand-held devices and increasingly in consumer electronics.



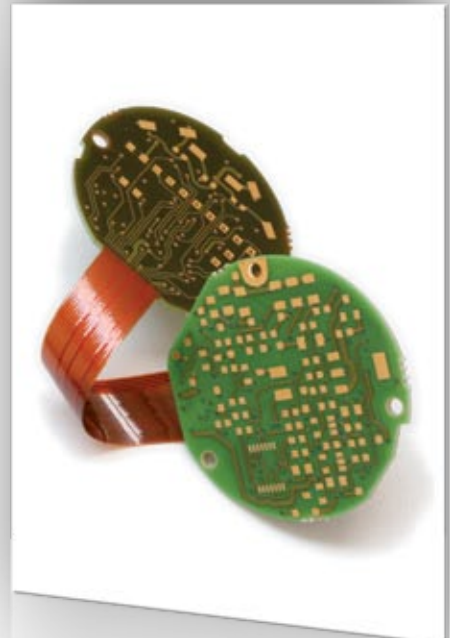
Flexible PCBs ▶

For static and dynamic bend/twist applications across the board in all industry sectors including space technology and sensors.



◀ Embedded Components

Integration of passive and active electronic components in the printed circuit board, to make even smaller applications practicable. PCB thickness is in the same range as standard circuit boards.



Rigid-flex PCBs ▶

They combine the advantages of rigid and flexible circuit boards, replacing cables and plug connections, thus increasing the reliability of applications and reducing the number of processes in assembly.

* The RIM and BlackBerry families of marks, images and symbols are the exclusive properties and trademarks of Research In Motion, and are used with permission.

Sales & Marketing: Creating Durable Customer Relations

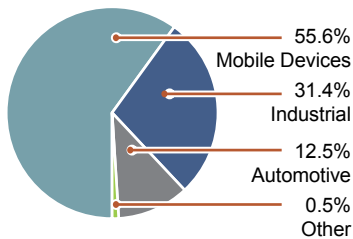
A truly global presence with production sites in Europe and Asia and a service and distribution network spanning four continents: AT&S ideally positioned to respond rapidly and flexibly to customer requirements

Sustainable business performance is determined by long-term customer relations, in which mutual trust plays a decisive role. Only when someone trusts their business partner will they allow their business relationship to develop. That is why with all our sales and marketing activities, the reliability of what we tell our customer is very much to the fore. We never make promises we cannot keep. For this, it is vital to have a thorough understanding both of the customers' requirements and of our own capabilities. The goal must be not just to fulfil the customers' expectations, but to surpass them.

AT&S – a global manufacturing and sales network

With plants in Europe and Asia and a service and distribution network that spans four continents, AT&S has a truly global presence and is ideally positioned to respond rapidly and flexibly to its customers' wishes. We currently supply more than 500 customers in the automotive, industrial and mobile devices sectors.

Revenue by segment



Automotive

In the automotive sector AT&S is focusing on the current key themes of safety, information, environment and affordable cars. These concerns are the driving force behind the continuing growth in the importance of electronics and the demand for more highly integrated systems and consequently more complex and higher-value printed circuit boards.

The goal in the pursuit of safety is accident-free driving. Applications such as driver assistance systems, e.g., the lane-changing assistant, radar-based distance measurement, camera systems and car-to-X-communication are examples of how our customers put HDI or 2.5D™ technologies and flexible printed circuit boards to good use. The products for these purposes are manufactured in Shanghai, Leoben and Ansan.

The rapidly increasing volume of information can hardly be absorbed by the driver in its entirety and needs to be filtered. Our customers are there-

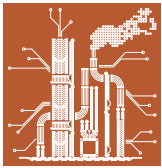
fore developing technologies and systems that can manage and optimise the complex flow of information and ensure that the driver is always presented with relevant driving data. AT&S supplies mainly HDI and standard multilayer printed circuit boards from our plants in Shanghai and Nanjangud for multimedia players, navigation systems and tachographs.

In light of the discussions on climate change, scarcity of resources and increasing individual mobility, reducing emissions has become a top priority for politicians, OEMs and their suppliers in the last few years. E-mobility and more economical engines are no longer just catch phrases; frequently they have already been implemented, although in the case of e-mobility many issues relating to range, costs and infrastructure are still to be resolved. Over the next few years, special printed circuit board technologies such as thick copper, IMS and HSMtec for heat management and high-current applications in the power train area will play a decisive role in the future growth of the automotive segment in the Klagenfurt and Leoben plants.

The demand for increased mobility has also helped the market for affordable cars to boom. For the next 15 years small, value-for-money cars have the largest potential for growth, with over 11% per year forecast. In comparison, current predictions for the automobile market as a whole for the same period are approximately 3% a year. In this segment of the automotive industry it is mostly standard printed circuit boards, such as single-sided, double-sided and multilayer products that are needed; AT&S supplies these from its plants in Klagenfurt, Fehring and India.

With record global vehicle sales and huge growth rates in developing countries, 2010 was one of the most successful years ever for the automotive industry. As a result, AT&S was able not only to consolidate its market position in Europe but also, with an increase in sales of 38%, to take become the number one European printed circuit board supplier to the automotive industry. From the point of view of technology, HDI products were the main drivers of this growth.

Industrial



The industrial business is characterised by a multitude of customers with widely diversified technological requirements. Applications range from measurement and control technology, medical equipment and aerospace applications to industrial computers. For printed circuit board manufacturers, flexibility of the highest degree and the capability to quickly adapt to changing specifications and technologies are indispensable to success in the sector.

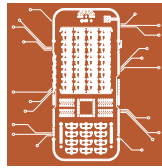
Even though at first glance miniaturisation does not seem as important as for mobile devices, technical development is moving in that direction because of the use of electronic components. In some segments such as medical technology, size and weight reduction have the highest priority, especially in devices such as pacemakers. In this area technical synergies and experience from the Automotive and Mobile Devices businesses can be used to great effect.

Traditionally, the main market is Europe: Germany, Austria and Switzerland account for the lion's share. Because of the dwindling number of printed circuit board manufacturers in the region, the opportunities for acquiring new customers in the rest of Europe are continuing to increase. The situation in the USA is similar. The level of complexity required is increasing, and the number of printed circuit board manufacturers able to satisfy the requirements is still falling. The opportunities for successes in the American industrial market have therefore increased significantly, especially in aerospace and medical technologies.

AT&S's plants in Austria are well prepared to react flexibly to short-term changes, and to drive the development of technologies and projects forward in cooperation with our customers' research and development departments. In India medium volumes for long-running projects are manufactured at optimum cost, and the growing demand for flexible printed circuit boards is covered by the AT&S plant in Korea.

Longer-term trends such as the environmental and economic restructuring of cities and the energy sector, and consequently the entire infrastructure, will continue to underpin stable growth rates in the industrial sector.

Mobile Devices



The three Cs – communication, content and computing – are the most important requirements for smartphones and tablet PCs. In addition, "anytime" and "anywhere" are also major considerations.

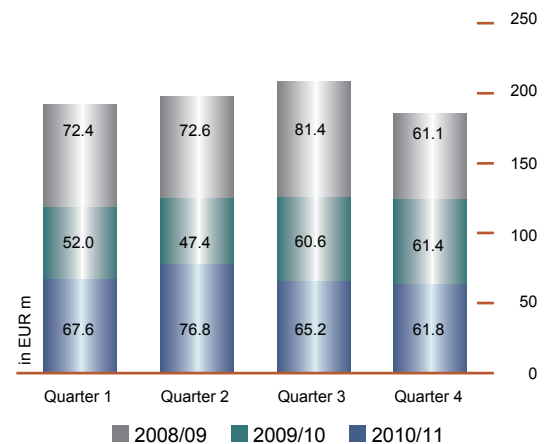
These two products, together with music players, digital cameras and games consoles make up the mobile devices business. To fulfil the consumers' wishes, user-friendly software, powerful hardware and miniaturisation (making products small, light, portable and consequently mobile) are very important. The manufacturing technologies used by AT&S make it possible to meet these needs in the best possible way. There is room for more components on printed circuit boards of the same size, or alternatively, if the number of components stays the same, less space is required.

With its extensive capacities and modern technologies, and due to the high quality standards demanded in this market, AT&S is in a position to supply the world's best-known manufacturers of these products. Wherever our customers process our printed circuit boards, AT&S can offer the relevant logistics solutions. The many years of close and successful cooperation with our customers in all areas are confirmation that we are recognised as a reliable partner.

The suppliers of smart phones and tablet PCs frequently have their roots in other industries. However, the exacting demands with respect to product quality, security of supply and time to market are the same. Whatever the particular customer's requirements, AT&S also has the appropriate solutions – from development projects to ramp-up of series production – and this is just one more feature that distinguishes us from our competitors.

More than 500 customers in the automotive, industrial and mobile devices sectors

Seasonality within Mobile Devices business



Leading Edge Research and Development

A world leader in high-end printed circuit boards thanks to ongoing development of technologies in use

Since its foundation in 1987, AT&S has established itself as the largest printed circuit board manufacturer in Europe and India. We are also among the leading international suppliers of high-tech HDI microvia printed circuit boards worldwide, and are constantly extending our presence in this market.

One reason for this success is undoubtedly our ongoing development of the technologies in use, which has allowed us to achieve technological leadership in high-end printed circuit board manufacturing. Last financial year some 6% of revenues were invested in applied research and technology evaluation. Our goal for the future must be to further differentiate ourselves from our competitors. The importance of internal technology development to the Group is also demonstrated by the fact that in the past few financial years – despite the economic disruptions – expenditure on research and development actually increased. The results speak for themselves: AT&S quickly emerged from the crisis, and is stronger than ever.

R&D structure

AT&S has a two-part innovation process: our development centre in Leoben-Hinterberg is where we work on new solutions for materials, processes and applications. In the second stage, the research results are optimised for industrial production in the plants. Because of their size and focus, the facilities in Shanghai have a special status: in addition to the work being done on optimising and industrialising new applications, development of HDI technology is systematically advanced in close cooperation with the technology headquarters in Leoben.

Research network

AT&S's R&D activities frequently involve some of our many business partners. Customers generally inform us of their requirements and their ideas for future products, but we also devise new techniques based on future applications we foresee, such as the embedding of components inside printed circuit boards. In addition to our own resources, we use collaborative agreements with research institutions and suppliers wherever practicable and necessary. This network of expertise enables us to master the most complex challenges extremely effectively.

R&D focuses and selected research projects

Our R&D activities can be grouped into four general project areas: high-end HDI, Made in Austria, ECP® technology, and Photovoltaics.

High-end-HDI

AT&S is pursuing a number of approaches to further development of high-tech HDI printed circuit board technologies. Further miniaturisation requires a special focus on finer track layouts and reducing the thickness of the printed circuit board. Parallel efforts involve the development of new production processes, which are necessary both in order to manufacture the new products and to replace old existing processes with newer, more cost-effective ones.

With the aim of opening up new possibilities in this area, in the past financial year AT&S decided to establish a cooperative venture with Panasonic Electronic Devices Ltd. The main purpose of the venture is to combine AT&S's high-end HDI technology with Panasonic's ALIVH® technology. Integrating and using both technologies in one product is an additional option for creating the next generation of printed circuit boards. The new technology will meet the future requirements of mobile appliances in full, and has the added advantage of offering a more environmentally friendly manufacturing process.

Made in Austria

This area includes a number of projects for the development and implementation of new production technologies to make printed circuit board production both more flexible and more effective. The aim is also to find ways for the Austrian plants to produce smaller volumes and more complex products more simply and profitably.

▪ **2.5D™ technology research project**

This technology focuses on incorporating structural recesses (cavities) into and onto printed circuit boards, facilitating deeper embedding of electronic components, and making thinner PCBs possible. It also makes it possible to produce rigid-flex PCBs for flex-to-install applications.

The enormous simplification of processes means that 2.5D™ technology offers the prospect of cost-effective, flexible and high-value solutions in the widest possible range of applications. The jurors of the Fast Forward Award were also impressed, which is why this technology was nominated as one of the top three best new technologies in Styria.

▪ **Thermal management research project**

Im Bereich der Hochleistungselektronik wird In high-performance electronics, there is an increasing need for printed circuit boards to discharge the thermal energy they generate. High-output assemblies give off heat, considerably reducing both their own performance and service life, and that of other components. Printed circuit boards need to be able to discharge 100 watts and more of thermal output.

One application for a thermal management solution is in mother boards for LED systems. AT&S is working on this in a collaborative project with leading LED companies to find completely new solutions for lighting systems. The aim is to achieve a higher luminous efficiency with appropriate cooling through the substrate, which should lead to energy conservation throughout the system.

▪ **Inkjet printing research project – development of water-saving manufacturing concepts**

Unlike the standard screen printing currently in use in the high-tech segment, this process is extremely flexible and can be simply and efficiently adapted for smaller batch sizes with different designs. With this technology it is also relatively simple to affix additional functional layers. In an initial implementation of these results we are industrialising a new structuring technique (etch resist printing) in our plant in Klagenfurt.

ECP® technology

Embedded Component Packaging technology is used to integrate active and passive electronic components (such as resistors, capacitors and chips) on the inside of printed circuit boards. This combines two steps in the existing value chain – production and population of the printed circuit board. This not only reduces costs, but also has the advantages

of saving space on the surface of the circuit board and enormously increasing reliability as a result of the direct embedding.

During the past financial year the first end product using this technology was brought to market. The module was produced in cooperation with a large US chip manufacturer: thanks to the new technology, the overall size was significantly reduced and the reliability improved.

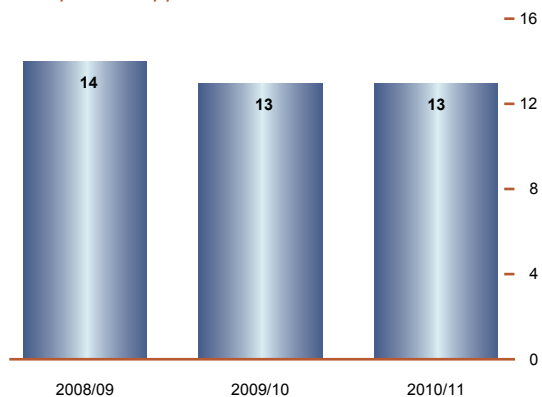
Photovoltaics

In the Photovoltaics project, the aim is to exploit synergies in the processes used in the production of printed circuit boards and photovoltaic panels to create a novel technology product. In our cooperation with the solar cell manufacturer Solland Solar we are focusing on the development and production of more energy-efficient, back-contacted photovoltaic panels. AT&S's part in this is the engineering of the interconnection solutions and the development and manufacture of the back-contact foil. The goal is to reduce the cost of modules by industrialising an innovative technology while simultaneously increasing the modules' efficiency.

Patent strategy

AT&S's increased focus on research and development has also led to extended legal safeguards for its core technologies. In the past financial year 13 new patent applications were filed, so that AT&S now has 66 patents and patents applied for. This continuing growth in the patent portfolio contributes to the Group's reputation as a technologically advanced supplier of printed circuit boards and means that investment costs can be spread and recovered over a longer period.

New patents applied for



Mastering complex challenges with a highly developed network of expertise

Success Factors: Supply Chain Management and Procurement

Procurement activities geared more than ever towards promoting sustainability, innovation and collaboration

Supply chain management integrates all the logistical requirements of suppliers, internal operations and customers as part of a single, continuous process that includes capacity planning, resource planning, storage allocation, logistics and invoicing.

Supply chain management – a critical success factor for AT&S

AT&S supplies around 17,000 different products each year. Supplier reliability and quality are vital to our customers. In an extremely volatile market such as the printed circuit board industry, which is characterised by high product diversity and very short order times, just-in-time production (where goods or components are not ordered until they are needed, so as to keep inventories down) requires exceptional supply chain management. The goal is to constantly improve the balance of global demand and capacity, to reduce the total cost of the final product as far as possible, and increasingly to offer customers one-stop shopping and vendor-managed inventory solutions. We handle logistics and inventory management for almost 500 different products at over 60 storage facilities around the world, and ensure that stocks are maintained between specified minimum and maximum levels.

Global customer and supplier network

Close cooperation between all the participants along the value chain is central to successful supply chain management. AT&S's global network comprises a total of around 1,000 customers – almost double the number in the previous year – and 800 suppliers (including 35 key suppliers). An average of 350 shipments and 300 parts numbers are dispatched each day.

Optimised planning tools secure customer loyalty and cost efficiencies

High-end IT applications ensure reliable end-to-end control of all product and information flows from suppliers through the Group's internal pro-

cesses and onwards to customers. SAP's Advanced Planning and Optimising tool (APO), in combination with global availability controls, enables us to deploy an integrated planning system in all of our Austrian facilities. This allows us to match detailed production plans to production capacities and to check the feasibility of each individual order. The system generates considerable cost savings and also helps to further improve the customer service rate. As a result, our reliability of supply remained at just under 93% last year, in spite of sharp increases in capacity and a jump in order volumes. This means that almost 80,000 orders were supplied at the precise point in time and in the exact quantity ordered by the customer. If an order is missing only one item or is delivered past the deadline, this means target achievement of 0%.

Sustainability, innovation and collaboration: key considerations in procurement

AT&S's procurement activities are geared more than ever towards promoting sustainability, innovation and collaboration with partners, with the aim of preserving the Group's leadership in technology and cost efficiency. For this reason, in 2010 procurement management was relocated from Vienna to Hong Kong and the team in Asia was significantly strengthened.

The prices of gold, copper and oil soared in the financial year 2010/2011. The extremely rapid recovery of the electronics industry following the economic and financial crisis resulted in capacity bottlenecks and a rise in market prices. AT&S is currently working hard on developing additional innovations, reducing consumption and strengthening the supply chain. These initiatives are a response to market pressures and the significant increase in commodities prices, and are designed to safeguard our ability to supply customers.



**Competent Partner
for Tablets**

Two supplier awards presented for the first time

Supplier awards

Last year AT&S presented two supplier awards for the first time. Panasonic received the Supplier of the Year Award. The company’s ongoing development of its product range and resin systems for high-end base materials has played a crucial role in establishing the Group’s technological leadership. Outstanding product quality, improvements to the resin systems used in Europe and a number of localisation projects in Asia have also supported AT&S’s drive to boost cost effectiveness.

The Sustainability Award went to Atotech for its chemical reduction programme. An inline analysis of AT&S’s production facilities formed the basis for a 25% cut in chemicals consumption and significantly higher bath stability, which in turn led to quality improvements in production. Sustainability has generated threefold benefits: lower costs, higher quality and a reduction in chemicals use. Sustainability here goes hand-in-hand with cost effectiveness.

Key purchasing indicators

	2010/11	2009/10	2008/09
Electricity (GWh)	252	202.5	234.4
Laminates (million m ²)	11.3	8.5	7.5
Copper foil (t)	7	5.5	5.3
Copper clippings (t)	2,386	1,598	1,733
Gold (kg)	1,013	885	896
Chemicals (t)	47,309	35,809	38,675
Cartons '000 units	6,135	6,046	5,684

Supporting the Next Generation

AT&S is a global business with production facilities in Europe and Asia and sales offices on four continents. The key to success in the face of stiff competition is having skilled and motivated staff who understand our business, work hard, and are determined to deliver outstanding results and to perform under the most exacting market conditions. Customer focus, the willingness to face up quickly to new challenges, a passion for rigorously implementing innovative ideas and an unwavering commitment to quality and sustainability are essential for high potentials looking to advance their careers.

Future oriented succession planning and training

Attracting and supporting sufficient numbers of up-and-coming talents is the key to ensuring continuity of staff with the right qualifications for our business. We currently have 34 trainees in five different professions (mechatronics technician, chemistry laboratory technician, physics laboratory technician, mechanical engineering technician, electrical technician) at our Austrian facilities. Last year, all trainees were employed as fully qualified technicians after completing their traineeships.

In India we are also increasingly involved in a development programme specifically designed for industrial workers. Every year it prepares and certifies a large number of trainees for work in international industrial enterprises. As of March 2011 the programme had 560 participants.

Training and development — a vital ingredient for success

In addition to attracting high potentials, ongoing staff training and development is another impor-

tant investment in the Group's future success. New employees receive comprehensive basic training at all AT&S facilities. Recruits learn about the entire production process for printed circuit boards, the Group's structure and administration, and our social values. Technical and intercultural training courses, and programmes tailored specifically to managers' needs, give our employees the skills they need to handle current and future challenges, and are an integral part of our corporate philosophy. Last year, nine modules of the AT&S Management Training Programme were presented, and 15 young professionals completed their training in December.

Our in-house job advertisement system ensures that all vacant positions to which the rules apply are initially advertised internally, and where the candidates are equally well qualified, we give preference to our own staff over external applicants. This approach is helping to raise the level of qualifications among our employees.

Global presence requires close international cooperation

AT&S's global structure and international perspective require a constant exchange of skills and expertise and the close integration of different cultures in order to realise the Group's full potential. The annual meetings of managers and senior executives from all around the world are just one way of achieving this objective.

The Group's global presence also requires international perspectives to play a vital role in developing AT&S managers. Management development programmes are organised regularly and are attended by staff from all locations. In 2010,

Attracting and supporting up-and-coming talents – the key to future success

Staff number (incl. leased personnel)

(as of 31.3)	2010/11	2009/10	+/-
Austria	1374	1280	94
China	4571	3380	1191
India	1278	942	336
Korea	213	227	-14
Others	50	46	4
	7486	5875	1611

Leased personnel

(as of 31.3)	2010/11	2009/10	+/-
Austria	171	44	127
China	3798	2623	1175
India	56	22	34
Korea	12	17	-5
	4037	2706	1331



**Competent Partner
for Industrial Solutions**

13 participants completed the AT&S International Management Program.

Leadership training for the central functions is a means of promoting diffusion of knowledge across the matrix structure. As an example, the 14-strong, international core team responsible for quality took steps to enhance its collective expertise by organising seminars in China and Austria. All leadership training initiatives focus on providing the knowledge and skills required for operating in an international environment.

Our global structure offers staff a wide variety of international career opportunities. The targeted employment of international experts continues to be one of the most effective methods of encouraging further qualitative improvements and quantitative expansion at the company's Asian facilities. The ongoing transfer of skills and expertise to China and India, which is designed to support the long-term expansion of capacities there, is a major priority in this regard.

Professional mobility and international collaboration are expressly encouraged, and assignments to different Group facilities are supported by our mobility policy.

International managers by country

	31 March 2011	31 March 2010
India	2	0
Korea	2	2
China	24	30
Other	3	5
	31	37

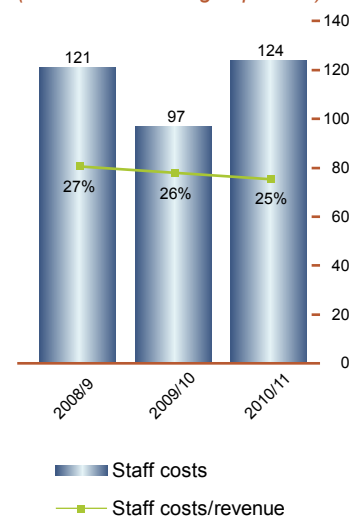
Continuing growth and structural adjustments

In the financial year just ended, headcount rose in line with our strategy of growth. The number of employees in China and India jumped by 20% and 50% respectively. As is standard practice in the Chinese market, hiring was mainly carried out through external recruitment agencies. The relocation of AT&S headquarters from Vienna to Leoben-Hinterberg was completed last year. The Group exploited the potential for process optimisation, and the transfer of knowledge was achieved through the relocation of staff to the new head office, while new recruits took part in a comprehensive induction programme.

Headcount

As at 31 March	2010/11	2009/10	+/-
Salaried	1392	1264	128
Non-salaried and temporary	5404	4161	1243
Trainees and work experience	690	450	240
	7486	5875	1611

Personnel expenditure (exkl. non-recurring expenses)



Corporate Social Responsibility

Integrated management system focusing on quality, people and the environment – a clear indication that environmental and economic interest need not conflict with social responsibility.

AT&S is an international electronics enterprise exposed to global competition, especially from competitors in Asia. As a global corporate citizen, AT&S is committed to combining an entrepreneurial approach with social and environmental responsibility. For AT&S sustainable business practice means using the available resources to deliver the best possible long-term results for all our stakeholders. We recognise that the “people, planet and profit” dimensions of performance need not conflict with each other. On the contrary, all three underpin the sustainability of a business.

Integrated management system

AT&S AG's integrated management system (IMS) helps the company to take a systematic, holistic approach to managing and mapping all internal business processes. This is essential to implementing company policy and meeting corporate targets. The system enables us to bring together the requirements with respect to a range of issues such as quality, safety and the environment in a uniform management system.

The IMS is also a management tool that facilitates long-term improvements within the organisation. The system is based on the ISO 9001 and IOS/TS 16949 (quality management for automotive production) quality standards, the ISO 14001 environmental management standard and the OHSAS 18001 standard for occupational health and safety.

All AT&S facilities are now covered by the IMS, and in the 2010/11 financial year the surface mount technology (SMT) production process at the Ansan plant also achieved ISO 9001 and ISO/TS 16949 certification – another important step towards expanding the product portfolio.

The suitability and effectiveness of the integrated management system is assessed by means of regular senior management reviews, internal audits and audits by independent certification bodies. These evaluation processes and the recommendations they generate are the basis for continuous improvements to the system, and are taken into account when devising new strategies and goals.

Occupational health and safety

Raising awareness of safe working methods and avoiding hazards and accidents is the primary objective of AT&S's occupational health and safety and emergency prevention activities. Ongoing

training courses, annual initiatives and long-term goals – all of which are part of the IMS – have led to a 43% drop in accident rates since 2008.

A global reporting system and standardised approaches have enabled AT&S to continuously improve its excellent safety record and reduce the time lost through accidents at work, which is already well below the statutory norms.

Environmental policy

AT&S is well aware of its responsibilities when it comes to protecting the environment. As products and processes improve steadily, conserving resources is a key objective which all staff are encouraged to pursue. The following targets reflect the principles set out in AT&S's environmental policy and its obligation to constantly enhance its environmental performance. These targets also take into account key environmental issues, as well as economic and operational considerations.

Environmental responsibility

Environmental protection is a constant source of challenges. The continuous improvement of products and processes is a vital task at all levels of the organisation. AT&S constantly strives to exceed statutory requirements and minimise the environmental impact of its products and services, while at the same time improving occupational health and safety standards.

Projects and long-term initiatives

Reduction in CO₂ emissions

In the financial year 2010/11 a project with the long-term goal of achieving an annual 5% reduction in emissions of this greenhouse gas was implemented at all plants. The environmental reporting system was amended to match, and measures were implemented internationally, which enabled the Group to stay well below the ceiling it had set itself of 53 kg of CO₂ emissions for every square metre of printed circuit boards produced.

AT&S photovoltaic pilot project at Hinterberg

A pilot photovoltaic (PV) array (AT&S PV array phase 1) was installed at the Hinterberg facility in December 2010. Electricity from the 4.7 kWp array is fed into the internal power grid, resulting in further cuts in CO₂ emissions. The additional 5 kW scheduled for installation in 2011 will help Hinterberg to reduce the amount of CO₂ it produces by 5,600 kg. Once the second phase of construction

is complete, the array will have a total capacity of 10,300 kWh.

AT&S's photovoltaic module is based on an innovative new concept that uses an outstanding combination of back-contacted solar cells and PCB technology. AT&S designed the module's back-sheet contact foils and produced them in-house. Its existing equipment makes possible a 1.6m x 1m production format, putting to good use the Group's accumulated printed circuit board manufacturing expertise.

The major advantages of the AT&S photovoltaic module are:

- Improved efficiency due to the combination of next-generation solar cells with PCB technology
- Reduced space requirements thanks to optimised arrangement of the solar cells in the module
- Compatibility with standard components, increasing cost effectiveness and simplifying installation
- Improved performance in shady conditions through individual string switching
- Choice of a range of colours and geometric forms made possible by innovative flexible design.

Innovative wastewater treatment plants in Shanghai and Nanjangud

Reducing and optimising materials consumption is part of our management policy. The use of innovative, high-performance wastewater treatment plants is just one indication of the steady improvement in the Group's environmental performance.

Half of the wastewater produced at our largest plant, in Shanghai, is recycled, and in recognition of this achievement, AT&S China was named a Model Enterprise in Water-Saving. In the course of expanding the Nanjangud facility in India, the proportion of wastewater recycled was increased to 80%.

Reduction in chemicals use

The introduction of new copper chloride regeneration technology at Nanjangud has resulted in an 80% saving in consumption of hydrochloric acid and hydrogen peroxide, both of which are regenerated in a process that also involves the recovery of copper. This groundbreaking new technology was implemented in partnership with a Chennai-based research institute.

Recycling printed circuit board waste

Metals such as copper, nickel and gold can be removed from PCBs and recycled. At present an average of 30% of a printed circuit board can be reused.

Social responsibility

Fulfilling its responsibilities as a corporate citizen is central to AT&S's way of thinking. This means going beyond compliance with minimum legal requirements for socially responsible behaviour. We aim to make a significant contribution to the welfare of people living in the catchment areas of our plants around the world by supporting health care and education projects.

Last year AT&S India supported the residents of villages close to the Nanjangud facility by offering free medical care at the plant once a week. AT&S and Chinese football star Sun Xiang – an ambassador for the Austrian pavilion – organised a surprise visit to EXPO 2010 in Shanghai for 10 ethnic-minority children from Ninglang, a remote mountainous region in Yunnan province. AT&S China also published a set of teaching DVDs, entitled Low Carbon & Green Journey, to mark the 2010 World Environment Day.

In Europe, AT&S's sponsorship activities focused on education, sports and social projects. The company is supporting a range of activities at Vienna University of Technology, Campus 02 in Graz, Graz University of Technology and Montanuniversität Leoben. AT&S's Leoben factory provided the TU Graz e-Power Racing Team with printed circuit boards specially designed for its Max-Wheel 2011 vehicle. We are also supporting the proposed referendum on reforms to the Austrian education system. AT&S provided vital assistance to numerous groups of people and organisations by supporting social projects initiated by Caritas, the Kinder-Krebs-Hilfe child cancer charity, and Institution für Behinderte Kinder, which supports children with disabilities. Sport also played a significant part in our CSR activities. Several employees participated in the 2010 LE-Laufevent, an athletics event in Leoben, while the company provided financial backing. AT&S staff have repeatedly demonstrated their commitment to social responsibility by organising spontaneous charitable campaigns. Last year, employees in Fehring collected donations to help victims of the disastrous chemical spill near Devecser, Hungary.

Fulfilling our responsibilities as a corporate citizen and going beyond compliance with minimum legal requirements for socially responsible behaviour: core considerations in AT&S's way of thinking.

Market Environment – Recovery to Pre-crisis Levels and Beyond

Printed circuit board market forecast to expand to USD 69.8bn by end of 2015

In the financial year 2010/11 the effects of the economic crisis were barely still noticeable. All segments of the market had begun to show signs of recovery before the start of the financial year, and the improvement continued as the year progressed.

Global printed circuit board sales increased to USD 51bn in 2010, up 23.6% on the previous year (2009: USD 41.2bn), with all regions benefiting from this growth. Production in China was up by almost 30%. Although production recovered in Europe by some 21% in 2010, at USD 2.5bn volumes fell well short of 2009 levels as the collapse in the crisis year had seen the European market contract by some 45.7%. Broken down by individual technologies, at 37.1% the strongest growth came from printed circuit boards for component housings, followed by double-sided printed circuit boards (up 26.2%) and multilayer printed circuit boards (up 22%).

The market is forecast to expand by fully 7% in 2011 to USD 54.6bn. Asia is expected to be the main growth driver. Analysts are predicting growth of

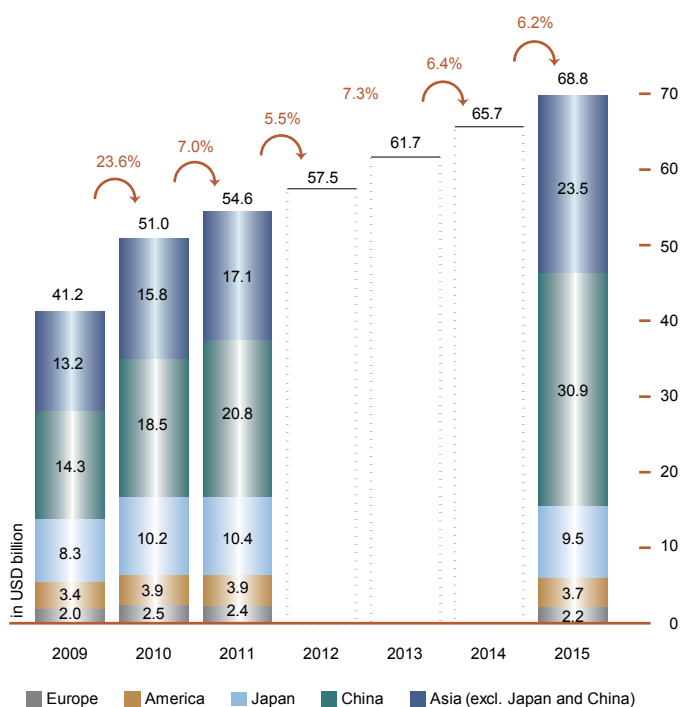
12.5% in China, and a respectable 7.5% for the rest of Asia (not including Japan). Growth will be weakest in Japan where the market will expand by just 1.4% on the previous year. The Americas and Europe are, however, expected to contract in 2011 (Americas down 0.4%, Europe down 1.8%). In terms of technology, HDI printed circuit boards will be the fastest growing segment with a 17% increase, followed by printed circuit boards for component housings with 12.1% and flexible printed circuit boards with 7.8%.

Over the next five years, i.e., until the end of 2015, the printed circuit board market is forecast to expand to USD 69.8bn, for an average annual growth rate (CAGR) of 6.5%. This growth will chiefly be attributable to increases in production in China where the growth rate is expected to average 10.8% over the period. Production volumes in the rest of Asia (not including Japan) are expected to increase by an average of 8.2%, while the other regions (Americas, Japan and Europe) will decline by 1-2% during the period.

Developments in consumer markets Automotive

The recovery of international car markets in 2010 was more rapid than expected. After a collapse in new vehicle sales in many countries in 2009 as a result of the financial crisis, sales improved noticeably as economies continued to gather pace throughout 2010. According to the German Association of the Automotive Industry (VDA) worldwide car sales for 2010 amounted to more than 61.7 million (up 12%). Growth was driven by Brazil, Russia, India and China (BRIC countries) and the US market. Global car sales are forecast to increase by a more moderate 3-5% in 2011.

Growth of the printed circuit board market



SOURCE: PRISMARK

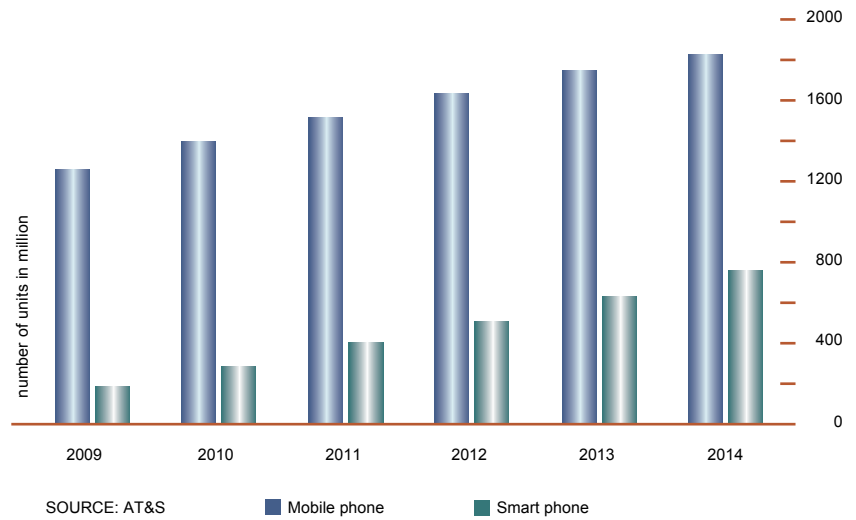
Industrial

Order intake and sales in the industrial electronics market in 2010 achieved some of their highest levels of the past 10 years. Growth for 2010 showed enormous gains compared with the 2009 crisis year. In the meantime the market has calmed, so that demand is now more in line with available capacity. Suppliers' delivery times have dropped significantly, and the pressures of competition have increased noticeably. For 2011 growth of 5-6% in the industrial market segment is expected.

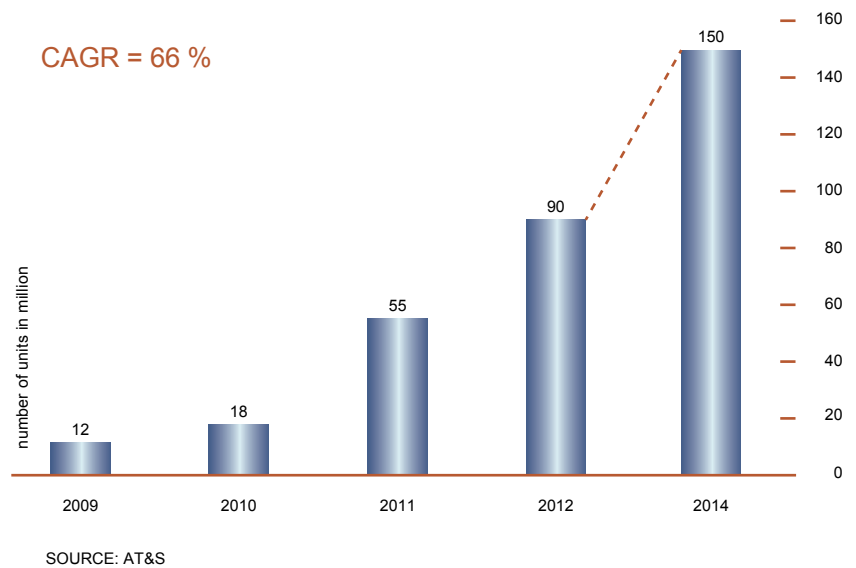
Mobile Devices

Smartphones and tablet PCs are the major growth drivers in the mobile devices segment. In 2010 smartphones already accounted for 20% of the overall mobile telephone market. In 2011 unit sales are forecast to rise by a further 40%, compared with just 10% for the market as a whole. Sales of tablet PCs are expected to jump by a similar amount (40-50%).

Development of mobile telephone sales



Development of tablet PC sales



Investor Relations

*AT&S secures
coveted IVA-DAVID
Award for IR activities*

The goal we pursue in our investor relations activities is to provide all capital market participants with up-to-date corporate information – transparently and simultaneously. This makes it all the more gratifying that our efforts have been recognised with the coveted IVA DAVID award. This accolade honours companies and individuals for significant contributions to the encouragement of broadly based capital markets and shareholder-friendly involvement. This award is testimony to the success of our efforts to retain and extend the trust of shareholders and the financial community in AT&S Group.

Share price

The share price recorded a steady increase until December 2010, reflecting the positive overall business performance during the period. The share reached a high of EUR 18.20 in mid-January, making it one of Austria’s best performing stocks in 2010. Reflecting the seasonal fluctuations in mobile phone sales and the disaster in Japan, which had the entire industry holding its breath, the share price fell back somewhat, closing the financial year on 31 March 2011 at EUR 15.84. An encouraging sign is the significantly increased liquidity of AT&S stock, with average daily traded volumes over the last 100 days amounting to around 6,000 shares, considerably higher than at the start of the year.

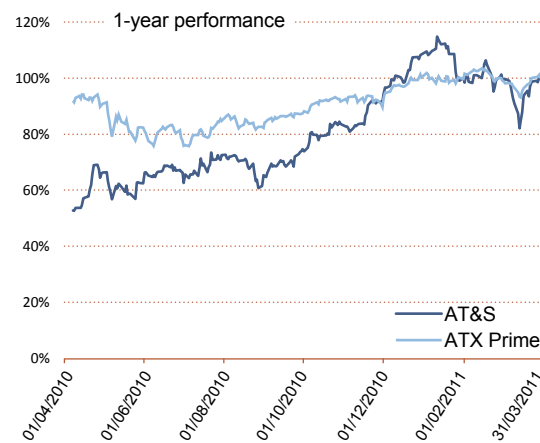
We made the most of these positive developments to raise awareness of AT&S stock among institutional investors in key European financial markets. Our autumn campaign centred on the Vienna, Frankfurt and Zürich financial markets, and on establishing close relationships with selected investors. In the spring the focus of our investor relations activities shifted to Asia, where we organised a non-deal roadshow in Hong Kong and Singapore in early March. Our Investors Day at the Shanghai site – the first of its kind – was well received by analysts and local media alike. The positive feedback and high levels of interest encountered in all three Asian financial centres were an encouraging start, and we now intend to expand our activities in these markets over the course of the next year.

Basis information AT&S share

Security ID number	969985
ISIN code	AT0000969985
Symbol	ATS
Reuters RIC	ATSV.VI
Bloomberg Listing	ATS AV Vienna Stock Exchange
Indexes	ATX Prime, WBI SME

At the end of September 2010, Landesbank Baden-Württemberg (LBWW) discontinued its coverage of AT&S stock because of internal restructuring measures. Fortunately, however, UniCredit, Deutsche Bank and Berenberg shortly afterwards all resumed their coverage, taking the total number of analysts covering AT&S from three at the start of the year to six.

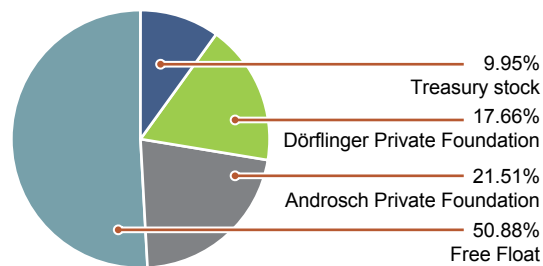
AT&S against the ATX Prime



AT&S share performance overview

in EUR	2010/11	2009/10	2008/09*
High	18,20	8,37	13,56
Low	8,04	2,99	2,60
Year end close (31 March)	15,84	8,25	2,95

* Figures reflect listing from 20 May 2008 on the Vienna Stock Exchange

Shareholdings**Financial calendar**

17th Annual General Meeting	7 July 2011
Quarter 1 2011/12	20 July 2011
Dividend payment day and ex-dividend date	28 July 2011
Quarter 2 2011/12	20 October 2011
Quarter 3 2011/12	24 January 2012
Annual results 2011/12	10 May 2012

Investor Relations

Martin Theyer

Tel.: +43 3842 200-5909

E-mail: ir@ats.net

Healthy Finances

A very healthy financial position: sufficient lines of credit available, agreed either in writing or orally

Financing policy

Subject to any local regulations, AT&S adopts a centralised treasury approach to finances, with external borrowing predominantly carried out by AT&S AG. A detailed summary of the various sources of finance, including the respective maturities, is given in Note 16, "Financial liabilities" in the Notes to Financial Statements (page 89).

Net debt

Capacity expansion in India and China and the capital investment that this necessarily entailed, combined with intensified research activities meant that in the financial year 2010/11 net debt increased by EUR 45.7m to EUR 193.7m. Last financial year also saw equity climb EUR 21.0m to EUR 229.8m, principally as a result of the improvement in consolidated net earnings and despite adverse currency effects of EUR 10.8m. The final outcome was that the gearing ratio rose from 70.9% to 84.3%.

Net debt 2010/11 and 2009/10

in EUR m	31 March 2010	31 March 2011
Current financial liabilities	116.4	70.5
+ Non-current financial liabilities	95.5	105.2
- Cash and cash equivalents	(4.2)	(13.4)
- Current financial assets	(13.9)	(14.2)
- Non-current financial assets	(0.1)	(0.1)
Net debt	193.7	148.0

Sources of finance

As at 31 March 2011 total financing amounted to EUR 212.0m: 84% of borrowings with maturities of more than one year were at fixed interest rates, and 16% at variable rates (but hedged with interest rate swaps). Of the total debt, 93% was euro-denominated, and 7% denominated in other currencies. Outstanding loans of EUR 53.9m were subject to financial covenants, with all of which AT&S was in compliance.

In the course of the financial year the term profile of AT&S's borrowings shortened slightly. With the current yield curve, this had a beneficial effect on average interest costs.

Financing maturities

in EUR m	Maturities		Total
	< 1 year	1–5 years	
Bonds	3.7	79.8	83.5
Export loans	36.0	–	36.0
Public sector loans	0.2	0.2	0.4
Bank borrowings	76.5	15.5	92.0
Derivative financial instruments	0.0	0.1	0.1
Total*	116.4	95.6	212.0

* at book value

Bond

The bond issued in May 2008 for EUR 80m matures on 27 May 2013. The coupon is fixed at 5.5% p.a. The bond (ISIN: AT0000A09S02) is listed on the Vienna Stock Exchange Third Market.

Export loans from Oesterreichische Kontrollbank (OeKB)

OeKB finances exports of goods and services if these directly or indirectly benefit the Austrian balance of payments. The bank provides short-term revolving export loan facilities for large companies up to a maximum of 15% of total export revenue.

Status and outlook

We currently see AT&S's financial position as very healthy: we have sufficient lines of credit available, agreed either in writing or orally. In the light of our customers' strongly growing needs for additional capacity, we shall be making capital investments of some EUR 130m in the financial year 2011/12. We are expecting the additional capacity to generate considerable growth and a significant increase in operating cash flows, which in turn will have a positive effect on gearing

Business Developments

Continuing strong demand for high-end printed circuit boards helped AT&S Group to achieve the best sales results in its history in the last financial year

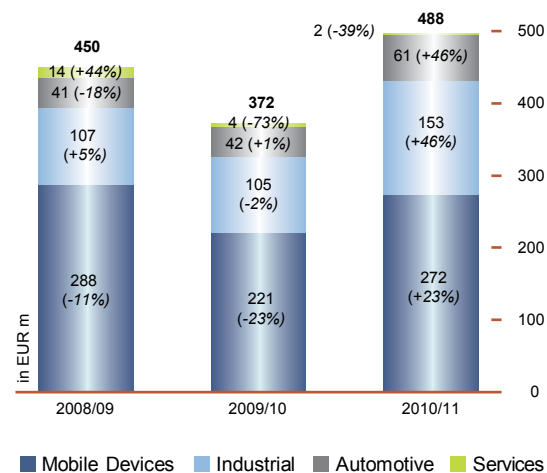
Profitability Income statement

(in EUR m)	2010/11	as % of total revenues	2009/10	as % of total revenues	Change
Revenues	487.9	100.0%	372.2	100.0%	31.1%
Cost of sales	(398.2)	(81.6%)	(327.3)	(87.9%)	21.7%
Gross profit	89.8	18.4%	44.9	12.1%	100.0%
Selling costs	(24.9)	(5.1%)	(18.8)	(5.1%)	32.5%
General and administrative costs	(22.0)	(4.5%)	(17.7)	(4.8%)	23.7%
Other operating result	6.3	1.3%	2.6	0.7%	138.9%
Non-recurring items	(2.7)	(0.5%)	(36.5)	(9.8%)	(92.7%)
Operating result	46.5	9.5%	(25.6)	(6.9%)	282.0%
Financial result	(3.2)	(0.7%)	(8.4)	(2.2%)	(61.6%)
Profit before tax	43.3	8.9%	(33.9)	(9.1%)	227.7%
Income tax expense	(8.3)	(1.7%)	(3.7)	(1.0%)	124.2%
Profit for the year	35.0	7.2%	(37.6)	(10.1%)	193.1%
thereof minority interest	(0.1)	0.0%	(0.3)	(0.1%)	(60.7)%
thereof equity holders of the company	35.2	7.2%	(37.3)	(10.0%)	194.4%
Earnings per share (in EUR)	1.5		(1.6)		

Revenues

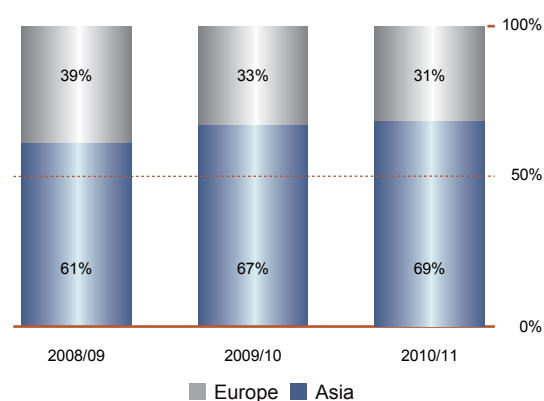
Continuing strong demand for high-end printed circuit boards in mobile devices in particular, but also from industrial and automotive customers, helped AT&S Group in the last financial year to achieve the best sales results in its history. The fourth quarter of the AT&S financial year has traditionally always been weaker owing to the Chinese New Year, but the record sales of about EUR 130 million in the second quarter attracted favourable attention. AT&S Group posted total sales of EUR 488m for the financial year just ended, surpassing the previous record of EUR 486m in pre-crisis 2007/08.

Development of revenues



Our Asian facilities produced 69% of total sales in the period under review, up from 67% a year earlier (before the relocation of volume production from Austria to Asia). Asia's contribution to revenue will continue to grow as the planned expansion in capacity there is implemented.

Revenue generated in Europe and Asia



The breakdown by countries shows that 47% of revenues were generated in Europe. The largest markets in the region were Germany (EUR 128.5m), Hungary (EUR 41.1m) and Austria (EUR 24.6m). Asia accounted for 27% of revenues, while the USA, Canada and Mexico contributed 25% to the total. Around 1% was attributable to other countries.

Earnings

The restructuring measures of the past two years, painful though they were, proved to be both necessary and right, as the operating results for the financial year 2010/11 clearly show. With excellent capacity utilisation in all AT&S Group facilities and strong demand for high-end printed circuit boards, operating results moved vigorously back into profit. In addition, the full benefits of

the cost reduction measures were felt for the first time. The associated non-recurring items consisted of staff costs of EUR 1.952m in connection with the premature termination of a Management Board appointment, made up of expenses for severance and separation compensation and attributable pensionable service and other entitlements. The other non-recurring expenses were attributable to the closure of the Vienna office.

Earnings excluding non-recurring items

(in EUR m)	2010/11	as % of total revenues
Operating profit	46.5	9.5%
Non-recurring items	2.7	
EBIT excluding non-recurring expenses		10.1%
Financial result	(3.2)	
Profit before tax	46.0	9.4%
Income tax expense	(8.3)	
Consolidated net profit excluding non-recurring expenses	37.7	7.2%
Earnings per share (EUR)	1.62	

Dividends

AT&S remains committed to its conservative dividend policy – the distribution of around 10% of cash earnings. In line with this policy, the Management Board will propose a dividend of EUR 0.36 at the Annual General Meeting on 7 July 2011.

Management Board to propose dividend of EUR 0.36 at the Annual General Meeting on 7 July 2011

Net cash inflows from operating activities up 50% year on year, at EUR 70.7m

Financial standing
Balance sheet (summary)

in EUR m	31 March 2011	Structure	31 March 2010	Structure	Change
Non-current assets	403.6	70.2%	326.0	67.4%	24
Current assets	171.7	29.8%	157.4	32.6%	9%
TOTAL ASSETS	575.3		483.4		19%
Equity	229.8	39.9%	208.8	43.2%	10%
Non-current liabilities	126.1	21.9%	135.6	28.1%	(7%)
Current liabilities	219.4	38.1%	139.0	28.8%	58%
TOTAL EQUITY AND LIABILITIES	575.3		483.4		19 %

Total assets at 31 March 2011 amounted to EUR 575.3m, of which non-current assets accounted for 70%. The value of property, plant and equipment compared with the beginning of the financial year rose by nearly EUR 77m, mainly as a result of capital investment in India and China. The increase in current assets was largely due to higher inventories and receivables.

Equity at balance sheet date totalled EUR 229.8m. This represented a year-on-year increase of around EUR 21.0m, reflecting the satisfactory earnings position. The equity ratio continues to be strong, at roughly 40%. In the financial year 2010/11 no further shares were repurchased under the share buy-back programme. As at 31 March 2011 AT&S held 2,577,412 treasury shares, or 9.95% of the issued share capital, with a total acquisition cost of EUR 46.6m.

During the past financial year financial liabilities increased to EUR 212.0m, as a result of the increase in net capital investment. Of this, bonds made up EUR 80.0m, and export loans amounted to EUR 36.0m. In the financial year 2009/10 long-term financing was taken up to finance the plant in South Korea and the expansion of the plant in India. In the financial year 2010/11 more of these funds were drawn down. The financing is repayable in half-yearly instalments ending on 31 March 2014. More detailed information on the Group's sources of funds can be found under "Financing" in this report.

Cash flow

Net cash inflows from operating activities of EUR 70.7m were 50% better than last year, mainly because of the greatly improved operating results.

Net cash used for property, plant and equipment purchases (CAPEX), and in particular for investments in maintenance, climbed to EUR 115.1m, representing roughly 24% of sales revenues.

Net cash inflows from financing came to EUR 36.9m in the financial year 2010/11. While in the financial year 2009/10 financial liabilities were reduced by EUR 19.5m, in this financial year they increased by a total of EUR 38.5m.

Outlook and Guidance

The wider application of electronic systems in everyday life, the growing penetration rate of communication applications and the increasing functionality of mobile devices will all lead to rising demand for high-end printed circuit boards. The Management Board expects these developments to deliver above-average benefits for the AT&S Group.

Over the next three years the Group aims to outpace the growth in the market and to consolidate its leading role in the high-end printed circuit board business. The overall goal is to increase the Group's sales by 10-13% per year over the next few years (ignoring possible effects of changes in exchange rates) with the mobile devices business as the principal engine of growth.

The Management Board's growth scenario for the next few years foresees that every second HDI (High Density Interconnect) printed circuit board will be manufactured in China. To consolidate and extend its current position as a market leader in this highly specialised segment, AT&S has decided to build a new HDI plant in Chongqing (Western China). Construction of the plant will proceed in stages: the timing of each stage will be determined by market demand and technological developments.

The first step will be to develop the land acquired (120,000 m²) as quickly as possible and to construct the necessary buildings and infrastructure. Approximately EUR 50m has been set aside for this purpose (the exact amount will depend on the prevailing dollar exchange rate). As at our existing factory in Shanghai, the new HDI plant in Chongqing will be one of the most modern production facilities of its kind; focusing on any-layer and equipped with the latest technologies for printed circuit board manufacturing, such as ALIVH® (Any-Layer Interstitial Via Hole). On completion of the first phase, AT&S will have additional high-end HDI production capacity of around 200,000 m².

To further strengthen its position as a technology leader, AT&S will invest up to 6% of its revenues in R&D activities every year. The focus will be on further developing the existing technology portfolio and addressing new technological trends.

The Management Board also expects that increasing production costs caused by rising raw material prices, wage costs and a higher burden of depreciation will by and large be compensated for by further improvements in productivity, and can otherwise be absorbed by the market. This should mean that the EBIT margin (adjusted for any exchange rate effects) will be maintained at the current high level. Seasonal effects, in particular in the mobile devices business, can result in fluctuations during the year.

In the long term, the Management Board will maintain its target gearing ratio of 80% in spite of the heavy capital investment program.

Guidance FY 2011/12

Revenues: approximately
EUR 535-550m**

EBIT margin: over 9%*

Effective
tax rate: around 20%

CAPEX: EUR 130m plus**

* Adjusted for possible exchange rate effects

** Precise cut-off during financial year not practicable, exchange rate fluctuations ignored

Corporate Governance Report

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Competent partner
for Lightning Solutions

Principles & Corporate Governance Declaration

AT&S Austria Technologie & Systemtechnik AG (AT&S) declares its voluntary adherence to the Austrian Corporate Governance Code (ÖCGK) in the version of January 2010.

Corporate Governance Code

In Austria the Corporate Governance Code drawn up by the Working Group for Corporate Governance under the guidance of the government authorities responsible for the Austrian capital markets has been in force since 1 October 2002. Since then it has been reviewed annually in light of national and international developments and where necessary amended, most recently with effect from 1 January 2010.

The Code contains all the rules essential to good corporate governance, divided into the following categories:

- L Rules (legal requirements): rules based on mandatory statutory requirements
- C Rules (comply or explain): rules from which any departure must be explained
- R Rules (recommendations): rules in the nature of recommendations, where non-compliance need neither be disclosed nor explained.

The version of the ÖCGK currently in force can be downloaded from the Working Group's website. An English translation of the Code and interpretations of the Code prepared by the Working Group are also available there.

AT&S has for many years been following a strategy designed to further long-term, sustainable growth in the Group's value. The AT&S share has been listed on the Vienna Stock Exchange since May 2008, and since then the company has subscribed to the Austrian Corporate Governance Code. An undertaking to comply with the ÖCGK is a requirement for Austrian companies seeking to be listed on the Vienna Exchange's Prime Market. AT&S's commitment to the principles of good governance is reflected in the open discussions that take place within and between the Management Board and the Supervisory Board.

With the following declarations of undertaking AT&S already complies as of 31 March 2011 with all the provisions of the ÖCGK in the version of January 2010:

C Rules 27-28a and all related passages

These rules were amended in the course of the most recent review of the ÖCGK in December 2009 and came into force on 1 January 2010. Rules 27, 27a and 28 contained in the version of January 2010 only apply to contracts concluded after 31 December 2009. As a result, these rules do not apply to the Management Board appointment of Mr Moitzi. Due to the short period between the most recent review of the ÖCGK and the appointment of Mr Gerstenmayer as Chairman of the Management Board in mid-December 2009, and in order to avoid any departure from the remuneration regulations applicable to the appointment of Mr Moitzi, the new rules were not considered in the contract concluded with Mr Gerstenmayer in January 2010. These rules were also not included in the Management Board appointment agreed with Mr Obendrauf in October 2010, in order to avoid unequal treatment of individual Management Board members.

Management bodies of a public limited company

The Management Board is responsible for managing the affairs of the company so as to further the wellbeing of the company and the interests of shareholders, employees and the general public. Members of the Management Board are appointed by the Supervisory Board.

The Supervisory Board is responsible for overseeing the management of the company and must meet at least once a quarter. Members of the Supervisory Board are appointed by the General Meeting. In addition, the employee representatives are entitled to delegate one representative as a Supervisory Board member for every two Supervisory Board members elected by the General Meeting.

The General Meeting is the primary forum for shareholders to exercise their participatory decision-making rights as provided under statute and the company's articles of incorporation.

AT&S AG Management Board

The Management Board is collectively responsible for the management of the company. Each member of the Management Board is also responsible for specific areas of the business – which does not affect their collective responsibility. Management Board members have a duty to keep each other informed of all important business events and transactions. Fundamental issues of business policy and major decisions require the joint decision of all Management Board members. If unanimous agreement is not reached on such decisions, the Chairman of the Supervisory Board must be informed without delay. The Supervisory Board must also be informed of all proposed decisions which have far-reaching consequences.

The rules and procedures of AT&S's Management Board require the Board to meet at least once a month. In the past financial year there were a total of 24 Management Board meetings. Written minutes of all Board meetings and decisions are taken.

As at 31 March 2011, the Management Board of AT&S was composed of Andreas Gerstenmayer (Chairman), Thomas Obendrauf (Deputy Chairman and Chief Financial Officer) and Heinz Moitzi (Chief Technical Officer).

Steen E. Hansen left the Management Board with effect from 8 October 2010.

Andreas Gerstenmayer – Chairman of the Management Board since 1 February 2010;
appointed until 31 January 2013

Andreas Gerstenmayer was born on 18 February 1965, and is a German citizen. He studied Production Engineering at Rosenheim University of Applied Sciences. In 1990, he joined Siemens in Germany, working first in lighting, and then holding various management positions in the Siemens Group. In 2003 he was appointed Managing Director of Siemens Transportation Systems GmbH Austria and CEO of the Drive Technology business unit in Graz (world headquarters). He has been a partner at FOCUSON Business Consulting GmbH since 1 January 2009, but left the operational consulting business after becoming Chairman of the Management Board at AT&S. Mr Gerstenmayer does not hold positions on the supervisory boards of any other listed companies. Andreas Gerstenmayer's managerial responsibilities are sales and marketing, human resources, investor relations, PR and internal

communication, and business development and strategy. As Chairman of the Management Board he is responsible for implementing the decisions and resolutions of the Management Board, the Supervisory Board and the Annual General Meeting, and seeing that they are carried out.

Thomas Obendrauf – Chief Financial Officer and Deputy Chairman of the Management Board since 29 October 2010;
appointed until 28 October 2015

Thomas Obendrauf was born on 21 August, 1970. From 1989 to 1993, he studied business and commerce at Vienna University of Economics and Business. He became a qualified tax adviser in 1997, and a certified public accountant (CPA) in Illinois, USA in 1999. From 2002 to 2004, Mr Obendrauf completed an executive MBA at the University of Chicago's Graduate School of Business. After seven years at Price Waterhouse AG Österreich (from 1993–2000), he moved to AAA net.com Dienstleistungen GmbH, where he was Managing Director. Mr Obendrauf joined AT&S in 2001, initially heading up Group Controlling, and then held the position of Chief Financial Officer for AT&S (China) Co. Ltd. from 2005–2010. In October 2010, he moved back to Austria to become AT&S's Chief Financial Officer. Thomas Obendrauf is responsible for finance and accounting, controlling, internal audit, legal affairs and insurance, IT and back office, supply chain management and procurement.

Heinz Moitzi – Chief Technical Officer since 1 April 2005;
appointed until 31 March 2013

Heinz Moitzi, born on 5 July 1956, studied electrical installation with Stadtwerke Judenburg (Judenburg municipal utility company) from 1971 to 1975. From 1976 to 1981 he attended a higher technical college of electrical engineering (HTBL), where he completed his adult education certificate. In 1981 he worked as a measurement engineer at the Leoben University of Mining and Metallurgy. Mr Moitzi has been working at AT&S since 1981, first as head of the mechanics and galvanics department, then as production and plant manager at Hinterberg. He was project manager and COO at AT&S in Shanghai from 2001 to 2004, returning to take up the position of Vice President Production. Heinz Moitzi's specific managerial responsibilities are for production, research & development, quality, the environment, safety, maintenance and waste disposal.



Andreas Gerstenmayer
CEO and Chairman



Thomas Obendrauf
Chief Financial Officer



Heinz Moitzi
Chief Technical Officer

AT&S AG Supervisory Board

Name	Date of birth	Date of first appointment	End of current appointment
Hannes Androsch	18.04.1938	30.09.1995*	21 st AGM 2015
Willibald Dörflinger	20.05.1950	05.07.2005	21 st AGM 2015
Gerhard Pichler	30.05.1948	02.07.2009	20 th AGM 2014
Georg Riedl	30.10.1959	28.05.1999	17 th AGM 2011
Karl Fink	22.08.1945	05.07.2005	21 st AGM 2015
Albert Hochleitner	04.07.1940	05.07.2005	21 st AGM 2015
Wolfgang Fleck	15.06.1962	03.09.2008**	
Johann Fuchs	16.12.1959	20.11.1996**	
Günther Wölfler	21.10.1960	10.06.2009**	

* AT&S was originally established as a Gesellschaft mit beschränkter Haftung (limited liability company). The shareholders' meeting of 23 June 1995 passed a resolution changing the company into an Aktiengesellschaft (public limited company), and appointed the Supervisory Board members including Hannes Androsch. The Aktiengesellschaft was registered in the Register of Companies on 30 September 1995.

** delegate of the Works Council; date of first appointment corresponds to the date of the first meeting of the Supervisory Board attended.

The Supervisory Board is responsible for policy issues and the Group's strategic focus.

In the 2010/11 financial year, four Supervisory Board meetings took place, with the participation of the Management Board. In these meetings the Management Board provided the Supervisory Board with reports on the state of AT&S Group's affairs. Strategic projects, long-term strategy, measures to cope with the economic crisis, and structural and staff changes were discussed and decided upon. At an extraordinary meeting on 8 October 2010 the Supervisory Board appointed Thomas Obendrauf as Chief Financial Officer on the Management Board, replacing Steen E. Hansen.

Outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board also held ongoing discussions with regard to the Group's strategic focus and the progress of its business activities.

Structure

Hannes Androsch is Chairman of the Supervisory Board. With a doctorate in economics, he is a non-practising certified accountant and tax adviser. From 1970 to 1981 he was Austrian Federal Minister of Finance, and between 1976 and 1981 he was also the country's Vice Chancellor. After leaving politics, he was General Director of the CA Creditanstalt-Bankverein from 1981 to 1988. In 1989, he founded AIC Androsch International Manage-

ment Consulting, and began building an industrial conglomerate which comprises a number of well-known Austrian companies, including AT&S, which Mr Androsch acquired together with Willibald Dörflinger and Helmut Zoidl in a management buyout in 1994. Other supervisory board positions held by Dr Androsch at listed companies:

- HTI High Tech Industries AG

Willibald Dörflinger is First Deputy Chairman of the Supervisory Board. He began his professional career in 1972 with M. Schmid & Söhne, before moving to Honesta, Holz- und Kunststoffwarenindustrie in 1974. In 1978 he became head of technical procurement at EUMIG Elektrizitäts- und Metallwaren Industrie GesmbH; from 1980 was head of the department for circuit boards and surface technology, and between 1986 and 1990 he was Managing Director. From 1990 to 1994 Mr Dörflinger was a member of the AT&S Management Board as well as Managing Director of EUMIG Fohnsdorf Industrie GmbH. In 1994, together with Hannes Androsch and Helmut Zoidl, he conducted a management buyout of AT&S, and in the period until 2005 he was first Managing Director, then a Member and finally Chairman of the Management Board. In 2005 he moved to AT&S's Supervisory Board.

Other supervisory board positions held by Mr Dörflinger at listed companies:

- HTI High Tech Industries AG
- HWA AG

Gerhard Pichler, Supervisory Board Member at AT&S since 2 July 2009, studied business administration at the Vienna University of World Trade (now the Vienna University of Economics and Business). He is an auditor and tax adviser. Since 1986, Mr Pichler has been Managing Director of CONSULTATIO Wirtschaftsprüfung GmbH & Co. KG, and since 1995 Managing Partner of the CONSULTATIO group.

Other supervisory board positions held by Mr Pichler:

- Loser Bergbahnen GmbH & Co.KG
- paysafecard.com Wertkarten AG

Directorships and management board memberships:

- Member of the Management Board, Androsch Privatstiftung
- Member of the Management Board, Dörflinger Privatstiftung
- Managing Director, A + D Liegenschaftsbesitz GmbH
- Managing Director, F.X. Mayr Kurhotel Besitz GmbH
- Managing Director, European Trans Energy Beteiligungs GmbH
- Managing Director, Gerhard Pichler Wirtschaftsprüfung und Steuerberatung GmbH
- Managing Director, AULA Wirtschaftstreuhand GmbH

Karl Fink graduated in business studies from the Vienna University of Economics and Business in 1971. From 1971 to 1975 he worked for Marubeni Corporation in international commodities trading, before moving to the Wiener Städtische Wechselseitige Versicherungsanstalt in Vienna. Between 1979 and 1987, he was Chairman of the Management Board of Interrisk – Internationale Versicherungs-Aktiengesellschaft. In 1987 he became a member of the Management Board of Wiener Städtische Allgemeine Versicherungs AG, and in July 2004 he became Deputy Managing Director. He was appointed Managing Director of Wiener Städtische Versicherung AG Vienna Insurance Group (VIG) in October 2007. With effect from 30 September 2009, Mr Fink ceased to be a member of the Management Board and moved to Group Management. He is also a member of the management board of the majority shareholder in VIG, Wiener Städtische Wechselseitiger Versicherungsverein - Vermögensverwaltung - Vienna Insurance Group.

Other supervisory board positions held by Mr Fink at listed companies:

- Wienerberger AG

Albert Hochleitner completed his studies in engineering physics at Vienna University of Technology in 1965. In the same year, he joined the Siemens Group's low voltage works in Vienna. In 1984 he was appointed Chairman of the Management Board of Uher AG. In 1988 he moved to Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Würzburg. In October 1992 he was appointed to the Management Board of Siemens AG Austria, becoming Chairman in February 1994. In 2005 he moved to the Supervisory Board of Siemens AG Austria.

Georg Riedl acquired his doctorate in law in 1984 from the University of Vienna. In 1991 he set up in independent practice as Riedl & Ringhofer. He specialises in business, commercial, corporate and tax law, mergers and acquisitions, and contract law.

Other supervisory board positions held by Mr Riedl:

- Österreichische Salinen Aktiengesellschaft
- Salinen Austria Aktiengesellschaft
- Wiesenthal & Co AG
- paysafecard.com Wertkarten AG
- bwin Services AG
- bwin.party digital entertainment plc

Employee participation in supervisory boards and their committees is mandated by law, and forms part of the Austrian corporate governance system. Employee representatives are entitled to delegate one representative as a supervisory board member for every two supervisory board members elected by the General Meeting. If the number of shareholders' representatives is odd, the number of employee representatives is rounded up. This one-third representation also applies to all supervisory board committees, with the exception of meetings and votes concerning the relationship between the company and its management board members. Resolutions appointing or dismissing a management board member and the granting of stock options in the company are also excepted.

Wolfgang Fleck, Johann Fuchs and Günther Wölfler were delegated to the Supervisory Board by the Works Council.

Independence of Supervisory Board Members

The ÖCGK specifies that the majority of Supervisory Board members representing the shareholders must be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria to be used in determining the independence of its members.

Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The following criteria are applied in determining the independence of Supervisory Board members:

- The Supervisory Board member has not been a member of the Management Board, or a senior manager of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member has not had a business relationship with the company, or any of its subsidiaries, of material significance to that member during the last financial year, nor has such a business relationship currently. This also applies to business relationships between AT&S Group and enterprises in which the Supervisory Board member has a significant economic interest.
- The Supervisory Board member has not been a statutory auditor of the Company, nor a person with an interest in the audit firm, nor an employee of any such firm during the last three years.
- The Supervisory Board member is not a member of a management board of another company where a member of AT&S's Management Board is a member of that company's supervisory board.
- The Supervisory Board member has not been a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with entrepreneurial interests in the Company, or who represent the interests of such shareholders.
- The Supervisory Board member is not a close family relative (direct descendant, spouse, lifetime partner, parent, uncle, aunt, sibling, nephew or niece) of a Management Board member or of any person in a position described in the foregoing points.

Every Member of the Supervisory Board representing shareholder interests declared whether they were independent in the meaning of the above criteria at the meeting of 15 March 2011. In the light of the consultancy agreement between AIC Androsch International Management Consulting GmbH and AT&S (see also below, under Agreements requiring approval), Hannes Androsch declared himself as not independent. Willibald Dörflinger was Chairman of the AT&S Management Board until 30 June 2005, and for this reason had in previous years repeatedly declared himself as not being independent. Following the expiry of the five-year period within which an independent member of the Supervisory Board, in accordance with C Rule 53 of the ÖCGK and the criteria specified by the Supervisory Board, may not be a Member of the Management Board, or hold a management position in the company or in a subsidiary of the company, Mr Dörflinger declared himself to be independent. All other members of the Supervisory Board appointed by the Annual General Meeting declared themselves to be independent in the sense of C Rule 53.

C Rule 54 specifies that for companies with a free float in excess of 50%, at least two Supervisory Board members who are independent should also not be shareholders with interests in excess of 10%, or representatives of such interests. Karl Fink and Albert Hochleitner fulfil these criteria and declared themselves as independent in this sense as well.

Agreements requiring approval

In connection with various acquisitions and projects, AT&S Group has purchased consultancy services from AIC Androsch International Management Consulting GmbH, which is headed by the Chairman of AT&S's Supervisory Board. In the 2010/11 financial year, fees for such services amounted to EUR 411,000.

Committees

In order to provide itself with effective support and to deal with complex technical matters, the Supervisory Board has established two committees which carry out detailed analysis of particular issues and report their findings to the Supervisory Board.

Audit Committee

In the financial year under review, the Audit Committee comprised:

- Gerhard Pichler (Chairman and finance expert)
- Georg Riedl
- Wolfgang Fleck

Following a resolution passed by the Supervisory Board after the end of the 2010/11 financial year, the membership of the committee is as follows:

- Willibald Dörflinger (Chairman)
- Gerhard Pichler (finance expert)
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Audit Committee monitors the accounting process and the work of the statutory auditor, monitors and reviews the statutory auditor's independence, reviews the preparation and audit of the annual financial statements, and reviews the proposed distribution of profits, the management report and the corporate governance report. The Committee is responsible for reporting on the results of its reviews to the Supervisory Board. The Audit Committee also does the preparatory work for the Supervisory Board on all issues in connection with the audit of the consolidated financial statements, consolidated management report and the consolidated accounting process. It submits a proposal for the appointment of the statutory auditors and reports on this matter to the Supervisory Board. The Audit Committee is also responsible for monitoring the effectiveness of the groupwide internal control system and, where appropriate, the Company's internal audit and risk management systems. The Audit Com-

mittee convened twice in the last financial year. Its activities focused primarily on the discussion and review of the annual and consolidated annual financial statements for the year ended 31 March 2010, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2010/11, and the discussion of the risk management, internal control and internal audit systems. The Chairman of the Audit Committee was also involved in the quarterly reporting in the period under review and reported on these matters to the Audit Committee.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

- Hannes Androsch (Chairman)
- Karl Fink
- Albert Hochleitner
- Wolfgang Fleck
- Johann Fuchs

The Nomination and Remuneration Committee submits proposals to the Supervisory Board for appointments to fill vacancies on the Management Board. It deals with succession planning issues, the remuneration of Management Board members and the details of their contracts of appointment. The Nomination and Remuneration Committee is authorised to make decisions in cases of urgency. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies.

In the financial year just ended, the plenary session of the Supervisory Board passed the resolutions required in connection with Steen E. Hansen's resignation of his Management Board appointment as CFO and the appointment of Thomas Obendrauf to the position of CFO.

Remuneration Report

The following report presents the remuneration of AT&S's Management and Supervisory Board members. It should be read in conjunction with the explanations in the notes to the annual and consolidated financial statements 2010/11.

Management Board remuneration

Total remuneration of Management Board members

(in EUR 1,000)	Financial year 2010/11			Financial year 2009/10		
	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	393	299	692	58	–	58
Heinz Moitzi	308	236	544	314	–	314
Thomas Obendrauf	143	119	262	–	–	–
Steen E. Hansen	365	1,999	2,364	365	–	365
Harald Sommerer	–	394	394	457	423	880
			4,256			1,617

The variable remuneration paid to Steen E. Hansen in the financial year 2010/11 mainly comprised contractual severance payments and the settlement of other claims in relation to the premature termination of his Management Board appointment. Such payments accounted for all of the variable remuneration received by Mr Harald Sommerer during the financial year 2009/10.

The variable remuneration paid to Mr Hansen and Mr Sommerer in the financial year 2010/11 also included cash settlement of stock options exercised.

	Options allotted as of 1 April				Summe
	2007	2008	2009	2010	
Andreas Gerstenmayer	n,a	n,a	n,a	40,000	40,000
Heinz Moitzi	30,000	30,000	30,000	30,000	120,000
Thomas Obendrauf	1,500	1,500	1,500	1,500	6,000
Exercise price (EUR)	22.57	15.67	3.86	7.45	

The current stock option-based system of Management Board remuneration at AT&S is based on the Stock Option Scheme 2009–2012, which runs from 1 April 2009 to 1 April 2012. The options granted can be exercised in tranches: up to 20% after two years, up to 30% after three years, and up to 50% after four years following allotment. Stock options may be exercised in whole or in part after completion of the vesting period, although not during a restricted period. Allotted options not exercised within five years of the date of grant expire without compensation.

Following his departure from the Management Board, Harald Sommerer made use of his entitlement to exercise a portion of the stock options allocated to him before the agreed deadline of 31 January 2011. On 17 November 2010 Mr Sommerer exercised the full allocation of 40,000 options received on 1 April 2009. The remaining options expired on 31 January 2011. Of the options allocated to Steen E. Hansen, 30,000 of the amount allocated on

1 April 2009 were exercised on 18 February 2011. The remaining 90,000 options will expire on 31 January 2012.

Thomas Obendrauf was previously a member of the Stock Option Scheme in virtue of his senior management position. The new allocation of options on 1 April 2011 will reflect his promotion to the Management Board.

In the financial year 2010/11 the variable remuneration of the Management Board not consisting of stock options and of all employees whose remuneration includes variable elements depended on the achievement of two performance measures defined in the budget, with equal weight attached to return on capital employed (ROCE) and cash earnings. Bonuses were restricted to a maximum of 200% of the annual bonus set out in the contract of employment.

Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG) if their appointments are terminated. In the event of premature termination of a Management Board member's appointment for reasonable cause or where the function disappears for legal reasons, remuneration is payable until the end of the appointment contract. Where a Management Board member resigns the appointment or is removed from office for severe breach of duty, and in case of death, payment of salary ceases at the end of the applicable month.

Management Board pension entitlements are defined benefit or defined contribution plans agreed individually. Mr Hansen and Mr Moitzi were awarded pension entitlements of 1.2% of their most recent salary for each year of service, up to a maximum of 40%. A contribution of 10% of the gross monthly salary of Mr Gerstenmayer and Mr Obendrauf is paid into a pension fund.

Departure of Steen E. Hansen from the Management Board

Steen E. Hansen's Management Board appointment was terminated by mutual agreement with effect from 31 January 2011. In accordance with the conditions of the Stock Option Scheme, all of the options granted to Mr Hansen vest as of the date of termination of the appointment and may be exercised until 31 January 2012 at the latest. Any unexercised options expire after that date and no compensation is payable. In line with this agreement, on 18 February 2011 Mr Hansen exercised 30,000 of the options allocated to him on 1 April 2009. Mr Hansen also received a contractual severance payment of EUR 342,000, a one-time bonus payment of EUR 220,000 in accordance with the terms of his employment contract, and a lump sum of EUR 1,108,755 in settlement of other claims arising from his Management Board appointment. His pension entitlements are vested and protected against inflation until they become payable under the terms of the employment contract.

Supervisory Board remuneration

Total remuneration and personal services by members of the Supervisory Board:

(in EUR 1,000)	Payout period		
	Financial year 2010/2011		
	Fixed	Variable	Total
Hannes Androsch	16	–	16
Willibald Dörflinger	9	–	9
Erich Schwarzbichler	2	–	2
Gerhard Pichler	9	–	9
Georg Riedl	11	–	11
Albert Hochleitner	11	–	11
Karl Fink	10	–	10
	68	–	68

The employee representatives receive no remuneration for their work on the Supervisory Board.

The Chairman of the Supervisory Board receives fixed remuneration of EUR 30,000 per financial year, the Deputy Chairman EUR 25,000 and all other elected members EUR 20,000. Chairmanship of a Committee is remunerated with a fixed amount of EUR 3,000 per financial year, and membership of a Committee with EUR 2,000. The variable element of Supervisory Board remuneration consists of attendance fees and a bonus based on AT&S's achieving the level of ROCE established in the budget. The attendance fee is generally EUR 400 per Supervisory Board meeting. In addition, the Chairman of the Supervisory Board receives an ROCE-based bonus of EUR 10,000 per financial year if the budgeted level is fully achieved, other members of the Board EUR 5,000. Members of the Supervisory Board do not receive stock options in the Company.

Directors and officers liability insurance (D&O)

The D&O insurance at AT&S covers all past, present and future members of the Company's and its subsidiaries' managing and supervisory bodies. The insurance covers court and all other costs of defence against unwarranted claims, together with the satisfaction of warranted claims for pure financial loss arising from breaches of duty by the insured in their managerial or supervisory activities. The insurance is valid worldwide. The annual premium is paid by AT&S.

Directors' Holdings & Dealings

(in EUR 1,000)	Shares				Options under Stock Option Scheme				
	Holdings		Holdings		Holdings		Holdings		Average strike price (EUR)
	31 March 2010	Change	31 March 2011	% capital	31 March 2010	Change	31 March 2011		
Andreas Gerstenmayer	0	0	0	0.00%	0	40,000	40,000	EUR 12.39	
Heinz Moitzi	1,672	0	1,672	0.01%	120,000	0	120,000	EUR 12.39	
Thomas Obendrauf	0	0	0	0.00%	4,500	1,500	6,000	EUR 12.39	
Hannes Androsch	445,853	0	445,853	1.72%					
Androsch Privatstiftung	5,570,666	0	5,570,666	21.51%					
Willibald Dörflinger	0	0	0	0.00%					
Dörflinger Privatstiftung	4,574,688	0	4,574,688	17.66%					
Gerhard Pichler	19,118	0	19,118	0.07%					
Georg Riedl	9,290	0	9,290	0.04%					
Johann Fuchs	504	(500)	4	0.00%					
Ausgeschiedene Directors	2,000	n.a.	n.a.	n.a.	280,000	(190,000)	90,000	EUR 12.39	
Total directors' holdings and dealings	10,623,791		10,621,291	41.01%	404,500	(148,500)	256,000		
Own shares ¹⁾	2,577,412		2,577,412	9.95%					
Other shares in issue	12,698,797		12,701,297	49.04%					
Total	25,900,000		25,900,000	100.00%					

¹⁾ The nominal value of treasury stock at 31 March 2011 was EUR 2,835,153. Treasury stock can be used inter alia to meet obligations under the Stock Options Scheme.

Other Codes of Conduct

AT&S Code of Business Ethics and Conduct

In addition to the ÖCGK, AT&S has established its own code of business ethics, which describes how AT&S conducts its business in an ethical and socially responsible way. The guidelines apply to all AT&S's activities worldwide, and all AT&S employees without exception are expected to abide by the Code in the exercise of their business and professional activities and their daily work. Stricter or more detailed guidelines may be established for specific regions, countries or functions, but they must be consistent with this corporate policy. Under one of the main provisions of the code, AT&S is committed to avoiding any form of discrimination on the basis of race, religion, political affiliation or gender in activities such as recruitment, remuneration and promotion. Performance is the decisive factor. Accordingly, AT&S has not implemented any initiatives aimed specifically at increasing the number of women on the Management and Supervisory Boards, or in senior management positions.

AT&S Compliance Code

AT&S supports the Austrian Corporate Governance Code's aim of raising domestic and foreign investors' confidence in the Austrian financial market by enhancing transparency and introducing universal principles. AT&S attaches great importance to equal treatment of all investors and the provision of comprehensive information. The Group has adopted a Compliance Code ("Extended Group Guidelines on the Prevention of Misuse of Insider Information") which covers all Supervisory Board members and complies with the provisions of the Issuers Compliance Regulation of the Austrian Financial Market Authority and all other statutory regulations applicable to the financial markets. The Compliance Officer constantly monitors adherence to these guidelines.

The Management Board

Andreas Gerstenmayer m.p.

Thomas Obendrauf m.p.

Heinz Moitzi m.p.

Consolidated Financial Statements as of 31 March 2011

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The consolidated financial statements as of 31 March 2011 have been translated into English. In case of different interpretations the German original is valid.

Consolidated Income Statement

(in EUR 1,000)	Note	Financial year ended 31 March	
		2011	2010
Revenues	1	487,948	372,184
Cost of sales	2	(398,177)	(327,301)
Gross Profit		89,771	44,883
Selling costs	2	(24,934)	(18,819)
General administrative costs	2	(21,951)	(17,739)
Other operating result	4	6,322	2,646
Non-recurring items	5	(2,677)	(36,533)
Operating result		46,531	(25,562)
Financial income	6	6,282	2,956
Financial expense	6	(9,491)	(11,313)
Financial result		(3,209)	(8,357)
Profit before tax		43,322	(33,919)
Income tax expense	7	(8,290)	(3,698)
Profit/(loss) for the year		35,032	(37,617)
thereof owners of the parent company		35,168	(37,271)
thereof non-controlling interests		(136)	(346)
Earnings per share attributable to equity holders of the parent company (in EUR per share):	24		
- basic		1.51	(1.60)
- diluted		1.50	(1.59)

Consolidated Statement of Comprehensive Income

(in EUR 1,000)	Financial year ended 31 March	
	2011	2010
Profit/(loss) for the year	35,032	(37,617)
Currency translation differences	(10,777)	(1,841)
Fair value gains/(losses) of available-for-sale financial assets, net of tax	1	19
Fair value gains/(losses) of cash flow hedges, net of tax	304	(299)
Other comprehensive income for the year	(10,472)	(2,121)
Total comprehensive income for the year	24,560	(39,738)
thereof owners of the parent company	24,696	(39,392)
thereof non-controlling interests	(136)	(346)

Consolidated Balance Sheet

(in EUR 1,000)	Note	31 March	
		2011	2010
ASSETS			
Non-current assets			
Property, plant and equipment	8	385,510	308,527
Intangible assets	9	2,543	2,037
Financial assets	13	121	99
Overfunded retirement benefits	17	590	620
Deferred tax assets	7	10,736	11,124
Other non-current assets	10	4,144	3,622
		403,644	326,029
Current assets			
Inventories	11	53,376	38,700
Trade and other receivables	12	99,899	90,976
Financial assets	13	13,912	14,214
Current income tax receivables		277	117
Cash and cash equivalents	14	4,227	13,354
		171,691	157,361
Total assets		575,335	483,390
EQUITY			
Share capital	22	44,475	45,680
Other reserves	23	(12,032)	(1,560)
Retained earnings		197,020	164,184
Equity attributable to owners of the parent company		229,463	208,304
Non-controlling interests		353	489
Total equity		229,816	208,793
LIABILITIES			
Non-current liabilities			
Financial liabilities	16	95,559	105,197
Provisions for employee benefits	17	12,210	11,369
Other provisions	18	11,967	12,769
Deferred tax liabilities	7	4,238	4,664
Other liabilities	15	2,109	1,618
		126,083	135,617
Current liabilities			
Trade and other payables	15	96,554	60,436
Financial liabilities	16	116,427	70,455
Current income tax payables		3,757	2,611
Other provisions	18	2,698	5,478
		219,436	138,980
Total liabilities		345,519	274,597
Total equity and liabilities		575,335	483,390

Consolidated Statement of Cash Flows

(in EUR 1,000)	Financial year ended 31 March	
	2011	2010
Cash flows from operating activities		
Profit/(loss) of the year	35,032	(37,617)
Adjustments to reconcile profit for the year to cash generated from operations:		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	49,416	60,042
Changes in non-current provisions	81	5,447
Income tax expense	8,290	3,698
Financial expense/(income)	3,209	8,357
(Gains)/losses from the sale of fixed assets	432	391
Release from government grants	(995)	(1,695)
Other non-cash expense/(income), net	1,010	(1,012)
Changes in working capital:		
- Inventories	(15,336)	8,361
- Trade and other receivables	(10,728)	10,149
- Trade and other payables	19,860	5,652
- Other provisions	(2,747)	2,255
Cash generated from operations	87,524	64,028
Interest paid	(8,354)	(7,453)
Interest and dividends received	453	728
Income tax paid	(8,916)	(10,300)
Net cash generated from operating activities	70,707	47,003
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(115,340)	(19,742)
Proceeds from sale of property, plant and equipment and intangible assets	194	237
Disposal of subsidiaries, net of cash disposed	-	174
Purchases of financial assets	(3,548)	(2,329)
Proceeds from sale of financial assets	2,023	3,406
Net cash used in investing activities	(116,671)	(18,254)
Cash flows from financing activities		
Proceeds from borrowings	72,600	44,183
Repayments of borrowings	(34,120)	(63,675)
Proceeds from government grants	797	899
Dividends paid	(2,332)	(4,198)
Net cash generated from/(used in) financing activities	36,945	(22,791)
Net increase/(decrease) in cash and cash equivalents	(9,019)	5,958
Cash and cash equivalents at beginning of the year	13,354	7,031
Exchange gains/(losses) on cash and cash equivalents	(108)	365
Cash and cash equivalents at end of the year	4,227	13,354

Consolidated Statement of Changes in Equity

(in EUR 1,000)	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 March 2009	45,680	561	205,999	252,240	494	252,734
Total comprehensive income for the year 2009/10	–	(2,121)	(37,271)	(39,392)	(346)	(39,738)
Dividend relating to 2008/09	–	–	(4,198)	(4,198)	–	(4,198)
Reclassifications of losses attributable to non-controlling interests	–	–	(346)	(346)	346	–
Changes in consolidated Group	–	–	–	–	(5)	(5)
31 March 2010	45,680	(1,560)	164,184	208,304	489	208,793
Total comprehensive income for the year 2010/11	–	(10,472)	35,168	24,696	(136)	24,560
Dividend relating to 2009/10	–	–	(2,332)	(2,332)	–	(2,332)
Changes in treasury shares, net of tax	(1,205)	–	–	(1,205)	–	(1,205)
31 March 2011	44,475	(12,032)	197,020	229,463	353	229,816

Notes to Consolidated Financial Statements

I. General Information

A. General

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (hereinafter referred to as “the Company”, and with its subsidiaries referred to as “the Group”) is incorporated in Austria. The Company is headquartered in Austria, Fabriksgasse 13, 8700 Leoben-Hinterberg.

The Group manufactures and sells printed circuit boards and provides related services primarily to the telecommunication, automotive and electronics industries. The products are produced and distributed in the European and Asian market directly to original equipment manufacturers (OEM) as well as to contract electronic manufacturers (CEM).

Since 20 May 2008 the Company has been listed in the Prime Market segment of the Vienna Stock Exchange, Austria, after a period of double listing on the previous Stock Exchange in Frankfurt am Main, has been traded exclusively at the Vienna Stock Exchange since 15 September 2008. Prior to the change in stock exchange, the Company had been listed at the Frankfurt Stock Exchange, Germany, since 16 July 1999.

According to § 245a of the Austrian Commercial Code (UGB) the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS and IAS) and interpretations (IFRIC and SIC) as adopted by the European Union (EU), set by the International Accounting Standards Board (IASB).

B. Summary of significant accounting policies

The consolidated financial statements have been prepared under the historical cost principle, except for securities and derivative financial instruments, which are measured at their fair values.

a. Consolidation principles

The balance sheet date for all consolidated companies is 31 March 2011 with the following exception: Due to the legal situation in China the reporting year of AT&S (China) Company Limited corresponds to the calendar year (31 December 2010), its consolidation was performed on the basis of the interim financial statements as of 31 March 2011.

The consolidated financial statements have been approved for issue by the Board of Directors on 9 May 2011. The separate financial statements of the Company, which are included in the consolidation after reconciliation to the applicable accounting policies, will be presented for approval to the Supervisory Board on 8 June 2011. The separate financial statements of the Company can be modified by the Supervisory Board and – in case of presentation to the Annual General Meeting – by the Company’s equity holders. This could also affect the presentation of the consolidated financial statements.

Subsidiaries

In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries as of that date the Company had the power to govern the financial and operating policies of the subsidiary, regularly accompanied by a voting interest of more than 50%:

- AT&S India Private Limited, India (hereinafter referred to as AT&S India, share 100%)
- AT&S Verwaltungs GmbH & Co KG, Germany (share 100%)
- AT&S Deutschland GmbH, Germany (share 100%)
- C2C Technologie für Leiterplatten GmbH, Austria (share 100%)
- AT&S (China) Company Limited, China (hereinafter referred to as AT&S China, share 100%),
- DCC - Development Circuits & Components GmbH, Austria (share 100%)
- AT & S Klagenfurt Leiterplatten GmbH, Austria (share 77,32%)
- AT&S Asia Pacific Limited, Hong Kong (hereinafter referred to as AT&S Asia Pacific, share 100%)
- AT&S Japan K.K., Japan (share 100%)
- AT&S Korea Co., Ltd., South Korea (hereinafter referred to as AT&S Korea, share 98,76%)
- AT&S Americas LLC, USA (hereinafter referred to as AT&S Americas, share 100%)

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition is the fair values of the assets transferred, the equity interests issued by the Group and the liabilities incurred or assumed at the date of the transaction. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets and, accordingly, recognize the full or proportional goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

When the Group ceases to have control or significant influence over a company, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This means that a profit or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Consolidation policies

All significant intercompany accounts and transactions have been eliminated so that the consolidated financial statements present the accounting information of the Group as if it were one single company.

Investments in subsidiaries are consolidated in accordance with IAS 27 "Consolidated and Separate Financial Statements", intercompany accounts receivable and payable as well as expenses and income are eliminated. Unless immaterial, intercompany results in non-current assets and inventories are eliminated. Uniform accounting and valuation methods are applied to all consolidated subsidiaries.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

b. Segment reporting

An operating segment is a component of an entity that engages in business activities and whose operating results are reviewed regularly by the entity's chief operating decision maker. Business activities involve earning revenue and incurring expenses, and these may also relate to business transactions with other operating segments of the entity. Discrete financial information is available for the individual operating segments. The chief operating decision maker of the Group is the Management Board of the Company.

According to the internal reporting by regional production sites, a distinction has to be made between the two operating segments, Europe and Asia. The Europe operating segment includes the activities of the production sites in Austria, and the Asia operating segment the activities of the production sites in China, India and South Korea. The operating segments also include the distribution activities attributable to the respective production sites.

c. Foreign currencies

The Group's presentation currency is the euro (EUR). The functional currency of the foreign subsidiaries is the respective local currency.

Foreign subsidiaries

With the exception of equity positions (historical exchange rate), the balance sheets of AT&S India, AT&S China, AT&S Asia Pacific, AT&S Japan K.K., AT&S Korea and AT&S Americas are translated at the exchange rates on the balance sheet date. The income statements are translated at the average exchange rates of the reporting period. Translation adjustments are recognised in equity and not taken through profit or loss.

Foreign currency transactions

In the financial statements of each of the Group's entities foreign currency items are translated at the exchange rates prevailing on the day of the transaction. Monetary items are translated at the respective exchange rate ruling at the balance sheet date; non-monetary items which were recognised according to the historical cost principle are carried at the rate of their initial recognition. Translation adjustments from monetary items, with the exception of "securities available for sale", are taken through profit or loss. Translation differences from "securities available for sale" are recognised directly in equity and not in the income statement.

d. Revenue recognition

Net sales

Net sales are recognised, net of sales taxes and discounts, according to the applicable Incoterms, when the title passes to the customer. Costs associated with product shipment and handling are classified as selling costs.

Interest income

Interest income is recognised on a pro rata temporis basis, taking into account the effective interest rate of the asset.

e. Income taxes

The income tax burden is based on the profit before income tax and accounts for deferred taxes. The Group provides for income taxes using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date.

Temporary differences arise from the measurement of specific assets and liabilities, as well as tax loss carryforwards and amortisations of goodwill.

Deferred taxes on not yet realised profits/losses of available-for-sale securities and on profits/losses from cash flow hedging instruments that are recognised in equity are also recognised in equity.

In accordance with IFRS, deferred tax assets on loss carryforwards have to be recognised to the extent that it is probable that they will be utilised against future taxable profits.

Deferred taxes arising on temporary differences relating to participating interests in subsidiaries are recognised unless the temporary differences will not reverse in the foreseeable future.

f. Property, plant and equipment

Items of property, plant and equipment are measured at historical cost. Expenditure directly attributable to the acquisition and subsequent expenditure are capitalised, repairs and maintenance costs, however, are expensed as incurred. Borrowing costs directly attributable to the construction of an asset are expensed in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition or production costs of this asset. In these consolidated financial statements, no such borrowing costs have been capitalised.

From the time of their availability for use, the assets are depreciated on a straight-line basis over their expected useful lives. Depreciation is charged on a pro rata temporis basis. Land is not subject to depreciation.

The depreciation method is uniform for the Group and based on the following useful lives:

Plants and buildings	15-50 years
Machinery and technical equipment	5-15 years
Tools, fixtures, furniture and office equipment	3-10 years

Depreciation periods and methods are reviewed annually at the end of the financial year.

Expected costs for dismantling and removing assets are capitalised as part of acquisition costs and accounted for by a provision, provided that there is a legal or factual obligation against third parties and that a reasonable estimate can be made.

According to IAS 17 "Leases", leased assets for which the Group bears substantially all the risks and rewards of ownership are capitalised at their fair value or the lower present value of the minimum lease payments. Depreciation is effected over the useful life of the asset. If at the beginning of the lease it is not sufficiently certain that the title will pass to the lessee, the leased asset will be depreciated over the shorter of the two periods, the lease term or useful life. Financial obligations resulting from future lease payments are discounted and carried as liability. Current lease payments are split into repayment and financing costs.

Leased assets under all other lease agreements are classified as operating leases and attributed to the lessor. Lease payments are recognised as an expense.

Profits or losses resulting from the closure or retirement of non-current assets, which arise from the difference between the recoverable and the carrying amounts, are credited or charged to the income statement.

g. Intangible assets

Patents, trademarks and licenses

Expenditures on acquired patents, trademarks and licenses are capitalised at cost, including incidental acquisition expenses, and amortised on a straight-line basis over their useful lives, generally between 2 and 10 years. Amortisation terms and methods are reviewed annually at the end of the financial year.

Goodwill

Goodwill, which represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets acquired at the date of acquisition, is included in intangible assets at the date of acquisition (refer to a. Consolidation principles).

Research and development costs

Research costs are expensed as incurred and charged to cost of sales. Development expenditure is also expensed as incurred. An intangible asset arising from development shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

No capitalised development costs have been considered in these consolidated financial statements.

h. Impairment losses and reversals of impairment losses of property, plant and equipment, intangible assets and non-current assets held for sale

The Group regularly reviews the carrying amounts of its property, plant and equipment and intangible assets for possible impairment. If the recoverable amount of an asset is below its carrying amount, an impairment loss amounting to the difference is recognised. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use corresponds to the estimated future cash flows expected from the continued use of the asset and its disposal at the end of its useful life.

Goodwill is tested annually for impairment. If events during the financial year or changes in circumstances indicate that goodwill might be impaired, an impairment test will be carried out immediately. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Non-current assets are classified as held for sale and measured at the lower of their carrying amounts or fair values less costs to sell, if their carrying amount will be recovered by sale rather than by continuing use in the business.

If the reason for the impairment recognised in the past no longer exists, with the exception of goodwill, a reversal of impairment up to amortised cost is made.

i. Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less variable costs necessary to make the sale. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense.

j. Trade and other receivables

Receivables are reported at nominal values, less any allowances for doubtful accounts. Foreign currency receivables are translated at the exchange rate prevailing at the balance sheet date. Risk management provides for all recognisable credit and country-specific risks.

k. Financial assets

The purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. The fair values recognised in the balance sheet generally correspond to market prices of financial assets. Except for financial assets "at fair value through profit or loss" they are recognised initially including transaction costs.

Financial assets are divided into categories explained below. The classification depends on the respective purpose of the financial asset and is reviewed annually.

Financial assets at fair value through profit or loss

Financial instruments acquired primarily for the purpose of earning a profit from short-term fluctuations of prices or trader margins are classified as financial assets at fair value through profit or loss. At the time of their acquisition they are stated at cost, excluding transaction costs, in subsequent periods at their respective fair values. Realised and unrealised profits and losses are credited or charged to the income statement under "Financial result". This relates primarily to securities held for trading. Derivative financial instruments also fall into this category, unless hedge accounting is applied (refer to l. Derivative financial instruments).

Securities held to maturity

Securities held to maturity are recognised at amortised cost using the effective interest rate method. Any impairment is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. In the balance sheet the respective assets are recognised under the item "trade and other receivables".

Financial assets available for sale

Financial assets available for sale, on the one hand, relate to securities available for sale. Securities available for sale are instruments which management intends to sell as a reaction to or due to expected liquidity requirements or expected changes in interest rates, exchange rates or share prices. Their classification as non-current or current assets depends on the expected time to be held.

At the time of acquisition they are stated at cost, including transaction costs, in subsequent periods at their respective fair values. Unrealised profits and losses, net of tax, are recognised in equity and not taken through profit or loss until they are sold or considered as impaired.

Interest income and dividends from securities available for sale are included in the income statement under "Financial result".

When a security available for sale is sold, the accumulated unrealised profit or loss recognised in equity is included in "Financial result" in the reporting period.

When a security available for sale is considered impaired, the accumulated unrealised loss recognised in equity is charged to the income statement under "Financial result". An asset is impaired, if there are indications that the fair value is below its carrying amount. In particular, this is the case, if the decrease in fair value is of such extent that the acquisition cost is unlikely to be recovered in the foreseeable future. Recoverability is reviewed annually at the balance sheet date.

Furthermore, those financial assets are recognised under available-for-sale financial assets that have not been allocated to any of the other categories described. If the current fair value for listed equity instruments cannot be determined reliably, these financial assets will be measured at cost. Impairment losses, if any, are recognised in the income statement, and the respective impairment losses shall not be reversed.

I. Derivative financial instruments

The Group enters into derivative financial instruments to hedge against foreign currency fluctuations related to transactions in foreign currencies – in particular the US dollar. These instruments mainly include forward contracts, foreign currency options and foreign exchange swap contracts and are entered into in order to protect the Group against exchange rate fluctuations – by fixing future exchange rates for foreign currency assets and liabilities.

Further the Group manages its interest rate risk by using interest rate swaps.

Value fluctuations of the hedged positions are compensated by corresponding value fluctuations of the derivatives. The Group does not hold any financial instruments for speculative purposes.

The first-time recognition at the conclusion of the contract and the subsequent measurement of derivative financial instruments is made at their fair values. "Hedge accounting" in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", according to which changes in fair values of hedging instruments are recognised in equity, is applied when there is an effective hedging relationship pursuant to IAS 39 for cash flow hedging instruments. The assessment of whether the derivative financial instruments used in the hedging relationship are highly effective in offsetting the changes in cash flows of the hedged item is documented at the inception of the hedging relationship and on an ongoing basis. When "hedge accounting" in equity is not applicable, unrealised gains/losses from derivative financial instruments are recognised in the income statement in the financial result.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash, time deposits, deposits held at call with banks and short-term, highly liquid investments with an original maturity of up to three months or less (commercial papers and money market funds).

n. Non-controlling interests

Non-controlling interests include the following:

- 22.68% relate to the equity in AT & S Klagenfurt Leiterplatten GmbH
- 1.24% relate to the equity in AT&S Korea

The profit/loss for the year and other comprehensive income are attributed to the owners of the parent company and the non-controlling interests. The allocation to the non-controlling interests is made even if this results in a negative balance of the non-controlling interests.

o. Provisions

Provisions are recognised, if the Group has a legal or constructive obligation to third parties, which is based on past events, if it is probable that an outflow of resources will be required to settle this obligation and if the amount can be estimated reliably. The provisions are remeasured at each balance sheet date and adjusted accordingly.

Non-current provisions are reported at the discounted amount to be paid at each balance sheet date, if the interest effect resulting from the discounting is material.

p. Employee benefits

Retirement benefit obligations

The Group operates various defined contribution and defined benefit pension schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an earmarked entity (fund). These contributions are charged to personnel expenses. No provision has to be set up, as there are no additional obligations beyond the fixed amounts.

For individual members of the Management Board and certain executive employees the Group has a defined benefit plan, under which the pension obligations are valued by qualified and independent actuaries at each balance sheet date. The Group's obligation is to fulfil the benefits committed to current and former members of the Board and executive employees as well as their dependents. The pension obligation calculated according to the projected unit credit method is reduced by the plan assets of the fund in case of a funded pension scheme. The present value of the pension liability is determined on the basis of years of service, expected compensations and pension adjustments.

To the extent that the plan assets do not cover the obligation, the net liability is accrued under retirement provisions. If the net assets exceed the pension obligation, the exceeding amount is capitalised under "Overfunded retirement benefits".

Personnel expenses reported in the respective financial year are based on expected values and include the acquired claims, the

interest expense, the actuarial gains or losses using the corridor method as well as the investment results of the assets provided for coverage.

At each balance sheet date, due to the change in actuarial assumptions (turnover rate, current market interest rate of blue chip fixed-income corporate bonds, compensation level and actual returns on plan assets) adjustments in value result, referred to as actuarial gains or losses. These actuarial results are reported in accordance with IAS 19 "Employee Benefits" using the corridor method. Actuarial gains or losses exceeding the corridor (the higher of 10% of the present value of the obligation or the fair value of plan assets) are charged or credited to income over the expected average remaining working lives of the employees covered by the plan; those not exceeding the corridor are not recognised.

Termination benefits

Provisions for termination benefits have to be paid primarily on termination of employment by the employer or on the retirement of an employee according to labour regulations. At each balance sheet date the liabilities are remeasured by qualified and independent actuaries.

For employees who joined Austrian companies up to and including 2002 direct obligations of the company exist, which account for the major part of the Group's termination benefit obligations. In accordance with IAS 19 these liabilities are calculated using the projected unit credit method, taking into consideration the corridor method and represent termination benefit obligations not covered by plan assets. Actuarial gains or losses exceeding the corridor are charged or credited to income over the expected average remaining working lives of the employees covered by the plan. For employees who joined as of 1 January 2003 the termination benefit obligation is fulfilled by regular contributions to a staff provision fund ("Mitarbeiterversorgungskasse"). These contributions are included in personnel expenses. The Group has no further payment obligations once the contributions have been paid.

For employees of the companies in India obligations for termination benefits are covered by life insurances. Furthermore, termination benefit obligations exist for employees in South Korea.

Staff costs recognised in the respective financial year are based on expected values and include entitlements acquired, interest expense and the actuarial results using the corridor method.

Other employee benefits

Other employee benefits include provisions for anniversary bonuses and relate to employees in Austria and China.

Anniversary bonuses are special lump-sum payments stipulated in the Collective Agreement which are dependent on compensation and years of service. Eligibility is determined by a certain uninterrupted number of service years. The respective liability is calculated in accordance with the projected unit credit method based on the same parameters used for termination benefits, however, without taking into consideration the corridor method. Staff costs recognised in the respective financial year include entitlements acquired, interest expense and the actuarial results. At each balance sheet date the liabilities are remeasured by qualified and independent actuaries.

q. Share-based payments

The Group operates share-based compensation plans which are settled alternatively in cash or in treasury shares, where the settlement option is chosen by the entitled employees. These stock option plans are accounted for in accordance with IFRS 2 "Share-based Payment".

The share-based payments are structured in a way that both settlement alternatives have the same fair value. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. Liabilities arising from share-based payment transactions are recognised initially and at each balance sheet date until settlement at fair value using an option price model and are recognised in profit or loss. Reference is made to Note 15 "Trade and other payables".

r. Liabilities

At their initial recognition liabilities are measured at fair value less transaction cost and in subsequent periods at amortised cost using the effective interest rate method. Foreign currency liabilities are translated at the middle exchange rate prevailing at the balance sheet date.

s. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to assets are included in liabilities as deferred government grants; they are credited to the income statement on a straight-line basis over the expected lives of the related assets. Government grants relating to costs and property, plant and equipment are recognised in the income statement in the other operating result.

t. Contingent liabilities, contingent assets and other financial obligations

Contingent liabilities are not recognised in the balance sheet, but disclosed in the notes to the financial statements. They are not disclosed, if an outflow of resources with economic benefit is unlikely.

A contingent receivable is not recognised in the consolidated financial statements, but disclosed, if the inflow of an economic benefit is likely.

u. New accounting regulations

The IFRS already mandatory at the balance sheet date were adopted in the preparation of the consolidated financial statements. At the last balance sheet date, the IASB had already issued amendments to existing standards as well as new standards and interpretations, which are mandatory as of 2010/11. These regulations also have to be applied in the EU and relate to the following standards:

- IFRS 3 “Business combinations” and IAS 27 “Consolidated and separate financial statements” (Amendments: Recognition of costs of a business combination, option full goodwill method; clarifications on step-by-step acquisition and other revision)

A number of additional amendments to standards, as well as new and amended interpretations were published and adopted by the European Union. The effects of these regulations on the consolidated financial statements are not material and therefore not presented in detail.

The amendments are mandatory for reporting periods beginning on or after 1 July 2009 and 1 January 2010. Therefore, the Group will apply these new regulations as of the financial year 2010/11.

The amendments to be applied as of the financial year 2010/11 did not have a material impact on the consolidated financial statements.

The IASB issued additional standards and amendments to standards and interpretations that are not yet mandatory in the financial year 2010/11. The following standards and interpretations had been adopted by the EU by the time the consolidated financial statements were prepared and published in the official journal:

- IAS 24 “Related party disclosures” (Amends the definition of a related party and simplifies certain related party disclosure requirements for government-related entities)
- IFRIC 14 “IAS 19 – Prepayments of a minimum funding requirement” (amendment relevant where there is a minimum funding requirement and the company makes prepayments of contributions)
- IFRIC 19 “Extinguishing financial liabilities with equity instruments” (The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability).

The amendments are mandatory for accounting periods beginning on or after 1 July 2010 and 1 January 2011. Therefore, the Group will apply these new regulations as of the financial year 2011/12, which will not have a material impact on the consolidated financial statements.

Furthermore, the following standard has already been published, but not yet adopted by the EU:

- IFRS 9 “Financial instruments” (This standard is the first step to replace Standard IAS 39 “Financial instruments: recognition and measurement” and changes the existing provisions on classification and measurement of financial assets).

The Standard will only be mandatory for reporting periods beginning on or after 1 January 2013. From today’s perspective, the Standard is not expected to have a material impact on the Group’s financial position and financial performance.

C. Critical accounting estimates and assumptions

The Group uses estimates and assumptions to determine the reported amounts of assets, liabilities, net sales and expenses, as well as the disclosure of commitments and contingent assets and liabilities. All estimates and assumptions are reviewed on a regular basis and are based on past experiences and additional factors, including expectations regarding future events that seem reasonable under given circumstances. In the future actual results may differ from these estimates, Management believes that the estimates are reasonable.

Projected benefit obligations

The present value of non-current employee benefits depends on various factors that are based on actuarial assumptions (refer to I.B.p. “Employee benefits”).

On 31 March 2011 a reduction of the discount rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 5.0% to 4.5% would affect the projected retirement and termination benefit obligations as follows:

(in EUR 1,000)	Retirement benefits	Termination benefits
Increase of present value of obligation	791	698

An increase in the interest rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 5.0% to 5.5% would have the following effects on the present value of retirement and termination benefits entitlements at 31 March 2011:

(in EUR 1,000)	Retirement benefits	Termination benefits
Increase of present value of obligation	704	637

Reference is made to Note 17 "Provisions for employee benefits".

Measurement of deferred taxes and current income tax payables

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. A future change in tax rates would also have an impact on the deferred tax assets recognised at the balance sheet date.

Particularly in the measurement of deferred taxes of AT&S China the extension of the tax rate granted to special high-technology companies is assumed. An increase to the general income tax rate would raise deferred tax assets by EUR 4.2 million at the balance sheet date and result in corresponding tax income from the measurement of deferred taxes.

Deferred tax assets in the amount of EUR 37.3 million were not recognised for tax loss carry-forwards in the Group. The major part of these non-capitalised tax loss carryforwards may be carried forward for an unlimited period of time. If they were subsequently expected to be realised, these deferred tax assets would have to be recognised. Reference is made to Note 7 "Income taxes".

Moreover, a different interpretation of tax laws by fiscal authorities could also lead to a change in income tax liabilities.

Other estimates and assumptions

Further estimates relate to impairments of non-current assets and to provisions, among others from the restructuring of the Leoben-Hinterberg location in the past years, the measurement of derivative financial instruments, allowances for doubtful accounts and measurements of inventory. Reference is made to Note 4 "Other operating result", Note 5 "Non-recurring items" Note 8 "Property, plant and equipment" and Note 18 "Other provisions".

II. Risk Report

Financial risks

Risk management of financial risks is carried out by a central treasury department (Group Treasury) under policies approved by the Management Board. Responsibilities, authorisations and limits are governed by internal guidelines. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operative units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

The risk management of financial risks is incorporated in the group-wide risk management and thus part of the timely risk reporting to executive employees, Management and Supervisory Board.

Liquidity risk

At the balance sheet date, the Group has liquidity reserves in the amount of EUR 118.8 million, EUR 18.2 million of which is accounted for by cash (equivalents) and securities held for trading and available-for-sale securities, and EUR 100.6 million by available unused credit facilities. Thus, the liquidity reserves increased by EUR 31.5 million year-on-year. In the past financial year, the secured credit lines in particular were raised from EUR 167.7 million to EUR 243.7 million, and thus the unused committed credit lines amount to EUR 88.4 million.

The Company is authorized, subject to the approval of the Supervisory Board, to issue up to 12,950,000 new shares from authorized capital, as well as convertible bonds in a total nominal amount of up to TEUR 100,000, and to sell treasury shares (at the balance sheet date the Group holds 2,577,412 treasury shares). With respect to a detailed explanation of the options regarding capital measures, reference is made to Note 22 "Share capital".

The Group has a clearly positive operating cash flow. The net cash flow from operating activities for the financial year 2010/11 amounts to EUR 70.7 million (2009/10: EUR 47.0 million). Thus, most of the investments made in the past financial year could be financed from the operating cash flow.

With regard to liquidity risks, reference is also made to the detailed disclosures in Note 16 "Financial liabilities".

Financial market risks

Detailed information on market risks and derivative financial instruments is contained in Note I.B.l. "Summary of significant accounting policies: Derivative financial instruments" and in Note 19 "Derivative financial instruments". The Group uses derivative financial instruments, such as forward contracts, options and swaps, exclusively for hedging purposes.

Interest rate risk

Minor interest rate risks on the assets side of the balance sheet relate to investments in securities. Most of the other liquid resources are invested short-term and all securities are available for sale. Reference is made to Note 13 "Financial assets" and Note 14 "Cash and cash equivalents".

On the liabilities side, 83% of the borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments, and most of the remaining variable interest rate loans (17%) have maturities of less than one year. Reference is made to Note 16 "Financial liabilities".

Currency risk

Transaction, translation and economic risk are constantly monitored to guard against currency risk. Transaction risk is mostly internally managed by closing positions (netting), in some cases derivative financial instruments are used to hedge open positions.

Due to its Asian subsidiaries the Group is exposed to local currency risks. As a result of legal restrictions and the illiquidity of the currencies in question, local hedging transactions are possible only to a limited extent. Wherever required, the risk is transferred to Europe and hedged there.

Evaluation of financial market risks by sensitivity analyses

The Group applies sensitivity analyses to quantify the interest rate and currency risks. In so-called GAP analyses the potential change in profit/loss resulting from a 1% change in price (currency rate or interest rate) with regard to the foreign currency or interest net position is determined. Correlations between different risk elements are not accounted for in these analyses. The impact on profit/loss is determined taking into account income tax effects on the Group's profit/loss for the year after tax.

If the interest rates at the balance sheet date had been 100 basis points higher (or lower, respectively), based on the financing structure at the balance sheet date the profit/loss for the year would have been EUR 0.3 million (2009/10: EUR 0.3 million) lower (or higher, respectively), provided all other variables had remained constant. This would have mainly been due to higher (or lower, respectively) interest expenses for variable interest financial liabilities. Further components of equity would not be directly affected in this sensitivity analysis. The result of this interest rate sensitivity analysis is based on the assumption that the interest rates would deviate during an entire financial year by 100 basis points.

If the exchange rate of the euro against all other currencies had risen (or fallen, respectively) by 1% at the balance sheet date, the profit/loss for the year would have been EUR 0.4 million (2009/10: EUR 0.5 million) lower (or higher, respectively), provided all other variables had remained constant. This would have mainly been due to the measurement of non-euro denominated trade receivables and payables and financing balances as well as

derivative financial instruments measured at fair value. On the other hand, non-euro denominated revenues and expenses would have corresponding effects on the Group's profit/loss for the year at such a change in exchange rate. Further components of equity would not be directly affected in the sense of this exchange rate sensitivity analysis.

If the exchange rate of the US dollar against all other currencies had risen (or fallen, respectively) by 1% at the balance sheet date, the profit/loss for the year would have been EUR 2.0 million (2009/10: EUR 1.1 million) higher (or lower, respectively), provided all other variables had remained constant. This would have mainly been due to the measurement of US dollar denominated trade receivables and payables and financing balances as well as derivative financial instruments measured at fair value. On the other hand, US dollar denominated revenues and expenses would have corresponding effects on the Group's profit/loss for the year at such a change in exchange rate. Further components of equity would not be directly affected in the sense of this exchange rate sensitivity analysis.

In the exchange rate sensitivity analysis the respective impact on the result is calculated on the basis of foreign currency net positions at the balance sheet date and the development of revenues and expenses expected according to budget for the next 12 months, taking into account derivative financial instruments. Thus, the disclosures of the impact on the Group's profit/loss for the year also include the effects on the result of the income and expenses expected for the next 12 months. In this context, funding within the Group between group companies is also accounted for.

Credit risk

In the context of its strong growth in the past few years, the Group has established strong and long-term relations with key customers, resulting in a certain concentration on the customer side. In order to guard against this potential risk, the Group encourages the further diversification in the customer, industry and product mix. In order to further increase the existing customer portfolio, the focus is on the acquisition of new customers and on the development of the distribution network to better correspond to market requirements. The anticipation and occurrence of the elimination of weak competitors in the manufacture of printed circuit boards in Europe even in the crisis provided the Group with opportunities to gain new customers in addition to market shares.

In the financial year 2010/11, a significant portion of the Group's revenue was accounted for indirectly by two multinational groups operating in the mobile devices segment. However, the receivables from these customers as of 31 March 2011 account for only 8% of total trade receivables (31 March 2010: 2%). As the Group primarily supplies to contract electronic manufacturers (CEM) of indirect customers, the receivables relate to a fairly large number of customers. The highest portion of receivables of a direct contract partner amounts to 16% of total trade receivables.

The monitoring of the credit risk is generally based on regular credit assessments and on taking out credit insurances for customers of the Group.

Reference is further made to the detailed disclosures in Note 12 "Trade and other receivables".

Capital risk management

The objectives of the Group with respect to capital management, on the one hand, include securing the going concern in order to be able to provide the equity holders with dividends and the other stakeholders with appropriate services, and on the other hand, maintaining an appropriate capital structure in order to optimise capital costs. To that end, the Group, as required, adjusts the dividend payments to equity holders, makes capital repayments to equity holders (redemption of treasury shares), issues new shares or changes its portfolio of assets.

As is customary in the industry, the Group monitors its capital based on net gearing, calculated from the ratio of net financial liabilities to equity. Net financial liabilities are calculated from financial liabilities less cash and cash equivalents as well as financial assets. The individual amounts for calculating the net financial liabilities and equity have to be taken directly from the consolidated balance sheet.

Unchanged on the prior year, basically the Group pursues the strategy of maintaining a net gearing of up to 80% in order to be able to borrow at reasonable cost. Net gearing as of 31 March 2011 amounted to 84% (31 March 2010: 71%) and thus is slightly above the target value, with this excess expected to be only temporary.

Technology risks

In the high-technology segment of HDI-Microvia printed circuit boards, the Group is one of the leading suppliers worldwide and is continuously strengthening this position. In order to prevent a possible displacement from the leading edge of technology, the Group places great emphasis on innovation and thus an intensive research and development. In the past financial year, the Group further increased the investments in research and development. In addition to a number of advancements in the high-technology segment of HDI printed circuit boards, numerous projects are pursued to develop and implement new production technologies in order to make the manufacture of printed circuit board more flexible and effective. Apart from that, research was also conducted with regard to new customer segments and new products, for instance in the area of photovoltaic. The research and development activities of the Group are often conducted by drawing on external partners. In addition to the consideration of customer requirements and ideas, cooperations are entered into on a project basis with research institutions, suppliers or other technology companies. Due to the active research and development work, the Group is able to identify technological developments early, make an impact and swiftly ensure the marketability of the products. In this context, it has to be noted that in the past fiscal year the Group was among the first manufacturers worldwide that succeeded in introducing a new technology for embedding active and passive electronic components (ECP® Technology) in series production in cooperation with an internationally leading semiconductor manufacturer. Furthermore, a cooperation was entered into with Panasonic, providing the Group with the opportunity to use the ALIVH® Technology (Any Layer Interstitial Via Hole Technology).

Marketing risks

Currently, the Group generates its revenue primarily in the areas mobile devices, automotive and industry. A reduction in the future volume growth in these three areas may have negative effects on the quantities produced and, subsequently, on the Group's profit/loss for the year. Particularly the area mobile devices with a share in total revenues of 56% (2009/10: 59%) has a relatively large leverage.

In the past fiscal year, the Group supplied approx. 600 customers, with the largest 5 customers indirectly accounting for 60% (2009/10: 55%) of total revenues. Even though the Group establishes business relations with new customers, it has to be assumed that the customer concentration will remain high in the near future. Thus, marketing risks arise particularly from declines in volumes sold to major customers. Significant declines in business at our major customers and deterioration of business relations with our main customers may eventually result in a reduction in sales volumes.

Apart from changes in quantity, price changes also have a direct effect on the Group's profit/loss for the year. The price level for printed circuit boards primarily depends on global demand and available production capacities. In particular, the demand for printed circuit boards of the high-end segment in the area of mobile devices, which had increased considerably in the past year and which are used in so-called smartphones, had a positive impact on the price level in the past year. A slowdown in this trend toward high-end mobile phones might have a negative impact on the profitability of the Group. Regarding the impact of the nuclear reactor disaster in Japan on consumer behaviour, the visibility is currently still low. However, changes may arise particularly in the areas industrial electronics and automotive.

Supply risks

Regarding supply, the Group is exposed to the supplier default risk. The Group purchases its raw materials mainly from suppliers in Asia. In order to minimise the risk of business interruptions due to supplier defaults, the Group cooperates only with suppliers who stand for high dependability, quality and innovation. Moreover, the Group tries to spread risks by cooperating with at least two suppliers for all key raw materials.

In addition to the supplier default risk, the Group is also exposed to the purchase price risk. The economic recovery results in a rise in demand for the Group's key raw materials – gold, copper and oil. The Group tries to anticipate as far as possible the price level of raw materials and to consider it in the product calculation. However, unexpected changes in raw material prices may have negative as well as positive effects on the Group's profit/loss for the year.

Risk management system

In the risk catalogue defined at the group level, the company-wide risk and opportunity management system contains additional risk categories, which most notably relate to strategic risks, environmental risks and operating as well as organizational risks. The risk catalogue, which represents a guideline for the corporate segments in the identification of risks, is dynamically adjusted to the changing situation of the Group. Main objective of the groupwide risk and opportunity management is the optimization of the overall risk position, while at the same time making use of opportunities arising. Regular reporting is made to the Executive and Supervisory Board of the Group.

III. Segment Reporting

The segment information is presented in the following according to the internal reporting by regional production locations in Europe and Asia. Key performance figure is the operating result. Not allocated to the two segments are primarily general group management and financing activities. The respective reconciliation to the group figures also includes the corresponding consolidation.

Transfers and transactions between the segments are performed under market conditions as they would be applied to transactions with independent third parties. For segment reporting, measurement principles generally applicable to consolidated financial statements as outlined under I.B. "Accounting and measurement principles" are applied.

Financial year 2010/11:

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	356,884	131,064	–	487,948
Intercompany sales	1	203,436	(203,437)	–
Total revenues	356,885	334,500	(203,437)	487,948
Inter-segment revenue	(203,436)	(1)	203,437	–
Segment revenue, net	153,449	334,499	–	487,948
Operating result	18,016	39,401	(10,886)	46,531
Financial result				(3,209)
Profit before income tax				43,322
Income tax expense				(8,290)
Profit for the year				35,032
Property, plant and equipment and intangible assets	24,728	363,621	(296)	388,053
Investments	6,530	126,696	130	133,356
Depreciation/amortisation	4,829	43,963	624	49,416
Non-recurring items	–	–	(2,677)	(2,677)

With regard to significant effects on the segment result, reference is made to Note 5 "Non-recurring items".

Financial year 2009/10:

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	264,247	107,937	–	372,184
Intercompany sales	20	141,895	(141,915)	–
Total revenues	264,267	249,832	(141,915)	372,184
Inter-segment revenue	(141,895)	(20)	141,915	–
Segment revenue, net	122,372	249,812	–	372,184
Operating result	(42,405)	22,445	(5,602)	(25,562)
Financial result				(8,357)
Profit before income tax				(33,919)
Income tax expense				(3,698)
Profit for the year				(37,617)
Property, plant and equipment and intangible assets	23,394	287,308	(138)	310,564
Investments	2,255	19,050	(559)	20,746
Depreciation/amortisation	22,069	36,638	1,335	60,042
Non-recurring items	(36,533)	–	–	(36,533)

With regard to significant effects on the segment result, reference is made to Note 5 “Non-recurring items”.

Additional information

As additional information on segment reporting, a presentation is given to which industries and to which consumer countries the revenue is attributable.

Revenue broken down by industry is as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Mobile Devices	271,386	221,346
Industrial	153,117	105,153
Automotive	61,115	41,841
Other	2,330	3,844
	487,948	372,184

The other segment mainly relates to the service segment (design, assembly and trading).

Revenue broken down by region is as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Austria	24,641	17,983
Germany	128,490	88,315
Hungary	41,086	39,752
Other Europe	33,897	29,917
Asia	131,317	125,432
Canada, USA, Mexico	123,710	69,004
Other	4,807	1,781
	487,948	372,184

IV. Notes to the Consolidated Income Statement

1. Revenue

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Main revenue	487,668	371,950
Incidental revenue	280	234
	487,948	372,184

2. Types of expenses

The expense types of cost of sales, selling expenses and general and administrative costs are as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Cost of materials	194,644	144,594
Personnel expenses	100,898	84,715
Depreciation/amortisation	49,350	43,011
Purchased services incl. leased personnel	30,843	21,902
Energy	28,082	22,126
Maintenance (incl. spare parts)	26,495	18,879
Transportation costs	10,030	6,891
Rental and leasing expenses	5,072	4,861
Change in inventories	(13,469)	5,094
Other	13,117	11,786
	445,062	363,859

In the financial years 2010/11 and 2009/10, the item "other" mainly relates to travel expenses, insurance expenses, IT service costs as well as legal and consulting fees.

3. Research and development costs

The Group incurred research and development costs in the amount of TEUR 28,313 and TEUR 20,681 in the financial years 2010/11 and 2009/10, respectively. The above amounts represent only costs which can be directly allocated and which are recognised as expenses in cost of sales.

4. Other operating result

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Income from the reversal of government grants	146	758
Government grants for costs*)	11,263	1,844
Expenses/income from foreign exchange differences	(4,389)	(104)
Losses from the sale of non-current assets	(431)	(391)
Impairments of property, plant and equipment**)	(23)	(95)
Start-up losses***)	(1,718)	(295)
Miscellaneous other income	1,474	929
	6,322	2,646

*) The government grants for costs relate to export compensations as well as research and development awards.

**) Reference is made to Note 8 "Property, plant and equipment".

***) The start-up losses in 2010/11 and 2009/10 are due to the construction of the second plant in India.

In the financial years 2010/11 and 2009/10, the item "miscellaneous other income" mainly relates to subsequent incoming receivables and the derecognition of other liabilities written off.

5. Non-recurring items

Non-recurring items include the following:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Impairments of intangible assets	-	(193)
Impairments of property, plant and equipment	(43)	(16,738)
Personnel expenses	(2,430)	(11,852)
Net costs arising from other contractual obligations	(204)	(7,750)
	(2,677)	(36,533)

The non-recurring items in the financial year 2010/11 include TEUR 1,952 staff costs in connection with the early termination of a managing director's contract and include expenses for severance pay, leaving indemnity, retirement entitlements and other claims. The other non-recurring expenses were incurred for the closure of the Vienna location.

The non-recurring items in the financial year 2009/10 include TEUR 3,278 staff costs for cost cutting programs carried out across the Group and the related reduction in the number of staff, particularly in the area of overhead costs. The other staff costs in the amount of TEUR 8,574 and the further expense items related to the restructuring of the Leoben-Hinterberg location. The volume production of the Leoben-Hinterberg location was completely shifted to Shanghai and the production capacities were adjusted according to the current and future utilization of the plant. In particular, production machines no longer required were written down, and some machines were transferred to Asian production sites. Staff costs result from an agreed social plan. Net costs from other contractual obligations mainly relate to vacancy costs for unused building spaces based on the non-cancellable property lease obligations. Reference is also made to Note 8 "Property, plant and equipment", Note 9 "Intangible assets" and Note 18 "Other provisions".

6. Financial result

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Interest income from financial assets at fair value and available-for-sale securities	424	600
Other interest income	29	128
Gains from the sale of cash equivalents	2	3
Realised gains from derivative financial instruments, net	-	1,056
Gains from the measurement of derivative financial instruments at fair value, net	-	1,111
Gains from foreign exchange differences, net	5,827	-
Other financial income	-	58
Financial income	6,282	2,956
Interest expense on borrowings	(8,558)	(7,960)
Realised expenses from derivative financial instruments, net	(1,528)	-
Gains from the measurement of derivative financial instruments at fair value, net	1,184	-
Foreign exchange losses, net	-	(3,243)
Other financial expenses	(589)	(110)
Financial expenses	(9,491)	(11,313)
Financial result	(3,209)	(8,357)

7. Income taxes

The income tax expense is broken down as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Current income taxes	8,748	9,798
Deferred taxes	(458)	(6,100)
Total tax expense	8,290	3,698

The difference between the Group's actual tax expense and the theoretical amount that would arise using the Austrian statutory tax rate is as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Tax expense (income) at standard Austrian rate	10,831	(5,064)
Effect of different tax rates in foreign countries	(5,514)	(824)
Non-creditable foreign withholding taxes	2,235	2,989
Effect of change in previously unrecognised tax losses and temporary differences	92	8,031
Effect of the change in tax rate	1,836	(1,107)
Effect of permanent differences	1,194	(435)
Effect of taxes from prior periods	(2,380)	114
Other tax effects, net	(4)	(6)
Total tax expense	8,290	3,698

Deferred tax assets and liabilities consist of the following:

(in EUR 1,000)	31 March	
	2011	2010
Deferred tax assets		
Tax loss carryforwards including taxable goodwill	4,316	2,342
Non-current assets	5,448	6,565
Inventories	1,777	1,168
Trade and other receivables	36	137
Retirement, termination benefit and other employee benefit obligations	837	731
Other non-current liabilities	-	906
Temporary differences arising from shares in subsidiaries	1,328	-
Unrealised losses on cash flow hedges, recognised in equity	-	100
Other	573	227
Deferred tax assets	14,315	12,176
Deferred tax liabilities		
Non-current assets	(2,097)	(703)
Provisions for retirement and termination benefits	(18)	-
Other provisions	(19)	-
Trade payables	(993)	-
Temporary differences arising from shares in subsidiaries	(4,235)	(4,490)
Unrealised gains from securities available for sale, recognised in equity and not taken through profit or loss	(17)	(19)
Unrealised losses on cash flow hedges, recognised in equity	(2)	-
Other	(436)	(504)
Deferred tax liabilities	(7,817)	(5,716)
Deferred tax assets, net	6,498	6,460

Deferred tax assets and liabilities are netted, if a legally enforceable right exists to set off the actual tax credits against the actual tax liabilities and if they are levied by the same tax authority. The offset amounts are as follows:

(in EUR 1,000)	31 March	
	2011	2010
Deferred tax assets:		
- non-current	8,168	8,237
- current	2,568	2,887
	10,736	11,124
Deferred tax liabilities:		
- non-current	(2)	(904)
- current	(4,236)	(3,760)
	(4,238)	(4,664)
Deferred tax assets, net	6,498	6,460

At 31 March 2011 the Group has tax loss carryforwards and taxable amortisation of goodwill amounting to a total of TEUR 164,255 (at 31 March 2010 TEUR 168,645). For loss carryforwards amounting to TEUR 150,188 (at 31 March 2010 TEUR 159,080) thereof no deferred tax assets were recognised in the amount of TEUR 37,294 (at 31 March 2010 TEUR 39,019), since it is unlikely that they could be realised in the foreseeable future. TEUR 2,490 (at 31 March 2010 TEUR 6,104 of which accounts for the measurement of treasury shares, which would result in the need to recognise deferred taxes in consolidated equity, not affecting net income.

Deferred taxes (net) changed as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Carrying amount at the beginning of the financial year	6,460	117
Currency translation differences	(318)	153
Income/(expense) recognised in the income statement	458	6,100
Income taxes recognised in equity	(102)	90
Carrying amount at the end of the financial year	6,498	6,460

Income taxes in connection with the components of other comprehensive income are as follows:

(in EUR 1,000)	Financial year					
	2010/11			2009/10		
	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes
Currency translation differences	(10,777)	–	(10,777)	(1,841)	–	(1,841)
Fair value gains/(losses) of available-for-sale financial assets	1	–	1	29	(10)	19
Fair value gains/(losses) of cash flow hedges	406	(102)	304	(399)	100	(299)
Other comprehensive income	(10,370)	(102)	(10,472)	(2,211)	90	(2,121)

V. Notes to the Consolidated Balance Sheet

8. Property, plant and equipment

(in EUR 1,000)	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Net carrying amount					
31 March 2010	54,053	239,343	4,303	10,828	308,527
Exchange differences	(602)	(4,018)	(50)	(1,153)	(5,823)
Additions	1,055	17,618	1,667	111,869	132,209
Disposals	(33)	(600)	11	–	(622)
Transfers	4,324	82,636	588	(87,548)	–
Impairment	(18)	(47)	(1)	–	(66)
Depreciation, current	(3,159)	(43,676)	(1,880)	–	(48,715)
Net carrying amount					
31 March 2011	55,620	291,256	4,638	33,996	385,510

At 31 March 2011

Gross carrying amount	75,425	652,418	21,287	33,996	783,126
Accumulated depreciation	(19,805)	(361,162)	(16,649)	–	(397,616)
Net carrying amount	55,620	291,256	4,638	33,996	385,510

(in EUR 1,000)	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Net carrying amount					
31 March 2009	51,651	276,910	5,708	15,584	349,853
Changes in the consolidated group	–	–	6	–	6
Exchange differences	(4)	(3,737)	29	(58)	(3,770)
Additions	883	4,425	515	14,261	20,084
Disposals	–	(604)	(24)	–	(628)
Transfers	4,448	16,252	410	(18,959)	2,151
Impairment	(91)	(16,169)	(573)	–	(16,833)
Depreciation, current	(2,834)	(37,734)	(1,768)	–	(42,336)
Net carrying amount					
31 March 2010	54,053	239,343	4,303	10,828	308,527

At 31 March 2010

Gross carrying amount	71,042	573,515	20,416	10,828	675,801
Accumulated depreciation	(16,989)	(334,172)	(16,113)	–	(367,274)
Net carrying amount	54,053	239,343	4,303	10,828	308,527

The value of the land included in “land, plants and buildings” amounts to TEUR 1,484 (TEUR 1,513 at 31 March 2010).

Depreciation of the current financial year is recognised in cost of sales, selling costs, and general and administrative costs.

Impairment

Some items of property, plant and equipment, which fulfilled the criteria for impairment, were written down to their recoverable amount. The impairments in the financial year 2010/11 in the amount of TEUR 66 mainly relate to machines that are no longer needed, and the impairments in the financial year 2009/10

in the amount of TEUR 16,833 resulted almost exclusively from restructuring and cost cutting measures. The determination of these amounts was based on available estimates for the sale of these assets on market and arm’s length terms. Particularly with regard to the impairments of the prior financial year 2009/10, reference is made to Note 5 “Non-recurring items” and Note 4 “Other operating result”.

9. Intangible assets

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	Other intangible assets	Total
Net carrying amount 31 March 2010	2,037	–	–	2,037
Exchange differences	(3)	–	–	(3)
Additions	1,147	–	–	1,147
Disposals	(3)	–	–	(3)
Amortisation, current	(635)	–	–	(635)
Net carrying amount 31 March 2011	2,543	–	–	2,543

At 31 March 2011

Gross carrying amount	14,255	5,947	–	20,202
Accumulated amortisation	(11,712)	(5,947)	–	(17,659)
Net carrying amount	2,543	–	–	2,543

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	Other intangible assets	Total
Net carrying amount 31 March 2009	2,136	–	102	2,238
Changes in consolidated group	4	–	–	4
Exchange differences	5	–	–	5
Additions	663	–	–	663
Disposals	–	–	–	–
Transfers	102	–	102	–
Impairment	(193)	–	–	(193)
Amortisation, current	(680)	–	–	(680)
Net carrying amount 31 March 2010	2,037	–	–	2,037

At 31 March 2010

Gross carrying amount	13,180	6,046	–	19,226
Accumulated amortisation	(11,143)	(6,046)	–	(17,189)
Net carrying amount	2,037	–	–	2,037

Amortisation of the current financial year is charged to cost of sales, selling costs and general and administrative costs.

Impairments

The impairments in the prior financial year 2009/10 in the amount of TEUR 193 exclusively related to restructuring and cost cutting measures. The determination of intangible assets is based on available estimates for the sale of these assets under market and arm's length conditions. Reference is made to Note 5 "Non-recurring items".

10. Other non-current assets

(in EUR 1,000)	31 March	
	2011	2010
Prepayments	1,707	1,805
Deposits made	2,437	1,817
Carrying amount	4,144	3,622

The prepayments relate to long-term rent prepayments for the factory premises in China.

11. Inventories

(in EUR 1,000)	31 March	
	2011	2010
Raw materials and supplies	20,251	15,915
Work in progress	14,370	10,064
Finished goods	18,755	12,721
Carrying amount	53,376	38,700

The balance of write-downs of inventories recognised as expense amounts to TEUR 8,498 at 31 March 2011 (TEUR 6,521 at 31 March 2010).

In connection with various financing agreements, inventories in the amount of TEUR 40 (TEUR 87 at 31 March 2010) serve as collateral. Reference is made to Note 16 "Financial liabilities".

12. Trade and other receivables

The carrying amounts of trade and other receivables are as follows:

(in EUR 1,000)	31 March	
	2011	2010
Trade receivables	71,001	70,703
VAT receivables	18,933	12,013
Other receivables from authorities	3,812	1,277
Prepayments	2,744	2,398
Energy tax refunds	1,761	4,407
Deposits	402	423
Insurance reimbursements	-	44
Other receivables	1,335	714
Impairments	(89)	(1,003)
	99,899	90,976

Other receivables mainly include prepaid expenses and deferred charges.

In connection with various financing agreements trade receivables amounting to TEUR 36,000 (TEUR 36,000 at 31 March 2010) serve as collateral. Reference is made to Note 16 "Financial liabilities".

The carrying amounts of trade and other receivables, taking into account impairments, approximate their respective fair values.

Maturity of receivables

All receivables at 31 March 2011 and 31 March 2010 have remaining maturities of less than one year.

Factoring

At the balance sheet date 31 March 2011 receivables in the amount of TEUR 15,765 (TEUR 7,511 at 31 March 2010) had been transferred to a bank under a genuine factoring arrangement and derecognised.

Development of overdue and write-downs of trade receivables

At 31 March 2011:	Carrying amount	thereof: not impaired and not overdue or insured, resp.	thereof: not impaired and not insured and overdue for the following periods			
			less than 3 months	between 3 and 6 months	between 6 and 12 months	more than 12 months
(in EUR 1,000)						
Trade receivables	71,001	66,726	4,118	22	46	–

At 31 March 2010:	Carrying amount	thereof: not impaired and not overdue or insured, resp.	thereof: not impaired and not insured and overdue for the following periods			
			less than 3 months	between 3 and 6 months	between 6 and 12 months	more than 12 months
(in EUR 1,000)						
Trade receivables	70,703	65,077	4,300	169	32	122

There were no indications at the balance sheet date that trade receivables which are neither impaired nor overdue would not be paid.

Impairment of trade receivables changed as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Impairment at the beginning of the financial year	1,003	979
Utilisation	(875)	(159)
Reversal	(37)	(10)
Addition	–	101
Exchange differences	(2)	92
Impairment at the end of the financial year	89	1,003

13. Financial assets

The carrying amounts of financial assets are as follows:

(in EUR 1,000)	31 March 2011	thereof non-current	thereof current
Financial assets at fair value through profit or loss	13,877	25	13,852
Available-for-sale financial assets	156	96	60
	14,033	121	13,912

(in EUR 1,000)	31 March 2010	thereof non-current	thereof current
Financial assets at fair value through profit or loss	14,153	–	14,153
Available-for-sale financial assets	160	99	61
	14,313	99	14,214

Financial assets at fair value through profit or loss

The fair values of the financial assets at fair value through profit or loss correspond to their carrying amounts and are as follows:

(in EUR 1,000)	31 March	
	2011	2010
Bonds	13,851	13,986
Derivative financial instruments*)	26	167
Carrying amount	13,877	14,153

*) Reference is made to Note 19 "Derivative financial instruments".

All bonds held are denominated in euro.

Securities held to maturity

(in EUR 1,000)	31 March	
	2011	2010
Acquisition cost	1,000	1,000
Impairment	(1,000)	(1,000)
Carrying amount	-	-

Securities held to maturity are convertible bonds issued by Adcon Telemetry AG, Klosterneuburg. Due to ongoing insolvency proceedings relating to Adcon Telemetry AG, these convertible bonds were fully written off. The securities held to maturity are denominated in euro.

Available-for-sale financial assets

(in EUR 1,000)	31 March	
	2011	2010
Available-for-sale securities, at fair value	156	157
Other available-for-sale financial assets	-	3
Carrying amount	156	160

Available-for-sale securities, at fair value developed as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Carrying amount at the beginning of the financial year	157	123
Disposals	-	(1)
Unrealised gains/(losses) from the current period, recognised in equity	1	29
Exchange differences	(2)	6
Carrying amount at the end of the financial year	156	157

All available-for-sale securities are denominated in euro.

Other financial assets available for sale related to an investment and were measured at acquisition cost.

14. Cash and cash equivalents

(in EUR 1,000)	31 March	
	2011	2010
Bank balances and cash on hand	4,219	12,574
Time deposits	-	771
Restricted cash	8	9
Carrying amount	4,227	13,354

At 31 March 2011 restricted cash relates to AT&S India (at 31 March 2010 to AT&S India).

The reported carrying amounts correspond to the respective fair values.

15. Trade and other payables

(in EUR 1,000)	31 March 2011	Remaining maturity		
		Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	67,240	67,240	–	–
Government grants	590	146	444	–
Liabilities to fiscal authorities and other public taxing bodies	3,849	3,849	–	–
Social security payables	1,553	1,553	–	–
Liabilities from unconsumed vacations	3,761	3,761	–	–
Liabilities to employees	16,095	15,218	877	–
Other liabilities	5,575	4,787	788	–
Carrying amount	98,663	96,554	2,109	–

(in EUR 1,000)	31. März 2010	Remaining maturity		
		Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	41,896	41,896	–	–
Government grants	787	146	641	–
Liabilities to fiscal authorities and other public taxing bodies	1,862	1,862	–	–
Social security payables	1,505	1,505	–	–
Liabilities from unconsumed vacations	3,394	3,394	–	–
Liabilities to employees	8,708	8,520	188	–
Other liabilities	3,902	3,113	789	–
Carrying amount	62,054	60,436	1,618	–

The carrying amounts of the reported liabilities approximate the respective fair values.

Government grants

Government grants mainly relate to grants for property, plant and equipment and are released to income according to the useful life of the related property, plant and equipment.

Furthermore, the Group has received grants for project costs for several research projects, which are recognised in income on a pro rata basis according to the costs incurred and the grant ratio, or the accrual amount is included in the liabilities, respectively.

Liabilities from stock options

At the Supervisory Board Meeting held on 8 November 2004 a stock option plan (2005-2008) was approved, which allows the Company to grant stock options to the Management Board and executive employees, which can be settled in cash or by issuing equity instruments.

Each of these options entitles the holder to the right to either:

- purchase a share (equity-settled share-based payment transactions) or
- be settled in cash (cash-settled share-based payment transactions) at the remaining amount between exercise price and the closing rate of AT&S shares at the stock exchange with the main quotation of AT&S shares respectively at the date the option is exercised by the beneficiary.

The stock options may be granted between 1 April 2005 and 1 April 2008.

The exercise price is determined at the respective date of grant, representing the average AT&S share price over a period of six months prior to the date of grant plus 10%. The exercise price corresponds at least to the nominal value of a share of the Company.

Granted options vest gradually with 20% of the options after two years, 30% of the options after three years and 50% of the options after four years. Options not exercised can be exercised after the expiration of the subsequent waiting period. Options not exercised within five years after grant date forfeit without compensation.

In the 1st meeting of the nomination and compensation committee of the Supervisory Board on 17 March 2009 an additional stock option plan was approved, after it had been submitted for examination in the 55th Supervisory Board Meeting on 16 December 2008. This stock option plan 2009-2012 for the grant of stock options to be settled either in cash or equity instruments to members of the Management Board, managing directors and executive employees is consistent with the stock option plan 2005-2008. Each of these options entitles to either acquire shares or a cash settlement can be demanded, a mark-up of 10% is added to the average price of six months and the granted stock options may be exercised at staggered intervals, with 20% of the granted stock options exercisable after two years, 30% after three years and 50% after four years. Non-exercised stock options may be exercised after the subsequent waiting period has expired.

The stock options may be granted in the period between 1 April 2009 and 1 April 2012.

The stock options may be exercised in full or in part after completion of the vesting period, not however during a restricted period.

The following table summarises information about all stock options granted until 31 March 2011.

	Date of grant			
	1 April 2010	1 April 2009	1 April 2008	1 April 2007
Exercise price (in EUR)	7,45	3,86	15,67	22,57
31 March 2009	–	–	137,000	129,000
Number of options granted	–	138,000	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	–	–	–
Number of options expired	–	3,000	5,000	5,000
31 March 2010	–	135,000	132,000	124,000
Number of options granted	135,000	–	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	70,000	–	–
Number of options expired	–	–	40,000	40,000
31 March 2011	135,000	65,000	92,000	84,000
Remaining contract period of stock options granted	4 years	3 years	2 years	1 year
Fair value of granted stock options at the balance sheet date (in EUR 1,000)				
31 March 2010	–	638	61	8
31 March 2011	1,161	753	119	6

In contrast to the stated contract terms and according to the stock option plan, the stock options of Steen E. Hansen vest at the retirement date on 31 January 2011 and are exercisable until 31 January 2012 at the latest.

Reference is made to Note 27 “Related party transactions”.

These stock options are measured at fair value at the respective balance sheet date, using the Monte Carlo method and based on model assumptions and valuation parameters stated below. These may differ from the values realised on the market for all stock options granted as of 1 April 2007, 1 April 2008, 1 April 2009 and 1 April 2010:

Risk-free interest rate	1.51–2.15%
Volatility	32.09–52.71%
Dividend per share	0.41
Weighted average terms of granted stock options	3.6 years

The calculation of the volatility is based on the daily share prices as of 1 October 2006 and 1 April 2009, respectively up to the balance sheet date.

The fair value of the stock options granted is recognised as expense over their term. The related accrual item is included in the liabilities to employees.

Other liabilities

Other liabilities mainly include debtors with credit balances, accrued legal, audit and consulting fees, as well as other accruals.

16. Financial liabilities

(in EUR 1,000)	31 March 2011	Remaining maturity			Interest rate in %
		Less than 1 year	Between 1 and 5 years	More than 5 years	
Bonds	83,514	3,713	79,801	–	5.5
Export loans	36,000	36,000	–	–	1.45
Loans from state authorities:					
- Public authorities	403	163	240	–	2.0-2.5
Other bank borrowings	92,015	76,515	15,500	–	1.93-5.0
Derivative financial instruments*)	54	36	18	–	
Carrying amount	211,986	116,427	95,559	–	

(in EUR 1,000)	31 March 2010	Remaining maturity			Interest rate in %
		Less than 1 year	Between 1 and 5 years	More than 5 years	
Bonds	83,418	3,713	79,705	–	5.5
Export loans	36,000	36,000	–	–	1.3
Loans from state authorities:					
- Public authorities	430	177	253	–	2.0-2.5
Other bank borrowings	54,019	29,179	24,840	–	1.2-6.0
Derivative financial instruments*)	1,785	1,386	399	–	
Carrying amount	175,652	70,455	105,197	–	

*) Reference is made to Note 19 "Derivative financial instruments".

The bonds with a total nominal value of EUR 80 million were placed by the Company on the Third Market of the Vienna Stock Exchange on 27 May 2008 with a maturity of five years. The bond is divided into amounts of EUR 50,000 and is exempt from the prospectus requirement pursuant to § 3 (1) 9 KMG (Austrian Capital Market Act). The annual fixed interest in the amount of 5.50% of the nominal value is payable subsequently on 27 May of each year. The bondholders do not have an ordinary cancellation right. An extraordinary cancellation right has been agreed in case of the following events occurring at the Company or one of its main subsidiaries:

- Cessation of payments or announcement of insolvency or over-indebtedness,
- Bankruptcy or other insolvency proceedings (exception: court settlement) or liquidation,
- Significant deterioration of the financial position and performance due to the discontinuation of the major part of operations, sale of major parts of assets or non-arm's length transactions with related parties
- Change of control as stipulated in the Austrian Takeover Act, if this significantly affects the ability to meet the bond obligations.

Other bank borrowings include long-term financing, in addition to the current liquidity needs. For the plant in South Korea and the expansion in India, long-term financing was raised in the financial year 2009/10 and additionally used in the fiscal year 2010/11, which has to be repaid in semi-annual instalments until 31 March 2014. The variable interest was fully hedged by an interest rate swap. The main contract terms are as follows:

- Maintaining the 98.76% investment in AT&S Korea and the 100% investment in AT&S India,
- No encumbrances on the investments.

Funds raised for the expansion of the plant in China (on the basis of a G4 guarantee of the Republic of Austria) were repaid according to the repayment schedule with the last semi-annual instalment on 31 March 2011.

The contractually agreed (undiscounted) interest and redemption payments on the financial liabilities at 31 March 2011, taking into account interest rate hedges, are as follows in the next financial years:

(in EUR 1,000)	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2011/12					
Redemption	–	36,000	163	76,515	36
Fixed interest	4,400	–	6	1,794	–
Variable interest	–	529	–	–	–
2012/13					
Redemption	–	–	161	6,200	–
Fixed interest	4,400	–	5	628	–
Variable interest	–	–	–	–	–
2013/14					
Redemption	80,000	–	79	9,300	18
Fixed interest	687	–	1	314	–
Variable interest	–	–	–	–	–

No significant deviations from the agreed interest and capital payments are expected regarding term or amount.

At the prior-year balance sheet date 31 March 2010 the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities, taking into account interest rate hedges, were as follows for the next financial years:

(in EUR 1,000)	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2010/11					
Redemption	–	36,000	177	29,179	1,386
Fixed interest	4,461	–	9	564	–
Variable interest	–	475	–	849	–
2011/12					
Redemption	–	–	162	9,340	–
Fixed interest	4,461	–	3	650	–
Variable interest	–	–	–	–	–
2012/13					
Redemption	–	–	91	6,200	–
Fixed interest	4,461	–	2	423	–
Variable interest	–	–	–	–	–
2013/14					
Redemption	80,000	–	–	9,300	–
Fixed interest	697	–	–	212	–
Variable interest	–	–	–	–	–

The bonds, export loans, loans from state authorities and bank borrowings in part carry interest rates that differ from market interest rates. For this reason differences between their fair values and carrying amounts can arise.

(in EUR 1,000)	Carrying amounts 31 March		Fair values 31 March	
	2011	2010	2011	2010
Bonds	83,514	83,418	83,083	89,029
Export loans	36,000	36,000	36,000	36,000
Loans from state authorities	403	430	398	433
Other bank borrowings	92,015	54,019	92,996	55,789
Derivative financial instruments	54	1,785	54	1,785
	211,986	175,652	212,531	183,036

The determination of the fair values is based on the current effective interest rates on loans and bonds with similar maturities that would be available to the Group.

The carrying amounts of financial liabilities according to currencies are as follows:

(in EUR 1,000)	31 March	
	2011	2010
Euro	197,328	174,473
US dollar	8,576	399
Chinese renminbi yuan	5,368	366
Indian rupee	714	414
	211,986	175,652

Bank borrowings are secured as follows:

- By inventories and trade receivables amounting to TEUR 36,040 (at 31 March 2010: TEUR 36,087). Reference is made to Note 11 "Inventories" and Note 12 "Trade and other receivables";
- By assignment of rights from the hedge against political risk for the location in China amounting to TEUR 0 at 31 March 2011 (at 31 March 2010: TEUR 14,000), as well as for the site in South Korea amounting to TEUR 3,139 (at 31 March 2010: TEUR 3,139).

Lines of credit of financing liabilities, including bonds, are as follows at 31 March 2011:

(in EUR 1,000)	Credit lines	Used
Export credit lines - committed	36,000	36,000
Other credit lines - committed	243,650	155,258
Credit lines - uncommitted	32,843	20,674
	312,493	211,932

Leases

Total future minimum lease payments recognised in from non-cancellable operating leases and rental expenses are as follows:

(in EUR 1,000)	31 March	
	2011	2010
Not later than 1 year	2,939	3,078
Between 1 and 5 years	7,664	7,796
Later than 5 years	8,437	11,236
Total minimum lease payments	19,040	22,110

The Group entered into various operating lease agreements for the rental of office space, properties and production facilities, as well as factory and office equipment and technical equipment.

The obligations from operating leases are affected by a sale and lease back transaction concluded in the financial year 2006/07 for the properties and buildings in Leoben-Hinterberg and Fehring, Austria, with non-cancellable lease period until December 2021. The stated amounts also include TEUR 9,484 at 31 March 2011

(at 31 March 2010: TEUR 10,016) attributable to minimum lease payments from the operating lease for no longer used building spaces in Leoben-Hinterberg, which has already been included in the balance sheet as other provisions. Reference is made to Note 18 "Other provisions".

The payments recognised as expense for non-cancellable lease and rental expenses are as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Leasing and rental expenses	3,171	3,359

17. Provisions for employee benefits

The provisions for employee benefits relate to pension, termination and other employee benefits.

Defined Contribution Plans

The majority of the Group's employees in Austria and part of its employees in India are covered by defined contribution plans that have been transferred to a pension fund. For employees in Austria, the pension plans are supplemented by a death and endowment insurance. Employer contributions are determined on the basis of a certain percentage of current salary and the Company's profit for the year. Contributions under these plans amounted to TEUR 496 in the financial year 2010/11 and to TEUR 147 in the financial year 2009/10.

Defined Benefit Plans

The Group operates non-contributory defined benefit plans for individual members of the management board and other executive employees. The board members' and other executive employees' plans are funded and unfunded.

Retirement benefits of board members and executive employees are based on their salaries and years of service.

Funded termination benefits

The employees in India are entitled to termination benefits upon retirement or, under certain circumstances, upon leaving the company, the amount of which depends on years of service and compensation level. The termination benefits range between half of a monthly salary per year of service and a fixed maximum. The obligations are covered by a life insurance.

Unfunded termination benefits

Employees in Austria, South Korea and China are entitled to receive termination benefits, which are based upon years of service and compensation levels and are generally payable upon retirement and, under certain circumstances, upon leaving the company. In Austria the termination benefits range from 2 to 12 months of final monthly salary depending on years of service, in South Korea and China a fixed amount is paid depending also on years of service.

For employees who joined on or after 1 January 2003, regular contributions are paid to a staff provision fund ("Mitarbeiter-vorsorgekasse") without any further obligations on part of the Group. The contributions amounted to TEUR 254 for the financial year 2010/11 and to TEUR 239 for the financial year 2009/10.

Other benefit obligations

The employees of the companies in Austria and in China are entitled to anniversary bonuses for long-term service, in Austria the eligibility to and amount of which are stipulated in the Collective Agreement.

Expenses for (defined benefit) retirement, termination and other employee benefits consist of the following:

(in EUR 1,000)	Retirement benefits		Termination benefits		Other employee benefits	
	Financial year		Financial year		Financial year	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
Current service cost	127	191	895	1,115	701	706
Interest expense	461	466	470	555	82	113
Past service cost	–	–	115	–	–	–
Settlements	29	–	175	3,069	–	–
Expected return on plan assets	(451)	(291)	(15)	(13)	–	–
Actuarial losses/(gains)	(32)	101	19	182	466	(23)
Total expenses	134	467	1,659	4,908	1,249	796

Expenses for retirement, termination and other employee benefits are recognised in cost of sales, selling costs and general and administrative costs. The settlements in the financial year 2010/11 and 2009/10 are included in non-recurring items.

Amounts accrued in the *balance sheet* are:

(in EUR 1,000)	31 March	
	2011	2010
(Overfunded) retirement benefits	(590)	(620)
Underfunded retirement benefits	1,038	1,021
Underfunded termination benefits	8,834	8,233
Other employee benefits	2,338	2,115
Provisions for employee benefits	12,210	11,369
Accrued retirement, termination and other employee benefits, net	11,620	10,749

Retirement benefits and termination benefits in the balance sheet are as follows:

(in EUR 1,000)	Retirement benefits		Termination benefits	
	31 March		31 March	
	2011	2010	2011	2010
Present value of funded obligations	9,145	8,662	628	437
Fair value of plan assets	(9,891)	(8,480)	(574)	(194)
Funded status funded obligations	(746)	182	54	243
Present value of unfunded obligations	985	968	10,236	9,085
Unrealised actuarial gains/(losses)	209	(749)	(1,455)	(1,095)
Unrecognised past service costs	–	–	(1)	–
Provisions/(receivables) in the balance sheet, net	448	401	8,834	8,233
thereof receivables (overfunded benefits)	(590)	(620)	–	–
thereof provisions (underfunded benefits)	1,038	1,021	8,834	8,233

The present value of projected retirement benefit obligations, the movement in plan assets and funded status are as follows:

(in EUR 1,000)	Funded retirement benefits		Unfunded retirement benefits	
	Financial year		Financial year	
	2010/11	2009/10	2010/11	2009/10
Present value of retirement benefit obligation				
Present value at beginning of year	8,662	8,381	968	900
Current service cost	127	191	–	–
Interest expense	413	419	48	47
Actuarial losses/(gains)	69	(174)	(31)	21
Past service cost	29	–	–	–
Benefits paid	(155)	(155)	–	–
Present value at end of year	9,145	8,662	985	968
Fair value of plan assets				
Fair value at beginning of year	8,480	6,769		
Contributions to plan assets	87	973		
Expected return on plan assets	451	291		
Actuarial gains/(losses)	1,028	602		
Benefits paid	(155)	(155)		
Fair value at end of year	9,891	8,480		
Funded status funded retirement benefits	(746)	182		

Plan assets held to cover the pension obligations have been transferred to pension funds. The diversification of the portfolio is as follows:

(in %)	31 March	
	2011	2010
Debt securities	32%	31%
Equity securities	44%	38%
Real estate	7%	7%
Cash and cash equivalents	17%	24%
	100%	100%

The aggregate movement in funded and unfunded termination benefits is as follows:

(in EUR 1,000)	Funded termination benefits		Unfunded retirement benefits	
	Financial year		Financial year	
	2010/11	2009/10	2010/11	2009/10
Present value of termination benefit obligation				
Present value at beginning of year	437	392	9,085	10,653
Changes in consolidated group	–	(22)	–	–
Exchange differences	(26)	41	(8)	81
Current service cost	45	30	850	1,085
Interest cost	45	29	425	526
Actuarial losses/(gains)	27	(11)	374	(3,019)
Past service cost	116	–	–	–
Settlements	–	–	175	3,069
Benefits paid	(16)	(22)	(665)	(3,310)
Present value at end of year	628	437	10,236	9,085
Fair value of plan assets				
Fair value at beginning of year	194	184		
Changes in consolidated group	–	(15)		
Exchange differences	(26)	18		
Contributions to plan assets	384	16		
Expected return on plan assets	15	13		
Actuarial gains/(losses)	23	–		
Benefits paid	(16)	(22)		
Fair value at end of year	574	194		
Funded status funded termination benefits	54	243		

The aggregate movement in other employee benefits (anniversary bonuses) is as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Present value at beginning of year	2,115	2,244
Exchange differences	(2)	(24)
Service cost	700	706
Interest expense	82	113
Actuarial losses/(gains)	466	(23)
Benefits paid	(1,023)	(901)
Present value at end of year	2,338	2,115

The following actuarial parameters were used for the measurement at the balance sheet date:

	Retirement benefits		Termination benefits		Other employee benefits (anniversary bonuses)	
	31 March		31 March		31 March	
	2011	2010	2011	2010	2011	2010
Discount rate	5%	5%	5–8.35%	5–8.25%	3.25–5%	2–5%
Expected return on plan assets	5.31%	5.55%	8%	8%	–	–
Expected rate of compensation increase	2.25%	2.25%	3–7.75%	3–7%	3–10%	3–10%
Expected rate of pension increase	2%	2%	–	–	–	–
Retirement age	58–65	58–65	individual according to 2003 pension reform	individual according to 2003 pension reform	–	–

18. Other provisions

(in EUR 1,000)	Total	Warranty	Restructuring Leoben	Others
Carrying amount 31 March 2010	18,247	901	13,657	3,689
Utilisation	(4,644)	(202)	(888)	(3,554)
Reversal	(358)	(203)	–	(155)
Addition	1,340	445	–	895
Interest effect	114	–	114	–
Exchange differences	(34)	(14)	–	(20)
Carrying amount 31 March 2011	14,665	927	12,883	855

(in EUR 1,000)	Total	Warranty	Closure Augsburg plant	Restructuring Leoben	Others
Carrying amount 31 March 2009	10,297	1,265	39	8,533	460
Utilisation	(2,048)	(535)	(39)	(1,015)	(459)
Reversal	(79)	(78)	–	–	(1)
Addition	9,762	248	–	6,072	3,442
Interest effect	67	–	–	67	–
Exchange differences	248	1	–	–	247
Carrying amount 31 March 2010	18,247	901	–	13,657	3,689

(in EUR 1,000)	31 March	
	2011	2010
thereof non-current	11,967	12,769
thereof current	2,698	5,478
Carrying amount	14,665	18,247

Warranty provision

The provision for warranties relates to the costs for expected complaints about products still under warranty. The accrued amount is the best estimate of these costs based on past experience and actual facts, which due to the uncertainty as to amount and timing are not yet recognised as liabilities.

Provision for the restructuring Leoben-Hinterberg

This provision for costs from contractual obligations relates to future vacancy costs for no longer used building space based on the non-cancellable property lease obligations. The provision was recognised in the amount of the present value of the expenses expected to be incurred largely in the long term.

Others

Sundry other provisions relate to provisions for other short-term onerous contracts.

19. Derivative financial instruments

The derivative financial instruments mainly relate to forward currency contracts, currency swaps and interest rate swaps. Hedged items are primarily trade receivables and payables, as well as payments in connection with loans.

The carrying amounts of the Group's derivative financial instruments correspond to their fair values. The fair value corresponds to the amount that would be incurred or earned, if the transaction was settled at the balance sheet date.

The fair values of the derivative financial instruments are as follows:

(in EUR 1,000)	31 March 2011		31 March 2010	
	Assets	Liabilities	Assets	Liabilities
Forward contracts at fair value	–	–	–	254
Currency swaps at fair value	1	36	167	1,132
Currency options at fair value	–	–	–	–
Interest rate swaps at fair value	25	18	–	399
Total fair values	26	54	167	1,785
Net of current portion:				
Forward contracts at fair value	–	–	–	254
Currency swaps at fair value	1	36	167	1,132
Current portion	1	36	167	1,386
Non-current portion	25	18	–	399

The nominal amounts and the fair values of derivative financial instruments relating to hedges against exchange rate fluctuations are as follows at balance sheet date, presented by currency:

Currency	31 March 2011		31 March 2010	
	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)
US dollar	7,040	(35)	35,301	(1,219)

The nominal amounts and the fair values of derivative financial instruments relating to hedges against interest rate fluctuations are as follows at balance sheet date, presented by currency:

Currency	31 March 2011		31 March 2010	
	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)
Euro	21,700	7	23,600	(399)

The remaining terms of derivative financial instruments are as follows at balance sheet date:

(in months)	31 March	
	2011	2010
Forward contracts	–	4
Currency swaps	1	7
Currency options	–	–
Interest rate swaps	36	48

At 31 March 2011, the fixed interest rates for interest rate swaps are 2.34% and 1.84%, the variable interest rate is based on the 6-month EURIBOR.

20. Additional disclosures on financial instruments

Carrying amounts and amounts stated by measurement category

The carrying amounts and amounts stated of financial instruments included in several balance sheet items by measurement category are as follows at the balance sheet date:

(in EUR 1,000) 31 March 2011	Fair values through profit or loss	Fair values in equity	Amortised cost	Carrying amounts
Assets				
Non-current assets				
Financial assets	25	96	–	121
Current assets				
Trade and other receivables	–	–	72,247	72,247
Financial assets	13,852	60	–	13,912
Cash and cash equivalents	–	–	4,227	4,227
Liabilities				
Non-current liabilities				
Financial liabilities	18	–	95,541	95,559
Current liabilities				
Trade and other payables	–	–	82,192	82,192
Financial liabilities	36	–	116,391	116,427

(in EUR 1,000) 31 March 2010	Fair values through profit or loss	Fair values in equity	Amortised cost	Carrying amounts
Assets				
Non-current assets				
Financial assets	–	97	2	99
Current assets				
Trade and other receivables	–	–	70,845	70,845
Financial assets	14,153	61	–	14,214
Cash and cash equivalents	–	–	13,354	13,354
Liabilities				
Non-current liabilities				
Financial liabilities	–	–	105,197	105,197
Current liabilities				
Trade and other payables	–	–	50,235	50,235
Financial liabilities	1,785	–	68,670	70,455

Valuation hierarchies of financial instruments measured at fair value

Three valuation hierarchies have to be distinguished in the valuation of financial instruments measured at fair value.

- Level 1: The fair values are determined based on quoted market prices in an active market for identical financial instruments.
- Level 2: If there are no quoted market prices in an active market, fair value is established by using a valuation technique that makes maximum use of market inputs.
- Level 3: In this case, valuation methods to establish the fair value are also based on non-market data.

The allocation of financial instruments measured at fair value to the three measurement hierarchies are as follows at the balance sheet date:

(in EUR 1,000) 31 March 2011	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	13,851	–	–	13,851
Derivative financial instruments	–	26	–	26
Financial assets available for sale	156	–	3	156
Financial liabilities				
Derivative financial instruments	–	54	–	54

(in EUR 1,000)

31 March 2010	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	13,986	–	–	13,986
Derivative financial instruments	–	167	–	167
Financial assets available for sale	157	–	3	160
Financial liabilities				
Derivative financial instruments	–	1,785	–	1,785

Net results relating to financial instruments by measurement category

Net gains and net losses relating to financial assets and liabilities by measurement category are as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Loans and receivables	(6,896)	(538)
Financial assets at fair value through profit or loss	(59)	3,305
Financial assets available for sale	5	1
Financial liabilities at amortised cost	(2,731)	(11,203)
	(9,681)	(8,435)

The net results relating to financial instruments include dividend income, interest income and expenses, foreign exchange gains and losses, realised income and losses on the disposal and sale, as well as income and expenses recognised in the income statement from the measurement of financial instruments.

Of the total net result (net expense) from financial instruments TEUR -6,927 (2009/10: TEUR -669 net expense) is included in the operating result and TEUR -2,754 (2009/10: TEUR -7,766 net expense) in the financial result.

21. Contingent liabilities and other financial commitments

Regarding non-cancellable leasing and rental agreements, reference is made to Note 16 "Financial liabilities". At 31 March 2011 the Group has other financial commitments amounting to TEUR 46,642 (TEUR 25,774 at 31 March 2010) in connection with contractually binding investment projects. Furthermore, at the balance sheet date the Group has contingent liabilities to customs authorities and from bank guarantees in the amount of TEUR 83 (TEUR 9 at 31 March 2010). Other guarantees or contingencies relating to the ordinary business operations do not exist at the balance sheet date.

22. Share capital

	Outstanding shares (in 1,000 shares)	Registered capital (in EUR 1,000)	Share premium (in EUR 1,000)	Treasury shares, net of tax (in EUR 1,000)	Share capital (in EUR 1,000)
31 March 2009	23,323	28,490	63,542	(46,352)	45,680
31 March 2010	23,323	28,490	63,542	(46,352)	45,680
Change in treasury shares, net of tax	–	–	–	(1,205)	(1,205)
31 March 2011	23,323	28,490	63,542	(47,557)	44,475

Registered capital

At 31 March 2011 the registered capital in the amount of TEUR 28,490 is made up of 25,900,000 no-par value shares with a notional value of EUR 1.10 per share.

Outstanding shares

The number of shares issued amounts to 25,900,000. At the balance sheet date 31 March 2011 2,577,412 treasury shares were held by the Group, 23,322,588 shares were outstanding.

Authorised share capital

By a resolution passed at the 16th Annual General Meeting on 7 July 2010 the Management Board was authorised to increase the share capital by a nominal amount of up to TEUR 14,245 until 6 July 2015, if required, in several tranches upon approval by the Supervisory Board by issuing up to 12,950,000 no-par value bearer shares paid for in cash or contribution in kind, partially or entirely excluding the existing shareholders' subscription rights, and to set the detailed issue conditions in agreement with the Supervisory Board. The Supervisory Board is authorised to adopt changes to the articles of association that are due to the issuance of shares from the authorised capital.

Convertible bonds

A resolution passed at the 16th Annual General Meeting on 7 July 2010 authorised the Management Board upon approval by the Supervisory Board to issue convertible bonds in accordance with § 174 (2) AktG (Austrian Stock Corporation Act) at a maximum nominal value of TEUR 100,000 (in several tranches) until 6 July 2015, to set the issue conditions and the conversion ratio and to exclude the existing shareholders' subscription rights. This authorisation may be exercised as a whole or in parts.

Conditional capital increase

A resolution was passed at the 16th Annual General Meeting on 7 July 2010 to perform a conditional capital increase in accordance with § 160 (2) AktG (Austrian Stock Corporation Act) and to grant stock options and conversion rights to creditors of convertible bonds by a nominal amount of TEUR 14,245 by issuing up to 12,950,000 new common bearer shares. Furthermore, the Management Board was authorised to set the further details of the conditional capital increase. The Supervisory Board is authorised to adopt changes (due to the issuance of shares from the conditional capital increase) to the articles of association. The new issued shares resulting from the conditional capital increase carry the same dividend as the shares traded on the stock exchange at the date of the issue.

Treasury shares

At the 16th Annual General Meeting on 7 July 2010, the Management Board in accordance with § 65 (1) 8 AktG (Austrian Stock Corporation Act) was once again authorised, if not yet exercised, to acquire treasury shares of up to 10% of the share capital within 30 months as of the date the resolution was passed (the purchase price per no-par value share to be acquired shall not be below EUR 1.10 and shall not exceed EUR 110) and to retract the treasury shares acquired without an additional shareholders' resolution, or to use them for the Group's stock option plan. The Supervisory Board is authorised to pass amendments to the articles of association, which result from the retraction of shares.

Since 15 May 2006, the Group has purchased a total of 2,632,432 treasury shares at the prevailing market price amounting to a total of TEUR 47,484. In the financial year 2010/11 shares were neither sold nor used for servicing the Company's stock option plan. At 31 March 2011 (unchanged to prior year) the Group still holds 2,577,412 treasury shares (9.95% of the share capital) with a total purchase price of TEUR 46,577. The change in treasury shares (net of tax) in the financial year 2010/11 exclusively relates to taxes attributable to this equity instrument.

At the 16th Annual General Meeting on 7 July 2010 the Management Board in accordance with § 65 (1b) AktG was authorised, for a period of five years as of the date the resolution was passed, i.e. up to and including 6 July 2015, upon approval by the Supervisory Board, to sell the purchased treasury shares also in a different way than through the stock exchange or public offer, in particular to service stock options, convertible bonds, as consideration for the acquisition of companies, investments or other assets, and for the sale by means of an accelerated book-building procedure. In doing so, the subscription rights of existing shareholders' may be excluded in accordance with §§ 169 to 179 AktG, and the authorisation exercised in its entirety or in several parts.

In the financial year 2010/11 a dividend of EUR 0.10 was paid per share (in the financial year 2009/10 EUR 0.18).

23. Other reserves

The reclassification amounts of other comprehensive income realised in the profit for the year and the movement in other reserves are as follows:

(in EUR 1,000)	Currency translation differences	Financial assets available for sale	Hedging instruments for cash flow hedges	Other reserves
Carrying amount at 31 March 2009	537	24	–	561
Balance of unrealised changes before reclassification, net of tax	(2,060)	19	(299)	(2,340)
Transfer of realised changes recognised in the profit for the year, net of tax	219	–	–	219
Carrying amount at 31 March 2010	(1,304)	43	(299)	(1,560)
Balance of unrealised changes before reclassification, net of tax	(10,777)	1	238	(10,538)
Reclassification of realised changes recognised in the profit for the year, net of tax	–	–	66	66
Carrying amount at 31 March 2011	(12,081)	44	5	(12,032)

With regard to the presentation of income taxes attributable to the individual components of other comprehensive income, including reclassification amounts, reference is made to Note 7 "Income taxes".

VI. Other Disclosures

24. Earnings per share

Earnings per share is calculated in accordance with IAS 33 "Earnings Per Share".

Weighted average of outstanding shares

The number of shares issued is 25,900,000. At 31 March 2011 2,577,412 treasury shares were held, which were deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounted to 23.3 million in the financial year 2010/11 and to 23.3 million in the financial year 2009/10.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounted to 23.4 million in the financial year 2010/11 and to 23.4 million in the financial year 2009/10.

The following table shows the composition of the diluted weighted average number of outstanding shares in the respective periods:

(in 1,000)	Financial year	
	2010/11	2009/10
Weighted average number of shares outstanding - basic	23,323	23,323
Diluting effect of options	121	71
Weighted average number of shares outstanding - diluted	23,444	23,394

Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of outstanding ordinary shares of the same period.

	Financial year	
	2010/11	2009/10
Profit for the year (in EUR 1,000)	35,168	(37,271)
Weighted average number of outstanding shares - basic (in 1,000)	23,323	23,323
Basic earnings per share (in EUR)	1.51	(1.60)

Diluted earnings per share

Diluted earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of outstanding shares including the number of potentially outstanding ordinary shares of the respective period. Potentially outstanding ordinary shares comprise the additional shares to be issued for exercisable options and are included in diluted earnings per share under the assumption that these shares are diluted.

	Financial year	
	2010/11	2009/10
Profit for the year (in EUR 1,000)	35,168	(37,271)
Weighted average number of outstanding shares - diluted (in 1,000)	23,444	23,394
Diluted earnings per share (in EUR)	1.50	(1.59)

According to IAS 33 the treasury shares which are held to fulfil the stock option plan do not dilute the outstanding shares.

25. Proposal on profit distribution

According to the provisions of the Austrian Stock Corporation Act ("Aktiengesetz") the local financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft as of 31 March 2011 prepared under Austrian GAAP serve as the basis for the distribution of dividends. These financial statements report retained earnings amounting to TEUR 24,755 at 31 March 2011 (TEUR 14,144 at 31 March 2010).

The distribution is subject to the approval of the General Meeting. The Management Board proposes to the General Meeting to distribute a dividend of EUR 0.36 per outstanding share from the retained earnings of TEUR 24,755, and to carry forward the remaining balance.

26. Material events after the balance sheet date

Establishment of AT&S (Chongqing) Company Limited

Already on 1 March 2011, an agreement was signed between the Group and the competent authority in Chongqing, Western China, on the purchase of usage rights relating to a property of approximately the same size as the plant in Shanghai. According to the respective resolutions and authorisations by the Management Board and Supervisory Board, the application for registration of AT&S (Chongqing) Company Limited was filed

with the authority in China on 1 April 2011. The business license required for commencement of operations was obtained on 8 April 2011. The extension of the HDI plant in Chongqing will be carried out gradually, and the respective stage of expansion will be based on market demand and technological developments. First it is planned to construct buildings and infrastructure, for which an approximate EUR 50 million is estimated.

Establishment of a business-unit structure

In April 2011 the Management Board, with the approval of the Supervisory Board, decided to develop the organisational structure in order to enhance flexibility in the Group and to better align operating processes with customer needs. For the purpose of strengthening market orientation, three business units – Mobile Devices, Industrial & Automotive Solutions and Embedded Component Packaging – shall be established. The new organisational structure is designed to allocate as many operating group functions as possible to the business units in order to align business processes with the specific needs of the individual business segments. Furthermore, by doing so, optimisations and efficiency increases are to be achieved in order to implement an organisational form in line with the growth strategy of the Group. From today's perspective, no restructuring expenses or other non-recurring expenses are expected to be incurred in connection with this organisational alignment. In the course of establishing the business unit structure it is planned, among other things, to adjust the internal reporting system, which will have a corresponding impact on external segment reporting.

27. Related party transactions

In connection with various projects the Group received services from consulting companies, which are held by the chairman of the Supervisory Board (AIC Androsch International Management Consulting GmbH, Vienna) as well as by Supervisory Board members (Dörflinger Management & Beteiligungs GmbH, Vienna, and Rechtsanwälte Riedl & Ringhofer, Vienna) respectively. The fees charged are as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
AIC Androsch International Management Consulting GmbH	411	365
Rechtsanwälte Riedl & Ringhofer	11	–
Dörflinger Management & Beteiligungs GmbH	2	10
	424	375

At the balance sheet date, there are no outstanding balances or obligations to the above-mentioned consulting companies.

Furthermore, in the past parts of the manufacturing processes outsourced by AT&S Korea were performed by related parties and amount to TEUR 0 in the financial year 2010/11 (2009/10: TEUR 7).

Members of the Management Board and the Supervisory Board

In the financial year 2010/11 and until the date of issuance of these consolidated financial statements the following persons served on the *Management Board*:

- Andreas Gerstenmayer (Chairman)
- Heinz Moitzi
- Steen Ejlskov Hansen (until 8 October 2010)
- Thomas Obendrauf (since 29 October 2010)

In the financial year 2010/11 the following persons were elected members of the *Supervisory Board*:

- Willibald Dörflinger (Deputy Chairman)
- Karl Fink
- Albert Hochleitner
- Gerhard Pichler
- Georg Riedl

Delegated by the Works Council:

- Wolfgang Fleck
- Johann Fuchs
- Günther Wölfler

The number of granted stock options and personnel expenses from stock options granted are as follows:

	Number of granted stock options 31 March		Personnel expenses Financial year (in EUR 1,000)	
	2011	2010	2010/11	2009/10
Andreas Gerstenmayer	40,000	–	112	–
Heinz Moitzi	120,000	120,000	297	61
Thomas Obendrauf	6,000	–	15	–
Steen Ejlskov Hansen	90,000	120,000	582	61
Harald Sommerer	–	160,000	216	178
Total Management Board	256,000	400,000	1,222	300
Total other executive employees	120,000	115,000	328	69
	376,000	515,000	1,550	369

The stock options of Steen E. Hansen vested at the retirement date (expiration of employment contract) on 31 January 2011 and are exercisable until 31 January 2012 at the latest. In addition, reference is made to the comments on the stock option programs under Note 15 “Trade and other payables”.

Total remuneration to the members of the Management Board and executive employees attributable to the financial year:

(in EUR 1,000)	Financial year 2010/11			Financial year 2009/10		
	fixed	variable	total	fixed	variable	total
Andreas Gerstenmayer	393	299	692	58	–	58
Heinz Moitzi	308	236	544	314	–	314
Thomas Obendrauf	143	119	262	–	–	–
Steen Ejlskov Hansen	365	1,999	2,364	365	–	365
Harald Sommerer	–	394	394	457	423	880
Executive employees	3,166	1,135	4,301	2,917	–	2,917
			8,557			4,534

The variable compensation in the financial year 2010/11 of Steen E. Hansen includes primarily, and the variable compensation in the financial year 2009/10 of Harald Sommerer relates exclusively to contractual termination benefits and settlements of other claims in connection with the early termination of the management contracts. In addition, the variable compensation in the financial year 2010/11 of Steen E. Hansen and of Harald Sommerer includes the cash settlement for exercised stock options.

Expenses for termination benefits and retirement benefits for members of the Management Board and executive employees are as follows:

(in EUR 1,000)	Termination benefits Financial year		Retirement benefits Financial year	
	2010/11	2009/10	2010/11	2009/10
Management Board and executive employees	350	423	225	473

Total remuneration for services rendered personally by members of the Supervisory Board attributable to the financial year and proposed to the Annual General Meeting:

(in EUR 1,000)	Financial year 2010/11			Financial year 2009/10		
	fixed	variable	total	fixed	variable	total
Hannes Androsch	34	15	49	16	–	16
Willibald Dörflinger	27	7	34	9	–	9
Karl Fink	24	7	31	10	–	10
Albert Hochleitner	24	7	31	11	–	11
Gerhard Pichler	25	7	32	9	–	9
Georg Riedl	24	7	31	11	–	11
Erich Schwarzbichler	–	–	–	2	–	2
	158	50	208	68	–	68

Shareholdings of members of the Management Board and the Supervisory Board at 31 March 2011:

	Shares	Options	Total shares and options	% capital
Management Board members	1,672	256,000	257,672	1.00
Supervisory Board members:				
Hannes Androsch	445,853	–	445,853	1.72
Other members of the Supervisory Board	28,412	–	28,412	0.11
Total Supervisory Board members	474,265	–	474,265	1.83
Private foundations:				
Androsch Privatstiftung	5,570,666	–	5,570,666	21.51
Dörflinger Privatstiftung	4,574,688	–	4,574,688	17.66
Total private foundations	10,145,354	–	10,145,354	39.17
	10,621,291	256,000	10,877,291	42.00

28. Expenses for the group auditor

The expenses of the financial year for the group auditor are as follows:

(in EUR 1,000)	Financial year	
	2010/11	2009/10
Audit of consolidated and separate financial statements	132	133
Other assurance services	11	13
Other services	9	14
	152	160

This item does not include expenses for other network members of the group auditor, e.g. for the audit of financial statements of subsidiaries or tax consulting services.

29. Number of staff

Average number of staff in the financial year:

	Financial year	
	2010/11	2009/10
Waged workers	5,643	4,345
Salaried employees	1,344	1,271
	6,987	5,616

The calculation of the number of staff includes an average of 3,624 leased personnel for the financial year 2010/11 and an average of 2,486 for the financial year 2009/10.

Leoben-Hinterberg, 9 May 2011

The Management Board

Andreas Gerstenmayer m.p.

Heinz Moitzi m.p.

Thomas Obendrauf m.p.

Group Management Report 2010/11

1. Company profile

AT&S is one of the market leaders worldwide and the largest manufacturer of printed circuit boards in Europe and India. The plant in Shanghai is the largest plant in China specializing in HDI technology. The product portfolio of AT&S includes single-sided, double-sided, multi-layer, HDI (High Density Interconnection, a multi-layer printed circuit board with extremely fine structures), flexible, rigid-flexible and semi-flexible types of printed circuit boards. The service spectrum includes various technologies for the treatment of printed circuit boards using various base materials.

Over time, mobile phones developed into multimedia devices with GPS, camera, TV and other supplementary functions. Thus, the mobile devices segment, apart from mobile phones, also includes digital cameras, music and video players, etc. Increasing demand for technologically complex components is also observed in the industrial segment, which in particular comprises industrial electronics, measurement and control technology, medical technology, aviation applications and industrial computers. Usually, in this area many small orders involving different technologies and specifications have to be processed. The complexity of printed circuit boards also rises in the automotive segment due to the ever more efficient electronics used in automobiles and the need for more highly integrated systems, among other things, to increase safety and information for the driver. In addition to standard printed circuit boards, HDI technology becomes more common. The trend towards miniaturization and more complex components generally characterizes the technological challenges for printed circuit board manufacturers.

From manufacturing plants in Europe and Asia as well as a distribution network spanning four continents, AT&S supplies internationally operating corporations. At the same time, AT&S also serves the demand from smaller companies and produces prototypes and small series. With its current production capacities, AT&S is able to service the volume production existing mainly in Asia, as well as the European niche business. The products are sold directly to original equipment manufacturers (OEM) and contract electronic manufacturers (CEM).

AT&S is also technologically one of the leading printed circuit board manufacturers. The excellent performance in the area of research and development is an important prerequisite for that. AT&S is working in networks of customers, suppliers and research institutions on the latest innovative techniques. In addition, the Company has profound long-term experience in the area of industrial large series production. The ongoing optimization of the business processes is one of the major core elements of the corporate strategy.

The core business of AT&S is the development and manufacture of printed circuit boards for large and small series as well as prototypes. The printed circuit boards are designed and manufactured according to customer specifications. In order to provide customers with a comprehensive service range and to strengthen the own market position, AT&S also offers design services. With the embedding technology, AT&S will be able to offer also mounting and chip packaging services in the future.

2. Business development and climate

In the past financial year 2010/11 the effects of the economic crisis could only be slightly felt. Compared to the prior year, the global circuit board production increased by approx. 24% to USD 51 billion, with the production in China experiencing an increase of almost 30% and in Europe of approx. 21%. Thus, the production volume in Europe, however, did not reach the level prior to the crisis. Due to the high share of sales of the mobile devices segment, the overall business of the AT&S Group is subject to seasonality, as a result of which the first and fourth quarter are usually characterized by a low utilization, and the second and third quarter of the financial year by a very good utilization.

Already in the first quarter of the financial year 2010/11 the upward trend after the economic crisis continued and, as a result, quarterly sales increased again by EUR 14.3 million or 14% over the fourth quarter of the previous financial year. This even means an increase of EUR 30.7 million or 37% over the comparison period of the previous year, reaching the sales level of before the crisis already in the first quarter. In the second quarter, sales increased by an additional 13% to EUR 128.7 million and reached a similar level also in the third quarter, and some customer deliveries had been shifted to the fourth quarter, recording even higher sales than the third quarter.

For the entire financial year 2010/11, revenue increased by EUR 115.8 million or 31% to EUR 487.9 million year-on-year. With this figure, the decline of the previous financial year was more than offset and even exceeded the record year 2007/08 before the crisis.

From a geographical or segment perspective, the increase in production over the previous year was particularly significant in Asia. As a result of the general price pressure and the industry trend, the production capacities of AT&S in Asia were expanded in the past years and volume orders in the area of mobile devices were increasingly shifted to China. After comprehensive restructuring measures in the previous financial year designed to secure sustained profitability, the volume production of the Leoben-Hinterberg location was completely shifted to Asia. In addition, the production capacities particularly in China and

India were further increased. As a result, the Asian share of segment net sales in total sales is already 69% in the financial year 2010/11 (67% in the prior year). The Europe segment, not least due to market adjustments, also showed a significant improvement in production utilization. Regarding the increase in segment sales of 25% year-on-year, it has to be taken into account that the second restructuring phase in Leoben-Hinterberg took place towards the end of the first quarter of the previous financial year and thus only smaller production capacities have been available in Europe since then.

Mobile devices with revenues of EUR 271.4 million and a share in sales of 56% (prior year: 59%) is still by far the largest business segment of the AT&S Group. This equals an increase of 23% year-on-year. In line with AT&S's strategy to focus, among other things, on the more profitable high-end segment, declines in sales resulted particularly with customers focusing on the low-cost segment. However, as a result of further gains in market shares in the high-technology segment, the share in sales of mobile devices almost reached the prior-year figure.

The industrial segment, with a share in sales of almost 31%, is gaining ever more importance. At EUR 153.1 million, prior-year sales were exceeded significantly by EUR 48.0 million or 46%. The third largest business segment, automotive, with an increase of 46% year-on-year also records a strong growth. Project-related sales in the service business declined further due to the termination of various activities in this area and new business areas are still being developed.

With regard to the breakdown of revenue by country, the long-term trend of shifting the industry from Europe to Asia is noticeable. Due to changes in the customer structure and particularly in product allocations of OEM and CEM, revenue generated from manufacturers in Canada, the USA and Mexico gained further importance. This development was noticed already in the previous financial year and thus the share in sales already amounts to 25% versus 19% in the previous year, whereas the share to Asia declined from 34% to 27%. Sales with European customers also showed a very positive development and increased proportionally year-on-year, in Germany even overproportionally in relation to the development of group sales.

Based on the significantly higher revenues, the gross profit of EUR 89.8 million doubled year-on-year and the gross profit mar-

gin increased from 12.1% to 18.4%. This positive margin development is due to the very good utilization of production capacities both in Austria and in Asia and the related degression effects on fixed costs. In the previous financial year, considerable overcapacities existed particularly in the first quarter and, as a result, the Leoben-Hinterberg location even recorded a negative gross profit.

Based on the higher gross result, the operating result is affected by lower non-recurring effects and thus improved from a negative prior-year figure of EUR -25.6 million by EUR 72.1 million to EUR 46.5 million. The operating result adjusted for non-recurring items of EUR 49.2 million in the financial year 2010/11 also shows a significant increase over the adjusted prior-year figure of EUR 11.0 million. The adjusted EBIT margin is 10.1% and with an increase of 7 percentage points more than tripled over the prior-year figure calculated in the same way.

Looking at the segment results, a significant increase can be noticed year-on-year both in Europe and in Asia, with the Europe segment in particular having been affected in particular by restructuring expenses in the previous year. The adjusted segment EBIT (operating result before non-recurring items) relevant for measuring the performance, increased for Asia by EUR 17.0 million to EUR 39.4 million and for Europe even by EUR 23.9 million to EUR 18.0 million.

At the balance sheet date 31 March 2011, consolidated equity amounts to EUR 229.8 million and increased EUR 21.0 million year-on-year. The increase is due in particular to the clearly positive profit for the year of EUR 35.0 million, with the currency translation differences in equity having an adverse effect on consolidated equity particularly in the last quarter of the past financial year. Despite the clearly positive profit for the year also in the fourth quarter, consolidated equity decreased compared to EUR 247.2 million at the end of the third quarter. The equity ratio of 40% at the balance sheet date equals a reduction of around 3 percentage points compared to the previous balance sheet date and continues to show a strong equity position.

In the financial year 2010/11, net debt of the AT&S Group increased by EUR 45.7 million to EUR 193.7 million and thus to a comparably small extent in relation to investment activities. Due to the high operating cash flow of 70.7 million, the major part of investment expenses of EUR 115.3 million could be funded

through current operations. The remaining portion was covered by corresponding borrowings. According to the expansion phase, the gearing ratio amounts to 84% at the balance sheet date and thus exceeds the prior-year figure of 71%, with the currency translation differences in equity having an adverse effect on this ratio in the financial year 2010/11. For details on the calculation method of the ratios and additional explanations, reference is made to the notes to the consolidated financial statements, section "II. Risk report".

Under the investing activities of AT&S, additions to property, plant and equipment and intangible assets totalled EUR 133.4 million in the financial year 2010/11. The investments primarily relate to the completion of the existing plant in China and the construction of a second plant in India, but also equipment for new technologies and innovation projects in the Austrian plants.

On an annual average, AT&S had 6,987 employees (including leased personnel) in the financial year 2010/11 and thus 1,371 more than the prior-year average (2009/10: 5,616). The headcount increased mainly due to the expansion of the locations in China and India, but also at the Austrian locations the headcount increased again as a result of the better utilization. The shifting of the headquarters from Vienna to the Company's domicile, which was decided and implemented in the past financial year, was accompanied by a social plan. Regarding new joiners, the transfer of knowledge was accomplished through adequate handover and training phases.

Well trained and motivated staff is a key factor in keeping up with international competition. Therefore, AT&S pays special attention to training and education programs which are designed to promote intercultural skills in addition to professional competencies. In technical trainings, intercultural trainings and special management and executive development programmes AT&S staff is adequately prepared for current and future challenges. In order to promote young talent apprentices are trained in five different fields of specialization in Austria, and in India AT&S is heavily involved in a training program for industrial workers.

A transparent and performance-oriented compensation system promotes the entrepreneurial thinking and acting of staff. Since the financial year 2010/11, the bonus system has been based on the key ratios "cash earnings" and "ROCE" and thus has been revised over the previous years. The inclusion of the cash earnings ratio is also in line with AT&S's dividend policy of the previous years.

Sustained management and economical use of available resources are of the highest priority for AT&S. AT&S combines the three factors quality – environment – human being in an integrated management system. This uniform body of regulations is based on the international quality standard ISO 9001, ISO/TS 16949 (quality management of the automotive industry), the environmental standard ISO 14001, as well as on the standard OHSAS 18001 for the area of safety and health. Regular internal audits and inspections by independent third parties confirm the compliance with the management system for the financial year 2010/11. In addition to the already existing inclusion of all AT&S plants in the integrated management system, the manufacture of SMT (surface mount technology) in South Korea was certified according to ISO 9001 and ISO/TS 16949.

Of particular concern are the safety, health and performance of AT&S staff. Related activities conducted worldwide are in line with the safety and health management system OHSAS 18001. The long-term success of the numerous programs shows in the reduction of the accident rate by 43% over the year 2008.

With regard to environmental protection, it has to be noted that AT&S as one of the first printed circuit board manufacturers implemented the environmental management according to ISO 14001 already in the financial year 1996/97. Since AT&S takes environmental protection measures far beyond the statutory minimum requirements, AT&S is even regarded as a pioneer in environmental matters by certification authorities. So, for instance, AT&S China received the "Long-term Partnership Enterprise in Promoting Environmental Protection" award from the Shanghai Environmental Protection Bureau, and AT&S India received the Elcina-Dun&Bradstreet award in the category "Environment Management Systems".

The economical use of resources is a key goal in the continuous improvement of products, procedures and processes. Current projects involve the sustained annual reduction of CO₂ emissions per printed circuit board in all plants, a photovoltaic plant at the Leoben-Hinterberg location for electricity generation, innovative wastewater treatment plants at the Shanghai and Nanjangud locations as well as the introduction of new technologies for the regeneration of chemicals and recycling of printed circuit board scrap. The main raw materials used in the financial year 2010/11 included approx. 1,010 kg of gold (2009/10: 880 kg), 2,400 tons of copper (2009/10: 1,600 tons), 11.3 million m² of laminates (2009/10: 8.5 million m²) and approx. 47,300 tons of different chemicals (2009/10: 35,800 tons). The electricity de-

mand in the financial year 2010/11 amounted to around 252 GWh (2009/10: 203 GWh).

Regarding material events after the balance sheet date, reference is made to the disclosures in the notes to the consolidated financial statements, Note 26 "Material events after the balance sheet date".

3. Subsidiaries and representative offices

- In order to meet the growing capacity demands and the shift of mass production in the highest technology segment, capacities were continuously created at the wholly owned subsidiary AT&S (China) Company Limited already in the previous financial years. Due to the increased demand, the expansion activities were accelerated in the financial year 2010/11 and in the third quarter the eleventh HDI production line was put into operation. Furthermore, the complete expansion of this location was started, which is scheduled to be concluded with the construction of two additional production lines by the second half of the following financial year 2011/12. As a result of the availability of additional capacities already in the financial year 2010/11, a significant increase in sales and profit was generated.
- At the AT&S Korea location, after a clear improvement in results in the previous financial year, the performance situation could be stabilized in the financial year 2010/11 despite declines in sales from local customers. After the successful implementation of comprehensive measures to improve the performance and cost structure, the customer structure in particular is currently being optimized. The increased focus of the plant on projects with European customers is expected to subsequently result in the desired sustainable income and an improvement in results already in the following financial year 2011/12.
- At AT&S India, the construction of the second plant was completed in the financial year 2010/11 and the expanded production was started. The capacity expansion, which was comprehensive in relation to the existing plant size, and the related production changes in addition to start-up losses also resulted in a reduction of the current profit. The currency development, which is unfavourable from a local perspective, also had a negative impact. A clear improvement in performance and profit is expected for the following financial year 2011/12.
- Chongqing, western China, was selected as the new production location towards the end of the financial year 2010/11. For further details, reference is made to the disclosures in the notes to the consolidated financial statements, Note 26 "Material events after the balance sheet date".

4. Capital share structure and disclosures on shareholder rights

As of 31 March 2011, the registered capital of AT&S amounts to EUR 28,490,000 and is made up of 25,900,000 no-par value shares with a notional value of EUR 1.10 per share. The voting right at the annual general meeting is exercised according to no-par value shares, with one par-value share entitling to one vote. All shares are bearer shares.

Significant shareholdings in the group parent AT&S AG are as follows at the balance sheet date:

	Shares	% Capital	% Voting rights
Dörflinger Privatstiftung: Karl-Waldbrunner-Platz 1 A-1210 Vienna	4,574,688	17.66%	19.61%
Androsch Privatstiftung: Franz-Josefs-Kai 5 A-1010 Vienna	5,570,666	21.51%	23.89%

At the balance sheet date, 2,577,412 treasury shares (9.95% of the registered capital) are held. The authorization last granted on 7 July 2010 to the Management Board to repurchase up to 10% of the registered capital of AT&S AG on the market within 30 months is thus valid until 6 January 2013. The treasury shares may be used to service the stock option plan of the Company or they may also be sold.

Until 6 July 2015, the Management Board is authorized, with the approval of the Supervisory Board, to increase the registered capital by up to EUR 14,245,000 through the issue of up to 12,950,000 no-par value bearer shares, partially or entirely excluding the subscription rights of existing shareholders.

Until 6 July 2015, the Management Board is authorized, with the approval of the Supervisory Board, to issue convertible bonds of up to EUR 100,000,000, excluding the subscription rights of existing shareholders, if required. To grant subscription or exchange rights to the creditors of the convertible bond, the Management Board is authorized to increase the registered capital by up to EUR 14,245,000 through the issue of up to 12,950,000 new bearer shares.

For further details, reference is made to the disclosures in the notes to the consolidated financial statements, Note 22 "Share capital".

5. Research and development

Within AT&S, research and development (R&D) is the driving force in the identification of new and development of applied technologies. Through sustained successes, AT&S managed to achieve the position of technology leader in the high-end printed circuit board manufacture.

AT&S has a two-step innovation process. In the research facilities of the also technological headquarters Leoben-Hinterberg, in addition for the HDI technology also at the Shanghai location, the developments in the areas of materials, processes and applications are conducted to the point where the basic feasibility of the technology is reached. This area of activity thus includes applied research and technology evaluation. Subsequently, it is up to the local department for technology development and implementation in the plants to advance the processes and products through experimental development and to integrate new processes in the existing production process so that an optimized output can be produced.

In order to maintain its position among the global technology leaders also in the future, AT&S is cooperating with numerous external partners. On the one hand, requirements and ideas for future products are communicated by customers, and on the other hand, AT&S derives new technologies from future applications, such as for instance the Embedding Component Packaging technology (ECP® technology). In addition to the own resources, cooperations are also entered into with research institutions or suppliers, if required.

The research activities in the financial year 2010/11 can be grouped into four project packages:

In the area "high-end HDI", AT&S pursues a number of advancement projects, such as finer conductor track geometries and reduction of printed circuit board thickness for further miniaturization, furthermore the development of new production processes to manufacture new products, as well as to replace existing processes by more cost-effective alternatives. In order to open up new possibilities, among other things, a cooperation agreement was concluded with Panasonic in the past financial year to use the ALIVH® (Any Layer Interstitial Via Hole) technology.

Made in Austria" relates to a variety of projects to make the printed circuit board manufacture more flexible and effective, and thus also be able to competitively produce smaller volumes and more complex products in the Austrian plants. For instance, due to massive process simplifications, the 2.5D™ technology

represents a high-end solution for various requirements and was nominated also for the "Fast Forward Award" among the three best new technologies in Styria. The thermal management research project has the objective to discharge thermal energies from the printed circuit board also through the printed circuit board, in order to increase the performance and life span of the printed circuit board itself and of the components. Furthermore, the application of ink-jet printing as opposed to the current standard screen printing is examined already in first test phases.

The "embedded component packaging technology" is designed to embed the active and passive electronic components into the interior of the printed circuit board. Among other things, in a perennial Hermes research project, headed by AT&S and funded by the EU, an industry standard for the embedding of chips into the interior of the printed circuit board was and is successfully worked out in cooperation with ten other prominent companies. In the past financial year 2010/11, AT&S, as one of the first manufacturers worldwide, succeeded in making this technology ready for series production. High expectations are associated with this growth market and, therefore, a separate business segment was defined for this technology in the development of the organisational structure of AT&S.

In the project package "photovoltaics", synergies of processes to manufacture printed circuit boards and the manufacture of photovoltaic panels are used to produce a technologically new product. In doing so, AT&S focuses on the development and production of energy-efficient, back-contacted photovoltaic panels in cooperation with the solar cell manufacturer Solland Solar, with AT&S mainly focussing on the engineering of the interconnection technology and the development and supply of the so-called back contact sheet.

Total expenses for research & development amounted to EUR 28.3 million in the financial year 2010/11 over EUR 20.7 million in the previous year. In relation to sales, this corresponds to a ratio of 5.8% or 5.6% in the previous year.

6. Material risks, uncertainties and opportunities

The risks, uncertainties and opportunities of AT&S are basically characterized by the global developments on the printed circuit board market. The material risks and uncertainties the AT&S Group specifically is faced with are explained in the notes to the consolidated financial statements under "II. Risk report".

Regarding market and technology, it can be noted that the trend towards increased functionality of devices and the penetration of electronic systems into our daily lives continues. In the entire

mobile devices segment, AT&S has already consistently focused on the high-end segment. In addition to smartphones and tablet PC, this segment also includes other products such as game consoles, digital cameras and portable music players and will continue to be regarded as growth driver in the coming years. With its capacities, manufacturing technologies and highest quality standards, AT&S is able to globally service the most renowned providers of these products worldwide. Uncertainties and opportunities depend on the market development itself as well as the extent to which the Company will be able to distinguish itself successfully from competitors.

The industrial market is characterised by various technology requirements from a variety of customers. Utmost flexibility and the ability to adjust very quickly to changing specifications and technologies constitute a basic requirement to be successful in this segment. The Austrian plants of AT&S in particular are very well prepared for these requirements to constantly advance technologies and projects with the customers. In India, the possibility exists to produce longer-term projects cost-effectively. These special plant focuses, complemented by AT&S Korea for the manufacture of flexible printed circuit boards, furthermore additional demand potentials, for instance in medical technology, present a comprehensive range of potential opportunities for AT&S.

In the automotive segment, further opportunities for growth arise for AT&S due to the growing electronic portion and the demand for higher integrated systems and the more complex, higher-quality printed circuit boards required for that. In one of the most successful years of the global automobile industry, AT&S in the reporting financial year managed to take the lead among printed circuit board suppliers also in this market. Current trend areas, such as security, information, environment and the general worldwide desire for increasing mobility, provide AT&S with further opportunities for growth also in this market.

The strong capitalization, the technological top position and the positioning of AT&S through the combination of locations in Austria and Asia are considered an advantage over competitors. The European and the American market can be serviced by swift production and short delivery terms of the Austrian plants as well as low-cost production capacities in Asia. For the global market, the Group has long years of experience in the HDI technology, and the plant in Shanghai is not only the largest plant of the AT&S Group, but actually the largest plant in China specializing in HDI technology. As a result of the current extension of the existing plants and the construction of an additional plant in China (Chongqing) and, accordingly, additional capacities, ample opportunities arise for sales and profit increases.

Regarding the use of financial instruments and the explanation of the financial risk management, reference is also made to the risk report in the notes to the consolidated financial statements. With regard to currency risks, from the group perspective, the impact on the operating result of AT&S was reduced by the fact that, in addition to the dependence of sales on the US dollar, the production capacities have also been established largely in the extended US dollar area. Apart from residual effects on the financial result, currency fluctuations of the functional currencies in the Group against the reporting currency euro are recognized mainly in equity. Not least due to the appreciation of the euro in the fourth quarter, the designated maximum value of net gearing of 80% was somewhat exceeded. After the current expansion phase, the target value of 80%, however, is expected to be reached or undercut again in the medium term.

7. Internal control system and risk management relating to accounting

AT&S has adopted a code of ethics and conduct which sets out how AT&S conducts its businesses in an ethical and socially responsible manner. These guidelines apply to all activities worldwide, with each employee being responsible to comply with this code without exception in the performance of his profession and the daily work. For certain regions, countries and functions, even stricter and more detailed regulations may apply.

The accounting-related internal control and risk management system is an integral part of the group-wide risk management system. According to the framework concept of COSO (The Committee of Sponsoring Organization of the Treadway Commission), under the concept of company-wide risk management, the risk management proper as well as the internal control system (ICS) are subsumed. The main criteria of the risk management, the internal control system and the internal audit in the AT&S Group are specified in a company-wide risk management and audit manual. Reference is also made to the disclosures in the notes to the consolidated financial statements under "II. Risk report".

In terms of organizational structure, a staff unit has been established directly with the Management Board, which coordinates or directs the risk management and internal control system across the Group, as well as the activities of the internal audit. According to the rules of procedure for the Management Board, the staff unit reports to the Chief Financial Officer (CFO). Special areas of responsibilities of the Supervisory Board's audit committee also include monitoring the effectiveness of the internal control system, the internal audit and the risk management system, as well as monitoring the accounting process. In addition to including the audit committee in the accounting process in the quarterly

reporting, regular reporting is made to the audit committee on risk management and activities of the internal audit (risk and audit report). The audit committee in turn reports to the other members of the Supervisory Board.

The executives of AT&S as risk responsables are responsible for identifying, analyzing, controlling and monitoring risks in their respective area. In addition, the local management of the plants is responsible for the implementation of the risk management process in their areas of responsibility. Risk management coordinators in the group companies assist the group function in the collection and transmission of risk information. In terms of an efficient organization according to the company size, the organizational servicing of the internal control system is designed accordingly.

Based on business processes documented in the management manual, the related risks are described and assessed by the process responsables for each main and sub-process. In the risk assessment, basically all potentially negative factors that jeopardize the achievement of the objectives of an organization or a process have to be documented by the process owner. The control objectives for the financial reporting are derived from existing risks and allocated to the categories existence (only actually existing and approved business transactions are processed), occurrence/period accrual (representation of business transactions in the correct period or timely processing), completeness (business transactions, assets and liabilities are recognized completely), measurement (business transactions were calculated using appropriate measurement methods or correctly), rights & obligations (The company has economic ownership of assets and liabilities are actual obligations of the company), presentation & disclosure (disclosure in the financial statements and other reports), correctness of business transactions/data and access restriction (access to IT systems is restricted to process responsables).

The documentation of the internal controls (business processes, risks, control measures and responsables) is made principally in the form of control matrices, which are archived in a central management database. The accounting-related internal control system includes principles, procedures and measures to ensure the compliance of group accounting in terms of the control objectives described with financial reporting.

The processes of accounting and group accounting are documented in separate process instructions. Basis for the group reporting are the respective local accounts, which are transformed into a group-wide uniform reporting. The individual pre-accounting processes are as far as possible uniformly designed across the

Group and are presented in a standardized documentation format. In addition to the group reporting, various local regulations have to be considered accordingly, resulting in additional requirements on the accounting processes.

The principles of group accounting and reporting are set out in the group-wide "Group Accounting Manual". This manual regulates the significant accounting and reporting requirements across the Group in a uniform manner. In addition to the basic presentations on the accounting of individual business transactions and measurement guidelines based on IFRS, options applied uniformly across the Group are dealt with in particular. As for scheduling, a timetable is set up for the entire internal and external reporting which, apart from report deadlines, also includes the planned dates for the meetings of the Supervisory Board and audit committee, as well as press conferences.

At AT&S, the processes for group accounting and the preparation of the group management report are controlled by the Group Accounting/Group Finance department, which reports to the CFO. Laws, accounting standards and other announcements are continuously analyzed regarding the relevance and impact on the consolidated financial statements and other reporting requirements.

The collection, current entry and accounting of the business transactions is performed in the manufacturing group companies mainly through a uniform and central software solution of SAP. The individual business transactions and measurements can be entered in accordance with the group-uniform IFRS, as well as in accordance with local accounting regulations, in order to comply with these different requirements. At individual subsidiaries, in particular due to the smaller size, other software solutions are applied, which also comply with the group reporting requirements and local regulations. The central reporting software Oracle Enterprise Performance Management System is used for consolidation and group reporting. Automatic interfaces have been established for the transition of accounting data from the primary system to the group reporting software.

The internal financial reporting is made on a monthly basis, with the financial information of the subsidiaries being reviewed and analyzed at the group level by the Group Accounting department. The monthly budget/actual variance with corresponding comments on the plant results as well as the group result is reported internally to the executives of the Group and to the members of the Supervisory Board. At the end of the quarter, detailed reporting packages with all relevant accounting data on income statement, balance sheet, cash flow statement and the disclosures in the notes are submitted. These reporting packages form the

basis for the external quarterly interim reporting and the annual reporting of the AT&S Group in accordance with IFRS.

The annual preparation of the budget is made by the Group Controlling department, which also reports to the Chief Financial Officer. Based on the quarterly results and current planning information, quarterly forecasts are drawn up during the year for the remaining financial year. The forecasts with comments on the budget comparison and presentations on the impact of opportunities and risks up to the end of the financial year are reported to the Supervisory Board. In addition to regular reporting, multiple-year planning, project-related financial information or calculations on investment projects are prepared and submitted to the Supervisory Board.

Monitoring the entire internal control system, and thus also with regard to the accounting system and financial reporting, is performed by the process-independent staff unit internal audit, which reports to the Chief Financial Officer. The scope of activities of the internal audit includes all functions and companies of the AT&S Group. Awarding audit contracts and dealing with the audit results are the responsibilities of the Management Board as a whole. The audit contracts are awarded by approval of the at least annually prepared audit plan or as a special assignment awarded by the Management Board. The audit plan and the results of the internal audits are reported to the audit committee of the Company.

8. Outlook

The increased use of electronic systems in our daily lives, the increase in the penetration rate of communication applications and the increased functionality of mobile end devices will result in a strong demand for high-quality printed circuit boards in the next financial year 2011/12. Due to the focus of AT&S on this high-end segment, management expects that AT&S will benefit more than proportionally from these developments. Overall, an annual increase in the Group's sales of 10% to 13% per year is assumed for the coming years, with the mobile devices segment expected to be the main growth driver.

In order to be able to meet the expected growth in the business segments of AT&S, the production capabilities in the AT&S Group are expanded and so investments of more than EUR 130 million are planned for the financial year 2011/12. The majority of the investment volume relates to the complete expansion of the existing plant in Shanghai and to the construction costs of the new plant in Chongqing attributable to the following financial year. In addition, investments are also planned for innovations at the Austrian locations.

With the additional capacities, management expects revenues of EUR 535 to 550 million for the financial year 2011/12, and thus an increase of around 10% or more over the past financial year. With regard to production costs, increase in raw material prices, wage costs and also depreciation according to the investments is currently expected. In turn, however, productivity gains and at some plants also performance improvements are expected, which leads to the assumption that the profit situation will remain at the currently high level despite the expected start-up costs for the new plant in Chongqing. Thus, for the entire financial year 2011/12, an EBIT margin of more than 9% is expected.

Leoben-Hinterberg, 9 May 2011

The Management Board

Andreas Gerstenmayer m.p.

Heinz Moitzi m.p.

Thomas Obendrauf m.p.

Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Leoben-Hinterberg, 9 May 2011

The Management Board

Andreas Gerstenmayer
Chairman of the Board

Heinz Moitzi
Member of the Board

Thomas Obendrauf
Member of the Board

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben-Hinterberg, for the financial year from 1 April 2010 to 31 March 2011. These consolidated financial statements comprise the consolidated balance sheet as at 31 March 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year ending 31 March 2011, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements

in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 March 2011 and of its financial performance and its cash flows for the financial year from 1 April 2010 to 31 March 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and whether the other disclosures in the management report for the Group do not give rise to a misstatement of the Group's financial position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB are appropriate.

Vienna, 9 May 2011

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed:
Mag. Dr. Aslan Milla
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Glossary

2.5D™ technology	New technology developed by AT&S that incorporates structural cavities into and onto printed circuit boards. It can also be used to produce rigid-flex printed circuit boards for flex-to-install applications
ALIVH®	AT&S
ATX Prime	A Vienna Stock Exchange capital-weighted index comprising all securities traded in the Prime Market segment. It is a broadly-based index for all stocks that meet the minimum capitalisation requirements and satisfy the stricter disclosure and reporting obligations
CAPEX	Capital expenditure
Cash earnings	Shareholders' interest in net income, plus depreciation, amortisation and impairment, less reversal of impairment of non-current assets and assets held for sale
Corporate Governance Code	A set of rules for the responsible management and control of business enterprises. Companies voluntarily undertake to comply with the principles of the Code.
Corporate social responsibility (CSR)	The contribution of a business enterprise to sustainable development, over and above the statutory requirements. CSR should promote responsible corporate behaviour in business activities – with respect to the environment, relationships with staff (the workplace), and with other stakeholders and interest groups.
Customer service rate	Number of deliveries shipped on time and meeting customer quantity requirements, as a percentage of total deliveries
EBIT	Earnings before interest and tax, operating profit
EBIT margin	EBIT as a percentage of total revenues
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA margin	EBITDA as a percentage of total revenues
ECP® technology	Embedded component packaging technology developed by AT&S in order to embed active and/or passive components inside PCBs ® registered trade mark AT 255868
Embedding	Integrating active and passive electronic components inside printed circuit boards
EPS	Earnings per share
EVA	Economic value added
Financial covenants	With financing (loans and advances), the undertaking not to exceed certain financial ratios
Flex-to-install	Printed circuit boards that can be bent for the purposes of installation (e.g. in a housing)
Foundry Services	Trading in the printed circuit boards of partner companies. These activities were discontinued at the end of the 2008/09 financial year due to the inadequate earnings potential relative to the risks involved.
Global player	Globally active business enterprise
GPS	Global positioning system (global navigation satellite system)
HDI printed circuit boards	Printed circuit boards with structures smaller than 100 micrometers (0.1 mm) – high density interconnection
Hedging	Financial transactions providing protection against risks such as exchange rate fluctuations
High-end segment	Technologically demanding market segment: attractive to AT&S, as a technology leader
IFRS	International Financial Reporting Standards
ISIN	Alpha-numerical securities identification number (international securities identification number)
ISO	International Organization for Standardization
ISO 14001	Environmental management standard
ISO 9001	Quality management standard
ISO/TS 16949	Technical interpretation of ISO 2000 reflecting the requirements of international automotive manufacturers
Just-in-time production	Production synchronised with demand

Mobile Devices	AT&S business segment that includes mobile telephones, PDAs, portable music players and digital cameras
Multilayer	Multilayer printed circuit boards
Net CAPEX	Capital expenditure net of receipts from the disposal of property, plant and equipment and intangible assets
Net debt	Financial liabilities less cash and cash equivalents and financial assets
Net gearing	Net debt / equity
NucleuS®	Technology for series production of individual printed circuit boards that makes optimal use of the production format. The printed circuit boards are only connected to their frames immediately before being shipped to subcontract assemblers for population. ® registered trade mark AT 255767
OHSAS 18001	Occupational Health and Safety Assessment Series
One-stop shopping	Enabling customers to source multiple solutions from one location
ÖCGK	Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex)
PCB	Printed circuit board
PDA	Small, portable computer (personal digital assistant)
Prime Market	Stocks admitted to trading on the Vienna Stock Exchange on the Official Market or the Semi-Official Market and subject to additional, more stringent requirements
R&D	Research and development
Return on equity (ROE)	Shareholders' interest in net income + (shareholders' equity at the begin of the financial year + shareholders' equity at the end of the financial year) / 2
ROCE	Return on capital employed: a measure of how effectively and profitably a company uses its capital $(EBIT - \text{taxes on income}) / (\text{net debt} + \text{shareholders interests in equity of parent company})$
Sale and lease back	Special form of leasing: an enterprise sells property or a movable asset to a leasing company and leases it back for use in the business
SAP	One of the world's largest software producers (systems analysis and program development)
Smartphone	Combines the advantages of a mobile telephone with those of a PDA
Stock options	Options to purchase shares
TecDAX	Specialised Frankfurt Stock Exchange stock index of medium-sized companies in technology sectors: 30 stocks from the Prime Standard segment of the Regulated Market see "Foundry Services"
Trading	see "Foundry Services"
VDA	German Association of the Automotive Industry (Deutscher Verband der Automobilindustrie)
VdL	German Printed Circuit Board Association (Deutscher Verband der Leiterplattenindustrie)
Vendor managed ventory	AT&S assumes responsibility for the logistics and storage for products and ensures that agreed maximum and minimum inventory levels are maintained

Imprint/Contact

Contacts

AT&S Austria Technologie &
Systemtechnik Aktiengesellschaft
Fabriksgasse 13
8700 Leoben
Austria
Tel: +43 3842 200-0
Fax: +43 3842 200-216

Public Relations and Investor Relations

Martin Theyer
Tel: +43 3842 200-5909
E-mail: ir@ats.net

Editorial office

Nikolaus Kreidl
Martin Theyer
Christina Felber

Publisher and responsible for contents

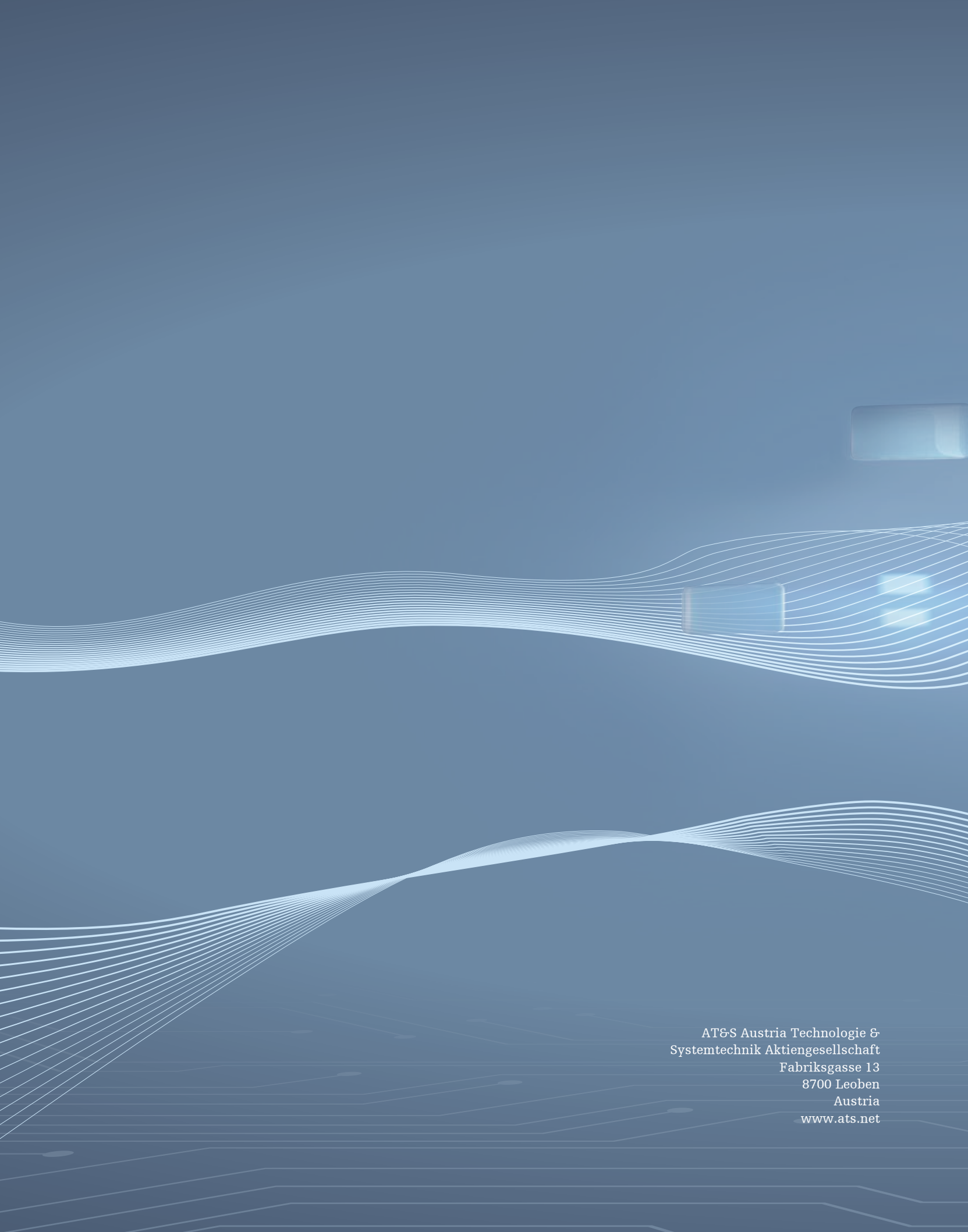
AT&S Austria Technologie &
Systemtechnik Aktiengesellschaft
Fabriksgasse 13
8700 Leoben
Austria

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AT&S Austria Technologie &
Systemtechnik Aktiengesellschaft
Fabriksgasse 13
8700 Leoben
Austria
www.ats.net