AT&S

Annual Report 2011/12

AT&S - part of your daily life

Highlights 2011/12

RECORD SALES AT&S finishes the financial year with record sales of around EUR 514m, about 5% higher than a year ago.

CORPORATE BOND FULLY SUB-SCRIBED IN JUST 24 HOURS AT&S successfully launches EUR 100 million (m) bond issue in November 2011.

AT&S GOES WEST AT&S builds its seventh plant in Chongqing, China. Focus on manufacture of high-end products.

STRATEGIC ALLIANCE The alliance between AT&S and MFLEX enables the Group to produce best-in-class HDI rigid-flex printed circuit boards for electronic applications.

OEKB LOAN AT&S secures long-term financing for Phase I expansion in Chongqing under the terms of a EUR 69m loan granted by Oesterreichische Kontrollbank AG (OeKB).

BEHIND THE SCENES Visitors have had the chance to gain first-hand insight into the world of printed circuit boards on High Technology Experience tours at AT&S Leoben since October 2011.

MAJOR ADVANCES AT&S receives Styria's Fast Forward Award for its ECP® technology. Printed circuit boards becoming even more powerful.

HERMES CONSORTIUM: PROMISING OUTCOME The Hermes consortium, founded in 2008 by AT&S and eleven other companies, delivers positive results. The alliance's aim: industrialisation of new miniaturisation technologies.

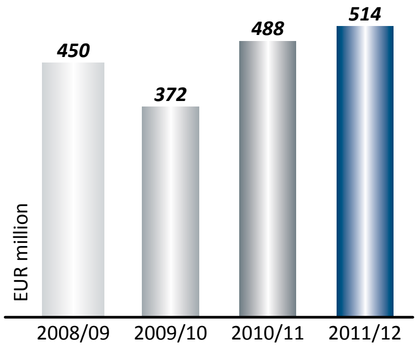
Key Figures

(If not otherwise stated, all figures in EUR 1,000)	IFRS 2011/12 before non-recurring items	2011/12 after non-recurring items	2010/11 before non-recurring items[1]	2010/11 after non-recurring items[1]	2009/10 before non-recurring items[2]	2009/10 after non-recurring items[2]
CONSOLIDATED INCOME STATEMENT						
Revenues		514,180		487,948		372,184
thereof produced in Asia		73.4%		68.6%		67.1%
thereof produced in Europe		26.6%		31.4%		32.9%
EBITDA	103,356	103,356	98,582	95,947	54,082	34,480
EBITDA margin	20.1%	20.1%	20.2%	19.7%	14.5%	9.3%
EBIT	42,139	42,139	49,208	46,531	10,971	(25,562)
EBIT margin	8.2%	8.2%	10.1%	9.5%	2.9%	(6.9%)
Net income	26,514	26,514	37,709	35,032	(1,084)	(37,617)
Net income of owners of the parent company	26,550	26,550	37,845	35,168	(739)	(37,271)
Cash earnings	87,767	87,767	87,218	84,584	42,372	22,771
CONSOLIDATED BALANCE SHEET						
Total assets		694,649		575,335		483,390
Total equity		283,110		229,816		208,793
Total equity of owners of the parent company		283,165		229,463		208,304
Net debt		242,536		193,726		147,985
Net gearing		85.7%		84.3%		70.9%
Net working capital		92,323		79,357		71,906
Net working capital per revenues		18.0%		16.3%		19.3%
Equity ratio		40.8%		39.9%		43.2%
CONSOLIDATED CASH FLOW STATEMENT						
Net cash generated from operating activities (OCF)		87,207		70,707		47,003
CAPEX, net		113,085		115,145		19,505
GENERAL INFORMATION						
Payroll (incl. leased personnel), ultimo		7,478		7,486		5,875
Payroll (incl. leased personnel), average		7,417		6,987		5,616
KEY STOCK FIGURES						
Earnings per share (EUR)	1.14	1.14	1.62	1.51	(0.03)	(1.60)
Cash earnings per share (EUR)	3.76	3.76	3.74	3.63	1.82	0.98
Dividend per share (EUR)[3]		0.32		0.36		0.10
Dividend yield (year end close)[3]		3.5%		2.3%		1.2%
Market capitalisation, ultimo		213,402		369,430		192,411
Market capitalisation per equity[4]		75.4%		161.0%		92.2%
Weighted average number of shares outstanding		23,322,588		23,322,588		23,322,588
KEY FINANCIAL FIGURES						
ROE[5]	10.3%	10.3%	17.2%	16.0%	(0.5%)	(16.3%)
ROCE[5]	7.7%	7.7%	10.5%	9.8%	1.9%	(7.5%)
ROS	5.2%	5.2%	7.7%	7.2%	(0.3%)	(10.1%)

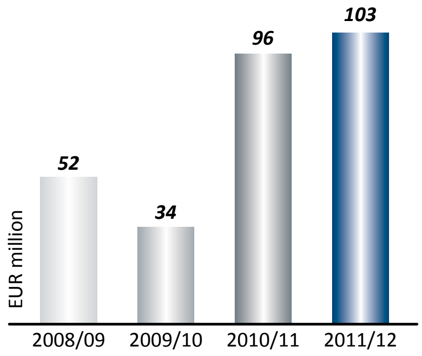
1) Non-recurring items include the closing of the Vienna office and the advanced resignment of Board Member Steen Hansen.
2) Non-recurring items particularly include the restructuring of Leoben-Hinterberg plant.
3) 2011/12: Proposal for the Annual General Meeting on 5 July 2012.
4) Equity attributable to owners of the parent company.
5) Calculated on the basis of average values.

Annual Report 2011/12

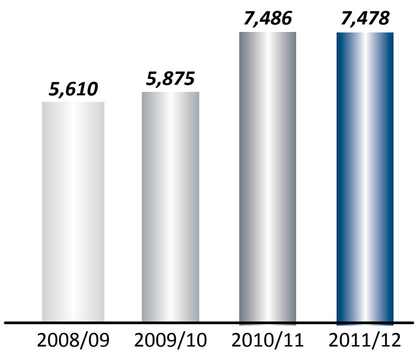
REVENUES



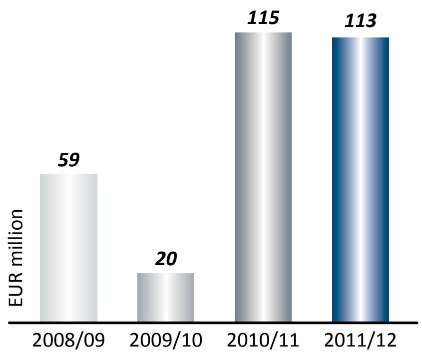
EBITDA Earnings before interest, taxes, depreciation, and amortization



STAFF (incl. leased personnel)



CAPEX



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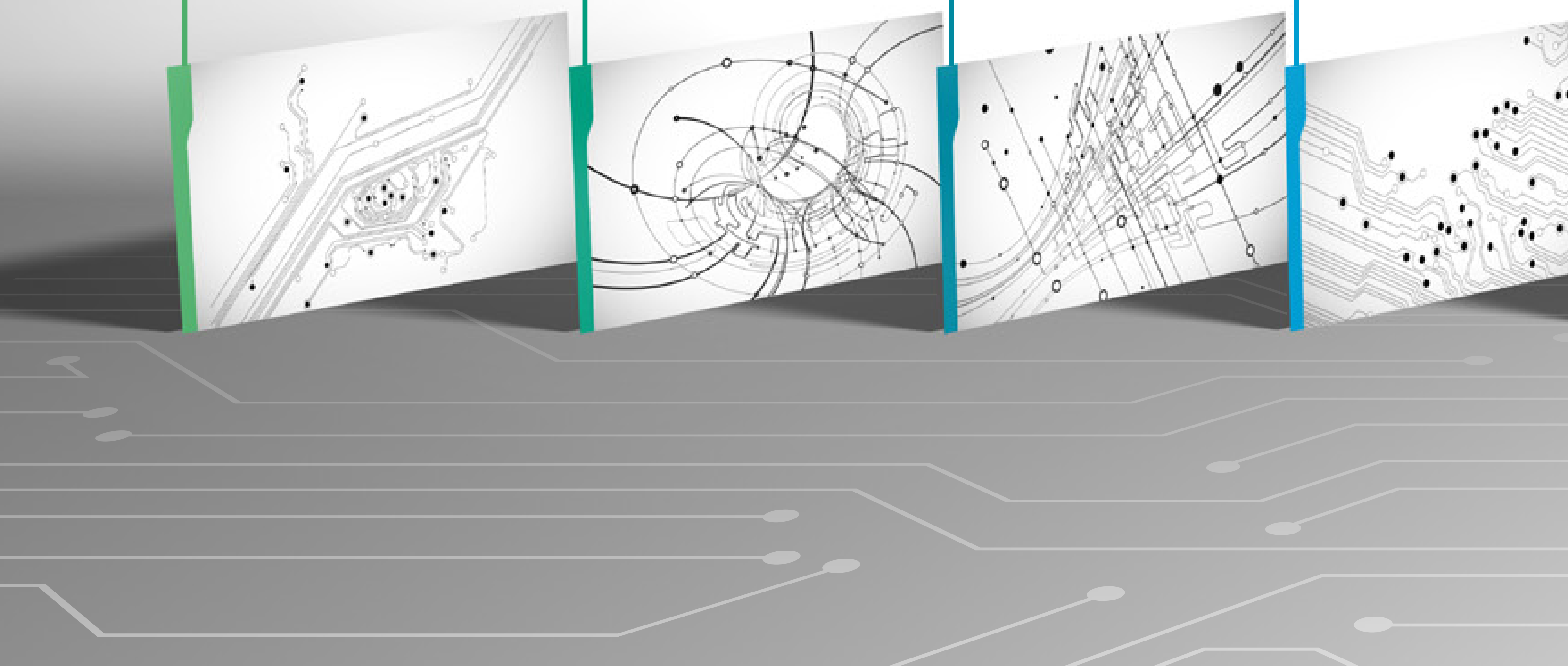
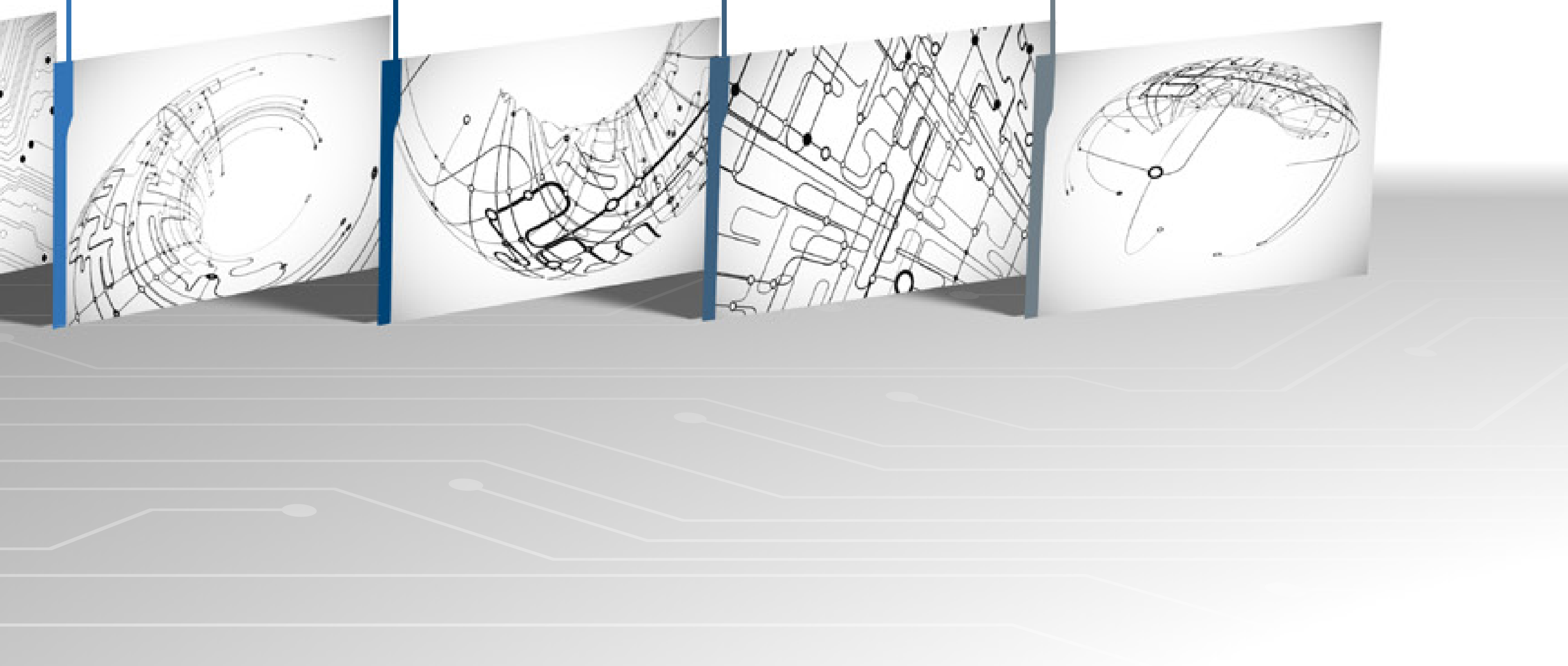





Sending a message
with AT&S

Mobile Device Applications

AT&S - part of your daily life

Letter to our Shareholders

Dear shareholders,

AT&S can again look back on a successful financial year, despite a challenging first few months. The conditions facing the Group last year were exceptionally difficult at times, but on the whole AT&S passed these tests with flying colours and has maintained its strong market position.

A TURBULENT START TO THE YEAR A detailed review of the past financial year illustrates clearly that external factors had a direct impact on the performance of the entire Group. The earthquake and tsunami in Japan and subsequent meltdown at the Fukushima nuclear power plant caused immense difficulties for the Mobile Devices business. In addition to the shocking humanitarian catastrophe in the region, the disaster also had an effect on our customers' purchasing behaviour. AT&S does not have any production facilities in Japan, but owing to the company's relations with mobile devices partners based in the region, the events and their consequences put the Group under significant financial pressure.

After this difficult start to the year, the eurozone financial crisis added to the challenges facing our business. The uncertain mood on Europe's financial markets was reflected in sluggish demand, especially in the industrial market.

TURNAROUND THANKS TO STRONG FOURTH QUARTER Demand stabilised from the second quarter onwards, especially in the Mobile Devices segment. AT&S closed an eventful financial year with very strong fourth-quarter results. Despite the impact of external factors such as the economic crisis in Europe and the USA as well as the tsunami in Japan, the company reported record sales revenues. However, the fact that we were not able to make up for capacity underutilisation in the first quarter, resulting in a fall in profitability, was a disappointment. Nevertheless, the strong performance in the Mobile Devices and Automotive Business Units was very pleasing, as was the about-turn in the industrial business.

EARNINGS PERFORMANCE The Group's growth and performance in the financial year just ended underline AT&S's solid position on the market. AT&S finished the financial year 2011/12 with record sales of around EUR 514m, about 5% higher than a year ago. Despite a slight decline in EBIT for the year, EBITDA (earnings before interest, tax, and depreciation and amortisation) rose to more than EUR 103m (2010/11: EUR 95.9m). This translates into earnings per share for the Group of about EUR 1.14, as against EUR 1.51 in the financial year 2010/11.

CORPORATE RESPONSIBILITY AT&S has always played a pioneering role in improving working conditions and implementing environmental protection measures. The economical use of resources in production and the well-being of staff have been part of the AT&S corporate culture from the start, and have generated significant competitive advantages. In February 2012, the company launched the Sustainable AT&S Project, which is designed to further emphasise the role of sustainability in the corporate culture, as well as strengthening AT&S's leading position in the industry.

INNOVATION The focal points of AT&S's strategy have always been improving our ability to innovate and maintaining our technological leadership in interconnection technologies. As a global enterprise, it is vital that AT&S has the capacity to anticipate market developments and remain one step ahead of its competitors. Continuous innovation and process optimisation are the keys to extending the Group's leadership. With this in mind, AT&S concluded a variety of projects in the financial year 2011/12, including strategic partnerships with MFLEX and Panasonic. The Group also invested in the development and marketing of new technologies, such as the Embedded Component Packaging (ECP®) Technology which was designed entirely in-house. A structured approach known internally as the Stage-Gate® Process is essential for identifying the prospective uses of new technological advances at an early stage and assessing their marketability.

FUTURE TRENDS The ability to anticipate future developments and the changing needs of customers is the true strength of any business. AT&S is one of the few European printed circuit board manufacturers with an excellent position on the global market. However, the Group's successes also highlight its ability to operate in technical niche markets. This not only reinforces the company's strategic direction; it also strengthens AT&S's commitment to bolstering its technological leadership in the high-end segment.

In the future, responsiveness and flexibility will increasingly play a part in determining a company's success or failure in the printed circuit board industry. And this trend poses a challenge for every single staff member at AT&S. However, the Group's successes show that it is heading in the right direction. The priority now is to build on those successes and boost profitability.

The outlook for the global printed circuit board industry is encouraging. AT&S sees good prospects for expanding its market share in the mobile devices business, and a number of attractive opportunities in the automotive segment. Although the industrial business has been in decline in Europe for the last few quarters, demand seems to be rebounding. The Group remains committed to enhancing its market position. AT&S is still underrepresented in several attractive markets, and these will increasingly take up more of the company's attention in the future.

Over the past few years AT&S has carved out an exceptionally strong position for itself – this is underlined by the Group's outstanding reputation worldwide. As a European industry heavyweight, AT&S's reliable image allows it to play to its technological strengths. These solid foundations and a long track record in innovation enable the Group to continuously increase the value of the business. And for this reason AT&S is looking to the future with confidence.

With best regards

Andreas Gerstenmayer
Chairman of the Management Board

Thomas Obendrauf
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

Report of the Supervisory Board

The 17th Annual General Meeting of AT&S Austria Technologie & Systemtechnik Aktiengesellschaft ("AT&S") resolved to increase the number of Supervisory Board members by two, bringing the total to eight. Georg Riedl was reelected, and Karin Schaupp and Regina Prehofer were elected as new members of the Supervisory Board. Sabine Fussi was delegated by the Works Council as an additional member.

Since her resignation as Member of the Management Board of Fresenius-Kabi AG, Karin Schaupp has been working as an independent consultant since 2003. Her principal interests are corporate strategic development, innovation management, technology transfer, organisational structure, and mergers and acquisitions. Regina Prehofer had a successful career in banking: from 2008 to 2010 she was a member of the Management Board of BAWAG P.S.K. In 2011 she was appointed Vice Rector of Vienna University of Economics and Business Administration, with responsibility for finances and infrastructure. Sabine Fussi, the new Works Council delegate, is an AT&S staff member with many years of experience.

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 on 31 March 2012, the Supervisory Board received written and oral reports from the Management Board on the company's policies and performance, and was closely involved in the Group's major issues. During the financial year 2011/12 the Supervisory Board met four times, with the participation of the Management Board. 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 also discussed and authorised. The Supervisory Board satisfied itself of the existence of an effective groupwide programme of staff development and succession planning and of a well-functioning issuer compliance system. Regina Prehofer and Hannes Androsch personally attended fewer than half of the Supervisory Board meetings in the financial year 2011/12. Outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board, Hannes Androsch, also held ongoing discussions on the Group's strategic focus and the progress of its business activities. Hannes Androsch participated in the ground-breaking ceremony in Chongqing and at the same time informed himself extensively on the planned expansion.

The committees established by the Supervisory Board carried out detailed analysis of particular issues and reported their findings to the Supervisory Board. Subjects included important aspects of the accounting and reporting process, internal auditing, risk management, the internal control system and Group management controls. The Audit Committee met twice in the last financial year. The meetings were chaired by Willi Dörflinger, who was regularly involved in the quarterly reporting in this capacity, and reported on these matters to the Audit Committee.

In 2011 the Supervisory Board again carried out its annual self-evaluation in order to ensure the continuous improvement of its operations as well as the fulfilment of its responsibilities to the shareholders and other stakeholders. Its findings confirmed the effectiveness of its organisation and procedures. Self-evaluation will continue to constitute an important component of the Supervisory Board's critical review of its own activities.

The annual financial statements of AT&S AG and the consolidated financial statements for the year ending 31 March 2012 were both audited by PwC Wirtschaftsprüfung GmbH, Vienna, and were awarded an unqualified audit certificate. The management report and the Group management report for the financial year 2011/12 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 discussions and examination, the Supervisory Board approved the annual financial statements for the year ended 31 March 2012 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 allocation of profits: the retained earnings as of 31 March 2012 in the amount of EUR 24,237,345.84 are to be distributed in payment of a dividend of EUR 0.32 per share, and the remaining amount is to be carried forward.

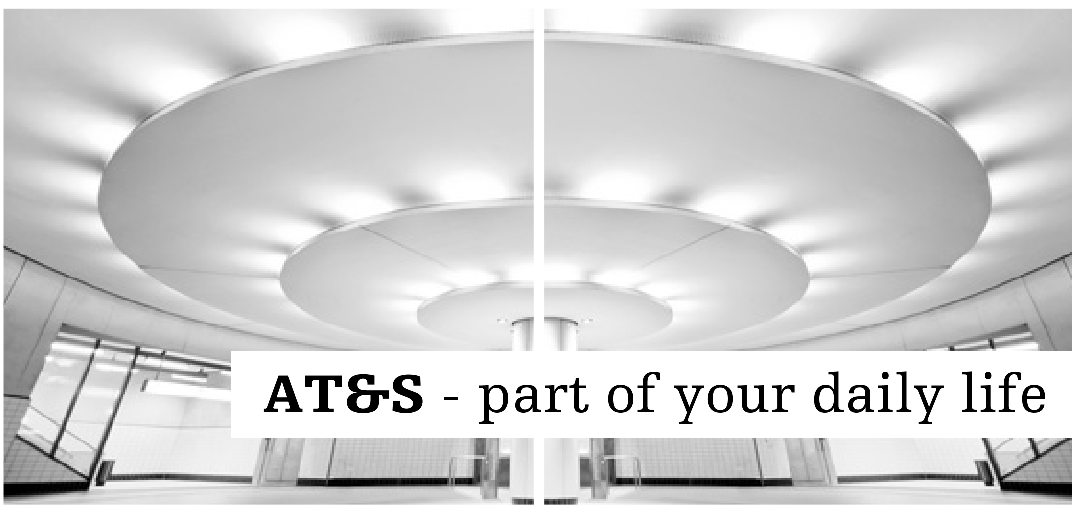
The Supervisory Board thanks the Management Board and all the Group's employees for their hard work and dedication during the financial year 2011/12.

On behalf of the Supervisory Board

Hannes Androsch
Chairman of the Supervisory Board

At a payment terminal and AT&S is part of your daily life

Industrial Applications



AT&S - part of your daily life

The Group

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The Development of the Printed Circuit Board

How it all began

Today, printed circuit boards are taken for granted as part of our everyday life. They are the 'brains' of many electronic appliances – smartphones, navigation systems, cameras, automotive electronics, aeronautics – and a large number of modern industrial and medical technologies. Without printed circuit boards, the world would be a very different place. But how did these modern electronic brains develop?

A CONSTANTLY GROWING NERVE SYSTEM

At its most basic, a printed circuit board connects the active and passive electronic components of an appliance. Printed circuit boards – also known as PCBs or circuit boards – have a fascinating history.

AN AUSTRIAN INVENTION A patent application for a circuit board was filed in England as early as 1903, but Paul Eisler – born in Vienna – is nowadays considered the inventor of the printed circuit board. Shortly before the outbreak of the Second World War he equipped a radio with a printed circuit board, but unfortunately he was far ahead of his time. His idea was rejected by the radio manufacturer, since at that time it was cheaper to pay workers to mount and wire up the radio valves by hand.

GLOBAL DEVELOPMENT Before the Second World War there was no interest in Eisler's invention, but during the War the Americans were the first to discover the advantages of using printed circuit boards. With the invention of the transistor radio in 1947 printed circuit board technology finally took off, and by the 1950s printed circuit boards were being had entered series production. Printed circuit boards allowed electronic appliances to be made significantly smaller, and their largely automated production reduced costs in the electronics industry.

A WIND OF CHANGE In 1955 the Mailüfterl, literally a "spring breeze", developed by the Austrian researcher Heinz Zemanek, brought a wind of change to the industry. Mailüfterl was the nickname of the first fully transistorised computer in Continental Europe. It was built in the mid-1950s at the Vienna University of Technology. Formally, the computer was known as the "binary-decimal fully transistorised computing automaton", and the nickname was a self-deprecating reference to the computational speeds of American computers. Zemanek jested that "even if it cannot match the high computation rates of American models called "Whirlwind" or "Typhoon", it will be enough for a Wiener Mailüfterl (gentle Viennese spring breeze)". His Mailüfterl was in operation until 1966 and represents an important step in the history of technological development. From the early 1960s Zemanek worked for IBM, and to this day he is highly regarded as an Austrian computer pioneer.

COMPUTER INDUSTRY AS TECHNOLOGY DRIVER In the 1960s and 1970s advances in the computer industry brought increased impetus to printed circuit board development. As computers became more powerful, the ever more exacting requirements for printed circuit boards resulted in numerous innovations, always with the principal aim of enhancing performance. The invention of the multilayer printed circuit board, which allows circuits and I/O (input/output) pads to be placed on several layers, solved the problems of space and performance at least for a time.

FASTER, BETTER, SMALLER The multilayer printed circuit board was an important advance, but it was only a first step. The emergence of portable devices – laptops and mobile phones in particular – meant that the extra layers in multilayer printed circuit boards quickly became too heavy. Laser technology provided the answer and the way of the future.

PRINTED CIRCUIT BOARDS NOW Many different kinds of printed circuit boards are in use today: single-sided, double-sided, multilayer, HDI (high density interconnect: multilayer printed circuit boards with ultra-fine structures), flexible, semi-flexible, rigid-flexible. Which kind of printed circuit board is used depends on the technical and economic requirements of the products. Another market segment is IC substrates, which are increasingly being used thanks to the spread of PCs, notebooks, smartphones and tablet PCs.

The History of AT&S

From cathode ray tubes to smartphones

AT&S today is a global enterprise, with plants and offices all around the world, but there were many obstacles to be overcome on the road to technology leadership in printed circuit boards. AT&S was formed by the merger of three companies: Eumig Fohnsdorf GmbH, AT&S Technologie- und Systemtechnik GmbH based in Leoben-Hinterberg, and Steirische Elektronik GmbH in Fehring. In 1995 these three companies were merged to form AT&S Austria Technologie & Systemtechnik AG.

THE BEGINNINGS Elektrizitäts- und Metallwaren Industrie GmbH (Eumig) was founded in 1919. Eumig initially manufactured lighters, and in the 1930s the first hand-operated Eumig film projector came onto the market. The first steps in printed circuit board manufacture were made in the 1970s, in an effort to gain independence from suppliers. In 1981, after a number of economically challenging years, the Eumig plant in Fohnsdorf was deconsolidated from the group retroactively as of July 1980. The company only began to recover its standing in 1983, when the manufacturing focus shifted from single-sided to double-sided printed circuit boards with plated-through interconnects.

Fehring is AT&S's oldest existing plant. The Körting Group, which specialised in electronics, began operations here in November 1974. Its main end product was television sets, together with the manufacture of the necessary printed circuit boards. The state-owned Elin Group acquired the Fehring plant in 1979 following the bankruptcy of the Körting Group, and renamed it Steirische Elektronik.

AT&S's largest Austrian facility is in Leoben-Hinterberg and was built as a manufacturing plant for VOEST-Alpine in 1982 with an investment of EUR 14.5m. The purpose of the plant was to produce multi-layer printed circuit boards under a contract signed with IBM Sindelfingen in 1981.

THE BIRTH OF AT&S In 1987 the VOEST plant in Leoben-Hinterberg was spun off as an independent company, AT&S, and in 1990 the plants in Fohnsdorf (Eumig) and Fehring (Steirische Elektronik) were added. In 1990 E+E Leiterplattenholding was founded as parent company for the three manufacturing plants AT&S Fehring, AT&S Fohnsdorf and AT&S Leoben.

Leading-edge technologies combined with its employees' high levels of expertise and commitment have enabled AT&S to become a worldwide enterprise. Following its acquisition in 1994 by Hannes Androsch, Willi Dörflinger and Helmut Zoidl and its conversion to a public limited company, AT&S set out to conquer the world – from Styria.

GLOBAL EXPANSION Today, AT&S has established itself as a global player with plants in India, China and Korea as well. In 1999, with the purchase of the Indian company INDAL Electronics Ltd., AT&S acquired India's largest printed circuit board manufacturing plant. In 2002 a plant in Shanghai joined the AT&S global family. Production in China started in 2002, and in the following year the plant in India was expanded. Thanks to the ongoing expansion of the plant in Shanghai and by the purchase of a printed circuit board manufacturer in Ansan, Korea, AT&S has been firmly established in the global market since 2006. And with the start of construction of the plant in Chongqing, China, in 2011, the next step has been taken on the road to future success.

1994 Privatisation and acquisition by Messrs Androsch, Dörflinger and Zoidl
1987 AT&S founded
1982 Voest-Alpine plant opens in Leoben
1977 Eumig plant established in Fohnsdorf
1974 Körting plant in Fehring begins operations

AT&S at a Glance

AT&S - part of your daily life

AT&S is by far the largest producer of printed circuit boards in Europe and India, and ranks among the top suppliers worldwide. The AT&S Group employs around 7,500 people and has a global presence thanks to its worldwide network of production facilities and sales offices. Founded in 1987, it is headquartered 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. The company has been quoted in the Vienna Stock Exchange prime market segment since May 2008.

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). In June 2011 AT&S laid the foundations for its seventh site in Chongqing, China (about 1,500 kilometres from Shanghai).

In addition to its seven manufacturing plants, the AT&S Group has a distribution, service and design centre in Nörvenich, Germany, and a distribution network comprising 16 offices on four continents. The Group is represented throughout Asia, with branches in Hong Kong, Singapore, Taiwan, Bangalore in India, Ansan in South Korea and the Japanese capital Tokyo. AT&S's existing American branch in San Jose was joined by a new office in Chicago in April 2012. The AT&S Group also has a strong presence in European markets thanks to its sales offices in Austria, Ireland, Germany, the Czech Republic, France, Hungary and Belgium.

TECHNOLOGICAL FOCUS Each of the plants concentrates on a specific portfolio of technologies. The Austrian plants are geared to the European market and also, increasingly, towards the American one. Short processing times, special applications and a greater emphasis on suppliers' closeness to customers are typical for Europe. The facilities in India also serve the European market, and specialise in medium-sized series production of double-sided and multilayer printed circuit boards. The plant in Korea, which was acquired in 2006, manufactures flexible printed circuit boards for the European market and for customers of the Mobile Devices business. Shanghai – the largest facility in the AT&S Group – specialises in producing long runs of HDI printed circuit boards for mobile devices, but is also increasingly focusing on applications for automotive and industrial customers. The research units in Leoben-Hinterberg and Shanghai are AT&S Group's main technology drivers.

BUSINESS SEGMENTS AT&S has three core printed circuit board businesses: Mobile Devices, Automotive and Industrial. The Mobile Devices segment generates the highest revenues. As a supplier to eight of the ten largest mobile phone manufacturers, AT&S has a unique position in this market. Automotive's customer base includes all of the major automotive component suppliers in Europe. Industrial is currently concentrated on the European market, but its focus is increasingly shifting towards America and Asia.

In order to offer a wider range of products and services and strengthen its market position, AT&S provides design services, as well as manufacturing printed circuit boards tailored to its customers' precise specifications. Thanks to its new – and now patented – embedding technology, in future AT&S will also be able to supply chip embedding services.

SEASONALITY All of AT&S's operations, and in particular those of Mobile Devices, are subject to seasonal variations – in the first and fourth quarters, capacity utilisation is generally lower than in the second and third. In a high-fixed-cost business like ours, low capacity utilisation puts pressure on margins.

FOCUS ON GROWTH AT&S's growth strategy is closely aligned to the needs of its customers. The focus of investment activities is primarily on the high-tech segment, where customer demand is strong, with a particular emphasis on HDI and any-layer capacities. Two-thirds of global printed circuit board manufacturing capacity is currently located in Asian countries, excluding Japan. By 2015, HDI printed circuit board production is expected to rise by 8.2% a year.

FOCUS ON INNOVATION Future printed circuit board technologies will be shaped by greater demand for miniaturisation and increasingly higher specifications. AT&S's research and development department is the driving force behind the identification of new technological options. AT&S has taken an important step towards the future of the printed circuit board with the development of its Embedded Component Packaging technology (ECP®). ECP® is suitable for use in a broad range of applications. Among the technology's strengths are its effectiveness wherever increased miniaturisation and higher specifications are called for, and its advantages in terms of sustainability.

AT&S ON THE CAPITAL MARKETS AT&S was initially listed on the Frankfurt Stock Exchange's Neuer Markt in July 1999. In spring 2008 AT&S switched to its home stock exchange in Vienna. The company has been quoted in the Vienna Stock Exchange prime market segment since 20 May 2008.

50.80% of the shares are in free float and 9.95% is held by AT&S. 21.51% is held by the Androsch Private Foundation and 17.74% 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 the financial year 2011/12, the members of the AT&S Management Board were as follows:

- Andreas Gerstenmayer, Chairman since February 2010
- Thomas Obendrauf, CFO and Deputy Chairman since October 2010
- Heinz Moitzi, Chief Technical Officer since April 2005

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

AT&S AT A GLANCE

- Largest printed circuit board producer in Europe and India
- Around 7,500 employees on four continents
- Strategy centred on the high-tech segment
- Focus on innovation

Human Resources

Putting people first

AT&S is a global business with production facilities in Europe and Asia, and sales offices on four continents. Highly skilled, motivated employees are the key to success in the global marketplace. AT&S staff are experts in their fields. They always perform to the best of their ability with the aim of safeguarding the Group's technological leadership in a highly competitive operating environment.

SUPPORTING HIGH POTENTIALS – WORKING TOWARDS A BRIGHT FUTURE AT&S is committed to retaining and supporting up-and-coming talents, with a view to preserving a pool of talented, highly qualified employees. To this end, AT&S regularly welcomes groups of schoolchildren to its facilities, giving them an insight into technical occupations and training opportunities. Tours of The High Technology Experience and events organised as part of the Take Tech initiative offer youngsters first-hand experience of cutting-edge professions.

OPPORTUNITIES FOR AUSTRIAN APPRENTICES AT&S currently has some 34 trainees at its Austrian plants. The Group offers training in eight different professions: mechatronics technician, chemistry laboratory technician, physics laboratory technician, mechanical engineering technician, electrical service technician, production technologist, office administration, and metals technician. Basic skills are vital for each of these training paths, and AT&S is proud that over 20% of its trainees complete their apprenticeship with a school-leaving qualification. In the financial year just ended, all of the apprentices who completed their training took up specialist positions within the Group.

CROSS-BORDER TRAINING As a global enterprise, AT&S is strongly committed to providing the staff at all of its facilities with training and development opportunities. In India the Group has made a significant contribution to the success of 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.

STAFF DEVELOPMENT – A KEY SUCCESS FACTOR In addition to continuous recruitment, ongoing staff training and development is an important investment in the Group's future success. We put particular emphasis on promoting teamwork – in an international company, this is the cornerstone of collaboration between the various functions and sites, and the key to maximising process efficiency. Fostering innovation and customer focus is another of our leading priorities.

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 as well as programmes tailored specifically to managers' needs give our employees the skills they need to handle current and future challenges. As a result, such training is an integral part of our corporate philosophy. The AT&S Management Training Programme took place once again in the financial year 2011/12, with courses in Asia and Austria. The young participants underwent intensive training designed to give them the skills required to assume leadership and project-related responsibilities.

ENHANCING JOB SATISFACTION Professional and personal development opportunities play an important part in encouraging staff to perform to the best of their ability. A clearly defined system for internal job advertisements forms the basis of personal development paths. All vacancies are initially advertised internally, and internal applicants are given precedence over external candidates with identical qualifications. Internal appointments enable the Group to systematically increase the level of employee qualifications.

FOCUS ON 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 fully realise staff potential. The key steps taken to achieve this goal include expert and management meetings with employees from all countries where the Group is represented, as well as cross-cultural and language training.

AT&S's global structure provides a variety of international career opportunities. The targeted employment of international experts remains 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, which is designed to support the long-term expansion of capacities in the region, 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. AT&S's worldwide leadership principles lay the foundations for cross-border cooperation and the continuous development of the corporate culture.

HUMAN RESOURCES: FACTS AND FIGURES

Overall headcount remained unchanged in the financial year 2011/12. A drop in the number of trainees in China and a seasonal decline in leased personnel in Austria were compensated for by additions to the headcount in China and Korea.

(as at 31 March)	2011/12	2010/11	Change
Salaried	1,505	1,392	113
Non-salaried and temporary	5,478	5,404	74
Trainees and work experience	495	690	-195
Total	**7,478**	**7,486**	**-8**

STAFF (INCL. LEASED PERSONNEL)

(as at 31 March)	2011/12	2010/11	Change
Austria	1,243	1,374	-131
China	4,910	4,571	339
India	1,035	1,278	-243
Korea	233	213	20
Other	57	50	7
Total	**7,478**	**7,486**	**-8**

LEASED PERSONNEL

(as at 31 March)	2011/12	2010/11	Change
Austria	89	171	-82
China	3,540	3,798	-258
India	41	56	-15
Korea	27	12	15
Total	**3,697**	**4,037**	**-340**

Investor Relations

Responsibility to shareholders

IR ACTIVITIES AND AIMS The goal of our investor relations activities is to provide all capital market participants with up-to-date corporate information – transparently and simultaneously. The latest figures, data and facts are available online at www.ats.net under Investors. The new permanent exhibition at the Leoben-Hinterberg plant gives virtual insights into the manufacturing process of a complex printed circuit board. In addition, the Management Board is available to discuss any questions that analysts, shareholders and fund managers may have.

SHARE PRICE Since AT&S is considered one of the Vienna Stock Exchange's cyclical stocks, the change in general market sentiment also affected the performance of the AT&S share. The continuing decline in turnover on the Vienna Stock Exchange and the escalation of the debt crisis in several European countries, leading to a deterioration in the economic outlook for Europe as a whole, had an unfavourable impact on the share price.

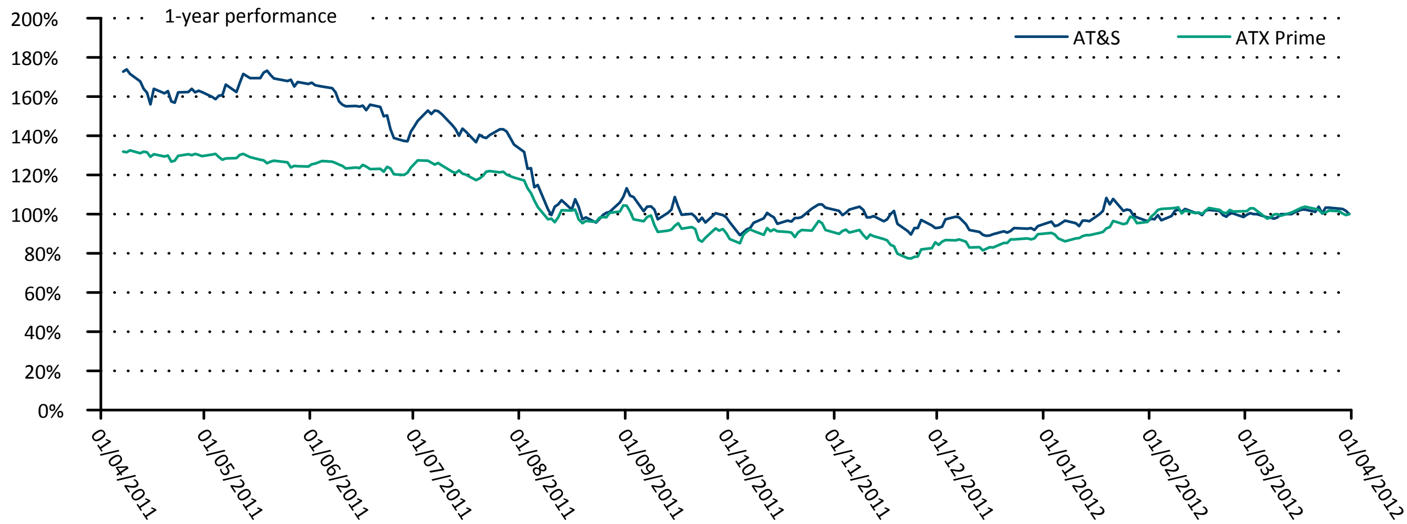
COVERAGE In the autumn of 2011, UniCredit unexpectedly ceased all coverage of Austrian shares. At the end of the reporting period the AT&S share was being followed by four analyst houses, of which two rated the share "buy" and two rated it "hold". In the medium term, the aim is to achieve coverage by a minimum of six local and international analysts.

STANDING IN THE FINANCE MARKETS The successful placement of a EUR 100m corporate bond with a five-year maturity and a 5% coupon in November 2011 shows AT&S's excellent standing in the Austrian capital market. The bond was taken up by both institutional and private investors and was sold out in a very short time. The proceeds of the issue will mainly be used to improve the financing portfolio, to expand capacities and for general purposes.

FINANCIAL CALENDAR

18th Annual General Meeting	5 July 2012
1st quarter 2012/13	24 July 2012
Dividend payment date and ex-dividend date	26 July 2012
Quarter 2 2012/13	23 October 2012
Quarter 3 2012/13	22 January 2013
Annual Results 2012/13	8 May 2013

AT&S AGAINST THE ATX PRIME



In-car entertainment
and in-car infotainment

Automotive Applications

AT&S - part of your daily life

Orientation and Focus

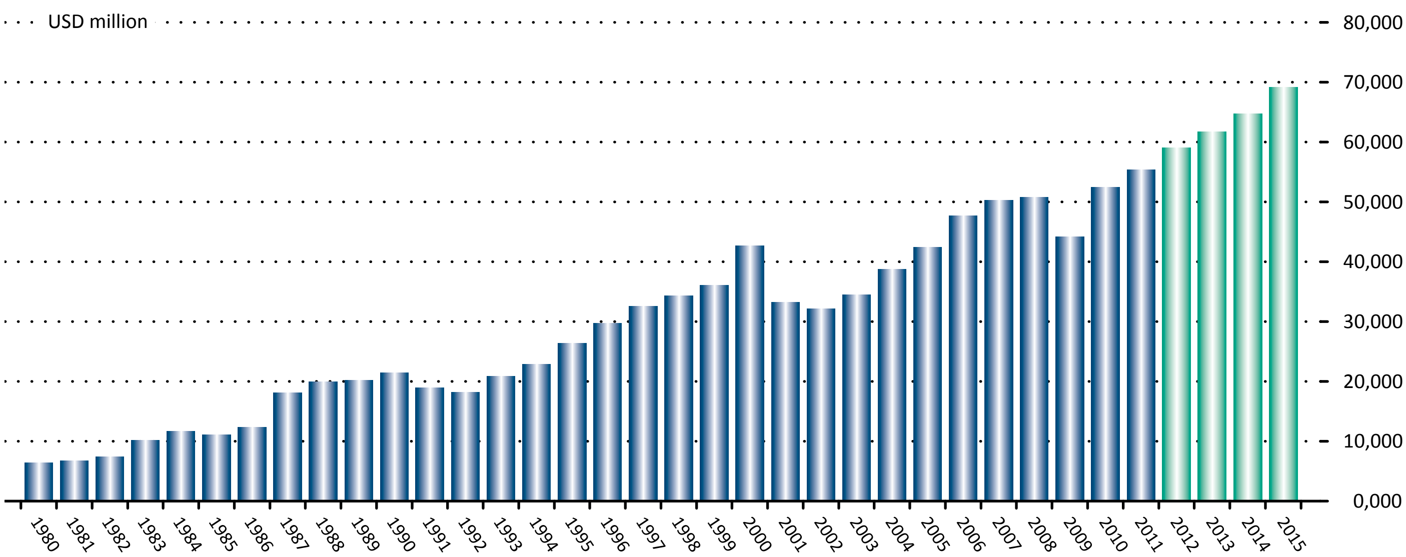
Table of Contents

Market Developments

High-tech on the advance

AT&S takes a confident view of the future. In the financial year 2011/12 the repercussions of the economic crisis were felt particularly in the first two quarters, but in the fourth quarter the situation improved considerably and the financial year ended with record sales. The recovery of all AT&S's markets had a positive effect on the whole financial year.

THE GLOBAL MARKET The global demand for printed circuit boards is characterised by long-term cycles. After the sharp drop in demand caused by the economic crisis in 2009 and the ensuing recovery in 2010, the market showed continuous growth again in 2011. The main drivers of this growth were the increasing demand for mobile devices and the general increase in the use of electronics in a wide variety of applications in, for example, automobiles and medical technology. The forecasts for the coming years predict that this trend will continue. This means that AT&S can look forward to a stable market environment in the medium term as well.



THE WORLD OF PRINTED CIRCUIT BOARDS IN NUMBERS In the last year, the manufacture of printed circuit boards worldwide increased in value to USD 55.4bn, an increase of 5.6% compared with the previous year (2010: USD 52.4bn). This positive development benefited all regions: production in China increased by nearly 10%, while production in Asia excluding China and Japan also grew by 10%. Even in Europe there was an increase of roughly 3.5%. Broken down by technologies, at 17.4% HDI printed circuit boards showed the strongest growth, followed by flexible printed circuit boards with 12.4% and IC substrates with 6.6%.

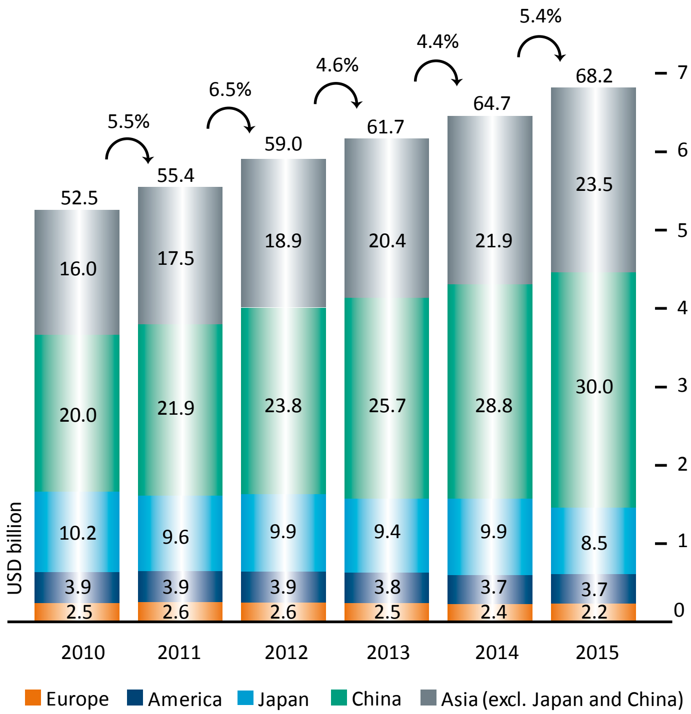
ASIA AS GROWTH DRIVER Vigorous growth of 6.5% is predicted for 2012, which would make the global market worth USD 59.0bn. The positive market outlook is mainly a reflection of the driving force of the Asian markets. Analysts expect China to remain the strongest growth driver, and substantial growth rates are also predicted for the rest of Asia (not including Japan). Forecasts show growth of 9.4% in China, and a respectable 9.3% for the rest of Asia (not including Japan). In Asia the lowest growth rate is expected for Japan, at 2.5%. A look at the rest of the world puts this low growth rate for Japan into perspective: while the Japanese growth rate will be low, in the Americas and Europe expected growth rates are even lower (0.9% and 0.7% respectively).

MARKET GROWTH BY TECHNOLOGY In terms of technologies, HDI printed circuit boards will be the fastest growing segment with an 11.5% increase, followed by flexible printed circuit boards with 10.0% and IC substrates with 7.4%. With the construction of a high-tech printed circuit board manufacturing plant in Chongqing, China, AT&S has already taken these future developments into account.

The plant, located approximately 1,500 kilometres from the existing manufacturing facilities in Shanghai, is geared primarily towards the production of next-generation high-end printed circuit boards. With this plant the AT&S Group is anticipating the market developments that are becoming apparent in order to be able to grow with the market in a sustainable and timely fashion.

THE COMING YEARS Over the next five years, i.e., up until the end of 2016, volumes in the printed circuit board market are expected to reach USD 72.0bn per year, an annual growth rate (CAGR) of 5.4%. This growth will chiefly be attributable to increases in production in China, where the growth rate is expected to average 9.1% over the period. Production volumes in the rest of Asia (not including Japan) are expected to increase by an average of 7.6%, while the other regions (Americas, Japan and Europe) will decline by 1-3% during the period.

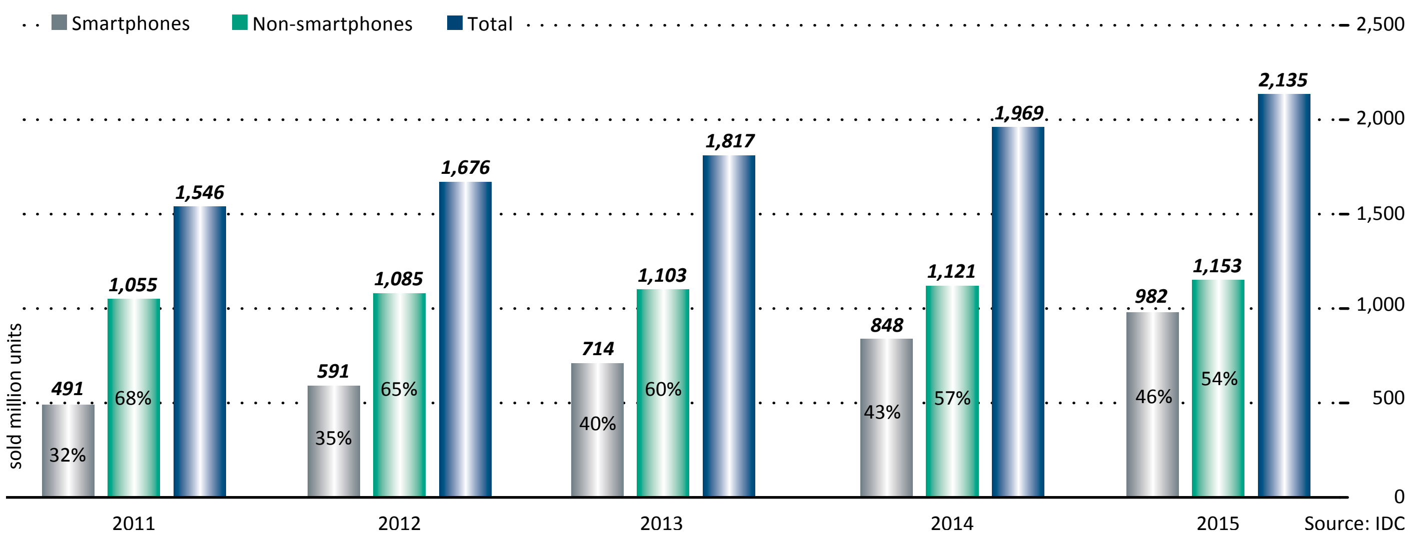
GROWTH OF PRINTED CIRCUIT BOARD MARKET



SOURCE: PRISMARK

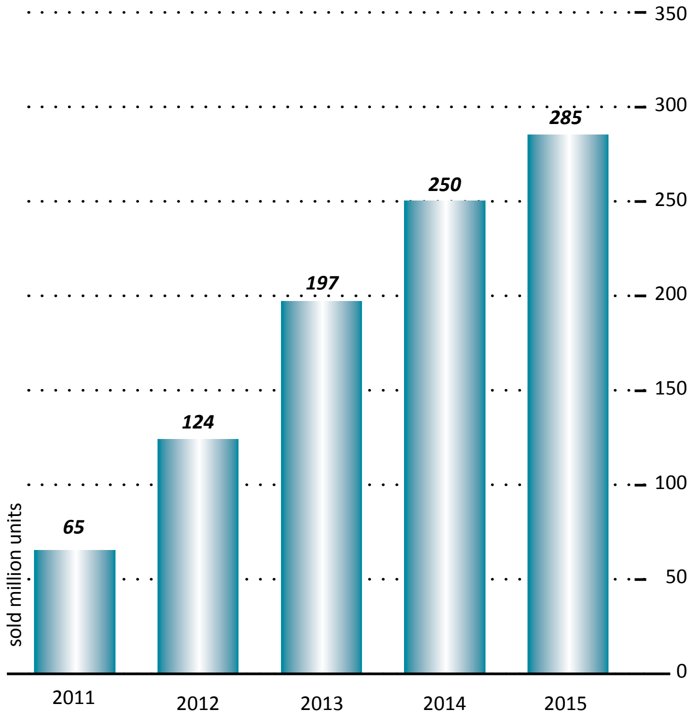
END-USER MARKETS FOR OUR CORE BUSINESSES

MOBILE DEVICES



MOBILE DEVICES Smartphones are the major growth drivers in the mobile devices sector. In 2011 smartphones already accounted for 32% of the overall mobile phone market. In 2012 smartphone sales are forecast to rise by a further 20%. Compared with just 10% growth for the market as a whole, this underlines the increasing importance of the smartphone business. The long-term forecast is that smartphones will replace standard mobile phones as the dominant application.

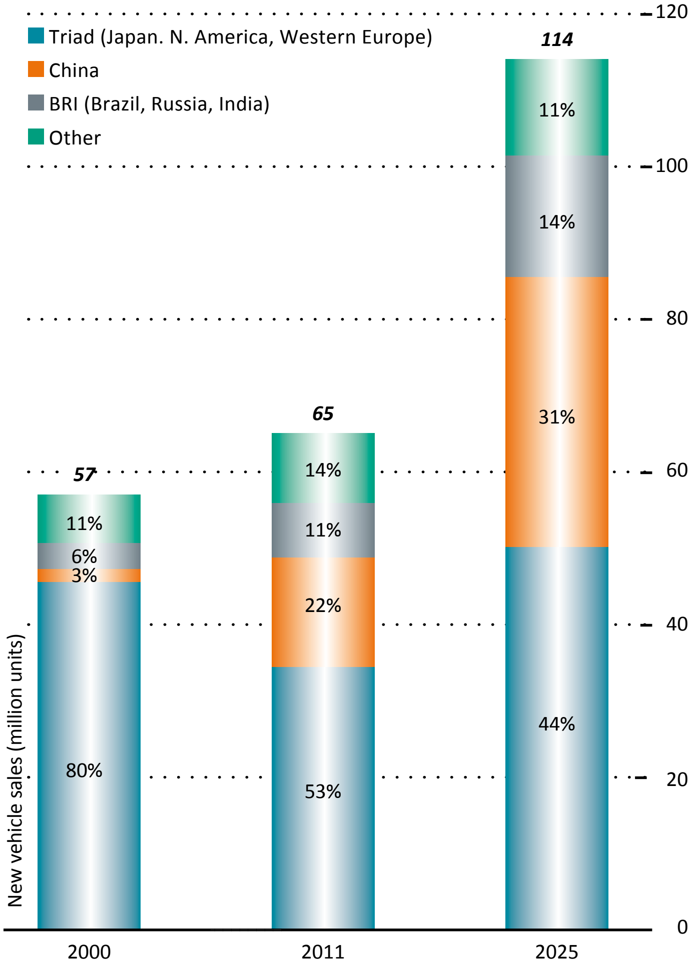
TABLET PC SALES



The tablet market also showed extremely strong and sturdy growth last year. In 2011 65.2 million tablets were sold, and for 2012 analysts predict another jump in sales to approximately 124 million units. This represents an annual growth rate of 90%.

INDUSTRIAL In 2011 the economic slowdown – particularly marked in Europe – meant that growth in industrial business was very moderate. Growth rates higher than 5% were only achieved in a few market segments. Because of the uncertain economic outlook no significant increases in sales are expected for 2012. AT&S is expecting growth of 3-5% in industrial business in 2012 and a fiercely competitive environment as a result.

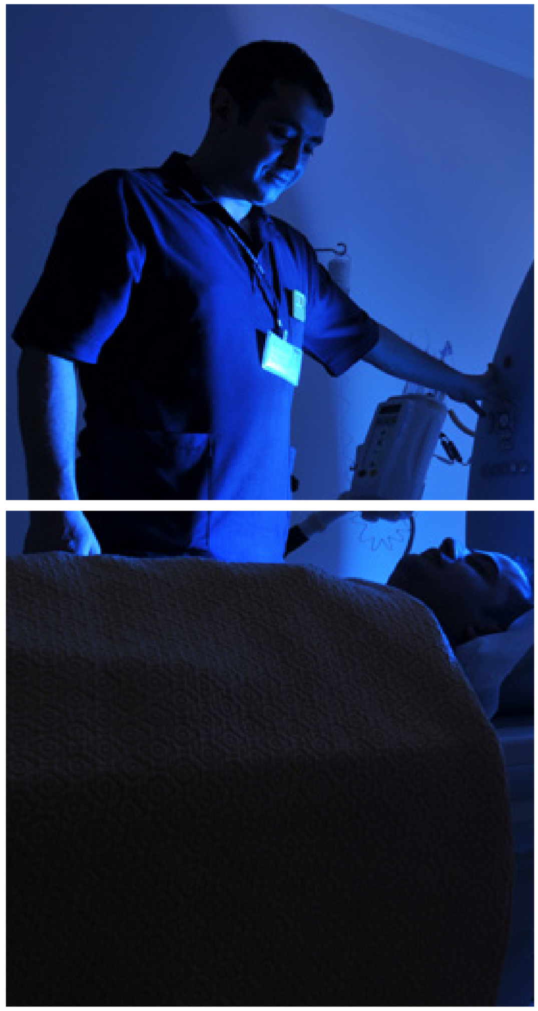
AUTOMOTIVE



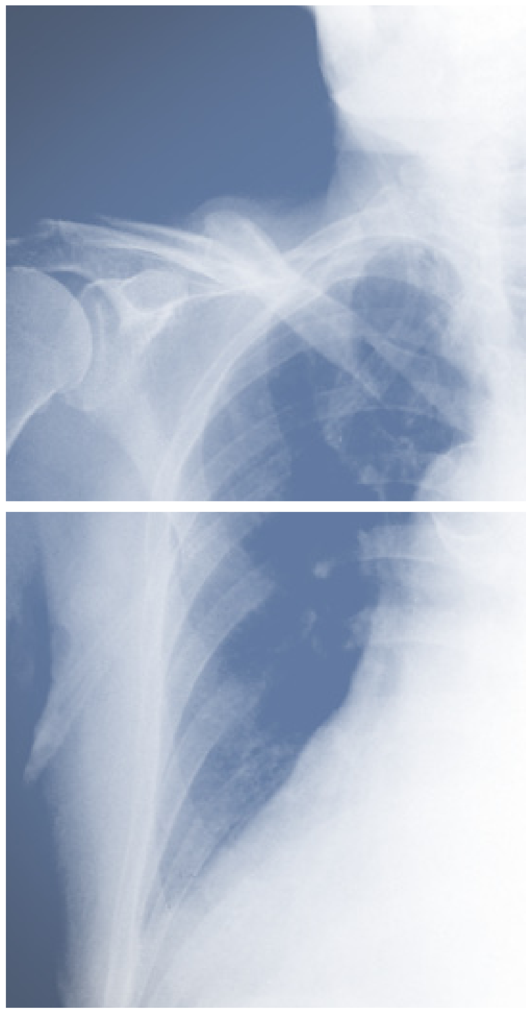
SOURCE: JD Powers

Worldwide sales of passenger vehicles grew by 6% in 2011, with 65.4 million new cars sold, making for a very strong and stable market. Analysts from the German Association of the Automotive Industry (VDA) predict growth of 4% for 2012, for a total of 68 million units. The markets in China with an increase of approximately 10% and India with an increase of 8-10% will be the growth drivers. For the USA the analysts are expecting growth of around 5%. In Europe and Japan sales are expected to remain stable at last year's levels. The long-term trend can be assumed to be one of continuing growth in the market for automobiles. In this industry the developments in the high-tech segment are of particular relevance to AT&S, since the automotive electronics market is showing stronger growth than the automotive industry itself.


Печать экрана
Откл. тревоги
Старт/Стоп нАД
Отсчет
Быстрый доступ
Отсое-динение
Метка
Меню




A successful operation using AT&S technology



Medical and Healthcare Applications

AT&S - part of your daily life

Vision 2015

Tomorrow is already here

Robert Jungk

Thanks to its high-end printed circuit boards and innovation strategy, the AT&S Group has become a major international competitive force. AT&S's products now set the standards for miniaturisation and the design of electronic devices. Advances in smartphones, the spread of tablet PCs, the introduction of new mobile telephony standards such as Long Term Evolution (LTE) as well as the increased use of electronics in all segments will change the world and increase the need for more complex printed circuit boards. In the past two years AT&S has invested heavily in expanding capacity and in new technologies to keep pace with these trends.

SMARTPHONES DRIVING GROWTH Forecasts suggest that deliveries of smartphones will pass the 500 million mark in 2012. The emerging economies of the Asia-Pacific region, especially China and India, and the Central and Latin American states are the main drivers of this rising demand. This has significant implications for AT&S: the Group needs to grow its core business in order to keep up with market developments and satisfy customer requirements.

SMARTER CARS As predicted, the automotive electronics sector is expanding more quickly than the automotive industry, and the number of printed circuit boards found in vehicles will continue to rise. We are likely to see above-average growth in applications related to information and communication, environmental protection and energy saving, as well as safety and reliability. Demand for HDI technology will rise in line with the increased implementation of multimedia, infotainment and navigation systems. The automotive electronics market will be worth USD 200bn by 2015, and as the technology leader in the printed circuit board industry, AT&S will benefit significantly from these trends.

NEW DEMANDS FROM A CHANGING SOCIETY We also expect to see rapid growth in the medical technology segment. This is due to a variety of factors, including increases in average ages, greater awareness of health-related matters, more affordable basic medical treatment, and improved health service infrastructure in the emerging economies. As a result, AT&S sees a number of major growth opportunities in the medical technology business.

FOCUSING ON WHAT WE DO BEST AT&S's strategic focus lies in technically advanced market segments with attractive growth rates. The new plant currently under construction in Chongqing, China will increase our high-end production capacity, making it a key element in the Group's strategy. The strategic partnership set up recently with flexible printed circuit board manufacturer MFLEX is also significant, since it will enable us to produce best-in-class HDI rigid-flex printed circuit boards for electronic applications. Although both companies will continue to service their core markets, they will be able to incorporate the new technology in their product portfolios. Customers will also benefit from access to MFLEX's and AT&S's combined expertise in rigid-flex printed circuit boards, which in turn will open up a host of potential new applications and designs.

OUR MISSION FOR 2015 AT&S Group is the technology leader in the market for high-end printed circuit boards. AT&S leads the field in miniaturisation and integration, and its interconnection solutions give customers a decisive competitive edge. As a global provider with European roots, the group is strongly committed to sustainability, quality and the efficient management of resources.

AT&S Strategy

Planning: focusing on tomorrow's needs today

The AT&S Group's strategy is geared towards innovation and long-term, profitable organic growth.

POSITIONING ON GLOBAL MARKETS Securing a strong position on global markets is a vital strategic aim for AT&S. Achieving this requires well thought-out, forward-looking responses to market developments, allowing us to grow effectively in line with our markets.

More specifically, this means leveraging our strengths in Europe and capitalising on opportunities in Asia. AT&S is currently extremely well placed to achieve these goals. Thanks to its Shanghai plant - one of the most modern of its kind in the world - the Group is in a position to meet the rising demand in the mobile devices business, which can be traced back to increased sales of tablet PCs and the rapid expansion of the smartphone segment.

Securing a share of the growing demand for high-end printed circuit boards from the automotive industry, and promoting new applications in this field, are also among AT&S's strategic objectives. In addition, attractive niche markets are opening up in the Group's traditional industrial business. AT&S sees excellent opportunities in the medical technology sector, where the diagnosis segment, and applications for therapeutic and medical equipment are increasingly becoming the centre of attention.

The Group's potential target markets include Asia and Europe, as well as the USA, where AT&S anticipates growing demand for high-end technologies and design.

AT&S's new high-tech plant in Chongqing, which will focus on next-generation technologies, will help the Group to bolster its position on the highly competitive Asian market.

FOCUS ON RESEARCH AND DEVELOPMENT
Identifying the materials and interconnection solutions that will shape the future is already a vital issue. Scarce resources, the ongoing trend towards miniaturisation, shifting demographic structures, changes in global competitive conditions, and the increasing prevalence of communications solutions are constantly placing new demands on AT&S's products. In addition, technological advances are opening up new applications for high-end printed circuit boards. Last financial year AT&S reinvested some 6% of revenues in applied research and technology development, with the aim of bolstering its position as the most innovative company in the printed circuit board industry.

CORPORATE SOCIAL RESPONSIBILITY As a dedicated corporate citizen, AT&S is committed to meeting its economic, environmental and social responsibilities. The efficient and sustainable use of all kinds of resources is the key to AT&S's business success – the economical and responsible use of resources enhances the Group's ability to compete and continue growing. AT&S also has a responsibility towards people and the planet. All of the Group's sites operate according to the strict environmental regulations that apply in Europe, and AT&S's emissions of exhaust air and wastewater have been below EU standards for many years. The company is also committed to addressing the needs of its employees and local communities.

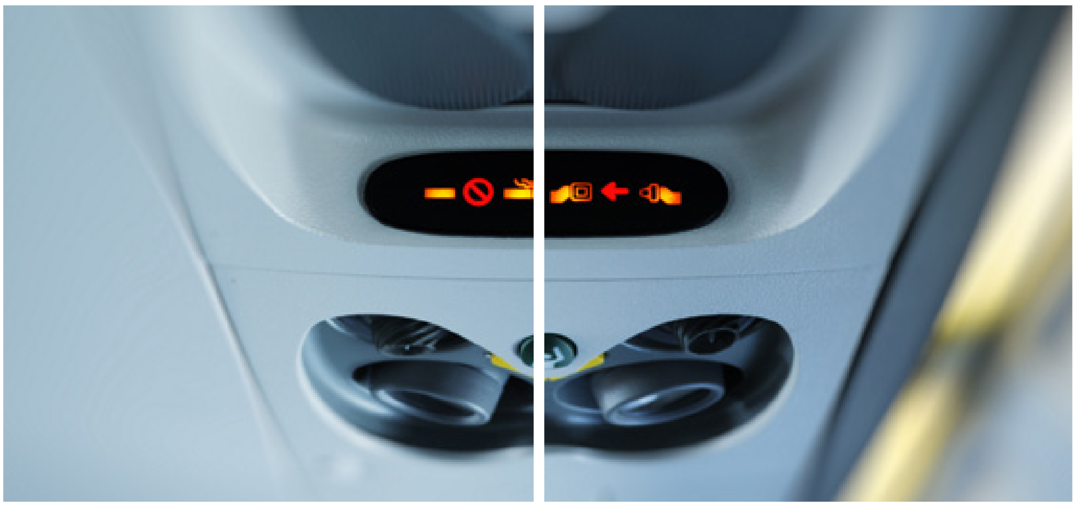
STRATEGY AT A GLANCE

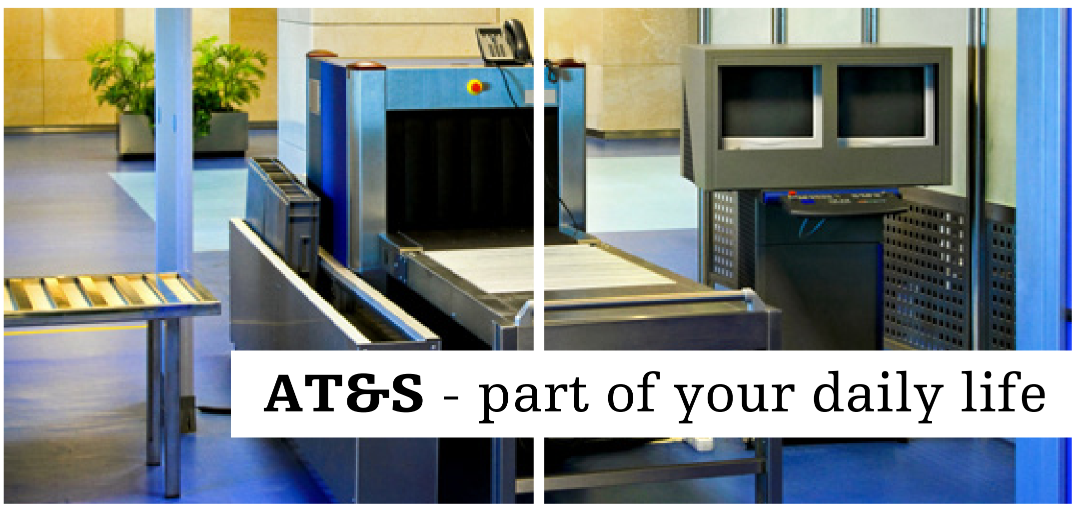
- Technology leader in the high-end segment
- Most innovative company in the printed circuit board industry
- Focus on research and development
- AT&S – committed to people and the environment




A safe flight
with AT&S


Aviation and Security Applications





AT&S - part of your daily life

Sales and Marketing

The journey is its own reward

Confucius

AT&S aims for stable long-term customer relationships. These depend not just on meeting customer expectations, but on anticipating and exceeding them. Reliability and trust are the cornerstones of AT&S's partnerships with regular customers.

GLOBAL NETWORK AT&S is equally comfortable working with small firms and global corporations; its partners vary from one area of business to another. Seven plants in Europe and Asia, and a service and sales network that spans four continents enable AT&S to provide customers of all kinds with responsive service across a wide range of time zones.

BROAD CUSTOMER BASE AT&S's customer portfolio is varied in terms of the industries involved as well as geographical locations. The Group supplies printed circuit boards not only to manufacturers of mobile devices, but also to customers in the industrial electronics, measurement and control engineering, medical equipment and aviation industries. The main markets for the printed circuit boards designed for the latter applications are Europe and the USA; the customer base is highly diversified. Most of the AT&S Group's automotive customers are in the high-end market segment. This broad customer base brings a wide array of highly specialised requirements which the AT&S Group meets by developing custom solutions.

SPECIAL FEATURES OF AT&S'S BUSINESS
All of AT&S's operations, and in particular those of Mobile Devices are subject to seasonal variations – in the first and fourth quarters capacity utilisation is generally lower than in the second and third.

MOBILE DEVICES The main growth driver in the Mobiles Devices segment is the HDI market. Eight of the ten leading mobile phone manufacturers currently put their faith in AT&S's expertise, its reliable production methods and its ability to keep developing new miniaturisation solutions. Any-layer HDI boards are in growing demand. Last year AT&S responded to the importance of this market by opening a new sales office in Taiwan.

The suppliers of smart phones, tablets and notebooks, music players, digital cameras and game consoles have their roots in a number of different industries, meaning that AT&S must be open to its customers' varying cultures. What is common to all customers are high expectations in terms of product quality and on-time delivery. Whether it is involved in development projects or the run-up to volume production, AT&S offers custom solutions – an important differentiator.

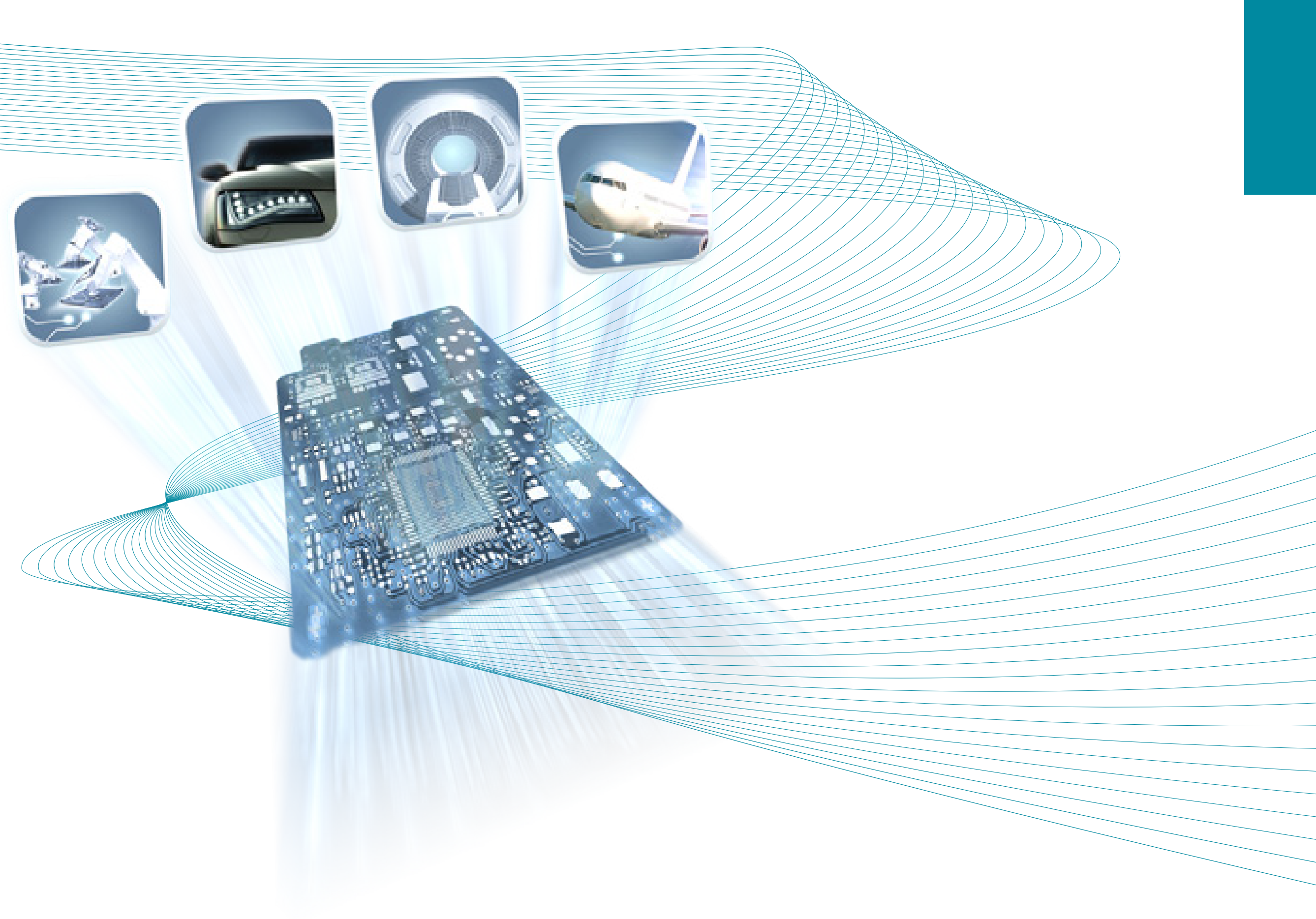
Thanks to its new partnership with flexible printed circuit maker MFLEX, AT&S can now offer best-in-class rigid-flex printed circuit boards for electronic devices. The line-up enables the two sides to pool their expertise.

Customers are also benefiting from an alliance between AT&S and Panasonic Electronic Devices Co. Ltd. The licensing agreement with the latter has enabled AT&S to become the first company to market Panasonic's ALIVH® technology worldwide. This has advantages in terms of miniaturisation, reduced environmental impacts and production efficiency. The new technology offers shorter throughput times and more environmentally friendly production processes – both major concerns for AT&S's customers.

INDUSTRIAL This business unit comprises over 500 customers with a vast array of technological requirements. The end products run the gamut from measurement and control systems to medical equipment, industrial computers and avionics. All this calls for a high degree of adaptability. The products supplied range from multilayer printed circuit boards with up to 22 layers through to single and double sided, flexible and semi-flexible, and rigid-flex boards.

Boosting efficiency and delivering top quality standards are major issues in this line of business, too. Last year's start-up of volume production of the first heart pacemakers with highly complex printed circuit boards marked a major strategic breakthrough for AT&S. AT&S is one of only a few European printed circuit board manufacturers to have obtained certification under the EN ISO 13485 medical devices standard and meet the high quality management standards associated with medical equipment.

Most of Industrial's sales are generated in Europe and the USA. Austria, Germany and Switzerland are the largest national markets. However the consolidation trend currently under way is opening up growth opportunities for AT&S in other countries – notably the USA.



AUTOMOTIVE Automotive's core geographical market is Europe. Virtually all of the major tier one European automotive component suppliers are AT&S customers. AT&S is aiming to progressively widen its geographical reach. The trend towards increased use of high-tech components is creating big growth opportunities for AT&S. AT&S supplies its automotive customers with a variety of products, including single and double sided printed circuit boards, and HDI microvia and any-layer boards. Many are custom solutions.

The increasing amount of electronics built into cars threatens to deluge drivers with a flood of information they can scarcely sift through without help. Because of this AT&S's customers are developing systems that control the information flow and only tell drivers what they need to know in a given situation.

Sustainability is another important issue. AT&S is developing specialised printed circuit board technologies such as thick copper, IMS and HSMtec for heat management and high-current applications in powertrains which should underpin long-term growth in this line of business.

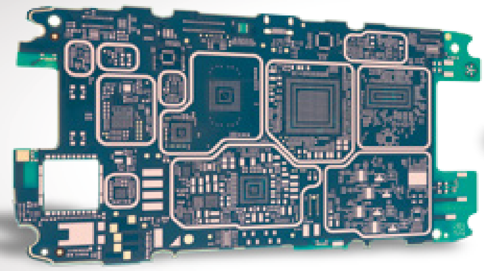
The autoelectronics market is expected to grow faster than the automotive market as a whole. HDI and standard multilayer boards are the main products required for high-priced, high-tech cars. Standard printed circuit boards are mostly built into smaller, more affordable models.

KEY DIFFERENTIATORS

- Stable long-term customer relationships
- Anticipating customer expectations at an early stage
- Extensive customer portfolio
- Custom solutions

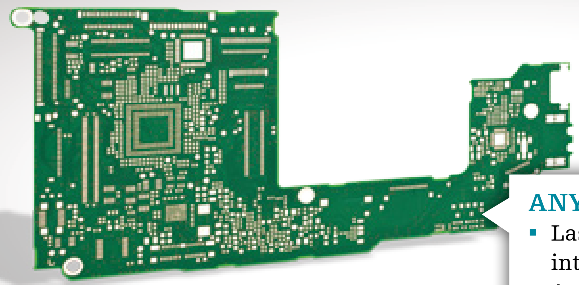
The AT&S Product Portfolio

AT&S - part of your daily life



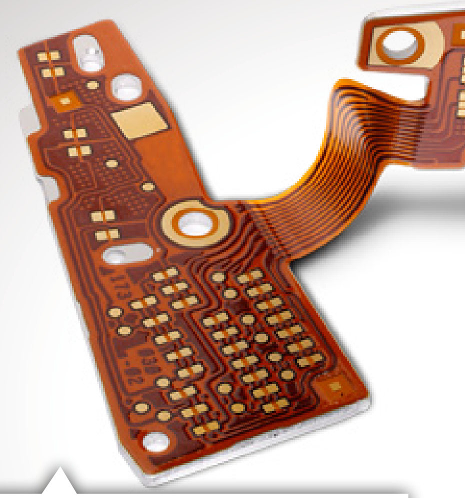
HDI MICROVIA PCBs

- Laser-drilled circuit boards with up to 5 microvia build-up layers per circuit board side, or with stacked microvias throughout over the whole thickness of the circuit board
- Applications: handheld devices and consumer electronics



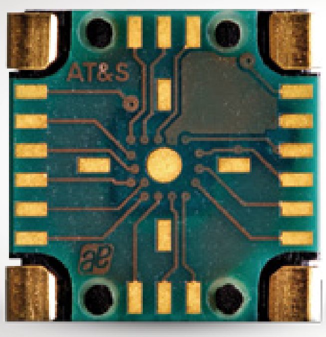
ANYLAYER PCBs

- Laser-drilled with microvias at each interconnection
- Applications: smartphones and automotive applications



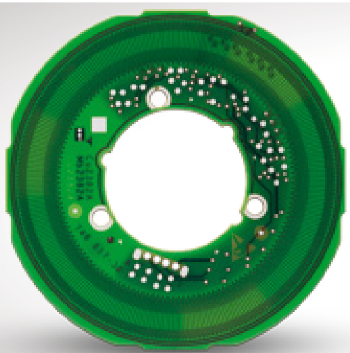
FLEXIBLE PCBs ON ALUMINIUM

- Flexible PCB´s bonded on an aluminium heatsink. For high-volumes LED applications for boundary and rear lighting and front headlights in the automotive segment, as well as for LED applications in building lighting



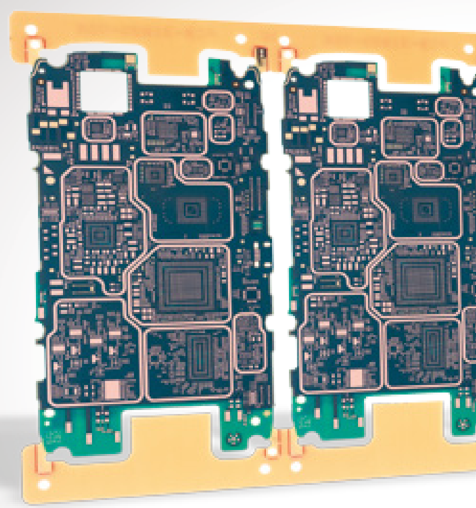
EMBEDDED COMPONENT PACKAGING (ECP®)

- Integration of passive and active electronic components in the printed circuit board
- Applications: increased efficiency through miniaturisation



MULTILAYER PCBs (UP TO 22 LAYERS)

- Made from standard to high Tg materials, as well as special materials
- Applications: high-frequency applications, and all electronics applications and industries

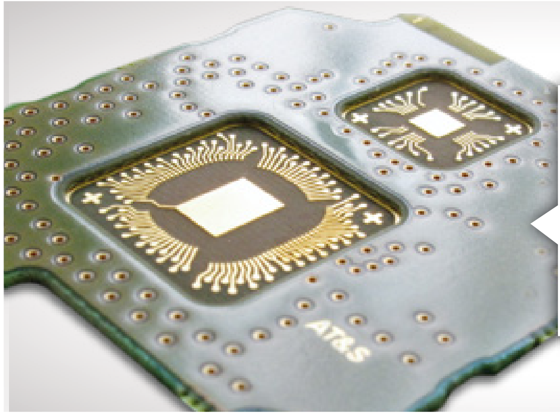


The AT&S Group has six production plants specialising in different technologies, and a seventh is currently under construction. As a result AT&S has a comprehensive product portfolio, efficient manufacturing operations and high quality standards. Technological and economic considerations determine which type of printed circuit board is used for a given application. Consumers encounter AT&S products in many different guises in their everyday lives.

FLEXIBLE PCBs
- For static and dynamic bending applications where space and weight reduction is required

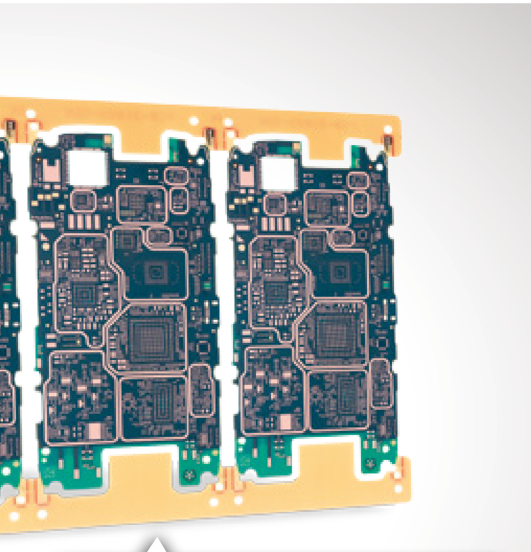
RIGID-FLEX PCBs
- Combine the advantages of rigid and flexible PCBs by substituting cables and connectors, and achieving the required level of miniaturisation

USAGE
- Industrial, medical, consumer and automotive applications

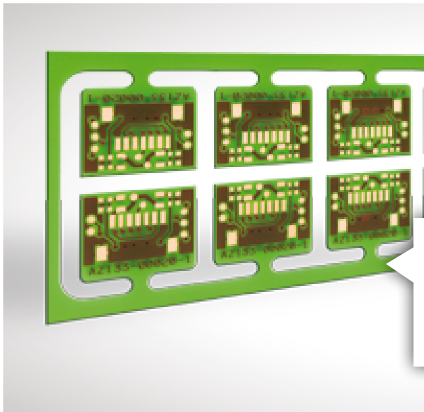


2.5D® TECHNOLOGY PLATFORM
- Mechanical integration by means of cavities and novel semi-flexible manufacturing concepts (flex-to-install applications; usable for one-time bending - radius 3mm)
- Applications in all segments

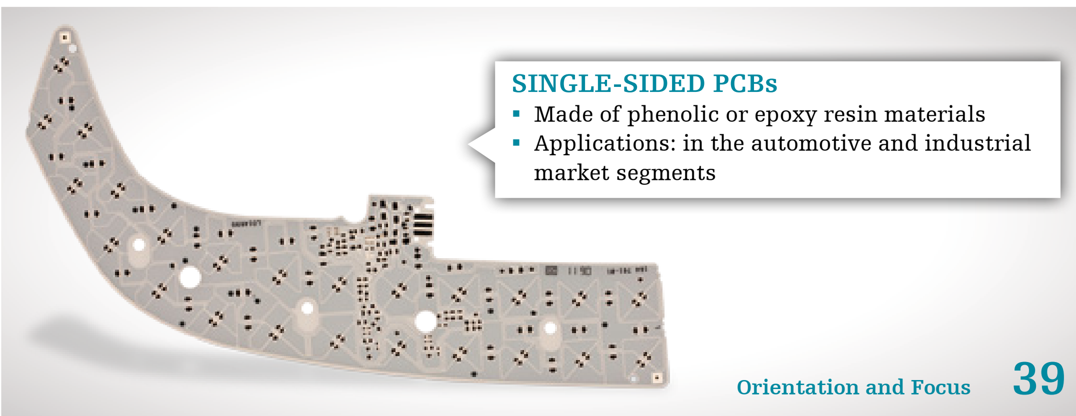
INSULATED METALLIC SUBSTRATE (IMS)
- Printed circuit boards designed for enhanced component heat dissipation
- Applications: automotive LED products and building lighting



NUCLEUS®
- Alternative, environmentally friendly single-card manufacturing concept
- Material and energy savings, with increased panel utilisation



DOUBLE-SIDED PLATED-THROUGH PCBs
- Made of epoxy resin or special materials
- Applications: high-frequency applications, and all electronics applications and industries.



SINGLE-SIDED PCBs
- Made of phenolic or epoxy resin materials
- Applications: in the automotive and industrial market segments

AT&S Worldwide

Seven international sites

The AT&S Group currently has six production plants specialising in different technologies: Leoben-Hinterberg, Fehring and Klagenfurt in Austria, Ansan in Korea, Nanjangud in India and Shanghai in China. The Group is currently building a seventh facility in Chongqing in China. AT&S employs around 7,500 people worldwide.

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. Short production times, special applications and a greater emphasis on suppliers' closeness to customers are typical for Europe. The plants in Austria, India and Korea usually concentrate on small and medium-sized batches for industrial and automotive customers, while in China the focus is on large volumes for mobile communications customers.

Shanghai and Leoben-Hinterberg are a major innovative force within the AT&S Group thanks to their research and development facilities.

LEOBEN-HINTERBERG (AUSTRIA)
HEADQUARTERS

- Staff: 753
- Opened: 1982
- Production capacity: 130,000 square metres
- Customer orientation: 12% Automotive, 86% Industrial, 2% Mobile Devices

TECHNOLOGIES

- Standard printed circuit boards
- HDI Multilayer printed circuit boards
- Rigid-flex printed circuit boards
- ECP® (Embedded Component Packaging)

CERTIFICATIONS

- DS/EN ISO 13485:2003
- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007
- Sony Green Partner Certificate

FEHRING (AUSTRIA)

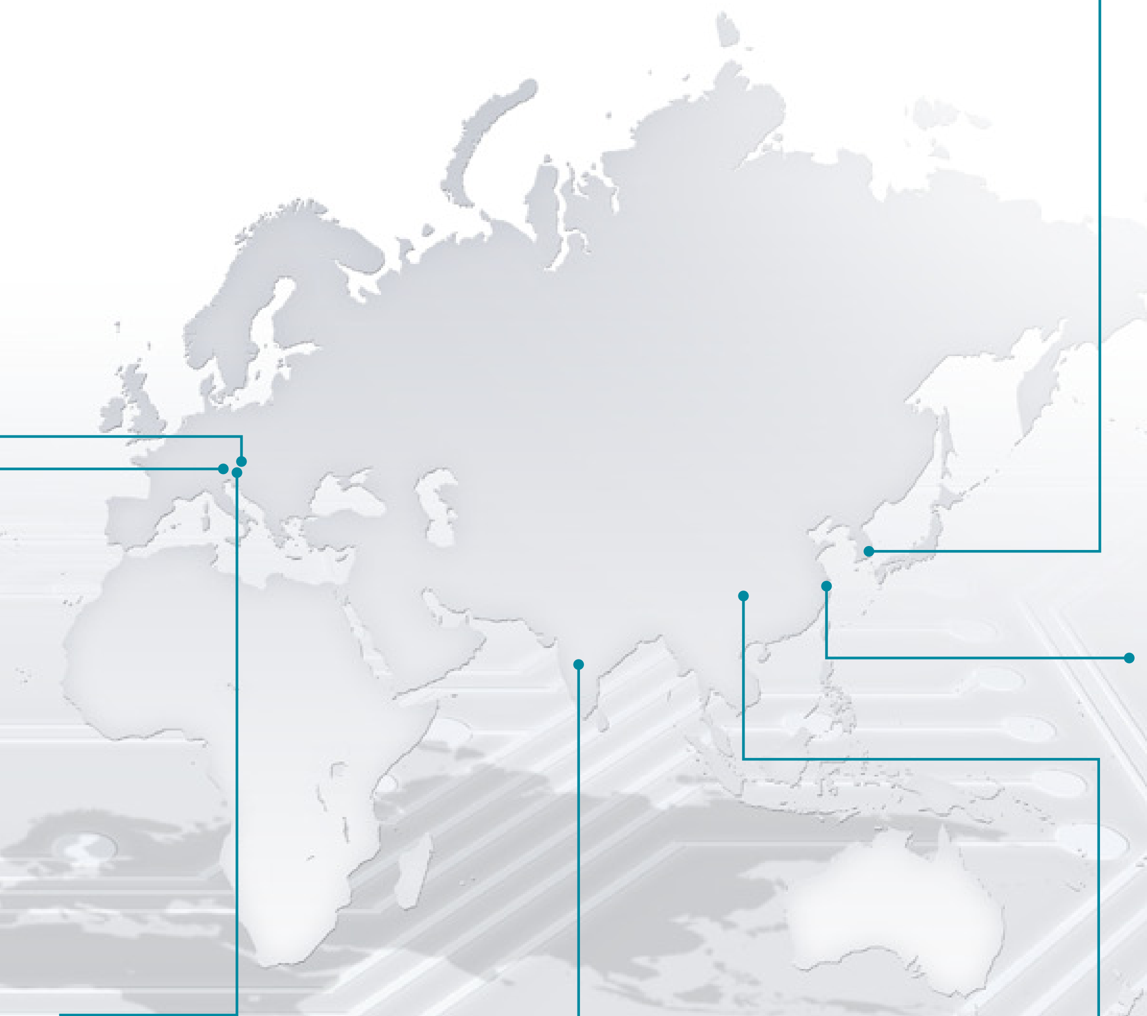
- Staff: 379
- Opened: 1974
- Production capacity: 300,000 square metres
- Customer orientation: 44% Automotive, 56% Industrial

TECHNOLOGIES

- Double-sided plated-through printed circuit boards
- Rigid-flex printed circuit boards

CERTIFICATIONS

- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007
- Sony Green Partner Certificate



ANSAN (KOREA)

- Staff: 233
- Opened: 2006
- Production capacity: 120,000 square metres
- Customer orientation: 5% Automotive, 36% Industrial, 59% Mobile Devices

TECHNOLOGIES

- Single and double-sided flexible printed circuit boards
- Flexible multilayer circuit boards
- Rigid-flex printed circuit boards
- Flexible printed circuit boards with metal reinforcement

CERTIFICATIONS

- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007

SHANGHAI (CHINA)

- Staff: 4,910
- Opened: 2002
- AT&S's largest production facility and the largest HDI printed circuit board manufacturing plant in China
- Production capacity: 710,000 square metres
- Customer orientation: 4% Automotive, 2% Industrial, 94% Mobile Devices

TECHNOLOGIES

- HDI multilayer printed circuit boards

CERTIFICATIONS

- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007
- Sony Green Partner Certificate
- Canon Green Partner Certificate

KLAGENFURT (AUSTRIA)

- Staff: 107
- Opened: 2003
- Production capacity: 300,000 square metres
- Customer orientation: 17% Automotive, 83% Industrial

TECHNOLOGIES

- Single-sided printed circuit boards
- Double-sided, not through-hole plated printed circuit boards
- Insulated metallic substrate (IMS)

CERTIFICATIONS

- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007

NANJANGUD (INDIA)

- Staff: 1,035
- Opened: 1999
- Production capacity: 300,000 square metres
- Customer orientation: 47% Automotive, 53% Industrial

TECHNOLOGIES

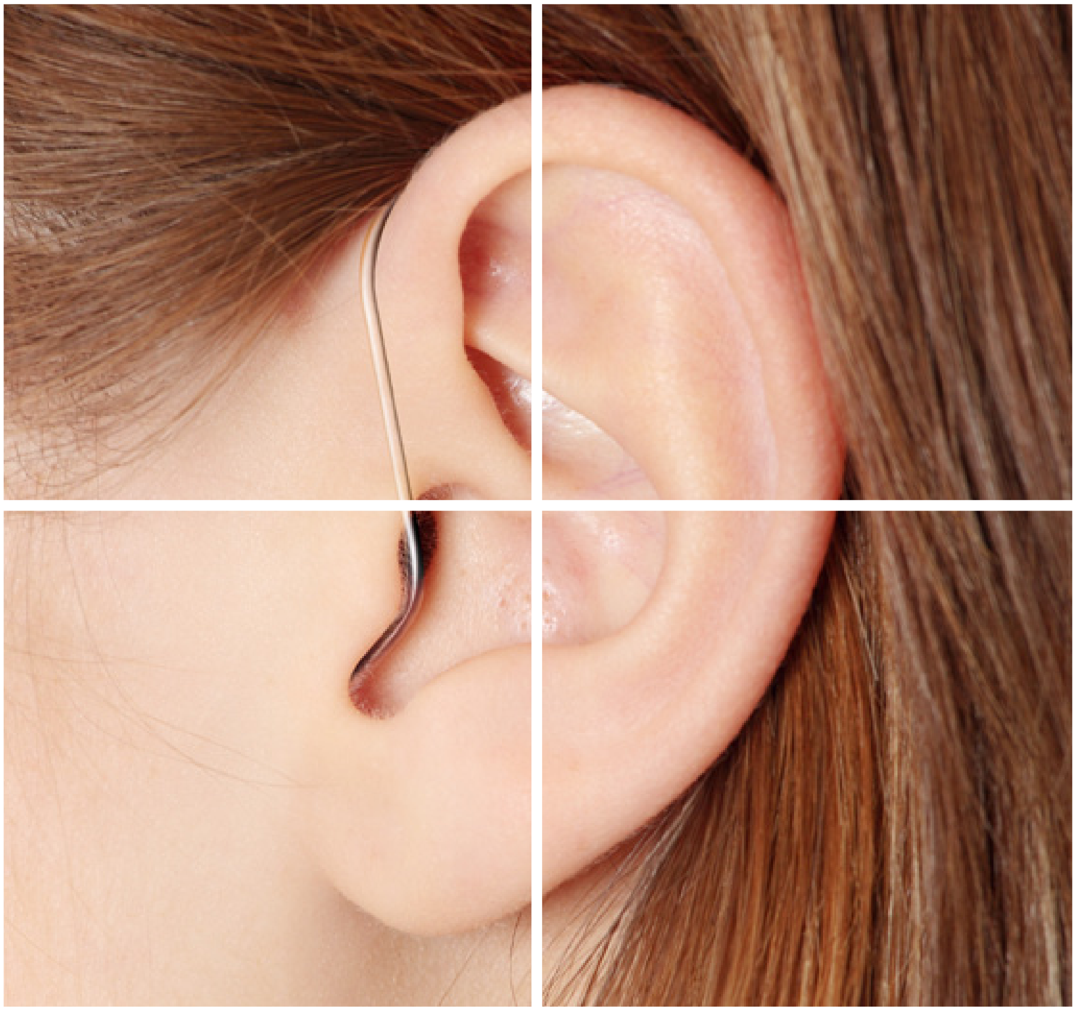
- Standard multilayer circuit boards
- Double-sided plated-through printed circuit boards with reinforcement

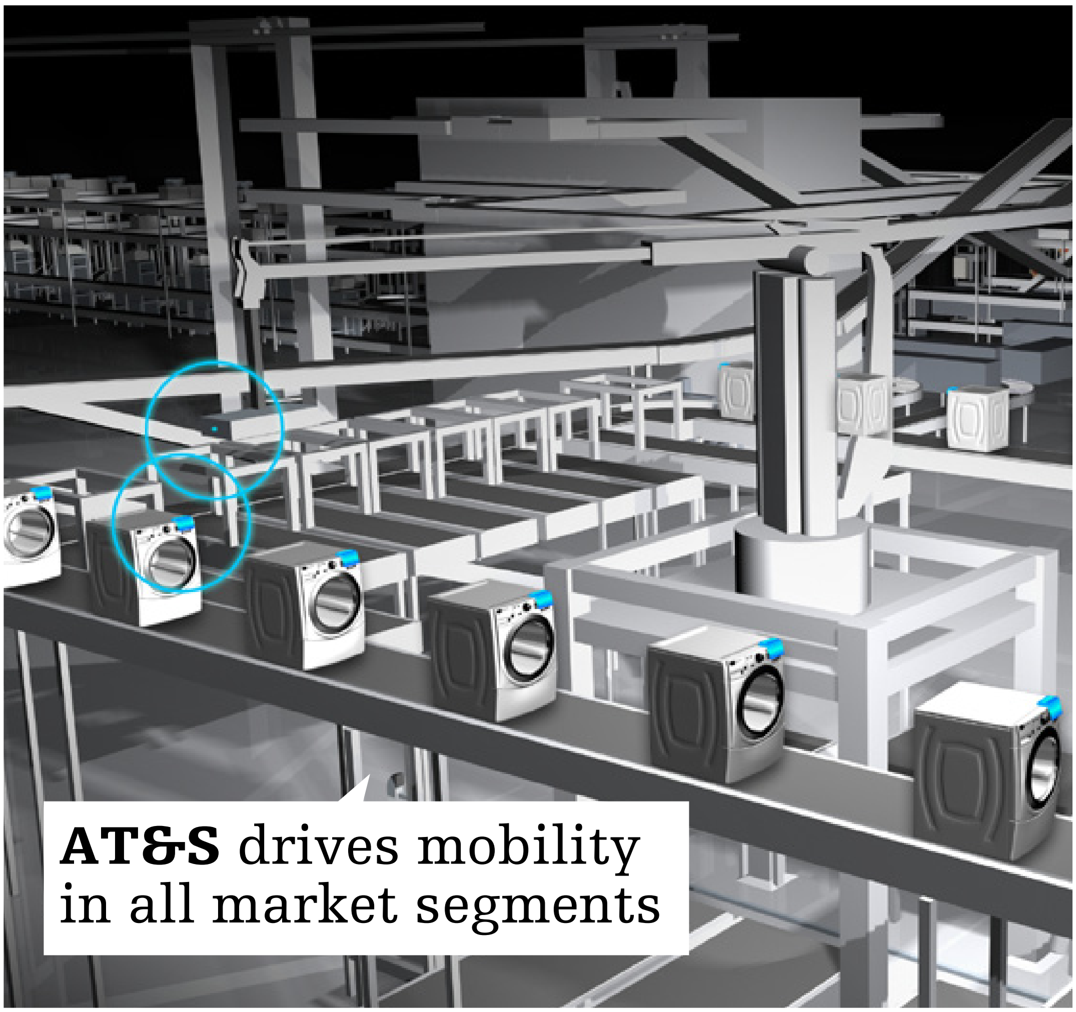
CERTIFICATIONS

- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007

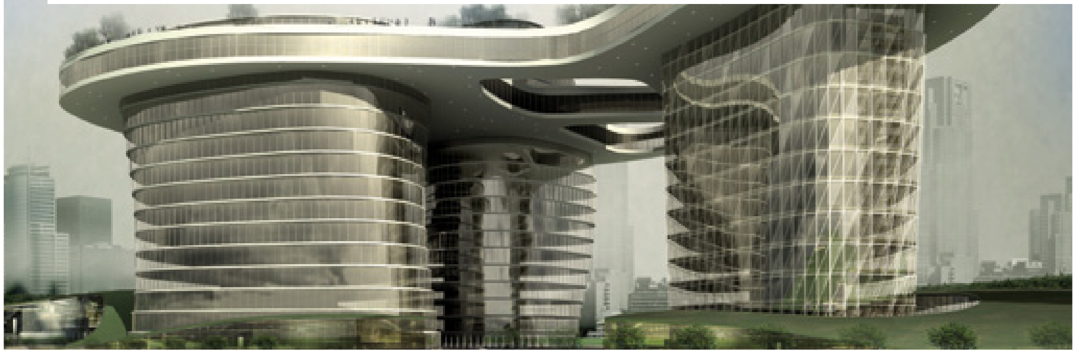
CHONGQING (CHINA)

- Groundbreaking ceremony: June 2011
- Focus: high-end products




AT&S drives mobility
in all market segments

ECP® - The Leading Chip Embedding Technology



AT&S - part of your daily life

Supply Chain Management

Good planning is half the battle

Supply chain management is the creation of a single process to meet the logistics needs of suppliers, internal operations and customers. It includes capacity and materials planning, storage provision, logistics and billing.

SUPPLY CHAIN MANAGEMENT – A KEY SUCCESS FACTOR AT&S supplies customers in many different sectors – from the mobile phone to the automotive, medical equipment and aviation industries. Because of the vast array of custom products, in an average year the AT&S Group delivers about 16,000 different products to a broad range of different customers. It goes without saying that reliability and quality are key. In a fast-moving industry like printed circuit boards, just-in-time (JIT) production – where parts and products are not delivered until they are needed, reducing the need to hold inventories – calls for outstanding supply chain management skills. JIT ordering and the wide range of products make stockholding and production planning highly complex.

THE AT&S VISION AT&S's supply chain management systems play a major part in maintaining our competitiveness and meeting the high quality standards customers expect. It matches customer requirements with suppliers' capacity and the specialisms of the AT&S Group's sites around the world. Not only is AT&S a global player with an international network of production plants, but customers' operations and locations are just as diverse. Because of this the key task of AT&S's supply chain management functions is to optimise the activities involved on a global basis. Taking a total cost approach to operations along the entire supply chain maximises quality and competitiveness.

CUSTOMER FOCUS The smooth interaction of all concerned is the key to the success of any supply chain management system. The AT&S Group's network comprises about 1,000 customers worldwide and 800 suppliers, 35 of which are classed as key suppliers. An average of 350 shipments and 300 parts numbers are dispatched each day. In all, AT&S handles logistics and inventory management for almost 500 different products at over 60 storage facilities around the globe, and ensures that stocks are kept between specified minimum and maximum levels.

GETTING THERE Modern supply chain management methods and AT&S's global presence underpin optimum security of supply. The goal is to constantly improve the balance of global demand and capacity, and to pare the total cost of the end product down to a minimum. AT&S can not only promise its customers good quality and supply security, it is also increasingly offering one-stop shopping and vendor managed inventory (VMI) solutions.

OPTIMISED PLANNING TOOLS To keep production going, AT&S needs almost one tonne of gold, 2,001 tonnes of copper, and 875 tonnes (seven million square metres) of copper foil. The Group also processes some 11 million square metres of laminates and 82,000 tonnes of chemicals, using 27 million micro drill bits and five million router bits.

State-of-the-art IT tools help manage the gigantic flows of goods and information, and the processes taking place in the background, reliably and efficiently for customers and suppliers. They support precise planning, geared to available production capacity, making it possible to check the feasibility of every order at once. This enables AT&S to operate efficiently, and to maintain customer satisfaction by providing reliable deliveries and constant quality.

The AT&S Group's delivery reliability has long been above 90%, and hit 94% last year – despite the fact that order volume and output have steadily risen. A delivery is only deemed to be have been properly made if the quantity and arrival time are absolutely correct.

Research and Development

Lift your eyes and you will see no borders

Chinese saying

In the past few years AT&S has become one of the technology leaders in the printed circuit board industry. Behind this success lies a record of constant innovation, product replacement and successful marketing of new products.

GROWTH DRIVER The importance of new technological developments for the AT&S Group is shown by the fact that over 15% of our revenue in FY 2011/12 was generated by products launched in the past three years.

FUTURE DEVELOPMENTS The potential for progress and the pressure to innovate are particularly great in the electronics industry – and nowhere more so than in the smartphone business.

Industry analysts expect new technology to make it even easier to exchange information. Mobile devices are set to be still more seamlessly integrated with everyday living. Sensors that capture information and transmit it to processors will increasingly be used in public and private spaces. In the future electronic systems will pull the strings in the background in many products - as is already the case in luxury cars - making life simpler and safer.

The key to this will be continued miniaturisation of terminal devices and the roll-out of wireless capable infrastructure. The aim is not just to enable users to communicate, but to allow machines and devices to do so as well.

CHALLENGES But making a reality of such developments will involve paying close attention to the problems of the future. For example, the availability or scarcity of natural resources will be an increasingly pressing issue. Intensifying competition for dwindling supplies of commodities over the next few decades will inevitably be a major focus of the AT&S Group's research and development effort.

TECHNOLOGICAL STRATEGY The trends and considerations outlined above form the basis of AT&S's technological strategy. The core of the strategy can be summarised in three main goals:

- **STRESS ON THE HIGH-TECH SEGMENT** The new technologies and products taking shape at AT&S are aimed at the high-tech segments of their respective markets.
- **INCREASED CONTRIBUTION TO THE VALUE CHAIN** The new technologies and products AT&S is evolving will play an increased role in the manufacturing value chains of electronic devices.
- **REDUCED CONSUMPTION OF NATURAL RESOURCES** AT&S is developing new technologies and products that will consume fewer natural resources (materials, water, energy, etc.) than their conventional counterparts.

THE FOUR PILLARS OF AT&S'S R&D ACTIVITIES

On the basis of these key strategic goals, as well as customers' needs and suppliers' developments, AT&S has identified four core development areas that will form the centrepiece of the Group's efforts. A large number of projects aimed at creating the technologies and products of the future revolve around these issues. Many different departments at AT&S are involved in researching into the future and attempting to bring it closer.

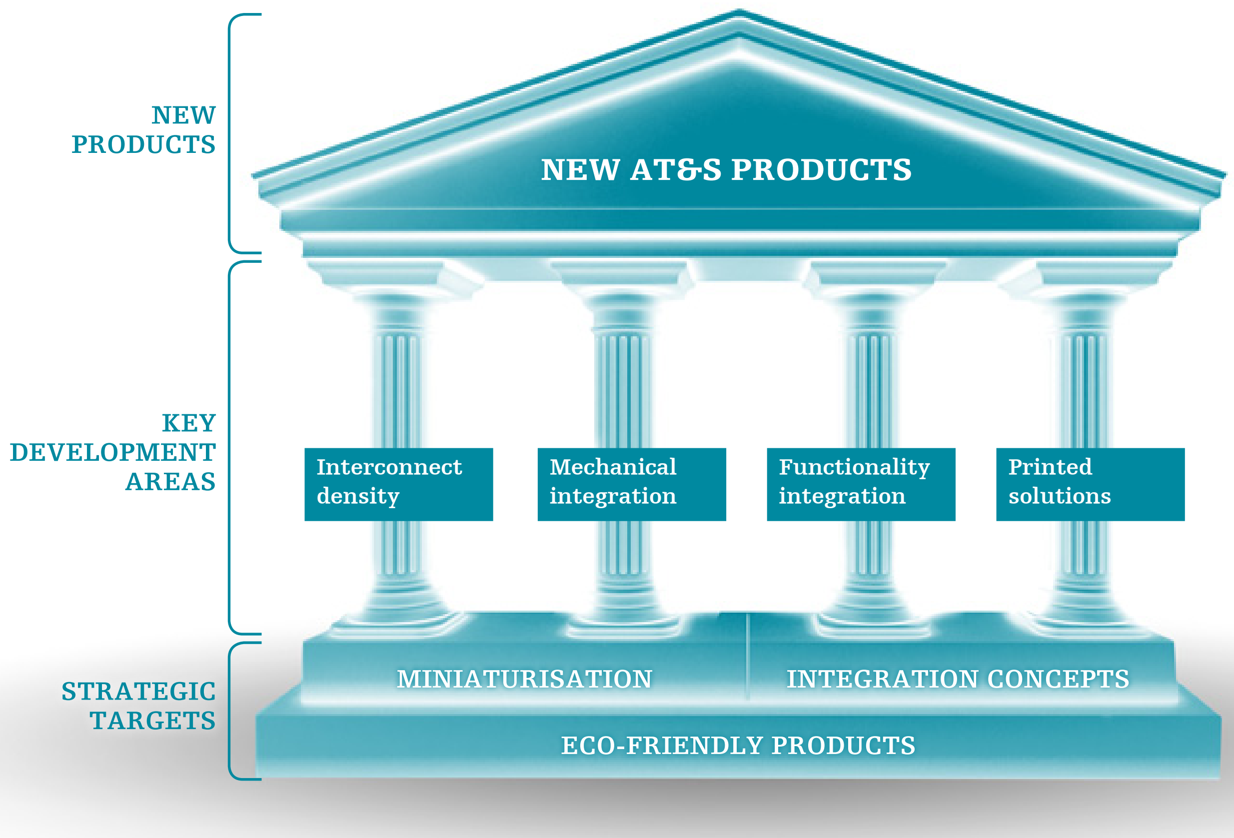
OVERVIEW - CORE DEVELOPMENT AREAS

INTERCONNECT DENSITY This R&D area concerns developing new solutions designed to further reduce the dimensions of the printed circuit board while increasing its complexity. Development activities are mainly driven by chip design. Changes in chip technology have a direct impact on printed circuit boards, and the latter must connect chips with other components. An important task is to reduce the size of the structures and the thickness of the boards without affecting the necessary electrical and mechanical properties.

MECHANICAL INTEGRATION A key issue addressed by this core development area is improved integration of the printed circuit board with the other components in an electronic device. New rigid-flex boards, cavity and embedding techniques and fully flexible boards are under development.

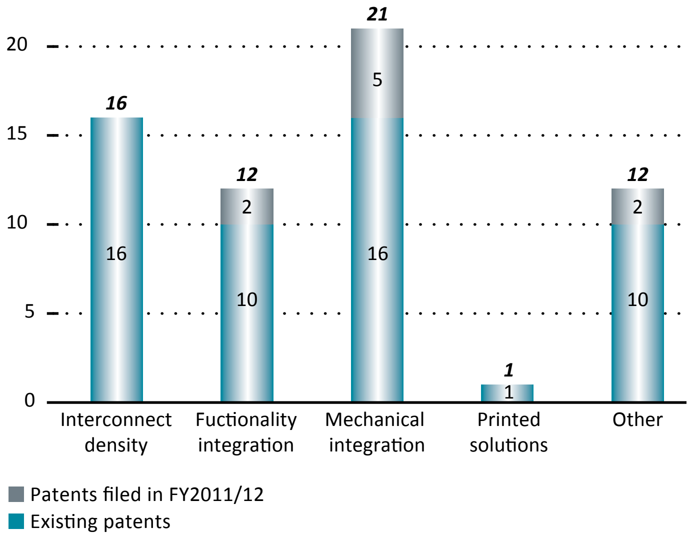
FUNCTIONALITY INTEGRATION This R&D field involves integrating additional functionalities in the printed circuit board. It is chiefly concerned with new approaches to embedding components where this is not yet possible with the AT&S Group's current ECP® technology.

PRINTED SOLUTIONS This development area focuses on new solutions that reduce the consumption of water and other natural resources (e.g. copper). New technologies based on printing are being developed. These will make it possible to manufacture printed circuit boards with minimal resource inputs.



PATENT STRATEGY The AT&S Group's increased focus on research and development goes hand in hand with stronger legal safeguards for our core technologies. In the past financial year AT&S filed nine patent applications, and now holds 62 patents and patent applications. The constant growth in the patent portfolio underpins our reputation as a technologically advanced printed circuit board supplier.

PATENT DECLARATIONS



Corporate Social Responsibility

Living up to our responsibilities

As a global corporate citizen, AT&S is committed to combining an entrepreneurial approach with social and environmental responsibility, and to applying the highest possible standards at all of its facilities. 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.

A TOOL FOR THE LONG TERM The IMS is a management tool that facilitates long-term improvements within the organisation. The system sets up common regulations for all AT&S facilities, and 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. In addition, the Hinterberg site was certified according to the ISO 13485 standard for medical devices in 2011 – 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.

OCCUPATIONAL HEALTH AND SAFETY Raising awareness of safe working methods and avoiding accidents is the primary objective of AT&S's occupational health and safety and emergency prevention activities. Thanks to ongoing training courses, annual initiatives and long-term goals – all of which are part of the IMS – we again recorded a 5% drop in accident rates during the financial year. 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 limits.

ENVIRONMENTAL POLICY AT&S takes its environmental responsibilities extremely seriously. The continuous improvement of processes and products is a vital task at all levels of the organisation, and the Group places particular emphasis on the economical use of resources. A series of targets are in place that 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 factors, as well as economic and operational considerations. AT&S constantly strives to exceed statutory requirements and minimise the ecological impact of its products and services. To date, the Group has invested EUR 30 million in environmental protection measures at its Shanghai plant.

SOCIAL RESPONSIBILITY AT&S aims to achieve the highest possible standards of corporate citizenship. This means going beyond compliance with minimum legal requirements for socially responsible behaviour. We make a significant contribution to the welfare of people living in the catchment areas of our plants around the world by means of targeted health care and education projects. In the past financial year, AT&S provided medical care to local communities living close to the Nanjangud facility in India. In China, the Group donated CNY 1m for a technical college and IT equipment for local schools to mark the groundbreaking ceremony for the new Chongqing facility. In addition, employees at AT&S's Asian sites receive a host of fringe benefits, including an extensive shuttle bus network, staff rooms, small supermarkets, libraries, internet access and on-site medical check-ups. We also support various local projects – such as the construction of a nursery school and a health centre in India – with the aim of creating sustainable community infrastructure.

AT&S – LEADING THE WAY IN CORPORATE SOCIAL RESPONSIBILITY

Last year a number of our competitors hit the headlines for their lack of social responsibility and the shortcomings in their environmental protection systems. By contrast, AT&S is proud of the recognition it has won for its commitment to corporate social responsibility (CSR), and its activities in this area. The Group has secured a number of awards in China, India and Austria, and has been singled out by the Chinese government as an industry benchmark for CSR performance.

AT&S is aiming to reaffirm its commitment to CSR principles and to give them an even higher profile within the company. The launch of the Sustainable AT&S project in late 2011 marked the first step towards integrating CSR into all of the company's operations. A global project team is currently working on a strategy and a set of targets for the next five years, in consultation with the Management Board. Our aim is to make sustainability a central aspect of the day-to-day work of every employee. As a result, the entire organisation will need to play a part in implementing global environmental protection, occupational health and safety, and social initiatives.

PROJECTS AND LONG-TERM INITIATIVES

REDUCING CO_2 EMISSIONS

In the financial year 2011/12, all of our facilities continued to implement measures aimed at achieving an annual reduction of 5% in greenhouse gas emissions from production and transport. Initiatives at our plants around the globe resulted in a 10% cut in actual CO_2 emissions to 47 kg/m² of printed circuit boards.

RECYCLING PRINTED CIRCUIT BOARD WASTE

All metals such as copper, nickel and gold can recycled. The remaining insulation materials are incinerated or properly disposed of.

NACHHALTIGKEITSLAND STEIERMARK PROJECT

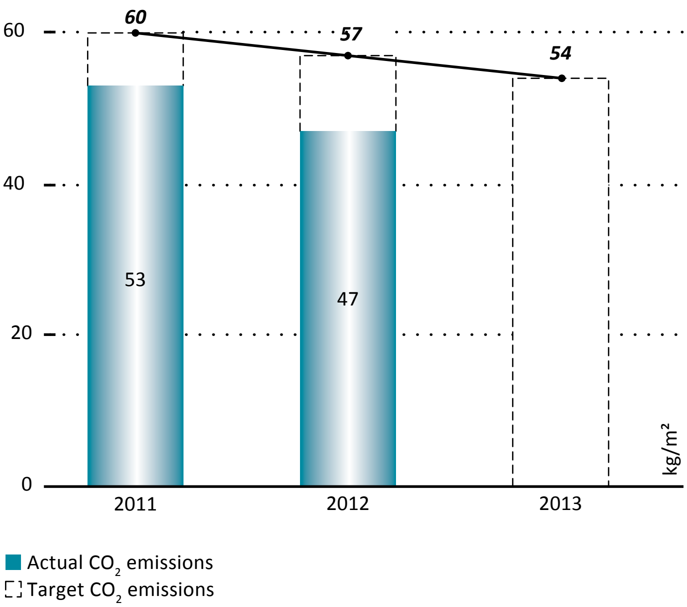
The federal province of Styria launched the Nachhaltigkeitsland Steiermark (Sustainable Styria) project in November 2011. The project enabled small groups of companies to exchange notes on sustainability strategies. AT&S's Hinterberg and Fehring plants were closely involved in the project, which officially concluded in May 2012.

ÖKOPROFIT PROJECT

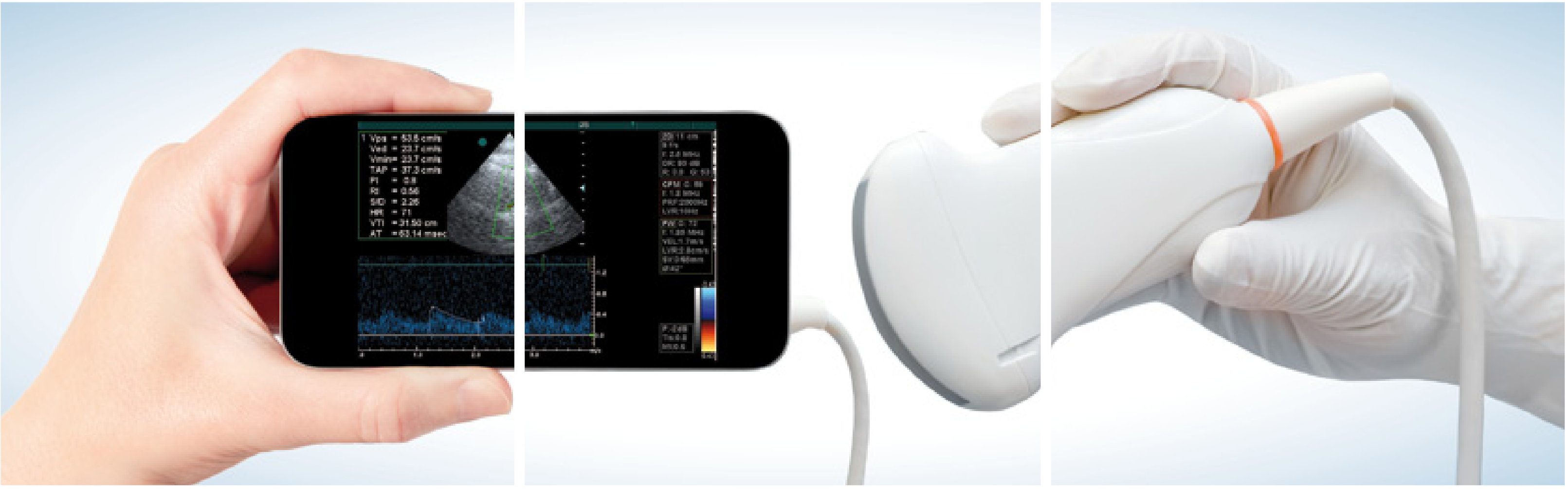
Improving energy efficiency is the central aim of the Styrian provincial government's Ökoprofit project. The Fehring facility joined forces with other businesses to identify potential energy savings and devise measures aimed at enhancing energy efficiency. This resulted in the installation of a variable speed compressor with a heat recovery system in Fehring.

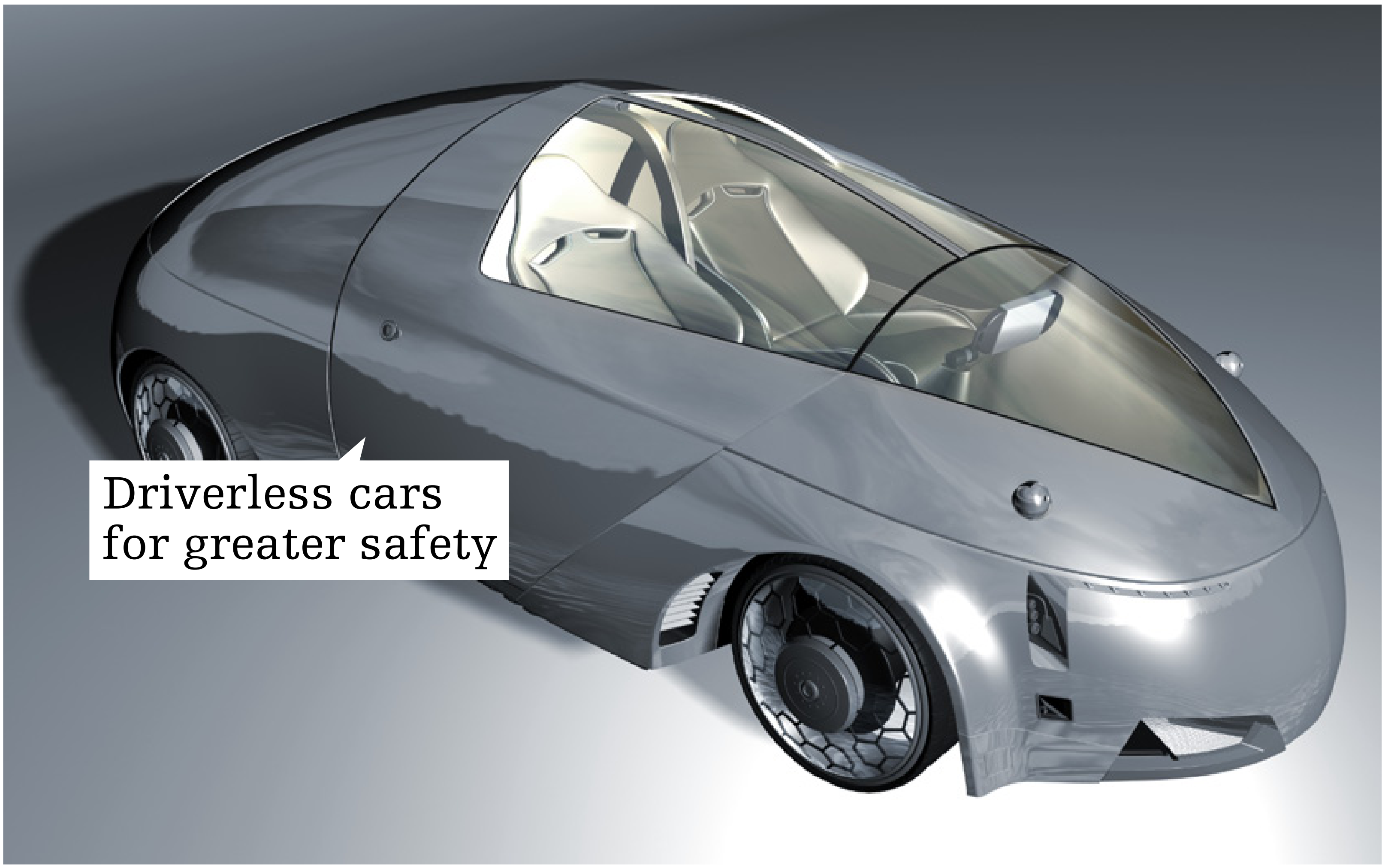
GLOBAL CARBON FOOTPRINT

AT&S Group, CO_2 emissions from production and transport



AIM ANNUAL REDUCTION OF 5% IN CO_2 EMISSIONS FROM PRODUCTION AND TRANSPORT




Driverless cars
for greater safety

Future Trends

AT&S - part of your daily life

Corporate Governance Report

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Principles and Corporate Governance Declaration

AT&S Austria Technologie & Systemtechnik AG (AT&S) declares its voluntary adherence to the Austrian Corporate Governance Code (ÖCGK) in the amended version as of January 2012.

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 of 1 January 2012.

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.

For many years, AT&S has followed a strategy designed to further the long-term, sustainable growth of the Group's value. AT&S 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 condition prerequisite for the listing of Austrian companies on the Vienna Stock Exchange 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.

By the following commitments, AT&S has complied with all the provisions of the ÖCGK in the version of January 2012 since 31 March 2012:

C RULES 27-28A AND ALL RELATED PASSAGES: These rules were amended in the course of the 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 appointment of Mr Moitzi to the Management Board. 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 provisions applicable to the appointment of Mr Moitzi, the new rules were not taken into consideration 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 any 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, taking into consideration 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 is required to convene 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. Open discussions take place between members of the Management Board during Board meetings. 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 with far-reaching consequences. The Management Board must inform the Supervisory Board at least once a year of measures taken to combat corruption in the Group. Internal audit has been set up as a separate organisational unit answerable to the Management Board. The audit plan and any material outcomes must be reported to the Audit Committee at least once a year. The rules and procedures of AT&S's Management Board require the Board to meet at least once a month. A total of 27 Management Board meetings were held in the past financial year. The minutes of all Board meetings and decisions must be taken in writing.

As of 31 March 2012, the Management Board of AT&S consisted of Andreas Gerstenmayer (Chairman), Thomas Obendrauf (Deputy Chairman and Chief Financial Officer) and Heinz Moitzi (Chief Technical Officer).

ANDREAS GERSTENMAYER
Chairman of the Management Board
since 1 February 2010, appointed until 31 January 2013

Mr 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 was partner at FOCUSON Business Consulting GmbH from 1 January 2009, but left the operational consulting business after becoming Chairman of the Management Board at AT&S. Mr Gerstenmayer does not hold any supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements. On 26 January 2012, the Provincial Government of Styria passed a resolution appointing Mr Gerstenmayer to the Forschungsrat Steiermark advisory committee.

Andreas Gerstenmayer's managerial responsibilities include 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 the implementation and supervision the implementation of the decisions and resolutions of the Management Board, the Supervisory Board and the Annual General Meeting.

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 Dienstleistungs 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. Mr Obendrauf does not hold any supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements. 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 the position of Vice President of Production. Mr Moitzi does not hold any Supervisory Board memberships or similar position in other companies in Austria or abroad that are not included in the consolidated financial statements. Heinz Moitzi's specific managerial responsibilities cover production, research and development, quality control, the environment, safety, maintenance, procurement, and waste disposal.

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*	21st AGM 2015
Willibald Dörflinger	20. 05. 1950	05. 07. 2005	21st AGM 2015
Gerhard Pichler	30. 05. 1948	02. 07. 2009	20th AGM 2014
Georg Riedl	30. 10. 1959	28. 05. 1999	22nd AGM 2016
Karl Fink	22. 08. 1945	05. 07. 2005	21st AGM 2015
Albert Hochleitner	04. 07. 1940	05. 07. 2005	21st AGM 2015
Regina Prehofer	02. 08. 1956	07. 07. 2011	22nd AGM 2016
Karin Schaupp	23 .01. 1950	07. 07. 2011	22nd AGM 2016
Wolfgang Fleck	15. 06. 1962	03. 09. 2008**	
Johann Fuchs	16. 12. 1959	20. 11. 1996**	
Günther Wölfler	21. 10. 1960	10. 06. 2009**	
Sabine Fussi	21 .10. 1969	14. 09. 2011**	

* 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 strategic focus of the Group. Four Supervisory Board meetings were held in the financial year 2011/12 with the participation of the Management Board. Regina Prehofer and Hannes Androsch personally attended fewer than half of the meetings of the Supervisory Board in the financial year 2011/12. Outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board Hannes Androsch also held ongoing discussions on the Group's strategic focus and the progress of its business activities outside the SBM. Open discussions between the members of the Supervisory Board and the Management Board took place during the Supervisory Board meetings: the Management Board provided the Supervisory Board with reports on the state of the AT&S Group's affairs in the meetings. Strategic projects, long-term strategy as well as structural and staff changes were discussed and decided upon.

COMPOSITION

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 Management 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 Mr Androsch at listed companies:
- HTI High Tech Industries AG

WILLIBALD DÖRFLINGER is 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, in the course of a management buy-out together with Hannes Androsch and Helmut Zoidl, he became managing partner, then member of the management board, and finally chairman of the management board until 2005. 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. 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.

KARL FINK graduated in business studies from the Vienna University of World Trade in 1971. From 1971 to 1975 he worked for Marubeni Corporation in international commodities trading, before moving to 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 Deputy Director General. He was appointed Managing Director of Wiener Städtische Versicherung AG Vienna Insurance Group 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. He was appointed Chief Executive Officer of Group reinsurance firm VIG Re zajistovna in Prague in September 2011.

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

ALBERT HOCHLEITNER completed his studies in technical 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 his independent legal practice as Riedl & Ringhofer. He specialises in business, commercial, corporate and tax law, private foundations, mergers and acquisitions, and contract law.

Other supervisory board positions held by Mr Riedl at listed companies:
- bwin.party digital entertainment plc

REGINA PREHOFER studied commerce and law in Vienna. She started her career in 1981 at Oesterreichische Kontrollbank. In 1987 she moved to Creditanstalt, where she held various managerial positions in the bank's corporate finance segment. In 2003 she was appointed to the Management Board of Bank Austria Creditanstalt AG, where she was responsible for corporate customers and Eastern European markets. From 2006–2008 she was CEO of UniCredit Global Leasing, in addition to her management board responsibilities in Austria. This appointment gave her responsibility for UniCredit Group's entire leasing operations. In September 2008 she switched to the management board of BAWAG P.S.K. where she headed the bank's retail and corporate finance activities. In May 2011 she was appointed Vice Rector with responsibility for infrastructure at the Vienna University of Economics and Business. An appointment to the office of Vice Rector with responsibility for finance followed in October 2011.

Other supervisory board positions held by Ms Prehofer at listed companies:
- Wienerberger AG

KARIN SCHAUPP gained her doctorate at the Karl Franzens Universität Graz in 1978 and began her career as a research assistant at the Institute of Pharmaceutical Chemistry. In 1980 she began her career in industry as head of analytics at Leopold Pharma GmbH. After holding various research, development and product management posts in the international pharmaceuticals industry she was appointed CEO of Fresenius Kabi Austria GmbH in 1997. In 1999 she became regional manager for Austria and Eastern Europe. In 2000 she was made a member of the management board of Fresenius Kabi AG, Bad Homburg with responsibility for worldwide operations. She has worked as an independent consultant since 2003, with a focus on strategic business development and innovation transfer.

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 on the appointment or dismissal of a management board member and the granting of stock options in the company are also excluded. Representatives of the Group hold regular meetings with the Management Board. These meetings serve the purpose of exchanging information on developments in the Group concerning employees.

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

Independence of Supervisory Board Members

The ÖCGK requires the majority of supervisory board members representing the shareholders be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria for the determination of 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 was neither a member of the Management Board nor a senior manager of the Company or one of its subsidiaries in the past five years.
- The Supervisory Board member neither had during the last financial year nor currently has a business relationship with the Company or any of its subsidiaries of material significance to that member. 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 was neither 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 has given a statement on his/her independence in terms of the above criteria at the meeting of 16 March 2012. Seven of the eight members of the AT&S AG Supervisory Board representing shareholder interests declared that they were independent. Hannes Androsch declared that he was not independent.

C Rule 54 specifies that companies with a free float in excess of 50% require at least two Supervisory Board members to be independent in terms of C Rule 53, and who should also not be shareholders or representatives of shareholders with interests in excess of 10%. Willibald Dörflinger, Karl Fink, Albert Hochleitner, Regina Prehofer and Karin Schaupp, thus five of eight capial representatives, declared themselves independent in terms of C Rule 54.

DIVERSITY Expertise and management experience are vital considerations when selecting members of the Supervisory Board. Diversity also plays a role. Three members of the Supervisory Board are women, taking the proportion of female members to 25% – significantly above the Austrian average. The members of the Supervisory Board are aged between 42 and 74. All members of the Supervisory Board representing shareholder interests have extensive experience of international business and as such have a high degree of internationality.

AGREEMENTS REQUIRING APPROVAL In connection with various acquisitions and projects, AT&S Group has procured consultancy services from AIC Androsch International Management Consulting GmbH, which is headed by the Chairman of AT&S's Supervisory Board. In the financial year 2011/12, fees for such services amounted to EUR 385,000.

The Group has procured consultancy services from Willibald Dörflinger, Deputy Chairman of the Supervisory Board. In the financial year 2011/12, fees for such services amounted to EUR 4,000.

The Group has procured consultancy services from Georg Riedl. In the financial year 2011/12, fees for such services amounted to EUR 4,000.

Committees

For its effective support and for dealing 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:

- 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 carries out 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 also submits a proposal for the appointment of the statutory auditors and reports on this matter to the Supervisory Board.

The Audit Committee is responsible for monitoring the effectiveness of the group-wide internal control system and, where appropriate, the Company's internal audit and risk management systems. The Audit Committee 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 ending 31 March 2012, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2011/12, 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.

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NOMINATION AND REMUNERATION COMMITTEE In the financial year under review, the Nomination and Remuneration Committee comprised:

- 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 whenever necessary. 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.

The Nomination and Remuneration Committee was not required to convene in the financial year 2011/12; any relevant matters were discussed in the plenary sessions of the Supervisory Board. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies.

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 2011/12 annual and consolidated financial statements.

TOTAL REMUNERATION OF MANAGEMENT BOARD MEMBERS

	2011/12			2010/11		
(in EUR 1,000)	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	388	203	591	393	299	692
Heinz Moitzi	308	190	498	308	236	544
Thomas Obendrauf	322	212	534	143	119	262
Steen E. Hansen*	–	242	242	365	1,999	2,364
Harald Sommerer*	–	–	–	–	394	394
	1,018	**847**	**1,865**	**1,209**	**3,047**	**4,256**

* resigned

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.

The number of share options allocated to serving members of the Management Board is as follows:

	Allocated on 1 April				
	2008	2009	2010	2011	Total
Andreas Gerstenmayer	n.a.	n.a.	40,000	40,000	80,000
Heinz Moitzi	30,000	30,000	30,000	30,000	120,000
Thomas Obendrauf[1]	1,500	1,500	1,500	30,000	34,500
Exercise price (EUR)	15.67	3.86	7.45	16.60	

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

The stock option-based system of Management Board remuneration at AT&S is based on the Stock Option Scheme 2009–2012, which ran 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 grant date expire without compensation.

In the financial year 2011/12 the variable remuneration of the Management Board not consisting of stock options and of all employees with variable remuneration elements depended on the achievement of two performance indicators defined in the budget, with equal weight attached to return on capital employed (ROCE) and cash earnings. The weighting of these two performance indicators for top management was reduced (from 50% to 45%) and the Innovation Revenue Rate (IRR) was introduced with a 10% weighting for the first time in the financial year 2011/12. 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 employment is terminated. In the event of premature termination of a Management Board member's employment by the member of the board for cause, or where the function ceases to exist for corporate law 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 governed by individual defined-benefit agreements or defined contribution plans. Mr Moitzi was awarded pension entitlements of 1.2% of his 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.

SUPERVISORY BOARD REMUNERATION

TOTAL REMUNERATION FOR SERVICES RENDERED BY MEMBERS OF THE SUPERVISORY BOARD:

	Payout period Financial year 2011/2012				
(in EUR 1,000)	Fixed	Committees	Variable	Meetings	Total
Hannes Androsch	30.0	3.0	14.6	1.2	48.8
Willibald Dörflinger	25.0	-	7.3	2.0	34.3
Georg Riedl	20.0	2.0	7.3	2.0	31.3
Albert Hochleitner	20.0	2.0	7.3	1.6	30.9
Karl Fink	20.0	2.0	7.3	1.2	30.5
Gerhard Pichler	20.0	3.0	7.3	1.6	31.9
	135.0	**12.0**	**51.1**	**9.6**	**207.7**

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. Chair of a Committee is remunerated with a fixed amount of EUR 3,000 per financial year, and membership in a Committee with EUR 2,000. The attendance fee is generally EUR 400 per Supervisory Board meeting. The variable element of Supervisory Board remuneration consists of a bonus based the achievement of Cash Earnings and the ROCE level by AT&S established in the budget. The Chairman of the Supervisory Board receives a bonus of EUR 10,000 per financial year, and other members of the Board EUR 5,000 if the budgeted level is fully achieved. Members of the Supervisory Board do not receive stock options in the Company.

Remuneration paid to members of the Supervisory Board in the financial year 2011/12 for the previous financial year was in accordance with the resolution passed at the 17th Annual General Meeting of 7 July 2011.

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

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 (according to Stock Option Plan)		
	As of 31 March 2011	Change	As of 31 March 2012	% capital	As of 31 March 2011	Allocated/ exercised/lapsed	As of 31 March 2012
Heinz Moitzi	1,672	–	1,672	0.01%	120,000	(6,000)	114,000
Andreas Gerstenmayer	–	–	–	0.00%	40,000	40,000	80,000
Thomas Obendrauf	–	–	–	0.00%	6,000	28,500	34,500
Hannes Androsch	445,853	–	445,853	1.72%			
Androsch Private Foundation	5,570,666	–	5,570,666	21.51%			
Willibald Dörflinger	–	–	–	0.00%			
Dörflinger Private Foundation	4,574,688	20,000	4,594,688	17.74%			
Gerhard Pichler	19,118	–	19,118	0.07%			
Georg Riedl	9,290	–	9,290	0.04%			
Johann Fuchs	4	–	4	0.00%			
Karin Schaupp [1]	n.a.	(700) [1]	0	0.00%			
Regina Prehofer [1]	n.a.	–	–	0.00%			
Retired directors [2]	n.a.	n.a.	n.a.		90,000	(90,000)	–
Total – all directors' holdings and dealings	**10,621,291**	**20,000** [1]	**10,641,291**	**41.09%**	**256,000**	**(27,500)**	**228,500**
Own shares [3]	2,577,412	–	2,577,412	9.95%			
Other shares in issue	12,701,297	(20,000)	12,681,297	48.96%			
Total	**25,900,000**		**25,900,000**	**100.00%**			

[1] The appointment of Karin Schaupp and Regina Prehofer to the Supervisory Board was effected at the 17th Annual General Meeting on 7 July 2011, therefore the status as of 31 March 2011 was recorded, and the requisite change was not taken into consideration under "Total directors' holdings/dealings" or under "other shares in issue".

[2] Of the options allocated to Steen E. Hansen, 30,000 of the amount allocated on 1 April 2010 (exercise price EUR 7.45) were paid on 13 May 2011 in the form of cash. The remaining options expired on 31 January 2012.

[3] The nominal value of treasury stock at 31 March 2012 was EUR 2,835,153.

Other Codes of Conduct

INCREASING FEMALE REPRESENTATION AT BOARD AND SENIOR MANAGEMENT LEVEL Two of the eight members of the AT&S Supervisory Board representing shareholder interests are women, and the employee representatives delegated a further female member to the Supervisory Board. At 25%, the proportion of female Supervisory Board members is significantly above the Austrian average. 14% of the senior management positions in the two levels directly below Management Board level are held by women. 36% of the Group's employees are female. The Group continues its efforts to increase female representation at board and senior management level.

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.

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.

Management Board

Andreas Gerstenmayer m.p. Thomas Obendrauf m.p. Heinz Moitzi m.p.

Consolidated Financial Statements as of 31 March 2012

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Consolidated Income Statement

(in EUR 1,000)	Note	Financial year ended 31 March 2012	2011
Revenues	1	514,180	487,948
Cost of sales	2	(430,682)	(398,177)
Gross Profit		83,498	89,771
Selling costs	2	(25,590)	(24,934)
General and administrative costs	2	(21,632)	(21,951)
Other operating result	4	5,863	6,322
Non-recurring items	5	–	(2,677)
Operating result		42,139	46,531
Financial income	6	2,690	6,282
Financial expense	6	(12,577)	(9,491)
Financial result		(9,887)	(3,209)
Profit before tax		32,252	43,322
Income tax expense	7	(5,738)	(8,290)
Profit for the year		**26,514**	**35,032**
thereof owners of the parent company		26,550	35,168
thereof non-controlling interests		(36)	(136)
Earnings per share for profit attributable to equity holders of the parent company (in EUR per share):	24		
- basic		1.14	1.51
- diluted		1.14	1.50

Consolidated Statement of Comprehensive Income

(in EUR 1,000)	Financial year ended 31 March 2012	2011
Profit for the year	**26,514**	**35,032**
Currency translation differences	34,764	(10,777)
Fair value gains/(losses) of available-for-sale financial assets, net of tax	(13)	1
Fair value gains/(losses) of cash flow hedges, net of tax	(162)	304
Other comprehensive income for the year	**34,589**	**(10,472)**
Total comprehensive income for the year	**61,103**	**24,560**
thereof owners of the parent company	61,137	24,696
thereof non-controlling interests	(34)	(136)

Consolidated Balance Sheet

(in EUR 1,000)	Note	31 March 2012	2011
ASSETS			
Non-current assets			
Property, plant and equipment	8	454,466	385,510
Intangible assets	9	2,451	2,543
Financial assets	13	96	121
Overfunded retirement benefits	17	581	590
Deferred tax assets	7	16,819	10,736
Other non-current assets	10	8,730	4,144
		483,143	403,644
Current assets			
Inventories	11	64,909	53,376
Trade and other receivables	12	115,483	99,899
Financial assets	13	768	13,912
Current income tax receivables		617	277
Cash and cash equivalents	14	29,729	4,227
		211,506	171,691
Total assets		**694,649**	**575,335**
EQUITY			
Share capital	22	45,535	44,475
Other reserves	23	22,555	(12,032)
Retained earnings		215,075	197,020
Equity attributable to owners of the parent company		283,165	229,463
Non-controlling interests		(55)	353
Total equity		**283,110**	**229,816**
LIABILITIES			
Non-current liabilities			
Financial liabilities	16	188,729	95,559
Provisions for employee benefits	17	13,895	12,210
Other provisions	18	11,422	11,967
Deferred tax liabilities	7	5,701	4,238
Other liabilities	15	3,641	2,109
		223,388	126,083
Current liabilities			
Trade and other payables	15	98,037	96,554
Financial liabilities	16	84,399	116,427
Current income tax payables		3,551	3,757
Other provisions	18	2,164	2,698
		188,151	219,436
Total liabilities		**411,539**	**345,519**
Total equity and liabilities		**694,649**	**575,335**

Consolidated Statement of Cash Flows

(in EUR 1,000)	Financial year ended 31 March 2012	2011
Cash flows from operating activities		
Profit of the year	26,514	35,032
Adjustments to reconcile profit for the year to cash generated from operations:		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	61,217	49,416
Changes in non-current provisions	1,020	81
Income tax expense	5,738	8,290
Financial expense	9,887	3,209
(Gains)/losses from the sale of fixed assets	(726)	432
Release from government grants	(657)	(995)
Other non-cash expense net	1,416	1,010
Changes in working capital:		
- Inventories	(8,992)	(15,336)
- Trade and other receivables	3,416	(10,728)
- Trade and other payables	7,690	19,860
- Other provisions	(518)	(2,747)
Cash generated from operations	106,005	87,524
Interest paid	(9,634)	(8,354)
Interest and dividends received	216	453
Income tax paid	(9,380)	(8,916)
Net cash generated from operating activities	**87,207**	**70,707**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(113,228)	(115,340)
Proceeds from sale of property, plant and equipment and intangible assets	143	194
Acquisition of non-controlling interest	(473)	–
Purchases of financial assets	(2,193)	(3,548)
Proceeds from sale of financial assets	2,162	2,023
Net cash used in investing activities	**(113,589)**	**(116,671)**
Cash flows from financing activities		
Proceeds from long-term bonds	98,999	–
Changes in other borrowings	(42,330)	38,480
Proceeds from government grants	2,609	797
Dividends paid	(8,396)	(2,332)
Net cash generated from financing activities	**50,882**	**36,945**
Net increase/(decrease) in cash and cash equivalents	**24,500**	**(9,019)**
Cash and cash equivalents at beginning of the year	4,227	13,354
Exchange gains/(losses) on cash and cash equivalents	1,002	(108)
Cash and cash equivalents at end of the year	**29,729**	**4,227**

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 2010	**45,680**	**(1,560)**	**164,184**	**208,304**	**489**	**208,793**
Profit for the year	–	–	35,168	**35,168**	(136)	**35,032**
Other comprehensive income for the year	–	(10,472)	–	**(10,472)**	–	**(10,472)**
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**
Profit for the year	–	–	26,550	**26,550**	(36)	**26,514**
Other comprehensive income for the year	–	34,587	–	**34,587**	2	**34,589**
Total comprehensive income for the year 2011/12	–	34,587	26,550	**61,137**	(34)	**61,103**
Dividend relating to 2010/11	–	–	(8,396)	**(8,396)**	–	**(8,396)**
Changes in treasury shares, net of tax	1,060	–	–	**1,060**	–	**1,060**
Acquisition of non-controlling interests	–	–	(99)	**(99)**	(374)	**(473)**
31 March 2012	**45,535**	**22,555**	**215,075**	**283,165**	**(55)**	**283,110**

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, A-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, Austria, Stock Exchange and, 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 2012 with the following exceptions: Due to the legal situation in China the reporting year of AT&S (China) Company Limited and AT&S (Chongqing) Company Limited corresponds to the calendar year (31 December 2011), its consolidation was performed on the basis of the interim financial statements as of 31 March 2012.

The consolidated financial statements have been approved for issue by the Board of Directors on 9 May 2012. 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 31 May 2012. 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 100%)
- 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%)
- AT&S (Chongqing) Company Limited, China (hereinafter referred to as AT&S Chongqing, share 100%)
- AT&S (Taiwan) Co., Ltd., Taiwan (hereinafter referred to as AT&S Taiwan, share 100%)

In the fiscal year 2011/12, the parent company acquired all non-controlling interests of 22.68% in AT&S Klagenfurt Leiterplatten GmbH and established the subsidiaries AT&S Chongqing and AT&S Taiwan.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of transaction, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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 was 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 considers transactions with non-controlling interests as transactions with equity holders of the Group. When non-controlling interests are acquired, the difference between the acquisition costs and the attributable share of net assets acquired in the subsidiary is deducted from equity. Gains or losses on the sale of non-controlling interests are also recognised 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, AT&S Americas, AT&S Chongqing, and AT&S Taiwan 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 Revenue comprises the fair value of the consideration received or receivable in the course of the Company's ordinary activities for the grant of licenses, commercialization rights or license options, and for services performed in collaboration with, or on behalf of, licensees or partners, as well as grants from governmental and non-governmental organizations designated to remunerate approved scientific research activities. Revenue is recognised net of VAT, discounts and price reductions, and after elimination of intercompany sales. Revenue is realised as follows:

REVENUE FROM PRODUCT SALES Revenue from product sales is recognised when the risks and rewards associated with the goods sold are transferred to the buyer. This is usually the case when the ownership is transferred.

INTEREST AND DIVIDEND INCOME Interest income is recognised on a pro rata temporis basis, taking into account the effective interest rate of the asset. Dividend income from financial assets is recognised in the income statement as when the Group's right to receive payments is established.

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 straightline 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	10–50 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 noncurrent 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 straightline 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.

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.

l. 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:

- 1.24% relates to the equity interest 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 (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 ("Mitarbeitervorsorgekasse"). 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 and China.

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 a stock option plan which is settled by the issue of treasury shares, as well as a stock option plan which is settled alternatively in cash or in treasury shares. 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 assur-ance 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 2011/12. These regulations also have to be applied in the EU and relate to the following standards:

- IAS 24 "Related-party disclosures"
  Among others, the revised IAS 24 clarifies and simplifies the definition of a „related party". Moreover, it modifies certain related party disclosure requirements for government-related entities. The basic principle of reporting to related parties remains unchanged. The new IAS 24 was mandatory retroactively for financial years beginning on or after 1 January 2011. The new standard did not have an impact on the notes to the consolidated financial statements for the reporting year or the prior year.

The IASB issued additional standards and amendments to standards and interpretations that are not yet mandatory in the financial year 2011/12. Some of them have already been adopted by the European Union. The following standards and interpretations have already been published by the time these consolidated financial statements were prepared and are not yet mandatory; they have not been adopted early in the preparation of these consolidated financial statements:

	Standard/Interpretation (Content of the regulation)	Effective date[1]	EU[2]	Expected impact
IFRS 9	Financial instruments *(amends the classification and measurement of financial instruments)*	**1/1/2015**	**No**	Changes in fair values of financial instruments currently classified as "available-for-sale" by the Group will (in part) be recognised in profit or loss in the future.
IFRS 10	Consolidated financial statements *(amends the group of consolidated entities)*	1/1/2013	No	The new standard is not expected to have an impact on the consolidated financial statements.
IFRS 11	Joint arrangements *(amends the accounting of joint arrangements, such as e.g. joint ventures)*	1/1/2013	No	The new standard is not expected to have an impact on the consolidated financial statements.
IFRS 12	Disclosures of interests in other entities *(amends the disclosure requirements on subsidiaries, joint ventures and associates)*	1/1/2013	No	The impact on the consolidated financial statements is currently being assessed by the Group.
IFRS 13	Fair value measurement *(amends the determination of the fair value)*	1/1/2013	No	The new standard is not expected to have an impact on the consolidated financial statements.
IAS 1	Presentation of financial statements *(amends the presentation of other comprehensive income)*	1/7/2012	No	The impact on the consolidated financial statements is currently being assessed by the Group.
IAS 19	Employee benefits *(amends the recognition of actuarial effects and the disclosures)*	**1/1/2013**	**Yes**	The corridor method currently used by the Group will no longer be applicable; the actuarial effects not yet realised will then be recognised in full in liabilities. Additional effects are currently being assessed.

1) The Group intends to apply the new regulations for the first time in the financial year beginning subsequent to the effective date.
2) Status of adoption by the EU

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 2012 a reduction of the discount rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 4.5% to 4.0% 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	899	864

An increase in the interest rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 4.5% to 5.0% would have the following effects on the present value of retirement and termination benefits entitlements at 31 March 2012:

(in EUR 1,000)	Retirement benefits	Termination benefits
Reduction present value of obligation	800	788

Reference is made to Note 17 “Provisions for employee benefits”.

MEASUREMENT OF DEFERRED TAXES 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.

Deferred tax assets in the amount of EUR 41.7 million were not recognised for tax loss carry-forwards in the Group of EUR 164.7 million. 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 provision, as well as the measurement of derivative financial instruments, allowances for doubtful accounts and measurements of inventory. Reference is made to Note 4 “Other operating result”, Note 8 “Property, plant and equipment” and Note 18 “Other provisions”.

II. Risk Report

In the following, the financial risks, which comprise of the financing risk, the liquidity risk, the credit risk, the foreign exchange risk and the tax risk, are addressed. In the management report for the Group, further risk categories and the related processes and measures are outlined.

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.

FINANCING RISK The financing risk relates to securing the long-term funding of the Group and to fluctuations in the value of financial instruments.

On the asset side, the Group is exposed to low interest rate risks with regard to its securities portfolio. Other liquid funds are mainly invested short-term, and the entire securities portfolio is available for sale. Reference is made to Note 13 "Financial assets" and Note 14 "Cash and cash equivalents".

On the liabilities side, 85% 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 (15%) have maturities of less than one year. Reference is made to Note 16 "Financial liabilities".

LIQUIDITY RISK In the Group, liquidity risk refers to the circumstance of insolvency. Therefore, sufficient liquidity shall be available at all times to be able to meet the current payment obligations on time.

At the balance sheet date, the Group has liquidity reserves in the amount of EUR 304.4 million, EUR 30.6 million of which is accounted for by cash (equivalents) and securities held for trading and available-for-sale securities, and EUR 273.8 million by available unused credit facilities. Thus, the liquidity reserves increased by EUR 185.6 million year-on-year, with EUR 31.5 million included in the current reserves, which relate to AT&S China and are subject to specific liquidity requirements. In the past financial year, the secured credit lines in particular were raised from EUR 243.7 million to EUR 486.7 million, and thus the unused committed credit lines amount to EUR 253.8 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. Furthermore, the option exists, subject to approval by the supervisory board, 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 2011/12 amounts to EUR 87.2 million. In the past financial year, the free cash flow (balance of net cash generated from operating activities and investing activities) was also positive.

CREDIT RISK In the Group, credit risk refers to the potential payment default by customers. The Group always managed to establish strong partnerships with its largest customers, most of which operate in the mobile devices segment, which is characterized by high volumes demanded. The five largest customers in terms of revenue together contributed approx. 58% to revenue. Two of these customers, operating in the mobile devices segment, each contributed more than 10% to total revenue. The share in trade receivables outstanding at the balance sheet date roughly corresponds to the shares in revenue of the individual customers. The credit risk is kept at a minimum, on the one hand, by regular billing of delivered products and, on the other hand, by credit assessments and credit insurances. In case of identifiable financial difficulties, deliveries would only be made against advance payment.

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

FOREIGN EXCHANGE 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 transaction are possible only to a limited extent. Wherever required, the risk is transferred to Europe and hedged there. Moreover, the Group attempts to bring about a natural hedge of receivables and payables.

Sensitivity analyses are performed to assess the foreign currency risk, with – all else being equal – the effects of percentage changes of foreign exchange rates being simulated against each other.

TAX RISK The Company operates globally and thus is subject to different tax systems. As long as the pre-requisites for the establishment of a provision or a liability are not met, tax risks, i.e. national and international ones, are subsumed under financial risks and monitored accordingly. The main tax risks currently relate to the plants in India and China.

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.

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 profit 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 annual result of the Group would have been EUR 0.4 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 through 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.

A change in the euro exchange rate of 1% against all other currencies used in the Group would have had an impact on the result in the amount of EUR 0.1 million. This effect would have been due to the measurement of trade receivables and payables as well as other balance sheet items to be measured through profit or loss. This statement is based on the assumption that there were no other changes.

All else being equal, a change in the US dollar of 1% against the euro would have had an impact on the result in the amount of EUR 0.8 million. This would have been due, on the one hand, to the measurement of trade receivables and payables denominated in US dollar as well as financial balances and derivative financial instruments measured at fair value.

Furthermore, reference is 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. Therefore, the amount of the dividend payments is adjusted to the respective requirements, capital is repaid to equity owners (withdrawal of treasury shares), new shares are issued or the portfolio of other assets is changed.

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, the Group basically pursues the strategy to keep the gearing ratio under 80% in the medium and long-term, with short-term excesses being accepted. Net gearing as of 31 March 2012 amounted to 85.7% and is thus above the prior year level.

III. Segment Reporting

The segment information is presented in the following according to the internal reporting by regional production locations in Europe and Asia. Thus, the segment reporting is consistent with the previously primary segment reporting format of geographic segmentation. Transfers and transactions between the segments are performed under market conditions, as they would be applied to transactions with independent third parties.

FINANCIAL YEAR 2011/12:

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	326,159	188,021	–	514,180
Intercompany sales	53	170,593	(170,646)	–
Total revenues	326,212	358,614	(170,646)	514,180
Inter-segment revenue	(170,593)	(53)	170,646	–
Segment revenue, net	155,619	358,561	–	514,180
Operating result	17,554	29,528	(4,943)	42,139
Financial result				(9,887)
Profit before income tax				32,252
Income tax expense				(5,738)
Profit for the year				26,514
Total assets	120,964	574,799	(1,114)	694,649
Investments	8,252	93,146	71	101,469
Depreciation/amortisation	5,156	55,700	361	61,217
Non-recurring items	–	–	–	–

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
Total assets	117,919	459,458	(2,042)	575,335
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”.

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 industries is as follows:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Mobile Devices	302,445	271,386
Industrial	124,014	153,117
Automotive	86,274	61,115
Other	1,447	2,330
	514,180	**487,948**

Revenue broken down by country is as follows:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Austria	20,915	24,641
Germany	130,474	128,490
Hungary	38,808	41,086
Other European countries	38,679	33,897
Asia	206,612	131,317
Canada, USA, Mexico	72,882	123,710
Other	5,810	4,807
	514,180	**487,948**

IV. Notes to the Consolidated Income Statement

1. REVENUE

(in EUR 1,000)	Financial year 2011/12	Financial year 2010/11
Main revenue	513,902	487,668
Incidental revenue	278	280
	514,180	**487,948**

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 2011/12	Financial year 2010/11
Cost of materials	196,535	194,644
Personnel expenses	101,968	100,898
Depreciation/amortisation	61,206	49,350
Purchased services incl. leased personnel	30,490	30,843
Energy	30,505	28,082
Maintenance (incl. spare parts)	30,280	26,495
Transportation costs	9,598	10,030
Rental and leasing expenses	5,067	5,072
Change in inventories	(4,518)	(13,469)
Other	16,773	13,117
	477,904	**445,062**

In the financial years 2011/12 and 2010/11, 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 32,895 and TEUR 28,313 in the financial years 2011/12 and 2010/11, 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 2011/12	Financial year 2010/11
Income from the reversal of government grants	151	146
Government grants for costs	4,228	11,263
Expenses/income from foreign exchange differences	(595)	(4,389)
Losses from the sale of non-current assets	726	(431)
Impairments of property, plant and equipment*)	–	(23)
Start-up losses	(1,770)	(1,718)
Miscellaneous other income	3,123	1,474
	5,863	**6,322**

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

Government grants for expenses mainly relate to export refunds as well as research and development awards. The start-up losses for the financial year 2011/12 relate to the construction of the plant in Chongqing, China; and for the financial year 2010/11 to the construction of the second plant in India. In the financial years 2011/12 and 2010/11, 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 2011/12	Financial year 2010/11
Impairments of property, plant and equipment	–	(43)
Personnel expenses	–	(2,430)
Net costs arising from other contractual obligations	–	(204)
	–	**(2,677)**

In the current financial year, no non-recurring costs were incurred. TEUR 1,952 of the non-recurring items in the past financial year 2010/11 related to 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.

6. FINANCIAL RESULT

(in EUR 1,000)	Financial year 2011/12	2010/11
Interest income from financial assets at fair value and available-for-sale securities	90	424
Other interest income	127	29
Gains from the sale of cash equivalents	–	2
Realised gains from derivative financial instruments, net	(32)	–
Gains from the measurement of derivative financial instruments at fair value, net	35	–
Gains from foreign exchange differences, net	2,470	5,827
Financial income	**2,690**	**6,282**
Interest expense on borrowings	(12,197)	(8,558)
Realised expense 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	(154)	–
Other financial expenses	(226)	(589)
Financial expenses	**(12,577)**	**(9,491)**
Financial result	**(9,887)**	**(3,209)**

7. INCOME TAXES

The income tax expense is broken down as follows:

(in EUR 1,000)	Financial year 2011/12	2010/11
Current income taxes	9,533	8,748
Deferred taxes	(3,795)	(458)
Total tax expense	**5,738**	**8,290**

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 2011/12	2010/11
Expected tax expense at standard Austrian rate	8,063	10,831
Effect of different tax rates in foreign countries	(4,105)	(5,514)
Non-creditable foreign withholding taxes	2,000	2,235
Effect of change in previously unrecognised tax losses and temporary differences	3,862	92
Effect of the change in tax rate	(3,023)	1,836
Effect of permanent differences	(1,093)	1,194
Effect of taxes from prior periods	23	(2,380)
Other tax effects, net	11	(4)
Total tax expense	**5,738**	**8,290**

Deferred tax assets and liabilities consist of the following:

(in EUR 1,000)	31 March 2012	2011
Deferred tax assets		
Tax loss carryforwards including taxable goodwill	5,366	4,316
Non-current assets	10,591	5,448
Inventories	1,700	1,777
Trade and other receivables	31	36
Retirement, termination benefit and other employee benefit obligations	990	837
Temporary differences arising from shares in subsidiaries	979	1,328
Losses not yet realised from cash flow hedging instruments, recognised in equity	52	–
Other	544	573
Deferred tax assets	**20,253**	**14,315**
Deferred tax liabilities		
Non-current assets	(2,610)	(2,097)
Provisions for retirement and termination benefits	(115)	(18)
Other provisions	(84)	(19)
Trade payables	(455)	(993)
Temporary differences arising from shares in subsidiaries	(5,670)	(4,235)
Unrealised gains from securities available for sale, recognised in equity and not taken through profit or loss	(10)	(17)
Losses not yet realised from cash flow hedging instruments, recognised in equity	(1)	(2)
Other	(190)	(436)
Deferred tax liabilities	**(9,135)**	**(7,817)**
Deferred tax assets, net	**11,118**	**6,498**

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 2012	2011
Deferred tax assets:		
- non-current	13,205	8,168
- current	3,614	2,568
	16,819	**10,736**
Deferred tax liabilities:		
- non-current	–	(2)
- current	(5,701)	(4,236)
	(5,701)	**(4,238)**
Deferred tax assets, net	**11,118**	**6,498**

At 31 March 2012 the Group has tax loss carryforwards and taxable goodwill amounting to a total of TEUR 181,567 (at 31 March 2011 TEUR 164,255), which for the most part can be carried forward for an unlimited period of time. For loss carryforwards amounting to TEUR 164,701 (at 31 March 2011 TEUR 150,188) thereof no deferred tax assets were recognised in the amount of TEUR 41,667 (at 31 March 2011 TEUR 37,294), since it is unlikely that they could be realised in the foreseeable future. TEUR 1,431 (at 31 March 2011 TEUR 2,490of 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 2011/12	2010/11
Carrying amount at the beginning of the financial year	6,498	6,460
Currency translation differences	772	(318)
Income recognised in the income statement	3,795	458
Income taxes recognised in equity	53	(102)
Carrying amount at the end of the financial year	**11,118**	**6,498**

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

(in EUR 1,000)	Financial year 2011/12 Income/(expense) before taxes	2011/12 Tax income/(expense)	2011/12 Income/(expense) after taxes	2010/11 Income/(expense) before taxes	2010/11 Tax income/(expense)	2010/11 Income/(expense) after taxes
Currency translation differences	34,764	–	34,764	(10,777)	–	(10,777)
Fair value gains/(losses) of available-for-sale financial assets	(13)	–	(13)	1	–	1
Fair value gains/(losses) of cash flow hedges	(216)	54	(162)	406	(102)	304
Other comprehensive income	**34,535**	**54**	**34,589**	**(10,370)**	**(102)**	**(10,472)**

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 2011	55,620	291,256	4,638	33,996	385,510
Exchange differences	4,292	27,755	82	2,896	35,025
Additions	614	61,945	2,291	32,223	97,073
Disposals	(2,194)	(409)	(98)	–	(2,701)
Transfers	784	34,175	34	(34,993)	–
Impairment	–	–	–	–	–
Depreciation, current	(3,403)	(55,257)	(1,781)	–	(60,441)
Net carrying amount 31 March 2012	**55,713**	**359,465**	**5,166**	**34,122**	**454,466**
At 31 March 2012					
Gross carrying amount	76,118	787,756	21,996	34,122	919,992
Accumulated depreciation	(20,405)	(428,291)	(16,830)	–	(465,526)
Net carrying amount	**55,713**	**359,465**	**5,166**	**34,122**	**454,466**

(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**

The value of the land included in land, plants and buildings amounts to TEUR 1,509 (TEUR 1,484 as at 31 March 2011).

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

IMPAIRMENT In the previous year, some items of property, plant and equipment that 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 related to machinery no longer needed. The determination of this amount was based on available estimates for the sale of these assets under market conditions and arm's length transactions. Reference is made to Note 5 "Non-recurring items" and Note 4 "Other operating result".

ENCUMBRANCES In connection with the provision of collateral for various financing agreements, property, plant and equipment in the amount of TEUR 1,843 (TEUR 0 as at 31 March 2011) has been pledged as collateral. Reference is made to Note 16 "Financial liabilities".

9. INTANGIBLE ASSETS

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	Total
Net carrying amount 31 March 2011	2,543	–	2,543
Exchange differences	114	–	114
Additions	570	–	570
Disposals	–	–	–
Amortisation, current	(776)	–	(776)
Net carrying amount 31 March 2012	**2,451**	**–**	**2,451**
At 31 March 2012			
Gross carrying amount	14,420	6,136	20,556
Accumulated amortisation	(11,969)	(6,136)	(18,105)
Net carrying amount	**2,451**	**–**	**2,451**

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	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**

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

10. OTHER NON-CURRENT ASSETS

	31 March	
(in EUR 1,000)	2012	2011
Prepayments	5,847	1,707
Deposits made	2,883	2,437
Carrying amount	**8,730**	**4,144**

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

11. INVENTORIES

	31 March	
(in EUR 1,000)	2012	2011
Raw materials and supplies	26,818	20,251
Work in progress	16,555	14,370
Finished goods	21,536	18,755
Carrying amount	**64,909**	**53,376**

The balance of write-downs of inventories recognised as expense amounts to TEUR 8,931 as of 31 March 2012 (TEUR 8,498 as of 31 March 2011).

In connection with various financing agreements, inventories in the amount of TEUR 8 (TEUR 40 at 31 March 2011) 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:

	31 March	
(in EUR 1,000)	2012	2011
Trade receivables	84,611	71,001
VAT receivables	16,676	18,933
Other receivables from authorities	6,049	3,812
Prepayments	2,699	2,744
Energy tax refunds	777	1,761
Deposits	356	402
Insurance reimbursements	194	–
Other receivables	4,204	1,335
Impairments	(83)	(89)
	115,483	**99,899**

Other receivables mainly include prepaid expenses and deferred charges.

In connection with various financing agreements trade receivables amounting to TEUR 40,000 (TEUR 36,000 at 31 March 2011) serve as collateral. Reference is made to Note 16 “Financial liabilities”.

The carrying amounts of trade and other receivables approximately correspond to their respective fair values.

MATURITY OF RECEIVABLES All receivables at 31 March 2012 and 31 March 2011 have remaining maturities of less than one year.

FACTORING At the balance sheet date 31 March 2012 receivables in the amount of TEUR 8,551 (TEUR 15,765 at 31 March 2011) had been transferred to a bank under a genuine factoring arrangement and derecognised.

DEVELOPMENT OF PERIODS OVERDUE AND WRITE-DOWNS OF TRADE RECEIVABLES

At 31 March 2012: (in EUR 1,000)	Carrying amount	thereof: not impaired and not overdue or insured	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
Trade receivables	84,611	83,553	536	439	–	–

At 31 March 2011: (in EUR 1,000)	Carrying amount	thereof: not impaired and not overdue or insured	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
Trade receivables	71,001	66,726	4,118	22	46	–

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

Impairment of trade and other receivables changed as follows:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Impairment at the beginning of the financial year	89	1,003
Utilisation		(875)
Reversal		(37)
Currency translation differences	(6)	(2)
Impairment at the end of the financial year	**83**	**89**

13. FINANCIAL ASSETS The carrying amounts of financial assets are as follows:

(in EUR 1,000)	31 March 2012	thereof non-current	thereof current
Financial assets at fair value through profit or loss	732	–	732
Available-for-sale financial assets	132	96	36
	864	**96**	**768**

(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**

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

	31 March	
(in EUR 1,000)	2012	2011
Bonds	732	13,851
Derivative financial instruments*)	–	26
	732	**13,877**

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

All bonds held are denominated in euro.

SECURITIES HELD TO MATURITY

	31 March	
(in EUR 1,000)	2012	2011
Acquisition cost	–	1,000
Impairment	–	(1,000)
Carrying amount	–	–

Securities held to maturity related to convertible bonds of Adcon Telemetry AG, Klosterneuburg. Since the bankruptcy proceedings of Adcon Telemetry AG had been completed, these convertible bonds were derecognised in full. The securities held to maturity are denominated in euro.

AVAILABLE-FOR-SALE SECURITIES AT FAIR VALUE

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Carrying amount at the beginning of the financial year	156	157
Unrealised gains/(losses) from the current period, recognised in equity	(20)	1
Currency translation differences	(4)	(2)
Carrying amount at the end of the financial year	**132**	**156**

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

14. CASH AND CASH EQUIVALENTS

	31 March	
(in EUR 1,000)	2012	2011
Bank balances and cash on hand	29,729	4,219
Restricted cash	–	8
Carrying amount	**29,729**	**4,227**

At 31 March 2011 restricted cash relates 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 2012	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	68,927	68,927	–	–
Government grants	2,650	146	788	1,716
Liabilities to fiscal authorities and other public taxing bodies	1,997	1,997	–	–
Social security payables	1,712	1,712	–	–
Liabilities from unconsumed vacations	3,436	3,436	–	–
Liabilities from stock options	421	73	348	–
Liabilities to employees	13,564	13,564	–	–
Other liabilities	8,971	8,182	789	–
Carrying amount	**101,678**	**98,037**	**1,925**	1,716

(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 from stock options	1,143	266	877	–
Liabilities to employees	14,952	14,952	–	–
Other liabilities	5,575	4,787	788	–
Carrying amount	**98,663**	**96,554**	**2,109**	–

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

GOVERNMENT GRANTS Government grants mainly relate to grants for land-use rights and 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 2012.

	Date of grant			
	1 April 2011	1 April 2010	1 April 2009	1 April 2008
Exercise price (in EUR)	16.60	7.45	3.86	15.67
31 March 2010	–	–	135,000	132,000
Number of options granted	–	135,000	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	–	70,000	–
Number of options expired	–	–	–	40,000
31 March 2011	–	135,000	65,000	92,000
Number of options granted	118,500	–	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	35,000	13,100	–
Number of options expired	–	–	–	30,000
31 March 2012	**118,500**	**100,000**	**51,900**	**62,000**
Remaining contract period of stock options	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 2011	–	1,161	753	119
31 March 2012	120	222	269	3

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”.

The weighted average share price on the day of execution of all options executed in the financial year is EUR 14.55 in the financial year 2011/12 (EUR 14.95 in the financial year 2010/11).

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 2008, 1 April 2009, 1 April 2010 and 1 April 2011:

Risk-free interest rate	0.17-0.56%
Volatility	37.71-49.31%
Dividend per share	0.26-0.37

Volatility is calculated based on the daily share prices from 1 August 2008 until the balance sheet date.

The fair value of the stock options granted is recognised as expense over their term. At March 31 2012 the stock options exercisable intrinsic value is TEUR 90 (TEUR 273 at March 31 2011).

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

16. FINANCIAL LIABILITIES

		Remaining maturity			
(in EUR 1,000)	31 March 2012	Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	184,539	5,561	178,978	–	5.0-5.5
Export loans	40,000	40,000	–	–	1.72
Loans from state authorities:					
- Public authorities	404	161	243	–	2.0-2.5
Other bank borrowings	47,977	38,677	9,300	–	2.5-6.1
Derivative financial instruments*)	208	–	208	–	
Carrying amount	**273,128**	**84,399**	**188,729**	–	

		Remaining maturity			
(in EUR 1,000)	31 March 2011	Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
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**	–	

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

The bond 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 bond with a total nominal amount of EUR 100 million was placed by the Company on 18 November 2011 with a term to maturity of five years and is listed on the Second Regulated Market of the Vienna Stock Exchange. The bond has a denomination of EUR 1,000 and the annual fixed interest in the amount of 5.0% of the nominal value is payable on 18 November of each year in arrears.

Both bonds are subject to the following terms and conditions: 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, 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

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities at 31 March 2012 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
2012/13					
Redemption	–	40,000	161	38,677	–
Fixed interest	9,400	–	9	2,151	–
Variable interest	–	698	–	87	–
2013/14					
Redemption	80,000	–	172	9,300	208
Fixed interest	9,400	–	2	301	–
Variable interest	–	–	–	–	–
2014/15					
Redemption	–	–	–	–	–
Fixed interest	5,000	–	1	–	–
Variable interest	–	–	–	–	–
2015/16					
Redemption	–	–	–	–	–
Fixed interest	5,000	–	1	–	–
Variable interest	–	–	–	–	–
2016/17					
Redemption	100,000	–	71	–	–
Fixed interest	5,000	–	1	–	–
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 2011 the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities were as follows for the next financial years:

(in EUR 1,000)	Export loans	Loans from state authorities	Other bank borrowings	Liabilities from finance leases	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	–	–	–	–	–

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.

	Carrying amounts 31 March		Estimated fair values 31 March	
(in EUR 1,000)	2012	2011	2012	2011
Bonds	184,539	83,514	198,185	83,083
Export loans	40,000	36,000	40,000	36,000
Loans from state authorities	404	403	410	398
Other bank borrowings	47,977	92,015	48,628	92,996
Derivative financial instruments	208	54	208	54
	273,128	**211,986**	**287,431**	**212,531**

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:

	31 March	
(in EUR 1,000)	2012	2011
Euro	251,065	197,328
US dollar	17,713	8,576
Chinese renminbi yuan	2,516	5,368
Indian rupee	38	714
Korean Won	1,750	–
Japanese Yen	46	–
	273,128	**211,986**

Bank borrowings are secured as follows:

- through property, plant and equipment in the amount of TEUR 1,843 (as at 31 March 2011: TEUR 0). Reference is made to Note 8 “Property, plant and equipment”;
- By inventories and trade receivables amounting to TEUR 40,008 (at 31 March 2011: TEUR 36,040). Reference is made to Note 11 “Inventories” and Note 12 “Trade and other receivables”;

Lines of credit of financing liabilities at 31 March 2012 are as follows:

(in EUR 1,000)	Credit lines	Used
Export credit lines - committed	40,000	40,000
Other credit lines - committed	486,739	232,920
Credit lines - uncommitted	20,000	–
	546,739	**272,920**

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

	31 March	
(in EUR 1,000)	2012	2011
Not later than 1 year	3,098	2,939
Between 1 and 5 years	8,144	7,664
Later than 5 years	6,852	8,437
Total minimum lease payments	**18,094**	**19,040**

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 9,085 at 31 March 2012 (at 31 March 2011: TEUR 9,484) 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:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Leasing and rental expenses	3,451	3,171

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 death and endowment insurances. 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 509 in the financial year 2011/12 and to TEUR 496 in the financial year 2010/11.

DEFINED BENEFIT PLANS The Group operates non-contributory defined benefit plans for several 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, 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 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 (“Mitarbeitervorsorgekasse”) without any further obligations on part of the Group. The contributions for the financial year 2011/12 amounted to TEUR 272 and for the financial year 2010/11 to TEUR 254.

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	
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Current service cost	10	127	1,075	895	759	701
Interest expense	486	461	530	470	118	82
Past service cost	–	–	–	115	–	–
Settlements	–	29	–	175	–	–
Expected return on plan assets	(459)	(451)	(47)	(15)	–	–
Actuarial losses/(gains)	19	(32)	44	19	545	466
Total expenses	**56**	**134**	**1,602**	**1,659**	1,422	1,249

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 2011/12 and 2010/11 are included in the non-recurring items.

Amounts accrued in the **BALANCE SHEET** are:

(in EUR 1,000)	31 March 2012	31 March 2011
(Overfunded) retirement benefits	**(581)**	**(590)**
Unfunded retirement benefits	1,053	1,038
Unfunded termination benefits	9,701	8,834
Other employee benefits	3,141	2,338
Provisions for employee benefits	**13,895**	**12,210**
Accrued retirement, termination and other employee benefits, net	13,314	11,620

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

(in EUR 1,000)	Retirement benefits		Termination benefits	
	31 March		31 March	
	2012	2011	2012	2011
Present value of funded obligations	10,078	9,145	614	628
Fair value of plan assets	(8,377)	(9,891)	(589)	(574)
Funded status funded obligations	1,701	(746)	25	54
Present value of unfunded obligations	1,052	985	12,954	10,236
Unrealised actuarial gains/(losses)	(2,281)	209	(3,277)	(1,455)
Unrecognized past service costs	–	–	(1)	(1)
Provisions/(receivables) in the balance sheet, net	472	448	9,701	8,834
thereof receivables (overfunded benefits)	(581)	(590)	–	–
thereof provisions (unfunded benefits)	1,053	1,038	9,701	8,834

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 Financial year 2011/12	Funded retirement benefits Financial year 2010/11	Unfunded retirement benefits Financial year 2011/12	Unfunded retirement benefits Financial year 2010/11
Present value of retirement benefit obligation				
Present value at beginning of year	9,145	8,662	984	968
Current service cost	10	127	–	–
Interest expense	437	413	49	48
Actuarial losses/(gains)	912	69	20	(31)
Past service cost	–	29	–	–
Benefits paid	(426)	(155)	–	–
Present value at end of year	**10,078**	**9,145**	**1,053**	**985**
Fair value of plan assets				
Fair value at beginning of year	9,890	8,480		
Contributions to plan assets	32	87		
Expected return on plan assets	459	451		
Actuarial gains/(losses)	(1,579)	1,028		
Benefits paid	(426)	(155)		
Fair value at end of year	**8,376**	**9,891**		
Funded status funded retirement benefits	**1,701**	**(746)**		

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 2012	31 March 2011
Debt securities	46%	32%
Equity securities	29%	44%
Real estate	4%	7%
Cash and cash equivalents	21%	17%
	100%	**100%**

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

(in EUR 1,000)	Funded termination benefits Financial year 2011/12	2010/11	Unfunded termination benefits Financial year 2011/12	2010/11
Present value of termination benefit obligation				
Present value at beginning of year	628	437	10,236	9,085
Changes in consolidated group	–	–	–	–
Exchange differences	(44)	(26)	21	(8)
Current service cost	48	45	1,027	850
Interest cost	49	45	481	425
Actuarial losses/(gains)	20	27	1,846	374
Past service cost	–	116	–	–
Settlements	–	–	–	175
Benefits paid	(87)	(16)	(657)	(665)
Present value at end of year	**614**	**628**	**12,954**	**10,236**
Fair value of plan assets				
Fair value at beginning of year	575	194		
Changes in consolidated group	–	–		
Exchange differences	(42)	(26)		
Contributions to plan assets	96	384		
Expected return on plan assets	47	15		
Actuarial gains/(losses)	–	23		
Benefits paid	(87)	(16)		
Fair value at end of year	**589**	**574**		
Funded status	**25**	**54**		

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

(in EUR 1,000)	Financial year 2011/12	2010/11
Present value at beginning of year	2,338	2,115
Exchange differences	112	(2)
Service cost	759	700
Interest expense	118	82
Actuarial losses/(gains)	545	466
Benefits paid	(731)	(1,023)
Present value at end of year	**3,141**	**2,338**

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	
	2012	2011	2012	2011	2012	2011
Discount rate	4.5%	5%	4.5-8.50%	5–8.35%	2.8-4.5%	3.25–5%
Expected return on plan assets	4.65%	5.31%	8%	8%	–	–
Expected rate of compensation increase	2.25%	2.25%	3-7.75%	3–7.75%	3–11%	3–10%
Expected rate of pension increase	2%	2%	–	–	–	–
Retirement age	65	65	Individual according to 2003 pension reform	Individual according to 2003 pension reform	–	–

18. OTHER PROVISIONS

(in EUR 1,000)	Total	Warranty	Restructuring Leoben	Sundry
Carrying amount 31 March 2011	14,665	927	12,883	855
Utilisation	(1,883)	(197)	(760)	(927)
Reversal	(718)	(63)	–	(655)
Addition	1,313	77	–	1,236
Interest effect	224	–	224	–
Exchange differences	(15)	(13)	–	(2)
Carrying amount 31 March 2012	**13,586**	**731**	**12,347**	**507**

(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**

	31 March	
(in EUR 1,000)	2012	2011
thereof non-current	11,422	11,967
thereof current	2,164	2,698
Carrying amount	**13,586**	**14,665**

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.

SUNDRY OTHER PROVISIONS Sundry other provisions relate to provisions for other onerous contracts.

19. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments mainly relate to 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:

	31 March 2012		31 March 2011	
(in EUR 1,000)	Assets	Liabilities	Assets	Liabilities
Currency swaps at fair value	–	–	1	36
Interest rate swaps at fair value	–	208	25	18
Total fair values	–	**208**	**26**	**54**
Net of current portion:				
Currency swaps at fair value	–	–	1	36
Current portion	–	–	**1**	**36**
Non-current portion	–	**208**	**25**	**18**

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:

	31 March 2012		31 March 2011	
Currency	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)

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:

	31 March 2012		31 March 2011	
Currency	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	15,500	(208)	21,700	7

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

	31 March	
(in months)	2012	2011
Currency swaps	–	1
Interest rate swaps	24	36

At 31 March 2012, 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 2012	Fair values through profit or loss	Fair values in equity	Amortised cost	Carrying amounts
Assets				
Non-current assets				
Financial assets	–	96	–	96
Current assets				
Trade and other receivables	–	–	88,925	88,925
Financial assets	732	36	–	768
Cash and cash equivalents	–	–	29,729	29,729
Liabilities				
Non-current liabilities				
Financial liabilities	–	208	188,521	188,729
Current liabilities				
Trade and other payables	–	–	82,490	82,490
Financial liabilities	–	–	84,399	84,399

(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

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 2012	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	732	–	–	732
Financial assets available for sale	132	–	–	132
Financial liabilities				
Derivative financial instruments	–	208	–	208

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

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:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Loans and receivables	(2,029)	(6,896)
Financial assets at fair value through profit or loss	19	(59)
Financial assets available for sale	7	5
Financial liabilities at amortised cost	(9,728)	(2,731)
	(11,731)	**(9,681)**

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.

TEUR -2,156 net expense (2010/11: TEUR -6,927 net expense) of the total net result from financial instruments is included in the operating result, and TEUR -9,575 (2010/11: TEUR 2,754 net income) 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 2012 the Group has other financial commitments amounting to TEUR 20,499 (TEUR 46,642 at 31 March 2011) 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 3,590 (TEUR 83 at 31 March 2011). 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)	Ordinary shares (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 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**
Change in treasury shares, net of tax	–	–	–	1,060	**1,060**
31 March 2012	**23,323**	**28,490**	**63,542**	**(46,497)**	**45,535**

ORDINARY SHARES At 31 March 2012 the share 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 2012 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 method and to exclude the existing shareholders’ subscription rights.

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 are fully entitled to dividends for the financial year in which they were issued.

TREASURY SHARES Most recently, 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 authorised 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 issue of shares from authorised capital.

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 2011/12 shares were neither sold nor used for servicing the Company’s stock option plan. At 31 March 2012 the Group still holds 2,577,412 treasury shares (unchanged to prior year) (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 2011/12 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 via the stock exchange or by 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.

DIVIDEND PER SHARE In the financial year 2011/12 a dividend of EUR 0.36 was paid per share (in the financial year 2010/11 EUR 0.10).

23. OTHER RESERVES

The transfer amounts of the 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 as of 31 March 2010	**(1,304)**	**43**	**(299)**	**(1,560)**
Balance of unrealised changes before transfer, after taxes	(10,777)	1	238	(10,538)
Transfer of realised changes recognised in the profit for the year, after taxes	–	–	66	66
Carrying amount as of 31 March 2011	**(12,081)**	**44**	**5**	**(12,032)**
Balance of unrealised changes before transfer, after taxes	34,762	(13)	(160)	34,589
Transfer of realised changes recognised in the profit for the year, after taxes	–	–	(2)	(2)
Carrying amount as of 31 March 2012	**22,681**	**31**	**(157)**	**22,555**

With regard to the presentation of income taxes attributable to the individual components of the other comprehensive income, including transfer 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 2012 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 2011/12 and to 23.3 million in the financial year 2010/11.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounted to 23.4 million in the financial year 2011/12 and to 23.4 million in the financial year 2010/11.

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

	Financial year	
(in 1,000)	2011/12	2010/11
Weighted average number of shares outstanding - basic	23,323	23,323
Diluting effect of options	48	121
Weighted average number of shares outstanding - diluted	**23,371**	**23,444**

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	
	2011/12	2010/11
Profit for the year (in EUR 1,000)	26,550	35,168
Weighted average number of outstanding shares - basic (in 1,000)	23,323	23,323
Basic earnings per share (in EUR)	**1.14**	**1.51**

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	
	2011/12	2010/11
Profit for the year (in EUR 1,000)	26,550	35,168
Weighted average number of outstanding shares - diluted (in 1,000)	23,371	23,444
Diluted earnings per share (in EUR)	**1.14**	**1.50**

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 2012 prepared under Austrian GAAP serve as the basis for the distribution of dividends. These financial statements reported retained earnings amounting to TEUR 24,237 at 31 March 2012 (TEUR 24,755 at 31 March 2011).

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 0.32 per outstanding share from the retained earnings of TEUR 24,237, and to carry forward the remaining balance.

26. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

OPENING OF A SALES OFFICE IN CHICAGO

In April 2012, a sales office was opened in Chicago. As part of the subsidiary AT&S Americas LLC this office is the second location of the AT&S Group in the USA.

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:

	Financial year	
(in EUR 1,000)	2011/12	2010/11
AIC Androsch International Management Consulting GmbH	385	411
Rechtsanwälte Riedl & Ringhofer	4	11
Dörflinger Management & Beteiligungs GmbH	4	2
	393	**424**

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

In the financial year 2011/12 and until the date of issuance of these consolidated financial statements the following persons served on the **MANAGEMENT BOARD:**

- Andreas Gerstenmayer (Chairman)
- Heinz Moitzi
- Thomas Obendrauf

In the financial year 2011/12 the following persons were elected members of the **SUPERVISORY BOARD:**

- Hannes Androsch (Chairman)
- Willibald Dörflinger (Deputy Chairman)
- Karl Fink
- Albert Hochleitner
- Gerhard Pichler
- Georg Riedl
- Karin Schaupp (since 7 July 2011)
- Regina Prehofer (since 7 July 2011)

Delegated by the **WORKS COUNCIL:**

- Wolfgang Fleck
- Johann Fuchs
- Günther Wölfler
- Sabine Fussi (since 8 July 2011)

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)	
	2012	2011	2011/12	2010/11
Andreas Gerstenmayer	80,000	40,000	(43)	112
Heinz Moitzi	114,000	120,000	(170)	297
Thomas Obendrauf	34,500	6,000	–	15
Steen Ejlskov Hansen	–	90,000	(19)	582
Harald Sommerer	–	–	–	216
Total Management Board	228,500	256,000	(232)	1,222
Total other executive employees	103,900	120,000	(101)	328
	332,400	**376,000**	**(333)**	**1,550**

The stock options of Steen E. Hansen vested at the retirement date (expiration of employment contract) on 31 January 2011 and have been 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 paid to the members of the Management Board and to executive employees:

	Financial year 2011/12			Financial year 2010/11		
(in EUR 1,000)	fixed	variable	total	fixed	variable	total
Andreas Gerstenmayer	388	203	591	393	299	692
Heinz Moitzi	308	190	498	308	236	544
Thomas Obendrauf	322	212	534	143	119	262
Steen Ejlskov Hansen	–	242	242	365	1,999	2,364
Harald Sommerer	–	–	–	–	394	394
Executive employees	3,445	711	4,156	3,166	1,135	4,301
			6,021			**8,557**

The variable compensation in the financial year 2010/11 of Steen E. Hansen mainly included 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 included 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:

	Termination benefits Financial year		Retirement benefits Financial year	
(in EUR 1,000)	2011/12	2010/11	2011/12	2010/11
Management Board and executive employees	114	350	218	225

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

	Financial year 2011/12			Financial year 2010/11		
(in EUR 1,000)	fixed	variable	total	fixed	variable	total
Hannes Androsch	33	11	44	34	15	49
Willibald Dörflinger	29	6	35	27	7	34
Karl Fink	24	6	30	24	7	31
Albert Hochleitner	23	6	29	24	7	31
Gerhard Pichler	23	6	29	25	7	32
Georg Riedl	23	6	29	24	7	31
Karin Schaupp	16	6	22	–	–	–
Regina Prehofer	15	6	21	–	–	–
	186	**53**	**239**	**158**	**50**	**208**

Shareholdings of members of the Management Board and the Supervisory Board as of 31 March 2012:

	Shares	Options	Total shares and options	% capital
Management Board members	1,672	228,500	230,172	0.90
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	4,594,688	–	4,594,688	17.74
Total private foundations	10,165,354	–	10,165,354	39.25
	10,641,291	**228,500**	**10,869,791**	**41.97**

28. EXPENSES FOR THE GROUP AUDITOR

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

	Financial year	
(in EUR 1,000)	2011/12	2010/11
Audit of consolidated and separate financial statements	123	132
Other assurance services	29	11
Other services	5	9
	157	**152**

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	
	2011/12	2010/11
Waged workers	5,928	5,643
Salaried employees	1,489	1,344
	7,417	**6,987**

The calculation of the number of staff includes an average of 3,730 temporary workers for the financial year 2011/12 and an average of 3,624 for the financial year 2010/11.

Leoben-Hinterberg, 9 May 2012

The Management Board

Andreas Gerstenmayer m.p.   Thomas Obendrauf m.p.   Heinz Moitzi m.p.

Group Management Report 2011/12

1. COMPANY PROFILE AT&S is one of the market leaders in the industry worldwide and the largest manufacturers 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. 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 board 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 calendar year, the global demand for printed circuit boards increased by 5.6% year-on-year to approx. USD 59 billion. Our markets continue to be fundamentally intact and we continue to anticipate attractive growth rates in the medium to long-term, most notably in the mobile devices segment. At the same time, the electronics industry in general reduced the visibility of future demands as a result of the current global economic situation.

The mobile devices segment with the applications smartphones and tablet PCs will continue to be an important growth factor. The share of smartphones in the entire mobile phone market will increase further. A good development is also expected in the automotive segment, especially in China. Moderate growth is expected for the industrial sector, primarily in Europe.

The first quarter of the financial year 2011/12 was characterized by the economic situation in Asia after the earthquake in Japan. As a result, quarterly revenue declined by EUR 12.7 million or 10% over the fourth quarter of the previous financial year. This decline in revenue could again be offset in the subsequent quarters, so that after 3 quarters we were EUR 7 million above the comparative period of the previous year. The fourth quarter of the current financial year generated the highest revenue ever for the AT&S Group of EUR 142.4 million.

For the entire financial year 2011/12, revenue increased by EUR 26.3 million or 5% to EUR 514.2 million year-on-year.

In geographical terms, a further shift of production activity from Europe to Asia becomes apparent as a result of the additionally installed capacities. Thus, the share of the segment net revenue of Asia in total revenue already amounts to 73% in the financial year 2011/12 (in the previous year: 69%). In the Europe segment, we managed to win interesting contracts in the area of small series and niche products.

Mobile devices with revenues of EUR 302.4 million and a share in sales of 59% (prior year: 56%) is still by far the largest business segment of the AT&S Group. This equals an increase of 11% year-on-year. The strategy of AT&S to focus, among other things, on the more profitable high-end segment proved successful.

After a growth rate of 46% in the previous year, the automotive segment continued to grow significantly at 41% in the current financial year. Only the industrial segment saw a decline in revenue of EUR -29.1 million, which results from the general negative trend of the industrial sector in Europe.

With regard to the breakdown of revenue by country, the long-term trend of shifting the industry from Europe to Asia is noticeable. Consequently, revenue from our Asian neighbours could be increased by 57%, revenue from European customers also increased slightly. The revenue from manufacturers in Canada, the USA and Mexico declined mainly due to changed product allocations of OEM and CEM.

Gross profit declined year-on-year from EUR 89.8 million to EUR 83.5 million, thus by EUR 6.3 million due to higher depreciation charges for the completed capacity expansions in China and India. Administrative and selling costs remained unchanged over the previous year, EBIT declined slightly to EUR 42.1 million (previous year EUR 46.5 million). Thus, the EBIT margin is 8.2% and 1.3 percentage points lower than in the previous financial year.

The segment result in Europe decreased only slightly from EUR 18.0 million to EUR 17.6 million, that in Asia from EUR 39.4 million to EUR 29.5 million due to the increased depreciation expenses at the locations Shanghai and India.

At the balance sheet date 31 March 2012, consolidated equity amounts to EUR 283.1 million and increased EUR 53.3 million year-on-year. The increase is due, on the one hand, to the positive profit for the year of EUR 26.5 million, on the other hand, other comprehensive income increased as a result of currency differences to EUR 34.6 million. The equity ratio of 41% at the balance sheet date equals an increase of around 1 percentage point over the previous balance sheet date and continues to show a strong equity position.

In the financial year 2011/12, net debt of the AT&S Group increased by EUR 48.8 million to EUR 242.5 million and thus to a comparably small extent in relation to investment activities. Due to the high operating cash flow of EUR 87.2 million, the major part of investment expenses of EUR 113.2 million could be funded through current operations. The remaining portion was covered by corresponding borrowings. According to the expansion phase, the gearing ratio is 86% at the balance sheet date and thus exceeds the prior-year figure of 84%. 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 97.6 million in the financial year 2011/12. The investments primarily relate to the completion of the existing plant in China and the construction of the site in Chongqing, China, but also equipment for new technologies and innovation projects in the Austrian plants.

On an annual average, AT&S had 7,417 employees (including leased personnel) in the financial year 2011/12 and thus 430 more than the prior-year average (2010/11: 6,987). The headcount increased mainly due to the expansion of the locations in China.

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 2010/11, the bonus system has been based on the key ratios "cash earning" and "ROCE" and thus has not changed in comparison to the prior financial year. 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 2011/12.

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 in a multi-year comparison.

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. AT&S is constantly striving to create more environmentally friendly products and services beyond legal requirements. Up until now, AT&S has invested an amount of EUR 30 million in environmental protection measures in Shanghai. AT&S has already received various awards in China, India and Austria for its work in this area, the local government in China even refers to AT&S as a benchmark in the industry.

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 CO_2 emissions per printed circuit board in all plants, the reduction in water consumption as well as an optimal resource and waste management. AT&S intends to further promote this commitment and attach more significance to corporate social responsibility (CSR) in the company.

The main raw materials used in the financial year 2011/12 included approx. 645 kg of pure gold (2010/11: 689 kg), 2,001 tons of copper (2010/11: 2,400 tons), 10.8 million m^2 of laminates (2010/11: 11.3 million m^2) and approx. 53,200 tons of different chemicals (2010/11: 47,300 tons). The electricity demand in the financial year 2011/12 amounted to around 309 GWh (2010/11: 252 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, 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, two additional HDI production lines were put into operation in the financial year 2011/12. This completed the expansion in terms of capacities at this location.

At the beginning of the financial year, AT&S Korea Co., Ltd. experienced a decline in revenue. However, this situation improved continuously in the course of the financial year so that we are optimistic for the new financial year. Medical technology in particular is regarded as a promising growth market.

In the past financial year, we were confronted with an underutilisation of capacities at AT&S India Private Limited. The cost situation was affected by an unstable energy supply by public supply systems. However, we expect a positive development for the financial year 2012/13.

The construction of the new production location in Chongqing, China, is currently underway. The building will be completed in May. The further expansion will be performed gradually depending on utilisation, production and technological requirements.

In autumn 2011, another sales company was established – AT&S (Taiwan) Co., Ltd. This company is a wholly-owned subsidiary AT&S Asia Pacific Ltd. and its main focus will be the mobile devices segment in Asia.

4. CAPITAL SHARE STRUCTURE AND DISCLOSURES ON SHAREHOLDER RIGHTS

As of 31 March 2012, the share 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 1.1 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	4,594,688	17.74%	19.70%
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 share capital) are held. The authorization last granted on 7 July 2010 to the Management Board to repurchase up to 10% of the share 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 share 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 share capital by up to EUR 14,245,000 through the issue of up to 12,950,000 new bearer shares.

In the financial year 2011/2012, Karin Schaupp and Regina Prehofer (from 7 July 2011) as well as Sabine Fussi (from 8 July 2011) were appointed as members of the Supervisory Board.

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 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 of AT&S and the subsidiaries 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 core of the technology strategy can be subdivided into 3 main goals:

- Focus on the high-technology segment: new products and technologies developed at AT&S are used in the high-technology segment of the respective market.
- Greater contribution to the value creation chain: new products and technologies developed at AT&S cover a greater portion of the value creation chain in the manufacture of electronic devices.
- Lower use of natural resources: new products and technologies developed at AT&S use less natural resources (e.g. materials, water, energy) than traditional products/technologies.

Based on these strategic principles, customer demands and developments with suppliers, 4 core development areas were identified:

1. Interconnect density:
In this area the goal is to constantly miniaturize the circuit board and increase the complexity. The challenge is to miniaturize the structures of the circuit board and to reduce its thickness.

2. Mechanical integration:
The goal is an improved integration of the printed circuit board as component of the electronic device. Rigid-flexible printed circuit boards, cavities, mounting technologies up to fully flexible printed circuit boards are being developed.

3. Functionality integration
This development area focuses on the integration of additional functionalities in the printed circuit board. In addition to the current AT&S ECP® technology, further solutions are to be found for embedding the components in the printed circuit board.

4. Printed solutions:
Here, the focus is on new solutions that reduce the consumption of water and other natural resources (e.g. copper). New processes based on the printing technology are developed in order to minimize the use of natural resources.

Total expenses for research & development amounted to EUR 32.9 million in the financial year 2011/12 over EUR 28.3 million in the previous year. In relation to sales, this corresponds to a ratio of 6.4% or 5.8% in the previous year.

6. MATERIAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The company-wide risk and opportunity management system includes the following risk categories in the risk catalogue defined at the group level:

- Procurement risks
- Financial risks
- Market and sales risks
- Organisational risks
- Product risks
- Strategic risks
- Environmental risks

In this context, risk is generally defined as a negative deviation from the business plan. Consequently, opportunity refers to a positive deviation from business objectives. The individually identified and evaluated risks and opportunities whose impact on the budgeted annual result is greater than EUR 0.25 million and whose probability of occurrence greater than 1% are aggregated into the Group's total risk exposure using a stochastic process (Monte Carlo simulation). In each assessment of individual risks, values are determined for the worst case, the best case and the most likely case.

In terms of organisation, the responsibility for risk management is with the CFO, who is also in charge of its supervision. At regular intervals, the Group's current risk exposure is reported to the audit committee. The Management Board as a whole is briefed quarterly in a structured manner on risk management.

The strong capitalization, the technological top position and the positioning of AT&S through the combination of group 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 expansion of the Group's existing plants and the construction of an additional plant in China (Chongqing) and, accordingly, additional capacities, ample opportunities arise for sales and profit increases.

THE BUSINESS-UNIT-SPECIFIC OPPORTUNITIES AND RISKS

The risks, uncertainties and opportunities of AT&S are basically characterized by the global developments on the printed circuit board market.

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 with its subsidiaries 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. For the coming years, this segment will continue to be regarded as growth driver. With its capacities in China, manufacturing technologies and highest quality standards in particular, 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 on 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. In close cooperation with various customers, new technologies and other projects are constantly developed. The product life cycles in the industrial segment are longer as compared to those in the mobile devices segment. The Indian location offers the possibility to produce these projects cost-effectively. The product portfolio is complemented in the industrial segment by the plant in South Korea, which is specialised in flexible printed circuit boards and printed circuit boards for the use in medical technology. The plant specialization offers great potential opportunities for AT&S.

In the automotive segment, further potential for growth and development arises due to the constantly rising proportion of electronics that has to meet ever more complex requirements and, consequently, the requirements for printed circuit boards are also constantly rising. As in previous years, AT&S again was the leading manufacturer of printed circuit boards in the automotive segment in its European core market in the past fiscal year. In order to be able to grow further, the expansion into other markets is promoted. In doing so, existing structures are used. Additional investments are required only to a limited extent. Stepping out of the core market offers further potential for opportunities.

The Advanced Packaging segment, a technology which was brought to market maturity by AT&S, offers enormous potential for opportunities. In the past financial year, the first production line was established and serial production was started.

SALES RISKS At present, the Group generates the major part of its revenue in the mobile devices, automotive and industrial segments. A reduction in the future volume growth in these three segments may have negative effects on the quantities produced and, subsequently, on the profit/loss of the Group. The mobile devices segment in particular with a share of 59% in total revenue has a relatively large leverage effect in this context.

In the past financial year, AT&S supplied approx. 600 customers, with the 5 major customers contributing around 58% to total revenue. Even though AT&S builds business relationships with new customers, it has to be assumed that the customer concentration will remain high in the next few years. Consequently, sales risks arise as a result of negative deviations in volumes sold to major customers. Significant declines in business with our major customers as well as deteriorations in the business relationships with our main customers may ultimately result in a decline in units sold.

On the part of the customers, ever higher requirements are imposed on plant safety, data security and social responsibility towards employees. Therefore, regular audits performed by customers take place in the plants of AT&S. In order to strengthen customer relations, the identified suggestions for improvement are implemented as far as possible.

In addition to deviations in quantities, negative price deviations also have a direct negative impact on the profit/loss of the Group. The price level for printed circuit boards is determined largely by global demand and by available production capacities. In particular, the demand, which has risen significantly over the past years, for printed circuit boards of the high-end segment in mobile devices that are used in so-called smartphones had a positive impact on the price level in the previous year. A slowdown in this trend towards higher-quality smartphones may have negative effects with regard to the profitability of the Group. Already today it is apparent that the smartphone market is developing into a mass market. Therefore, it is crucial for the future success of AT&S to tap into other or new niche markets.

7. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

7.1. COMPANY-WIDE RISK MANAGEMENT SYSTEM

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 of the AT&S Group worldwide, with each employee being responsible to comply with this code without exception in the performance of his profession and the daily work.

The accounting-related internal control and risk management system (see section 7.2.) 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 at AT&S are specified in a group-wide risk management and audit manual.

In the risk catalogue defined at the group level, the risk and opportunity management system, in addition to financial risks, includes further risk categories that in particular relate to strategic risks, market and procurement risks, environmental risks and operating as well as organisational risks. The risk catalogue, which constitutes a frame of reference for business units in the identification of risks, is dynamically adjusted to the changing situation of the company. The main objective of the group-wide risk and opportunity management is to optimise the total risk exposure, and at the same time seize arising opportunities. Regular reporting is made to the management and supervisory boards.

In terms of organizational structure, a staff unit has been established which reports directly to the Management Board, coordinating or directing 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. 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 risk reporting is made to the audit committee on 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 responsibles are responsible for identifying, analyzing, controlling and monitoring risks in their respective area. In addition, the local plant management is responsible for the implementation of the risk management process in their areas of responsibility. Risk management coordinators at AT&S AG and its subsidiaries assist 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 responsibles 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 (appropriate measurement methods were applied to business transactions and they were calculated correctly), rights & obligations (the company has economic ownership of assets and liabilities are actual obligations of the company), presentation & disclosure (correct and complete disclosure in the financial statements and other reports), correctness of business transactions/data and access restriction (access to IT systems is restricted to process responsibles).

The documentation of the internal controls (business processes, risks, control measures and responsibles) 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 accounting in terms of the control objectives described for financial reporting.

7.2. ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM The accounting procedures are documented in separate process instructions. As far as possible, these processes are standardized across the Group and are presented in a standardized documentation format. Additional requirements for accounting procedures result from specific local regulations. The basic principles of accounting and reporting are documented in the process descriptions and also in detailed process instructions, which are also filed in the central management manual. In addition, guidelines on measurement procedures and organisational requirements in connection with the processes of accounting and preparing the financial statements are compiled and updated on a regular basis. Dates are set in accordance with group requirements.

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 reporting requirements, 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 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.

In order to avoid material misstatements, automatic controls in the reporting system as well as various manual controls have been implemented. Measures to avoid risks, among others, include separation of functions and signature authorisation matrices. On a monthly basis, the completeness of invoices and their accrual is checked by the local accounting teams and, if necessary, accrued. Furthermore, group-wide guidelines are set particularly with regard to accounting and reporting of revenue, research and development expenses, non-current assets, the recognition and measurement of inventories, customer receivables, accruals and provisions, as well as reconciliation of deferred tax assets and liabilities. At the balance sheet date, confirmations are obtained from customers and suppliers. In addition to the assessments in the local accounting teams, the presentation of financial figures is discussed particularly with regard to measurement and provision requirements in monthly accounting meetings between Group Finance and the CFO.

The internal financial reporting is made on a monthly basis as part of the group reporting, with the financial information being reviewed and analyzed by the Group Accounting department (also part of Group Finance). The monthly budget/actual variance with corresponding comments on the plant results as well as the company result is reported internally to the executives 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, i.e. AT&S AG and its subsidiaries. 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 at the first audit committee meeting in the current year or as a special assignment awarded by the Management Board. The implementation of the audit plan and the results of the internal audits are reported to the audit committee of the Company.

8. OUTLOOK

The still rising demand for electronic end devices and the generally rising proportion of electronics in various applications will continue to result in an increase in the demand for printed circuit boards. For AT&S, the management sees growth opportunities mainly in the manufacture of small high-technology series in Austria and in the mass production resulting from the significantly rising demand for printed circuit boards in China. Overall, management therefore expects revenue to rise in Austria as well as in the subsidiaries.

As a result of investments already made in the past, AT&S is well prepared for the increasing demand for printed circuit boards. In accordance with the rising demand, the expansion of the new plant in Chongqing, China, is also promoted so that management is extremely optimistic for the coming financial year.

Leoben-Hinterberg, 9 May 2012

Andreas Gerstenmayer m.p. Thomas Obendrauf m.p. Heinz Moitzi 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 2012

The Management Board

Andreas Gerstenmayer Chairman of the Board	Thomas Obendrauf Member of the Board	Heinz Moitzi 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 2011 to 31 March 2012. These consolidated financial statements comprise the consolidated balance sheet as at 31 March 2012, 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 2012, 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 2012 and of its financial performance and its cash flows for the financial year from 1 April 2011 to 31 March 2012 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 2012

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.

Disclosure, publication and duplication of the financial statements together with the auditor’s report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

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 and Panasonic Electronic Devices Co., Ltd., have concluded an agreement under which AT&S is licenced to use Any Layer Interstitial Via Hole (ALIVH®), Panasonic's unique technology for multilayer printed circuit boards ® ALIVH registered brand AT 173113 et al.
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 percent-age 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
EN ISO 13485	EN ISO 13485 is an internationally recognised standard that defines the requirements for the quality management systems used by companies which develop, manufacture, install or maintain medical products
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 – taxes on income) / (net debt + 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
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

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