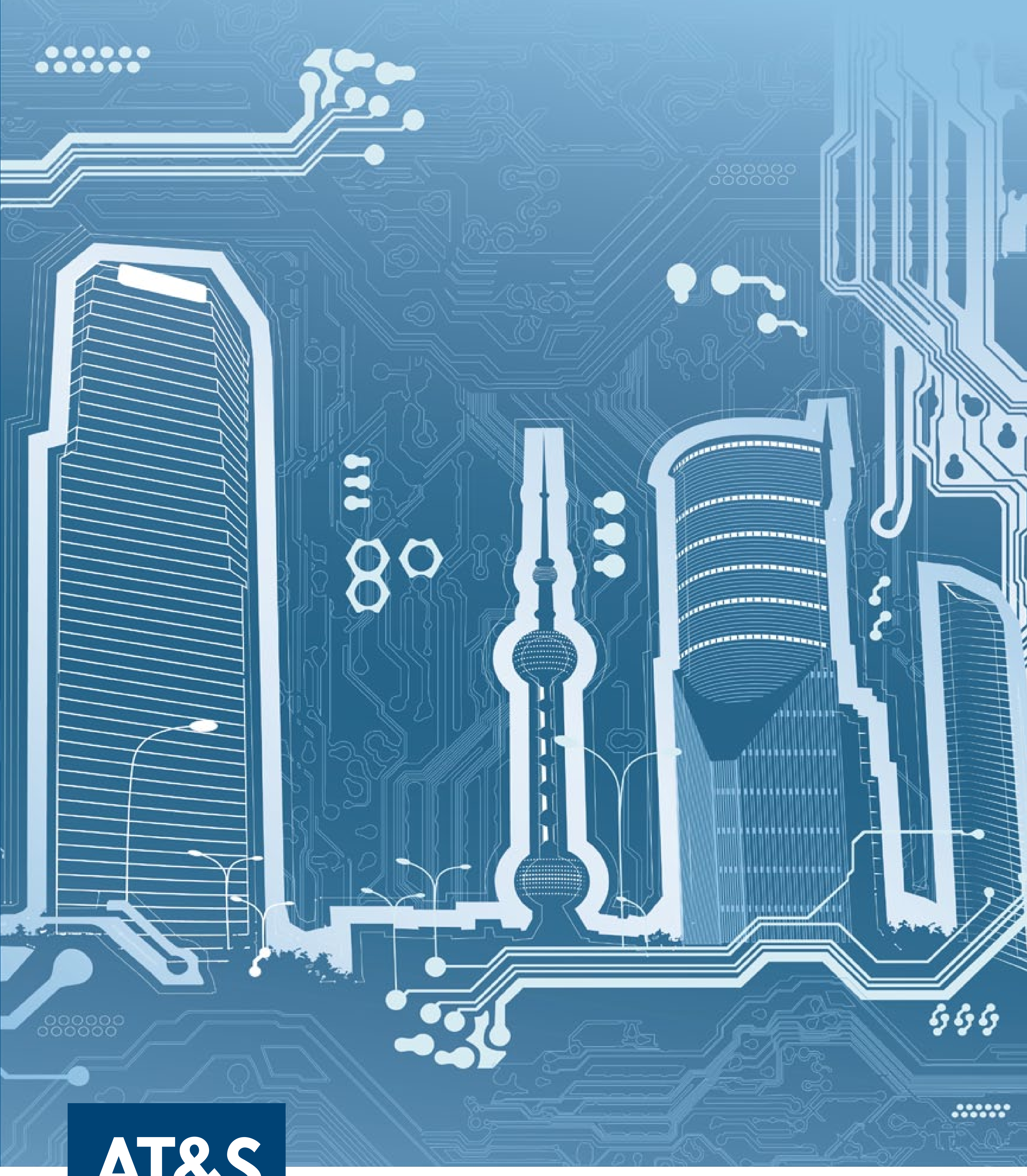


AT&S

Annual Report 2012/13

AT&S - part of your daily life

Key Figures

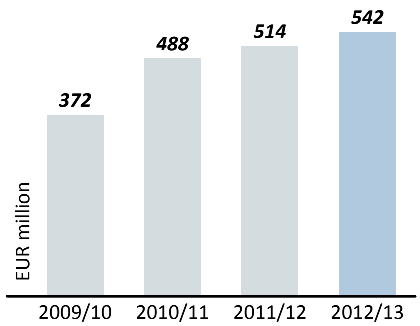
(If not otherwise stated, all figures in EUR 1,000)	IFRS 2012/13 before non-recurring items	2012/13 after non-recurring items	2011/12 before non-recurring items	2011/12 after non-recurring items	2010/11 before non-recurring items[1]	2010/11 after non-recurring items[1]
CONSOLIDATED INCOME STATEMENT						
Revenue		541,673		514,180		487,948
thereof produced in Asia		73.9%		73.4%		68.6%
thereof produced in Europe		26.1%		26.6%		31.4%
EBITDA	101,885	101,885	103,356	103,356	98,582	95,947
EBITDA margin	18.8%	18.8%	20.1%	20.1%	20.2%	19.7%
EBIT	30,894	30,894	42,139	42,139	49,208	46,531
EBIT margin	5.7%	5.7%	8.2%	8.2%	10.1%	9.5%
Net income	14,102	14,102	26,514	26,514	37,709	35,032
Net income of owners of the parent company	14,101	14,101	26,550	26,550	37,845	35,168
Cash earnings	85,092	85,092	87,767	87,767	87,218	84,584
CONSOLIDATED BALANCE SHEET						
Total assets		727,201		694,649		575,335
Total equity		312,453		283,110		229,816
Total equity of owners of the parent company		312,504		283,165		229,463
Net debt		217,409		242,536		193,726
Net gearing		69.6%		85.7%		84.3%
Net working capital		102,679		92,323		79,357
Net working capital per revenues		19.0%		18.0%		16.3%
Equity ratio		43.0%		40.8%		39.9%
CONSOLIDATED CASH FLOW STATEMENT						
Net cash generated from operating activities (OCF)		71,673		87,207		70,707
CAPEX, net		40,459		113,085		115,145
GENERAL INFORMATION						
Payroll (incl. leased personnel), end of reporting period		7,011		7,478		7,486
Payroll (incl. leased personnel), average		7,321		7,417		6,987
KEY STOCK FIGURES						
Earnings per share (EUR)	0.60	0.60	1.14	1.14	1.62	1.51
Cash earnings per share (EUR)	3.65	3.65	3.76	3.76	3.74	3.63
Dividend per share (EUR)[2]		0.20		0.32		0.36
Dividend yield (year end close)[2]		2.9%		3.5%		2.3%
Market capitalisation, end of reporting period		158,360		213,402		369,430
Market capitalisation per equity[3]		50.7%		75.4%		161.0%
Weighted average number of shares outstanding		23,322,588		23,322,588		23,322,588
KEY FINANCIAL FIGURES						
ROE[4]	4.7%	4.7%	10.3%	10.3%	17.2%	16.0%
ROCE[4]	5.5%	5.5%	7.7%	7.7%	10.5%	9.8%
ROS	2.6%	2.6%	5.2%	5.2%	7.7%	7.2%

[1] Non-recurring items include the closing of the Vienna office and the advanced resignment of Board Member Steen Hansen.
[2] 2012/13: Proposal for the Annual General Meeting on 4 July 2013.
[3] Equity attributable to owners of the parent company.
[4] Calculated on the basis of average values.

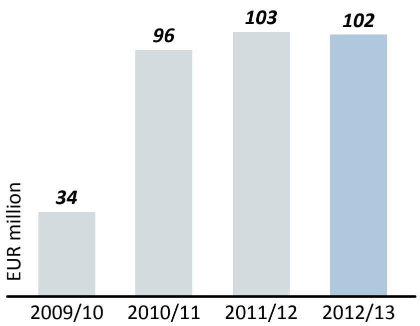
AT&S

Annual Report 2012/13

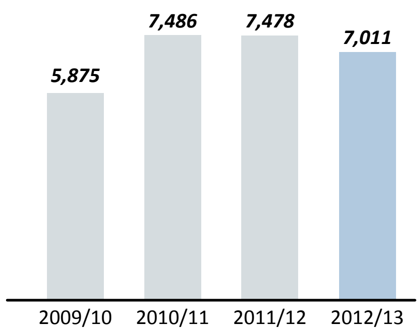
REVENUE



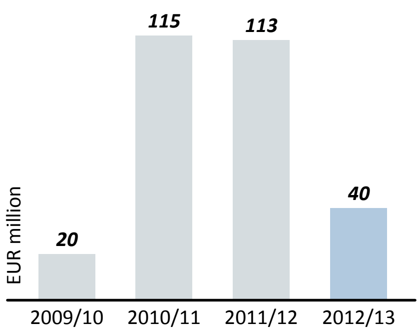
EBITDA Earnings before interest, taxes, depreciation, and amortization



STAFF (incl. leased personnel)



CAPEX



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AT&S at a glance

AT&S IS ONE OF THE WORLD'S LEADING MANUFACTURERS OF HIGH-VALUE PRINTED CIRCUIT BOARDS Leading manufacturer of HDI printed circuit boards, at the heart of the electronics industry with high-tech production in China, and a global sales network spanning four continents

AT&S OPERATES IN ATTRACTIVE NICHE GROWTH MARKETS Smartphones and tablets as growth drivers for Mobile Devices, the leading supplier to the premium segment of the European automotive industry, medical technology as a profitable niche market, and a strong standing in Asia – the world's largest growth market

AT&S PUTS ITS CUSTOMERS AND THEIR NEEDS FIRST One-stop-shop solutions from prototype design to series production, delivering to major reductions in product development lead times for customers

AT&S USES PROBLEM-SOLVING SKILLS TO ADD VALUE Broad-based technology portfolio with 16,000 different circuit boards, user-focused solutions at the cutting edge of the printed circuit board technology, patented technologies for increasingly high-performance and thinner printed circuit boards, adding value beyond the production section of the value chain

AT&S CULTIVATES EUROPEAN ENGINEERING TRADITIONS Around five percent of the Group's revenue is reinvested in research and development, 83 patent families, and countless partnerships with leading international research institutions

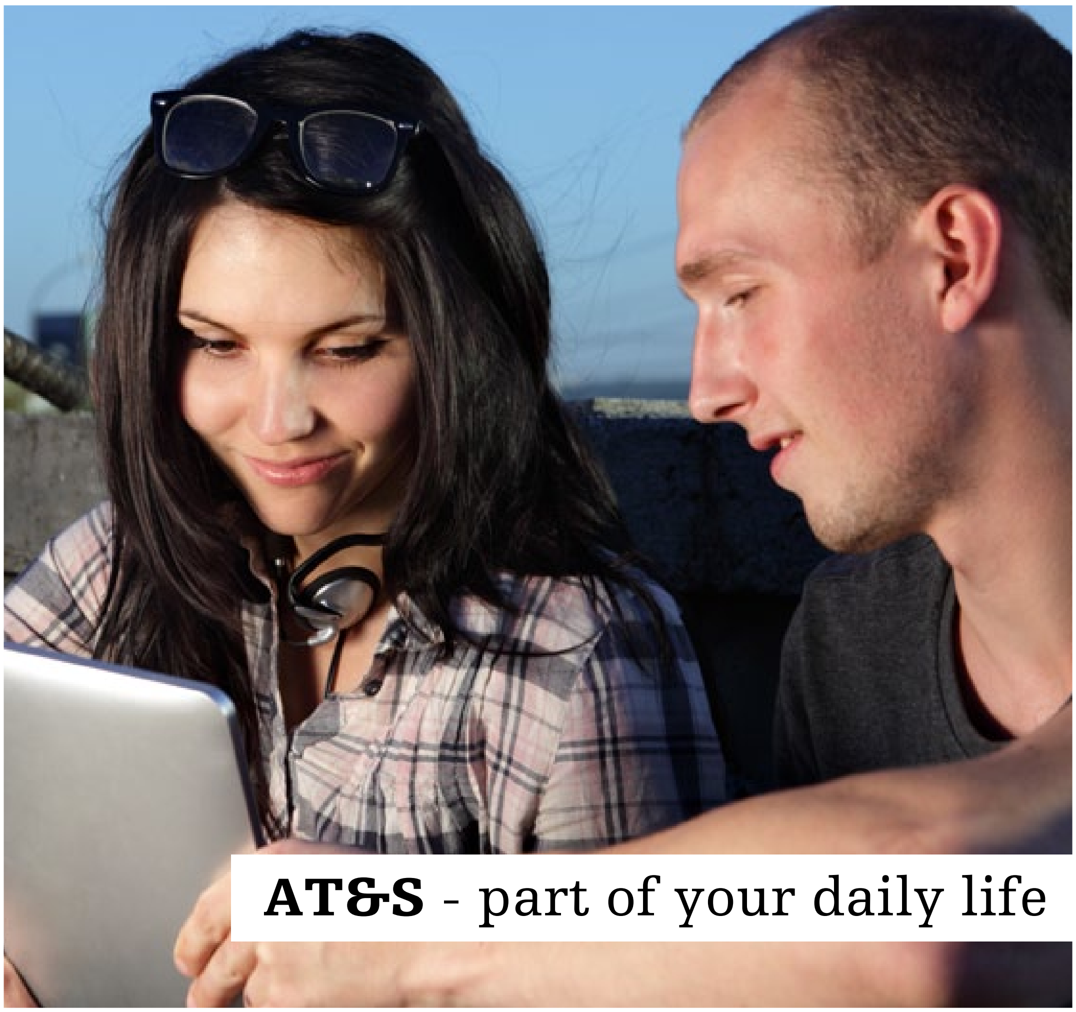
AT&S IS COMMITTED TO THE HIGHEST QUALITY STANDARDS Certification of all plants according to ISO 9001 and/or ISO/TS 16949, and one of the first printed circuit board manufacturers to obtain certification according to the EN ISO 13485 standard for medical technology

AT&S PLAYS A PIONEERING ROLE IN ENVIRONMENTAL PROTECTION Production of highly complex printed circuit boards with a minimal impact on people and the environment, and annual reductions in CO_2 emissions and fresh water consumption

AT&S IS A SUCCESSFUL BUSINESS Diversification by industries and geographical markets, constant revenue growth with strong margins, a stable ownership structure that safeguards the Group's long-term development


Sending a message
with AT&S

Mobile Device Applications



AT&S - part of your daily life

Letter to our shareholders

Dear shareholders,

the 2012/13 financial year was shaped by a highly challenging economic climate, which left its mark on the performance of our Group. Having weathered a weak first half, we were ultimately in a position to bring the year to a satisfactory close. Against this operational backdrop we took the decision to enter the Integrated Circuit (IC) Substrate business – an important step towards increasing the value of the Group and a key development in the continuation of our high-tech strategy.

LEAN FIRST HALF The first six months of the financial year 2012/13 were shaped by delays in the introduction of new products in the market segment served by Mobile Devices. This situation led to significant capacity underutilisation at our Shanghai plant. However, the order book improved significantly from the summer onwards. Thanks to a very strong third quarter followed by a fourth quarter that was in line with long-term seasonal patterns, AT&S finished the year on a solid footing.

Unsatisfactory capacity utilisation in the first six months of the year had a lasting impact on profitability, and even with a return to full utilisation in the third quarter it was not possible to make up for the shortfall at the start of the reporting period. Unbroken growth in the automotive sector is an encouraging development, and the use of electronics in vehicles is increasing all the time. This has led to a significant upturn in demand for our high-value HDI printed circuit boards. And we continued to build on the strong performance in our smaller medical equipment activities segment. We also saw demand for our ECP® technology pick up in the financial year just ended.

Andreas Gerstenmayer, Heinz Moitzi

RESULTS OF ORDINARY BUSINESS ACTIVITIES Business developments and financial performance during the 2012/13 financial year clearly show that the AT&S Group is able to hold its own on a volatile market. AT&S finished the year with sales of around EUR 542m – about 5% higher than a year ago. Strong capacity utilisation in the second half of the financial year helped drive earnings before interest, taxes, depreciation and amortisation (EBITDA) to around EUR 102m – just below the previous year's level. Despite the highly volatile market environment, cash earnings were virtually unchanged year on year, and all investments were financed out of operating cash flow. As a result the net gearing ratio dropped to around 70%, as against some 86% in the financial year 2011/12.

STRATEGIC ALIGNMENT We have taken the decision to begin IC substrate production in a strategic move designed to increase the value of our Group over the long term. Growth rates in this particular segment of the market are above average. Valued at USD 8.9bn, it offers significant growth prospects for the AT&S Group as well as providing an excellent opportunity for the continuation of our tried-and-tested high-tech strategy. Our IC substrate production activities will target new customer groups, helping to diversify our portfolio still further.

IC substrates will be produced at our plant in Chongqing, China. AT&S will work in close partnership with a leading semiconductor manufacturer to build up the required expertise before entering the market together. Entry to the IC substrates production business will put AT&S at the cutting edge of technological development, as well as consolidating the company's position as one of the leading providers of high-tech interconnection solutions in the electronics industry.

VISION FOR THE FUTURE At the same time as building up the new IC substrate business, we will focus our attention on strengthening our core business – defending and extending our technological leadership in the high-end segment of the printed circuit board market is paramount. Innovation in our niche markets and further diversification of our customer portfolio will also go a long way towards countering the effects of the low visibility in our industry.

As one of the first manufacturers to offer patented chip embedding technology (ECP®), we are ideally positioned to make the most of the increasing trend towards miniaturisation. We expect strong demand from customers in the semiconductor industry to translate into further sales increases and a long-lasting upward trend for this innovative technology.

We firmly believe that we will build on our already strong position in the HDI segment of the market, and have identified potential for long-term success in the Group's new IC substrate business. High-tech production in China combined with European governance standards is one of our key competitive advantages.

At this point we would like to thank all of our employees at AT&S for their continued dedication and flexibility. Without their tireless efforts we would never have managed to establish ourselves as an industry leader on the high-end printed circuit board market.

With best regards

Andreas Gerstenmayer
Chairman of the Management Board

Heinz Moitzi
Chief Technical Officer

Report of the Supervisory Board

Hannes Androsch

Throughout the financial year ended on 31 March 2013, 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. The Supervisory Board met five times during the financial year 2012/13, 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 on its interests in other companies, its staff situation and its planned investments. AT&S's entry into the IC substrates business and the strategy and activities of the new plant in Chongqing in China were the principal topics: both were exhaustively discussed, and policies were jointly agreed.

The Supervisory Board was also occupied with new statutory requirements and the development of compliance standards in accordance with international norms. 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.

The committees established by the Supervisory Board carried out detailed analysis of technical 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 during the last financial year. On 31 May 2012 Willibald Dörflinger passed the chairmanship to Regina Prehofer, who in this function was regularly involved in the quarterly reporting and who reported on these matters to the Audit Committee.

After two and a half years as member of the Management Board of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, in January 2013 Thomas Obendrauf decided with the agreement of the remainder of the Management Board and the Supervisory Board to resign his position as of the end of the financial year on 31 March 2013 for personal reasons, and to leave the Group.

The Supervisory Board acknowledges this step with regret, but respects his personal decision. Following the resignation of Thomas Obendrauf, the Nomination and Remuneration Committee of the Supervisory Board has agreed with the Management Board that the Chairman of the Management Board will assume the responsibilities of the Chief Financial Officer in addition to his own until a new member of the Management Board is appointed. Since that time, the Nomination and Remuneration Committee has been working assiduously to find a successor, and has commissioned a leading executive search firm to find a suitable candidate.

In the financial year 2012/13 the Supervisory Board again carried out its annual self evaluation to ensure the continuing improvement of its operations and 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.

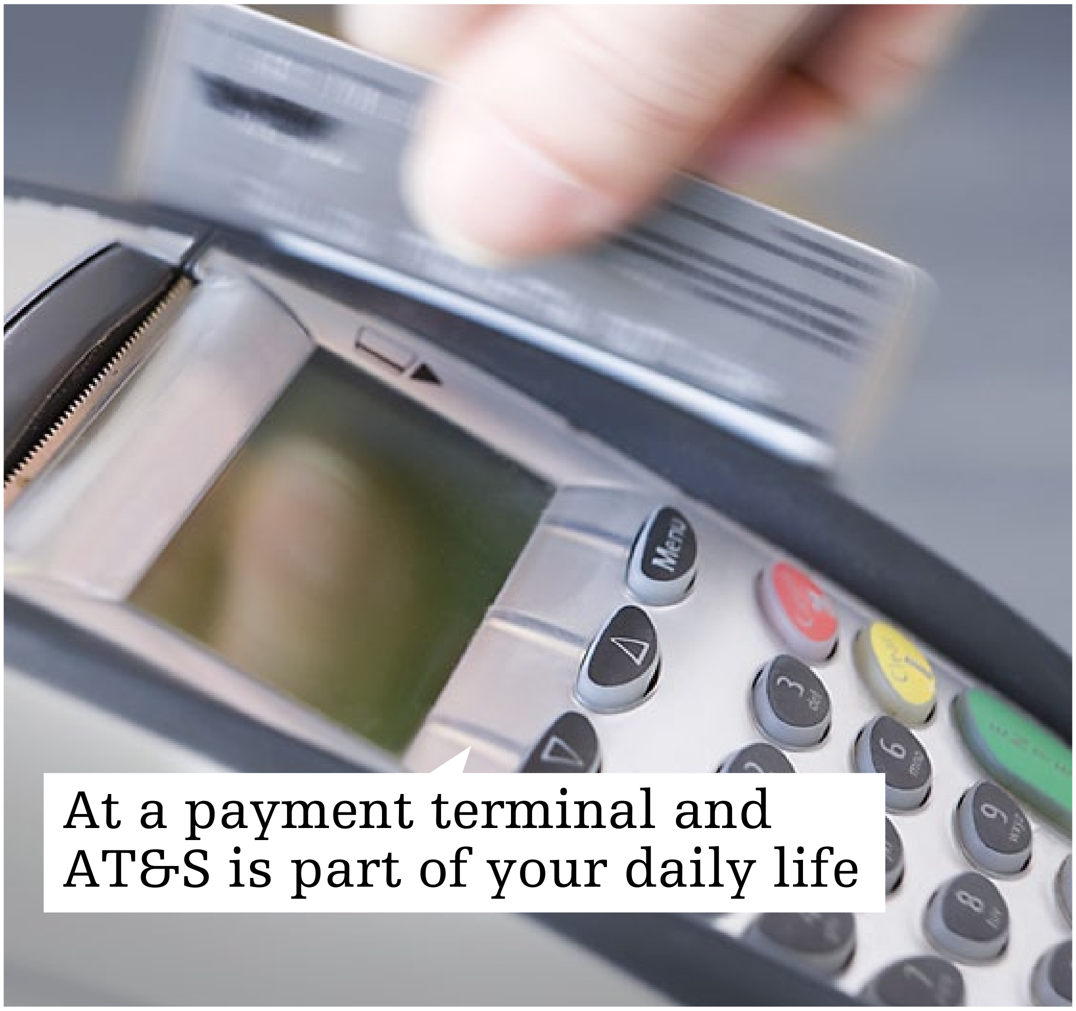
The annual financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft and the consolidated financial statements for the year ended 31 March 2013 were both audited by PwC Wirtschaftsprüfung GmbH, Vienna, and were awarded an unqualified audit report. The management report and the Group management report for the financial year 2012/13 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 2013 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 at 31 March 2013 are to be distributed in payment of a dividend of EUR 0.20 per share, and the remaining amount is to be carried forward.

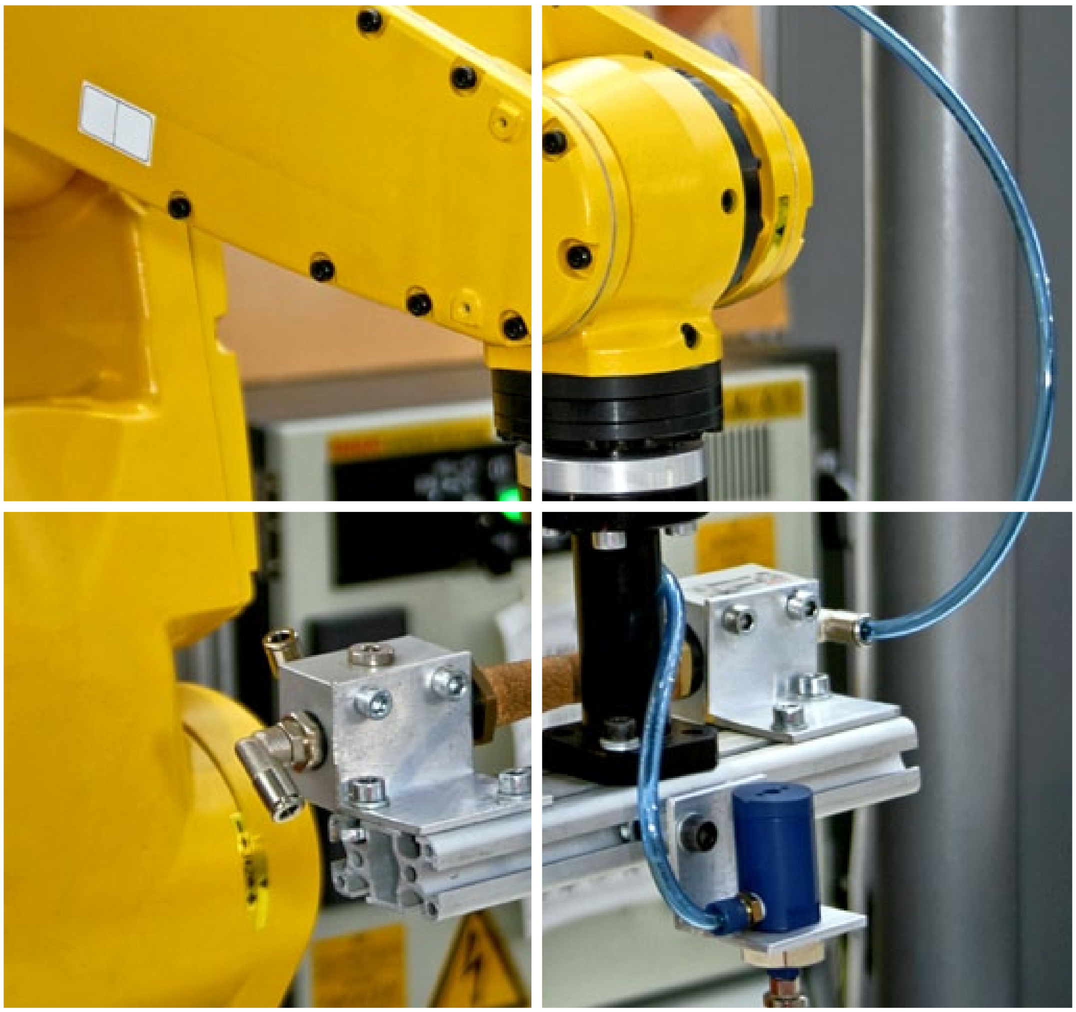
The Supervisory Board thanks the Management Board and all the Group's employees for their hard work and dedication during the financial year 2012/13.

On behalf of the Supervisory Board

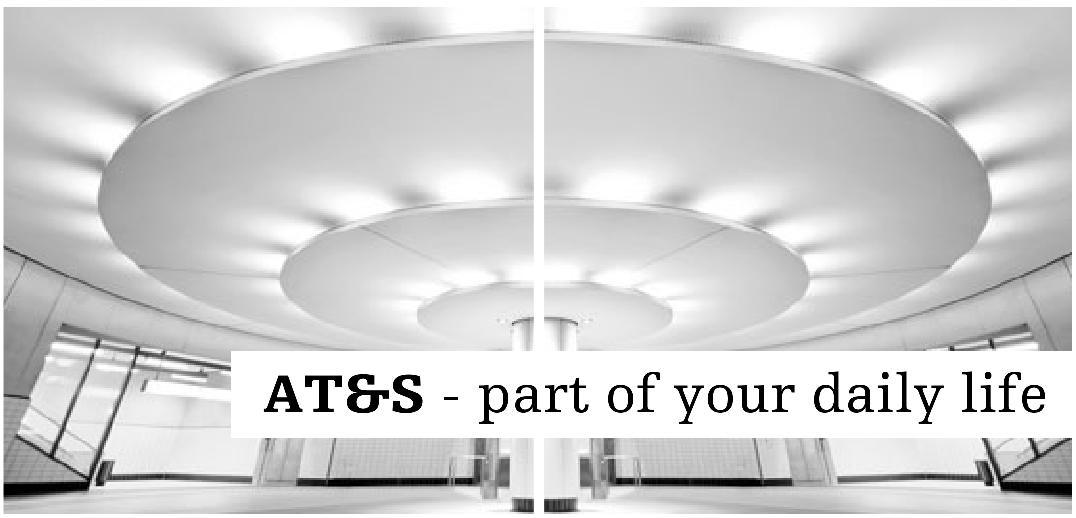
Hannes Androsch
Chairman of the Supervisory Board



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



Industrial Applications



AT&S - part of your daily life

Printed circuit board – the stem cells of the digital industry

Today's digital industry would be nothing without printed circuit boards. They are the 'brains' of virtually all electronic appliances – smartphones, navigation systems, cameras, automotive electronics, aeronautics – and a large number of modern industrial and medical technologies. They are central to our everyday life. In spite of this we take them for granted and pay little attention to the valuable role they play in just about every aspect of today's society – which is why we want to shed some light on the fascinating history of this indispensable piece of technology.

A CONSTANTLY GROWING NERVE SYSTEM At its most basic, a printed circuit board connects the active and passive electronic components of an appliance. With interconnection channels inside them, printed circuit boards are at the heart of semiconductors and electrical components.

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 female workers to mount and wire up the radio valves by hand. In 1943 he patented the principle of a printed circuit board.

GLOBAL DEVELOPMENT Before the Second World War there was no interest in Eisler's invention, but during the War the Americans discovered 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 mass-produced. 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, 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 joked 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.

PRESENT AND FUTURE 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. Integrated circuit (IC) substrates represent a promising future market. This technology is becoming more and more widespread thanks to the increasing use of microprocessors in PCs, notebooks, smartphones and tablet PCs. IC substrates are multi-layered, electrically conducting interconnect devices that connect the chips to the printed circuit boards. Semiconductor structures are on the nanometre scale, and the function of the substrate is to provide the interface to the micrometre-scale structures on the printed circuit board. Substrates will enable the next quantum leap, opening the way for ever greater miniaturisation of high-tech devices without any loss of performance.

From cathode ray tubes to smartphones

The AT&S Group is one of the world's leading manufacturers of high-value printed circuit boards. Today AT&S is a global enterprise with plants and offices all around the world, and the largest manufacturer of printed circuit boards in Europe and India by a wide margin. It underscored its position as a market leader with the successful commissioning of the largest fully-automated HDI printed circuit board manufacturing plant in China.

But the road to technology leadership in printed circuit boards was long and hard. AT&S arose out of 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 started out manufacturing lighters, and in the 1930s the first hand-operated Eumig film projector came onto the market. The first steps in printed circuit board manufacture came in the 1970s, because Eumig did not wish to be dependent on 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 Voestalpine 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 Voestalpine 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 six production facilities in Austria, China, India, and Korea. In 1999, with the purchase of the Indian company INDAL Electronics Ltd., AT&S acquired India's largest printed circuit board manufacturing plant. In 2001 a plant in Shanghai joined the AT&S global family. Production in China had already started by 2002, and in the following year the plant in India was expanded. Thanks to the ongoing expansion of the plant in Shanghai and through the purchase of a printed circuit board manufacturer in Ansan, Korea, AT&S has been firmly established in the global market since 2006. AT&S offers a broad-based technology portfolio, comprising 16,000 different printed circuit boards.

The Group is one of the world's leading manufacturer of HDI printed circuit boards. And the start of construction of the Chongqinq facility in China in 2011 marked our next step on the road to future success. The Group will produce IC substrates at this plant from 2016 onwards. A sales network on four continents gives AT&S a global presence, bringing it closer to its customers.

In-car entertainment and in-car infotainment

Automotive Applications

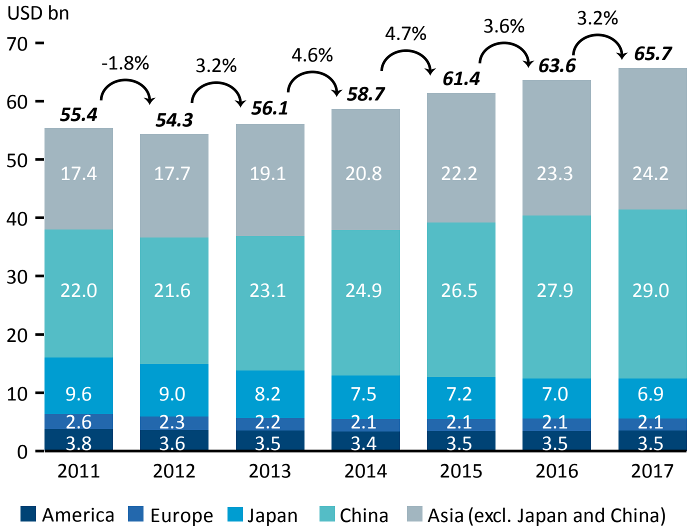
AT&S - part of your daily life

Market developments

The global printed circuit board market is highly cyclical and is shaped by the rapid pace of technological change. The market is intensely competitive and highly fragmented – the largest manufacturer has a market share of just 4%. Experts estimate that there were around 2,800 manufacturers serving global markets in 2012. The 20 largest printed circuit board manufacturers account for 43% of worldwide output.

Global demand is also extremely cyclical, and output dropped by 1.8% to USD 54.3bn in 2012. However, the printed circuit board market is forecast to expand to USD 65.7bn by 2017. This corresponds to an average annual growth rate (CAGR) of 3.9%

GROWTH OF PRINTED CIRCUIT BOARD MARKET



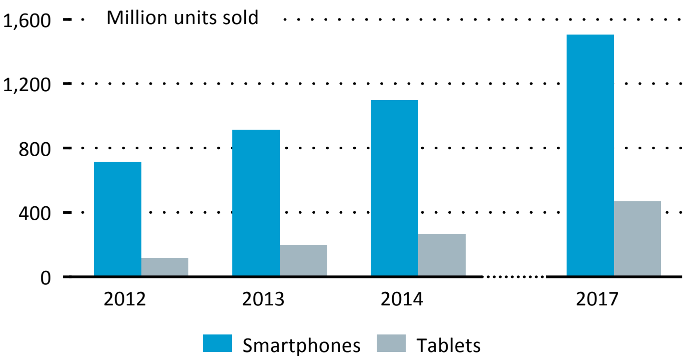
Source: PRISMARK

MOBILE COMMUNICATIONS AS A GROWTH DRIVER Smartphones and tablet computers are the undisputed growth drivers in one of the most technologically advanced markets, where the need for rapid innovation shapes developments. In 2012 the global market for smartphones grew by 44%, and experts are forecasting increased growth rates for other consumer goods requiring the latest generation of HDI printed circuit boards.

AT&S's focus in mobile end user devices is on HDI printed circuit boards – a segment where the group is among the market leaders.

The market for the printed circuit board technologies found in mobile end user devices (computers, communications and consumer goods) was worth USD 37.3bn in 2012. Of this amount 38.3% was accounted for by demand from the communications industry, 44.2% by computer manufacturers and the remaining 17.5% by consumer goods such as digital cameras, portable media players and games consoles.

SMARTPHONES AND TABLET COMPUTERS AS GROWTH DRIVERS



Sources: IDC (2013); Gartner (April 2013)

ABOVE-AVERAGE GROWTH IN AUTOMOTIVE ELECTRONICS SEGMENT The main focus of the Automotive Business Unit's activities is on features such as safety systems, weight reduction, information and entertainment. Customers are calling for ever greater levels of efficiency and the highest standards of quality – not least because this line of business also supplies to the aviation industry. The trend towards high-tech solutions is driving demand for HDI printed circuit boards.

Demand for automotive electronics is outstripping vehicle sales – while the global automobile market expanded by some 37.6% to 85.7 million vehicles from 2009-2012, the value of the market for printed circuit boards used in cars jumped 44.8% to USD 4.05bn. Average annual growth until 2017 is forecast at around 5.7%. The growing importance of high-tech printed circuits for automotive industry applications is reflected in the annual growth rate of roughly 15% forecast for the HDI segment of the market by 2017.

AT&S is the eighth-largest manufacturer of printed circuit boards for use in passenger vehicle applications thanks to its niche strategy. At present AT&S's printed circuit boards can be found in transmission control, navigation systems, lane change assistant systems, camera modules, infotainment and audio systems, noise reduction technology and sensors.

INDUSTRIAL ELECTRONICS The market for industrial electronics is characterised by a large number of different customers calling for a wide range of technical solutions. The products in question span everything from multilayer printed circuit boards with anything up to 22 layers, to simple flexible or rigid-flex circuit boards.

Flexibility, proximity to its customers and short lead times are the key factors that shape the Group's ability to keep pace with the constantly evolving requirements for end user devices and the sheer pace of change in printed circuit board specifications.

In 2011 the printed circuit board market for industrial electronics was worth USD 2.98bn. The printed circuit boards are chiefly used in LED and lighting management systems, applications relating to automation, sensors and various energy sector applications.

Demand for industrial solutions is largely driven by customers in Europe and the USA. AT&S's portfolio includes the leading manufacturers of industrial electronics in those regions. As the largest printed circuit board manufacturer in Europe, the AT&S Group is well placed to meet demand from the continent.

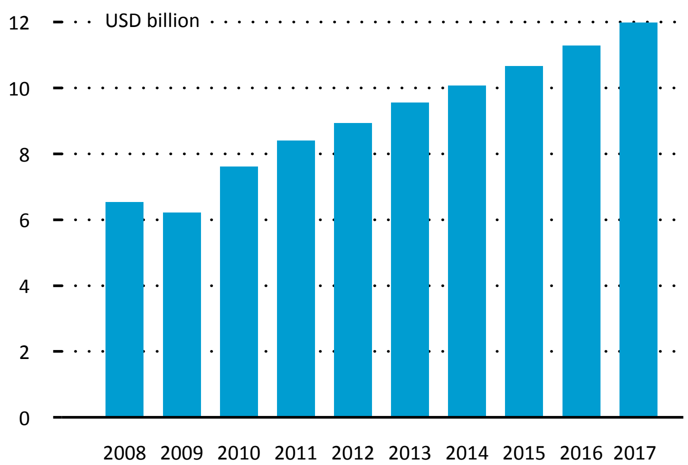
MEDICAL TECHNOLOGY Reliability, miniaturisation and weight reduction are the key concerns for printed circuit boards used in medical technology, which covers devices such as pacemakers and hearing aids. In this market segment AT&S's customers profit from the Group's experience of developing high-tech printed circuit boards for use in smartphones. AT&S is one of just a handful of European manufacturers that has achieved certification according to the EN ISO 13485 standard for medical technology.

The global market for printed circuit boards used in medical technology was estimated at EUR 810m in 2011. AT&S's printed circuit boards are used in medical imaging (e.g. X-rays, ultrasound and computed tomography), therapeutic solutions (e.g. pacemakers and defibrillators), patient monitoring systems and other areas of medical technology.

IC SUBSTRATES MARKET IC substrates are primarily used in PC microprocessors (central processing units or CPUs), graphic card processors (graphic processing units or GPUs) and application processors (application processing units or APUs) – all of which are today found in every notebook, smartphone or tablet computer. This technology is also used in GPS devices, and in engine control systems produced by the automotive industry.

In 2012 the market for IC substrates reached a total value of USD 8.9bn. It is expected to expand to around USD 12.0bn by 2017, equivalent to an annual growth rate of some 6.1%.

GROWTH OF THE IC SUBSTRATE MARKET



Source: JMS

Strategy

SOLID FOUNDATIONS

- AT&S Group is technology leader in the market for high-end printed circuit boards
- The AT&S Group is the first choice for leading high-tech solutions in all of the market segments it serves
- It produces the most complex printed circuit boards with the lowest impact on human health and the environment

AT&S Group's strategy is based on continuing to develop its core business while at the same time establishing its presence in the market for IC substrates.

EXPANDING THE CORE BUSINESS AT&S uses focused R&D activities to drive forward the continuing expansion of the Group's core business. Every year roughly 5% of the Group's revenue is invested in in-house development projects or partnership projects with research institutions, with the aim of identifying profitable new market segments and applications for printed circuit boards. Current activities focus on:

- Extending AT&S competences and consolidating its market position in advanced packaging AT&S Group is one of the first printed circuit board manufacturers in the world and the only one in Europe to have patented technology for embedding chips in printed circuit boards (ECP®). This ability enables it to benefit to a much higher degree from the trend towards greater density, increasing miniaturisation and higher performance. The next step is to grow the customer portfolio in the semiconductor industry and establish collaborative agreements with technology leaders.

- Using innovation to extend the technology portfolio To support the major trends in the industry, such as miniaturisation, and the integration of additional functionality, connectivity and modular design, the Group is focusing on four key development areas of its technology portfolio:
  1. Interconnect density: continuing refinement of HDI printed circuit boards in order to reduce their size while increasing their functional complexity.
  2. Mechanical integration: improvement of the mechanical integration of printed circuit boards with other components in electronic devices.
  3. Functional integration: integrating additional functionalities in printed circuit boards beyond what is currently possible with the Group's ECP® technology.
  4. Printed solutions: reduced consumption of raw materials, such as water, copper or chemicals, by increasing the use of printing technologies.

- Diversification of the Group's customer portfolio To reduce dependence on individual customers or industries and to take advantage of opportunities for growth, AT&S is pursuing a strategy of diversification, with respect both to industries and to geographical markets. Among other things, it is encouraging and stepping up early collaboration with its customers' own R&D departments, in order to identify potentially profitable new market segments.

- Further increasing technology leadership through high-volume production of interposers AT&S Group is in the process of making capacities available in the Shanghai plant for the production of interposers. Interposer technology is used to connect printed circuit boards and integrated circuits (ICs). The Group's ability to produce high volumes of interposers industrially further strengthens its leadership position and creates significant synergies with the planned production of IC substrates in Chongqing.

ENTRY TO IC SUBSTRATE PRODUCTION BUSINESS Together with a strong partner in the semiconductor industry, AT&S is in the process of preparing to establish production of IC substrates. Over the years AT&S has continuously and systematically pursued technological development in HDI technology and embedded component packaging technology (ECP®) and is now ready to enter the premier league of printed circuit board production. Around EUR 350m is being invested in creating capacity in the Chongqing plant, and production is to be ramped up in 2016, once certification has been completed. This new strategic pillar can be built on the foundations of the competence already demonstrated by AT&S in establishing highly automated high-tech production in China. AT&S has an established reputation with the potential customers for the highest quality and environmental standards, and for "European" respect for the intellectual property right of others. These represent very substantial advantages to the customers and promise AT&S success in opening up the new market.

Research and development

At AT&S, the proportion of "young" products – those brought to market in the last three years – is impressive: In the financial year 2012/13 it was 19%. This is a demonstration of AT&S Group's innovative ability, and also highlights the sheer pace of technological change.

As technology leader in the market for high-end printed circuit boards, AT&S must maintain its position at the forefront of innovation: in collaboration with its customers, new ideas can then rapidly be translated into high-volume industrial production. This is why the Group spends around 5% of its annual revenues on research and development.

THE PROCESS OF INNOVATION Technological innovation at AT&S is a two-stage process. Leoben-Hinterberg is not just the Group's registered headquarters, but also the birthplace of countless advanced technologies. This is where research and development with respect to materials, processes and applications takes place, up to the point where technological feasibility has been demonstrated. Activities at the site include both applied research and technology evaluation. After that, it is the responsibility of the local AT&S departments for technology development and implementation to continue the practical development of products and processes so that the new processes can be seamlessly integrated into existing production operations. The key to success is a structured process ensuring that promising new technological developments and their market potential are correctly identified as early as possible. AT&S uses the Stage-Gate® process.

In order to retain its position as global technology leader, AT&S is working closely with numerous external partners. Requirements and ideas for future products are explored jointly with customers, and at the same time AT&S develops new technologies on the basis of future applications, such as embedded component packaging technology (ECP®). In addition to its own resources, the Group uses collaborative agreements with suppliers and research institutions where required – e.g., Polymer Competence Center Leoben (PCCL), Materials Center Leoben (MCL), Fraunhofer IZM and TU Wien (Vienna University of Technology).

TECHNOLOGY STRATEGY The AT&S technology strategy has three main aims:

- Closer focus on high-tech segments – the applications for AT&S's new products and technologies are at the high-tech end of the various markets.
- Larger contribution to the value chain – the new products and technologies developed by AT&S should represent a higher proportion of the value added in the production of electronic devices.
- Reduced consumption – and recycling – of natural resources. AT&S's new products and technologies use smaller quantities of natural resources (e.g., copper, water and energy) than existing products and technologies.

The decision taken in the year under review to embark on the production of IC substrates signals a major change of direction in the Group's high-tech strategy for the future. Substrates are the link between the nanoscopic world of semiconductors and the microscopic world of printed circuit boards.

PATENT STRATEGY Focusing on research and development requires legal protection of the core development technologies. In the last financial year 17 new patent applications were filed, and the continuing growth of the patent portfolio underlines AT&S Group's importance as a technology leader in the manufacture of printed circuit boards. AT&S now has 83 patent families.

Sites and competences

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 7,300 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.

● production plants

LEOBEN-HINTERBERG (AUSTRIA)
HEADQUARTERS

- Staff: 759
- Opened: 1982
- Production capacity: 110,000 square metres
- Customer orientation: 7% Automotive, 93% Industrial

TECHNOLOGIES

- Standard printed circuit boards
- HDI Multilayer printed circuit boards
- Rigid-flex printed circuit boards
- ECP® (Embedded Component Packaging)
- Printed Circuit Boards for high voltage applications

CERTIFICATIONS

- DS/EN ISO 13485:2003
- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007
- Sony Green Partner Certificate
- EN9100:2009
- AEO Certificate
- UL Listing

FEHRING (AUSTRIA)

- Staff: 337
- Opened: 1974
- Production capacity: 300,000 square metres
- Customer orientation: 48% Automotive, 52% Industrial

TECHNOLOGIES

- Double-sided plated-through printed circuit boards
- Rigid-flex printed circuit boards
- Flexible printed circuit boards
- Metal core printed circuit boards

CERTIFICATIONS

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

KLAGENFURT (AUSTRIA)

- Staff: 101
- Opened: 2003
- Production capacity: 165,000 square metres
- Customer orientation: 46% Automotive, 54% 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
- AEO Certificate
- UL Listing

NANJANGUD (INDIA)

- Staff: 1,043
- Opened: 1999
- Production capacity: 380,000 square metres
- Customer orientation: 58% Automotive, 42% Industrial

TECHNOLOGIES

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

CERTIFICATIONS

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

ANSAN (KOREA)

- Staff: 240
- Opened: 2006
- Production capacity:
- 120,000 square metres
- Customer orientation: 19% Automotive, 54% Industrial, 27% 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
- UL Listing

SHANGHAI (CHINA)

- Staff: 4,412
- Opened: 2002
- Production capacity: 790,000 square metres
- Customer orientation: 10% Automotive, 2% Industrial, 88% Mobile Devices

TECHNOLOGIES

- HDI multilayer printed circuit boards
- ALIVH® printed circuit boards
- Rigid-flex HDI printed circuit boards

CERTIFICATIONS

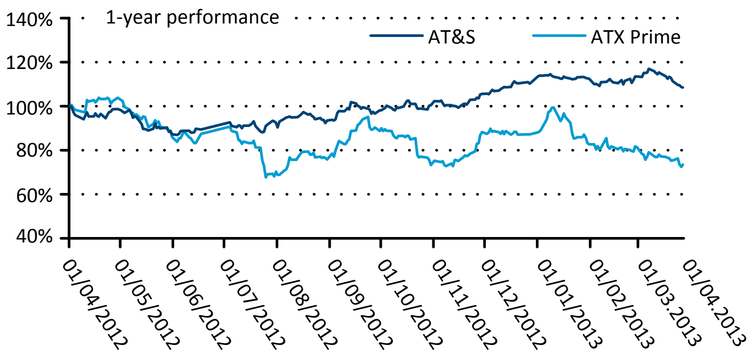
- ISO 9001:2008
- ISO/TS 16949:2009
- ISO 14001:2004
- OHSAS 18001:2007
- Sony Green Partner Certificate
- Canon Green Partner Certificate
- UL Listing

CHONGQING (CHINA)

- Staff: 53
- Groundbreaking ceremony: June 2011
- Focus: IC-substrates

Investor Relations

AT&S AGAINST THE ATX-PRIME



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. In the past financial year activities focused on approaching potential investors in Asia.

The latest figures, data and facts are available online at www.ats.net/investors. The portal has been optimised for mobile applications, and provides analysts and investors with quick and easy access to up-to-date corporate information – at any time, and from anywhere in the world. Additionally, AT&S now makes use of social media: a Twitter account (ATS_News) and a video channel on YouTube (ATundS) have been launched. The YouTube channel provides visual impressions of the Group and the manufacturing processes for high-end printed circuit boards, in a virtual experience enjoyed by many.

AT&S STOCK There are currently 25.9 million no par value voting bearer shares in issue, of which 39% are held by two foundations and 10% are held by the Company. The free float comprises 51% of the shares, mostly held by international institutional investors.

The AT&S share forms part of the ATX Prime Index and has recently also been included in the ATX Global Players Index. The latter consists of companies listed in the Prime Market on the Vienna Stock Exchange and whose sales outside Europe constitute a minimum of 20% of total revenue.

SHARE PRICE The AT&S share is considered a cyclical stock, and its performance is strongly correlated with sentiment in the telecommunications industry. For this reason both share price and volumes traded varied widely over the course of the last financial year. Two factors had a major impact on the performance of AT&S stock:

- earnings expectations for mobile devices manufacturers generally have deteriorated,
- and the share price came under particular pressure following the announcements of the Group's entry into the IC substrate manufacturing business and the investment plans for the new plant in Chongqing.

The share price reached its high in April 2012 at EUR 9.88 and its low in July 2012 at EUR 6.25. At the end of the reporting period market capitalisation was approximately EUR 158.4m.

COVERAGE At the end of the reporting period the AT&S share was being covered by six analysts (Deutsche Bank, Erste Bank, Kepler-Cheuvreux, Hauck & Aufhäuser, Raiffeisen Centrobank and Berenberg Bank). One analyst rated the share "buy", and the other five rated it "hold". The strategic aim is ensure coverage by a minimum of six local and international analysts.

ROADSHOWS In the past financial year the Management Board had a busy roadshow schedule that took them from Leoben to London, Frankfurt, Amsterdam, Copenhagen, Hong Kong, Shanghai, Zurich, Geneva and Paris. The itinerary included over 170 talks and discussions with investors. There were also numerous presentations of the Group at local and international conferences to introduce or reintroduce AT&S to as wide a range of investors as possible.

FINANCIAL CALENDAR

19th Annual General Meeting	4 July 2013
1st quarter 2013/14	23 July 2013
Dividend payment date and ex-dividend date	25 July 2013
2nd quarter 2013/14	5 November 2013
3rd quarter 2013/14	23 January 2014
Annual results 2013/14	8 May 2014

Highlights of 2012/13

MARCH 2013 / AT&S KEEPS ON GROWING The AT&S Group brings a challenging financial year to an impressive close: sales were up 5% year on year, with growth in the automotive segment particularly gratifying.

MARCH 2013 / THREE AT&S EXCELLENCE GRANTS FOR ELECTRONICS UNDERGRADUATES AT FH JOANNEUM KAPFENBERG In May 2012 AT&S and FH Joanneum concluded a cooperation agreement designed to foster the development of the next generation of electronics graduates. On 18 March 2013 AT&S Chief Technical Officer Heinz Moitzi presented a grant of EUR 1,000 each to the three most promising students from the university's 2011 intake.

JANUARY 2013/ AT&S LAYS THE GROUND FOR ENTRY INTO THE NEW BUSINESS SEGMENT IC-SUBSTRATES AT&S has decided to expand its product portfolio and move into integrated circuit (IC) substrate manufacturing, opening the door to a new high-tech line of business for the Group. IC substrates are used to connect semiconductors and printed circuit boards.

OCTOBER 2012/ AT&S PROMOTES MUTUAL APPROACHES TO EFFICIENT USE OF RESOURCES AT&S's Supplier of the Year and Sustainability Awards recognised the contributions made by its leading partners. These prizes are intended to promote a sense of shared responsibility when it comes to getting the very best out of existing resources without making any concessions on quality.

OCTOBER 2012/ AVIATION INDUSTRY CERTIFICATION AT&S has achieved certification according to the EN9100 and AS9100 quality standards, meaning that the Group has the safety and reliability credentials required to supply partners in the aviation industry. This certification and the inauguration of a sales office in Chicago mean that it can sharpen our focus on this market in America.

OCTOBER 2012/ ZTE PRAISES AT&S'S USE OF INNOVATIVE TECHNOLOGIES ZTE, one of China's largest smartphone manufacturers, opened its Central European headquarters in Vienna in 2012. The company singled out AT&S Group for praise because of its innovative technologies and outstanding quality of service.

JULY 2012/ MANAGEMENT BOARD REAPPOINTMENTS In July 2012 the Supervisory Board confirmed the extension of the Management Board appointments of CEO Andreas Gerstenmayer and Chief Technical Officer Heinz Moitzi until 2018, providing additional continuity and safeguarding the Group's long-term development. In January 2013 Chief Financial Officer Thomas Obendrauf announced his decision to resign from the Management Board with effect from the end of the financial year 2012/13 for personal reasons.

JUNE 2012/ RECERTIFICATION FOR ALL AT&S LOCATIONS WORLDWIDE Following the certification of the largest production facility in the AT&S Group, Shanghai, in mid-May, all AT&S sites had successfully achieved recertification for the ISO 9001, ISO/TS 16949, ISO 14001 and OHSAS 18001 standards.

JUNE 2012/ AT&S SHANGHAI HOSTS EICC CONGRESS The Electronics Industry Citizenship Corporation (EICC), an industry association, has set itself the aim of implementing a code of conduct to improve social, economic and environmental conditions in the global value chain for the electronics sector. In June 2012 around 40 companies from the industry, including Foxconn, Cisco and Flextronics, met at the AT&S plant in Shanghai for a meeting of the working group. This event served to highlight the pioneering role played by the AT&S Group in areas such as corporate responsibility and environmental protection.


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

Sustainability across the board

A DEDICATED CORPORATE CITIZEN For AT&S, achieving long-term success is all about value-based managerial decisions, a focus on innovation, and a relentless drive to minimise environmental and social impacts in the production of highly complex interconnection solutions. We know that forward-looking approaches and the responsible use of resources are the foundations of such success. We strive to achieve improvements by driving forward change. And sustainability is not just a means to this particular end, but an end in itself. Our belief that each individual employee acts as a link between our plants, society and the environment, and our focus on achieving technological advances in close collaboration with suppliers, research institutions and customers are further evidence of our commitment to sustainability.

OUR VISION OF TOMORROW We are convinced that every one of us can make a difference, no matter how large or small our personal contribution. As an international company, we aim to fulfil our social obligations by acting as a responsible corporate citizen. Producing the most up-to-date printed circuit boards and interconnection solutions for our customers while minimising the impact on people and planet is a challenge which our plants must face up to every day. This is not our goal, but a point of departure and a guiding principle for our day-to-day operations. Our vision is to lighten the burden on future generations by minimising our consumption of the resources currently available to us.

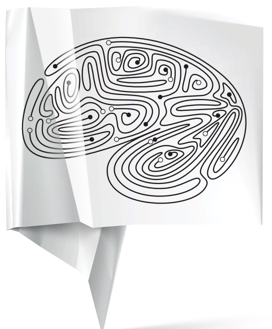
And by turning this vision into reality AT&S aims to bring about a sea change in social values. All in all, sustainability involves a commitment to long-term planning and forward thinking, and to attaching equal weight to ecological, social and commercial matters. That also applies to AT&S's facilities in countries where the statutory requirements are far less rigorous than in Austria. This goes hand in hand with our ethos of living up to our responsibilities at each and every one of our plants.

In terms of employee safety, ecological impact and social responsibility, the goal at all of our sites around the world is to introduce the principles, high standards, know-how and expertise currently in place at our facilities in the West – and to do so to the letter. As a global business, AT&S cannot afford to make concessions at the expense of its staff simply on the basis of geography. For example, we rigorously avoid regional differences when it comes to safety standards for plant and equipment, or the personal safety equipment worn by our employees.

Energy and CO_2 footprint

Water consumption

Use of resources



A learning organisation

Thinking ahead, shaping the future

FIVE PRIORITY AREAS Corporate social responsibility (CSR) is a broad concept that can cover a host of different factors, especially in a global organisation like AT&S. In an effort to make the extent of this idea more palpable, understandable and measureable – both inside and outside the Group – we have specified five areas of activity which we intend to focus on.

These five areas are vital to our core business and we can measure our progress in each by defining targets. This will not only help us to achieve our goals; it will also enable us to constantly improve the processes that lead to those objectives – and to develop as a company.

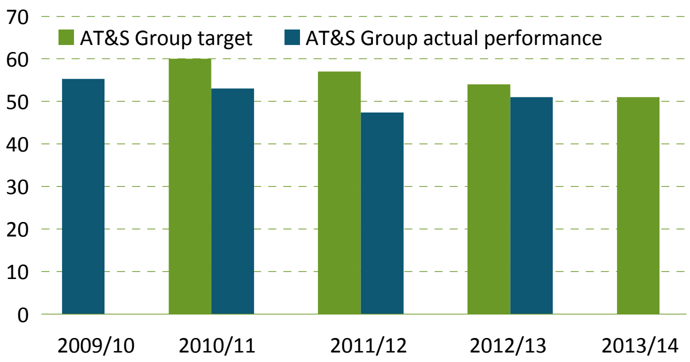
- Energy and CO_2 footprint
- Water consumption
- Use of resources
- A learning organisation
- Thinking ahead, shaping the future

CO_2 FOOTPRINT To provide clear proof that we are meeting the self-imposed commitment to overfulfil emission standards, we introduced carbon dioxide emissions as an environmental performance indicator some time ago. We monitor our emissions closely, so as to chart the long-term effectiveness of the steps taken to reduce them. Our plants have adopted a variety of measures aimed at reducing carbon dioxide emissions. A gas-fired generator has been installed to meet the electricity and heating requirements of AT&S's Shanghai facility. This combined heat and power generation has reduced CO_2 emissions by about 1,400 tonnes per year. In April 2011 the generator won us a local Cogeneration Model Project award.

Our aim is to cut carbon dioxide emissions by around 5% each year. Our carbon footprint is made up of two elements – production and transportation. The production component includes all the CO_2 emissions indirectly caused by electricity use as well as those directly resulting from gas combustion to generate heat. The transportation component comprises all the CO_2 emissions that arise from shipping our printed circuit boards to customers.

The table below shows how many kilograms of carbon dioxide are emitted in the production of one square metre of finished printed circuit board and its transportation to the customer.

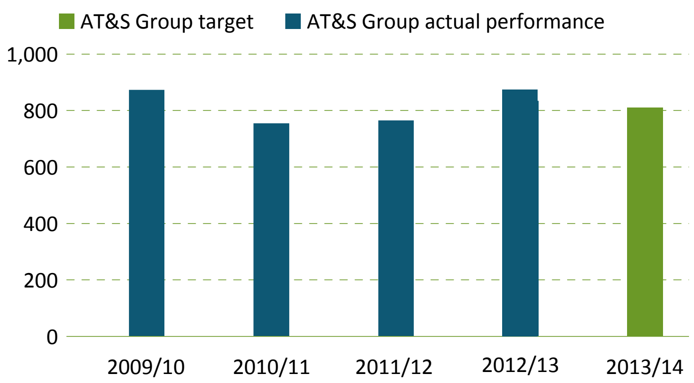
CO_2 footprint (production and transportation) [kg/m²]



WATER CONSUMPTION

In future, water will be in increasingly short supply. Our aim will therefore be to make sure that we use the resources available to us as sparingly as possible, while continuing to focus on wastewater recovery. In recent years we have initiated a raft of precautions and implemented numerous measures aimed at reducing consumption and improving the efficacy of purification systems. We will be looking to build on our past record of successfully installing wastewater treatment facilities and implementing water conservation initiatives at our production plants. Our aim is to reduce the Group's annual fresh water consumption by three percent. The following indicators show the quantities of water consumed in the production of one square metre of printed circuit board.

Total freshwater consumption [lt/m² pcb]



USE OF RESOURCES

We aim to optimise our consumption of materials, and keep both waste and waste disposal to a minimum. A Group-wide internal benchmark for each of the main types of waste was introduced recently. This will help to enhance the efficiency of disposal and recycling throughout the Group thanks to the use of best practice that allows for the various statutory requirements that apply to the individual plants. The next step will be to analyse internal recycling processes and compare activities at each of the production facilities.

We will include recycling rates under our key performance indicators and monitor them over time, introducing another easy-to-measure target. The aim is to minimise the amount of resources we consume, and recycle raw materials after use.

COPPER: A RECYCLING CASE STUDY

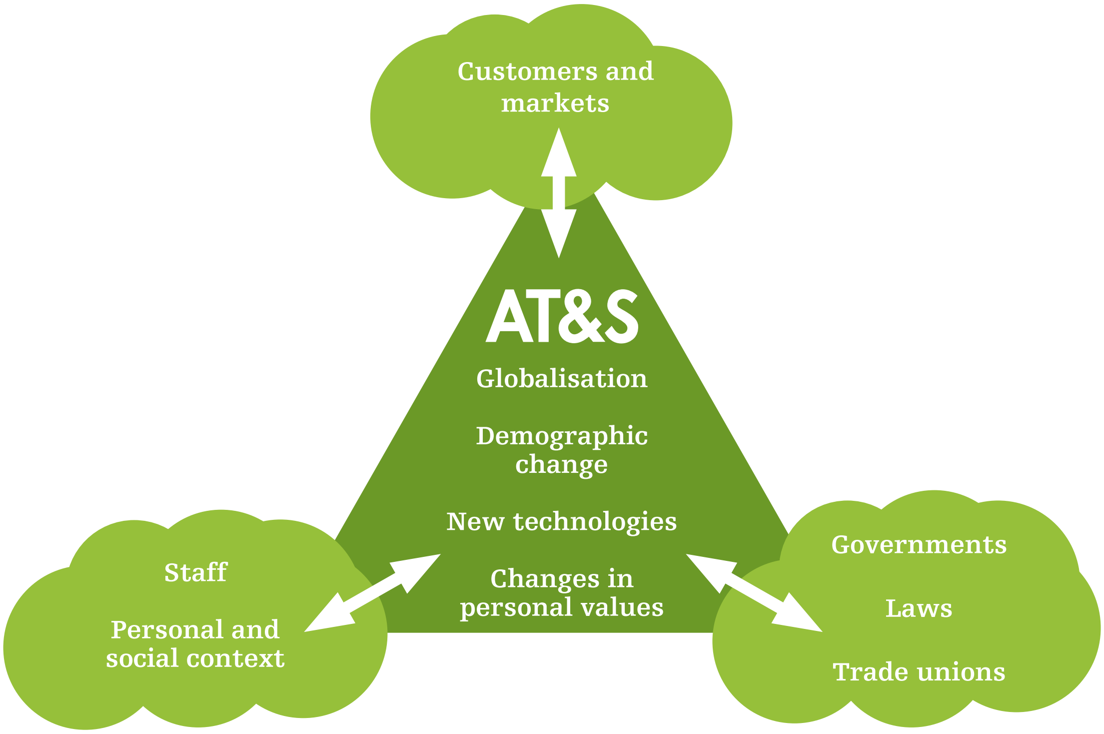
Copper is one of the most commonly used materials in printed circuit boards. Copper foil is at the heart of the printed circuit board. This special foil is produced at our plants using 100 percent recycled copper. At the end of its useful life, copper chloride (used as an etchant) is disposed of via an external supplier, which then recovers the copper from the solution. Small traces of copper also find their way into wastewater. Our wastewater treatment systems recover the copper, filtering it out using a number of different technologies. The electroplating sludge containing the copper residue is then passed on to external companies for recycling. All of the solid waste containing copper from the production process – such as copper trimmings and milling waste – is collected separately before being forwarded on for recycling. These processes give an indication of some of the various ways that a single metal is recycled in the course of printed circuit board production. Similar procedures are also used to recycle other types of waste material.

A LEARNING ORGANISATION

AT&S is a pioneer and a driver of innovation in the printed circuit board industry. A company which stops learning and comes to a standstill will quickly fall behind its competitors, so AT&S constantly aims to give its employees opportunities to grow and develop – both professionally and personally. Learning is also essential if we want to adapt rapidly to new situations. Flexibility is a priceless asset for a business looking to hold its own in today's dynamic marketplace.

Once employees have completed their basic training, certain employee target groups are given a choice of training opportunities tailored to their particular working environment and area of expertise. Such a development programme is now in place for the leading foremen at the Shanghai plant. A similar initiative focusing on leadership skills has been introduced in Austria.

Positioning AT&S as a learning organisation also enables us to attract specialists to the Group, as well as facilitating the retraining of staff from other industries and professions. This in turn allows us to respond quickly to changing technologies and markets.



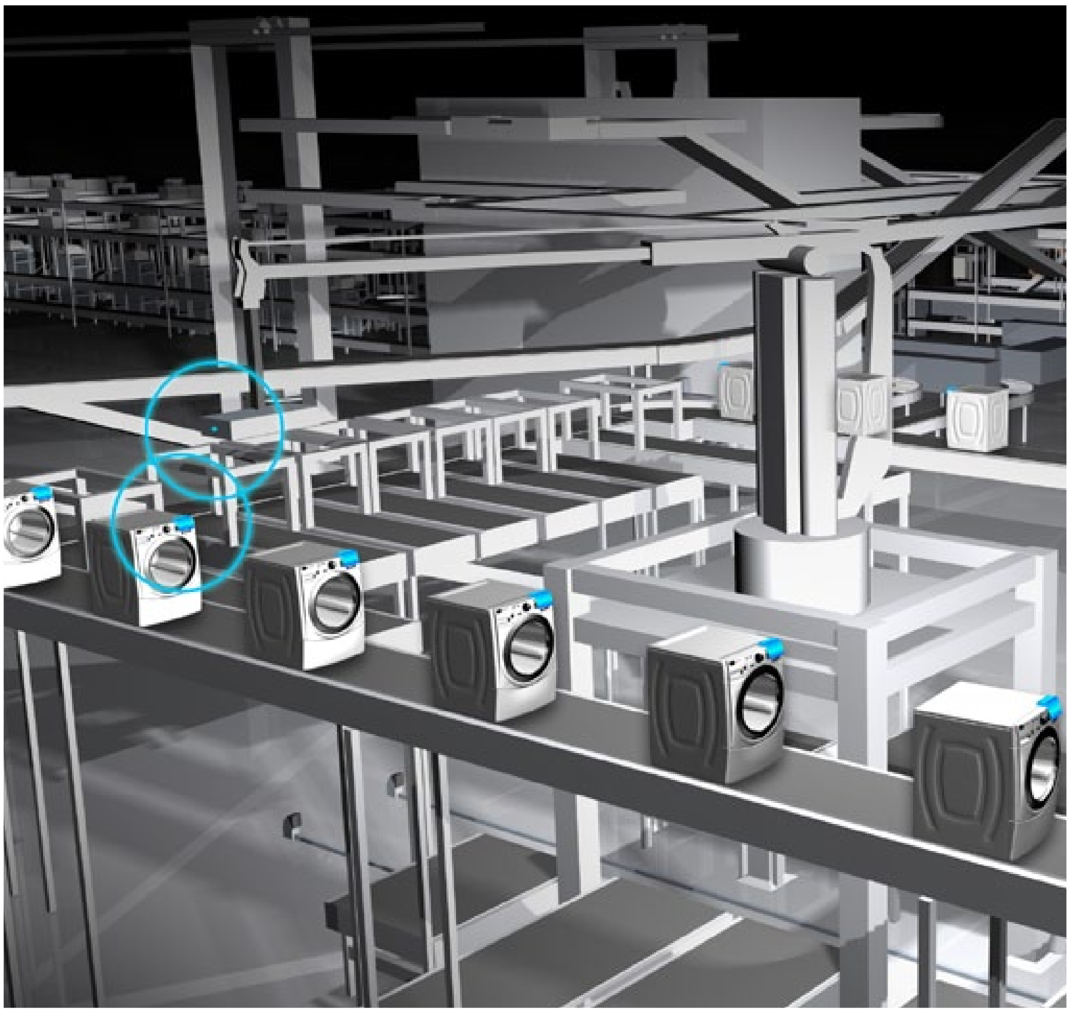
THINKING AHEAD, SHAPING THE FUTURE

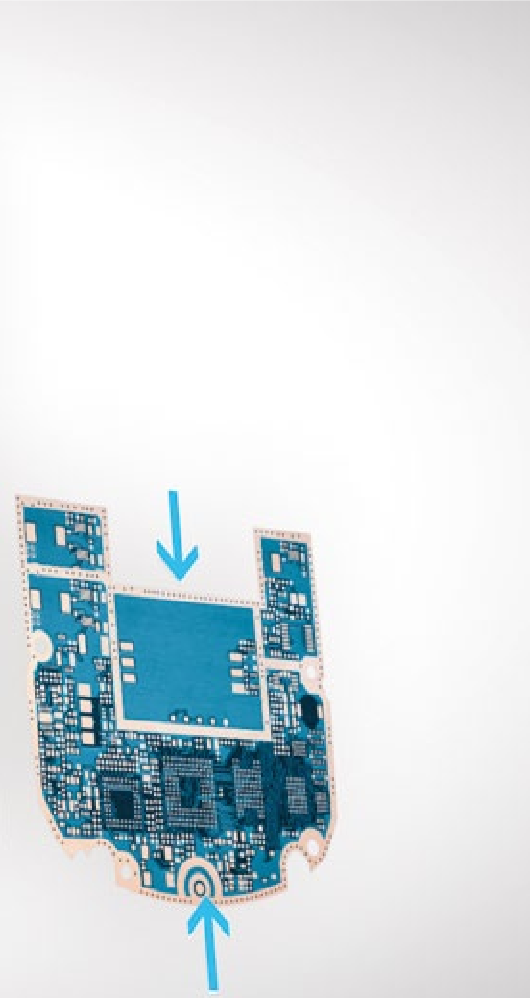
Foresight is essential if we want to shape the future. We cannot just keep pace with changes in our industry; we have to stay one step ahead.

As a global company, we are affected by countless trends, ranging from globalisation and demographic changes to rapidly shifting social values and the availability of cutting-edge technologies. All of these factors have an impact on our operations and our position on the market. When making key decisions we aim to take account of their effects on three important stakeholder groups: customers and markets, employees and their social environment, and governments and legislative frameworks. We want to integrate a global mindset – the ability to understand complex international relationships and build on that know-how in day-to-day operations – into our corporate culture. This applies to the Group as a whole and to each employee.

EXPECTATIONS AND OUTLOOK The shifting values in our society, rapid changes in our operating environment, and a host of internal and external demands mean that it is time to take action now on tomorrow's key issues. Top-down implementation is not the way to go about creating a sustainable organisation, nor should the task be left to just a few dedicated individuals. Sustainability is the business of the entire Group. Taking a socially responsible attitude to our employees and the regions where our plants are located is also vital in this respect. We are strong supporters of the principle of thinking globally and acting locally. This means going beyond compliance with minimum legal requirements for socially responsible behaviour. Instead, we aim to create added value and make a strong contribution to social welfare by means of targeted initiatives. Supporting a clinic for people living close to our Indian plant; building a kindergarten in India; providing IT equipment to schools in Chongqing; opening a library, and supplying computer hardware and software for residents at a retirement home in Shanghai; promoting educational, social and sports initiatives in Austria – these are just a few of the projects where AT&S has underlined its standing as a dedicated corporate citizen.

AT&S drives miniaturisation and functionality





ECP® - The Leading Chip Embedding Technology

AT&S - part of your daily life

Corporate Governance Report

Table of Contents

Principles and Corporate Governance Declaration

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

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

With the following declarations of undertaking AT&S already complies as of 31 March 2013 with all the provisions of the ÖCGK as amended in January 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 regulations applicable to the appointment of Mr Moitzi, the new rules were not considered in the contract concluded with Mr Gerstenmayer in January 2010. These rules were also not included in the Management Board appointment agreed with Mr Obendrauf in October 2010, in order to avoid the unequal treatment of individual Management Board members. The stock option plan affected by the new rules has now expired, with the last allocation made on 1 April 2012. Options granted under this scheme must be exercised by 31 March 2016.

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

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

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

AT&S AG Management Board

The Management Board is collectively responsible for the management of the company. Each member of the Management Board is also responsible for specific areas of the business – which does not affect their collective responsibility. Management Board members have a duty to keep each other informed of all important business events and transactions. Fundamental issues of business policy and major decisions require the joint decision of all Management Board members. 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. In the past financial year there were a total of 30 Management Board meetings. Written minutes of all Board meetings and decisions must be taken.

As at 31 March 2013, the Management Board of AT&S was composed of Andreas Gerstenmayer (Chairman) and Heinz Moitzi (Chief Technical Officer). Thomas Obendrauf (Deputy Chairman and Chief Financial Officer) resigned from the AT&S Management Board with effect from the end of the financial year on 31 March 2013 by agreement with the Chairman and the Supervisory Board.

ANDREAS GERSTENMAYER

Chairman of the Management Board

since 1 February 2010; appointed until 31 January 2018

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). 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 are sales and marketing, human resources, investor relations, PR and internal communication, and business development and strategy. As Chairman of the Management Board he is responsible for implementing the decisions and resolutions of the Management Board, the Supervisory Board and the Annual General Meeting, and seeing that they are carried out.

HEINZ MOITZI

Chief Technical Officer

since 1 April 2005; appointed until 31 March 2018

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

THOMAS OBENDRAUF

Chief Financial Officer and Deputy Chairman

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. Thomas Obendrauf decided to leave the company with effect from 31 March 2013 after two and a half years on the AT&S Management Board by agreement with the other members of the Board and the Supervisory Board. Mr Obendrauf did not hold any supervisory board memberships or similar positions in other companies in Austria or abroad that were not included in the consolidated financial statements during his appointment to the AT&S AG Management Board. He was responsible for finance and accounting, controlling, internal audit, legal affairs and insurance, IT and back office, supply chain management and procurement until his retirement from the Board. Management Board Chairman Andreas Gerstenmayer will assume responsibility for these areas until Mr Obendrauf's successor is appointed.

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 Group's strategic focus. Throughout the financial year beginning on 1 April 2012 and ending on 31 March 2013, the Supervisory Board received written and oral reports from the Management Board on the company's policies and performance, and was closely involved in a number of company-related issues. The Supervisory Board met five times during the financial year 2012/13, with the Management Board participating. In these meetings the Management Board and the Supervisory Board discussed the state of AT&S Group's affairs in depth. As part of the Company's ongoing reporting process and at all board meetings, the Management Board also gave the Supervisory Board comprehensive reports on the Group's operating and financial position, as well as its interests in other companies, its staff situation and its planned investments. Entry into the IC substrate market as part of a strategic partnership with a leading semiconductor manufacturer, and the operational focus of the new production facility in Chongqing, China were discussed intensively and approved. The Supervisory Board also focused on compliance with new statutory regulations, and on developing compliance standards that meet international norms. Its members endorsed a group-wide staff development and succession planning programme, as well as the implementation of an effective issuer compliance system.

COMPOSITION

HANNES ANDROSCH is Chairman of the Supervisory Board. Appointed for the first time on 30 September 1995, appointed until the 21st Annual General Meeting in 2015. He is a non-practising certified accountant and tax adviser, and has a doctorate in economics. From 1970 to 1981 he was Austrian Federal Minister of Finance, and between 1976 and 1981 Vice Chancellor as well. From July 1981 until 1988 he was Managing Director of Creditanstalt-Bankverein (today part of the UniCredit Group). In 1994 he and Willibald Dörflinger and Helmut Zoidl joined in the management buyout of AT&S. Hannes Androsch has interests in a number of well-known Austrian businesses.

WILLIBALD DÖRFLINGER is Deputy Chairman of the Supervisory Board. Appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Willibald Dörflinger began his professional career in 1972 with M. Schmid & Söhne, 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 Willibald Dörflinger was a member of the AT&S Management Board as well as Managing Director of EUMIG Fohnsdorf Industrie GmbH. In 1994 he and Hannes Androsch and Helmut Zoidl joined in the management buyout of AT&S, and in the period until 2005 he was at first Managing Director, then a member and finally Chairman of the Management Board. In 2005 he moved to AT&S's Supervisory Board.

Other supervisory board positions held by Mr Dörflinger at listed companies

- HWA AG

GERHARD PICHLER, appointed for the first time on 2 July 2009, appointed until the 20th Annual General Meeting in 2014.

Mr Pichler studied business administration at the Vienna University of Economics and Business. A certified auditor and tax adviser, he has been Managing Director of CONSULTATIO Wirtschaftsprüfungsgesellschaft m.b.H. since 1986, and Managing Partner of the group since 1995.

KARL FINK, appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Karl Fink graduated in business studies from the Vienna University of Economics and Business in 1971. From 1971 to 1975 he worked for Marubeni Corporation in international commodities trading, before moving to 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 Managing Director. In October 2007 he was appointed Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Mr Fink retired from the Vienna Insurance Group Managing Board on 30 September 2009.

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

- Wienerberger AG

ALBERT HOCHLEITNER, appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Albert Hochleitner completed his studies in engineering physics at Vienna University of Technology in 1965. In the same year, he joined the Siemens Group's low voltage works in Vienna. In 1984 he was appointed Chairman of the Management Board of Uher AG. In 1988 he moved to Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Würzburg. In October 1992 he became Chairman of the Management Board of Siemens AG Austria. In 2005 he moved to the Supervisory Board of Siemens AG Austria.

GEORG RIEDL, appointed for the first time on 28 May 1999, appointed until the 22nd Annual General Meeting in 2016. Georg Riedl acquired his doctorate in law in 1984 from the University of Vienna. In 1991 he set up in independent practice as Riedl & Ringhofer. He specialises in business, commercial, corporate and tax law, mergers and acquisitions, and contract law.

REGINA PREHOFER, second deputy chairperson of the Supervisory Board appointed for the first time on 7 July 2011, appointed until the 22nd Annual General Meeting in 2016. 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 customer 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 overall responsibility for UniCredit Group's 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 customer 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, appointed for the first time on 7 July 2011, appointed until the 22nd Annual General Meeting in 2016. 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.

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

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

Additional information on the Supervisory Board and its composition is available online at http://www.ats.net/company/supervisory-board/.

Independence of Supervisory Board members

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

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

- The ÖCGK specifies that the majority of Supervisory Board members representing the shareholders must be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria to be used in determining the independence of its members.
- Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the Company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The following criteria are applied in determining the independence of Supervisory Board members:
- The Supervisory Board member 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 declared whether they were independent in the meaning of the above criteria at the meeting of 7 March 2013. 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 for companies with a free float in excess of 50%, at least two Supervisory Board members who are independent should also not be shareholders with interests in excess of 10%, or representatives of such interests. Five of the eight Supervisory Board members representing the shareholders – Willibald Dörflinger, Karl Fink, Albert Hochleitner, Regina Prehofer and Karin Schaupp – declared themselves independent within the meaning of C Rule 54.

DIVERSITY Expertise and management experience are vital considerations when selecting members of the Supervisory Board. Diversity also has a role to play. 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 43 and 75. All members of the Supervisory Board representing shareholder interests have extensive experience of international business and as such have a highly international outlook.

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 2012/13, fees for such services amounted to EUR 365,000.

The Group has procured consultancy services from Dörflinger Management & Beteilungs GmbH, which is under the direct influence of Willibald Dörflinger, Deputy Chairman of the Supervisory Board. In the financial year 2012/13, fees for such services amounted to EUR 6,000.

Committees

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

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

- Regina Prehofer (chairwoman)
  (until 31 May 2012: Willibald Dörflinger)
- 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 ended 31 March 2013, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2012/13, and the discussion of the risk management, internal control and internal audit systems. The Chairman of the Audit Committee was also involved in the quarterly reporting in the period under review and reported on these matters to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE 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. In light of this, the Nomination and Remuneration committee met twice in the financial year just ended. The Nomination and Remuneration Committee is authorised to make decisions in cases of urgency. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies. After the resignation of Thomas Obendrauf from the Management Board, the Nomination and Remuneration Committee and the Management Board agreed that Chairman of the Management Board would assume the managerial responsibilities of the Chief Financial Officer until a new Management Board member was appointed. The Supervisory Board's Nomination and Remuneration Committee immediately began the process of identifying a successor and has been making intensive efforts to secure an appointment.

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 2012/13 annual and consolidated financial statements.

TOTAL REMUNERATION OF MANAGEMENT BOARD MEMBERS

	Financial year 2012/13			Financial year 2011/12		
In EUR '000	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	396	–	396	388	203	591
Heinz Moitzi	310	–	310	308	190	498
Thomas Obendrauf*	499	–	499	322	212	534
Steen E. Hansen*	–	–	–	–	242	242
	1,205	–	**1,205**	1,018	847	**1,865**

* retired

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

	Allocated on 1 April				
	2009	2010	2011	2012	Total
Andreas Gerstenmayer	n.a	40,000	40,000	40,000	120,000
Heinz Moitzi	30,000	30,000	30,000	30,000	120,000
Thomas Obendrauf[1]	1,500	1,500	30,000	30,000	63,000
Exercise price (EUR)	3.86	7.45	16.60	9.86	

[1] Thomas Obendrauf was previously a member of the Stock Option Scheme in his senior management position (from which he retired with effect from 31 March 2013). 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 date of grant expire without compensation.

The variable remuneration of the Management Board not consisting of stock options, and of all employees whose remuneration includes variable elements, depended on the achievement of two performance measures defined in the budget, with equal weight attached to return on capital employed (ROCE) and cash earnings. The weighting of these two performance measures 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. No variable remuneration was paid as the relevant performance targets were not met in the financial year 2012/13.

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

Management Board pension entitlements are defined benefit or defined contribution plans agreed individually. Mr 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 was paid into a pension fund.

SUPERVISORY BOARD REMUNERATION

TOTAL REMUNERATION FOR SERVICES RENDERED BY MEMBERS OF THE SUPERVISORY BOARD IN THE FINANCIAL YEAR, AS RECOMMENDED TO THE ANNUAL GENERAL MEETING, WAS AS FOLLOWS:

	Financial year 2012/13				
In EUR '000	Fixed	Committees	Variable	Meetings	Total
Hannes Androsch	30.0	3.0	–	2.0	35.0
Willibald Dörflinger	25.0	–	–	2.0	27.0
Georg Riedl	20.0	2.0	–	1.6	23.6
Regina Prehofer	20.0	3.0	–	2.0	25.0
Albert Hochleitner	20.0	2.0	–	2.0	24.0
Karl Fink	20.0	2.0	–	2.0	24.0
Gerhard Pichler	20.0	2.0	–	2.0	24.0
Karin Schaupp	20.0	–	–	2.0	22.0
	175.0	**14.0**	–	**15.6**	**204.6**

The Chairman of the Supervisory Board receives fixed remuneration of EUR 30,000 per financial year, the first Deputy Chairman EUR 25,000 and all other elected members EUR 20,000. Chairmanship of a Committee is remunerated with a fixed amount of EUR 3,000 per financial year, and membership of a Committee with EUR 2,000. The attendance fee is generally EUR 400 per Supervisory Board meeting. The variable element of Supervisory Board remuneration consists of attendance fees and a bonus based on AT&S's achieving the level of ROCE established in the budget. In addition, the Chairman of the Supervisory Board receives an ROCE-based 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. No variable remuneration was paid as the relevant performance targets were not met in the financial year 2012/13.

The remuneration for the members of the Supervisory Board is determined retrospectively for the financial year just ended by means of a resolution at the Annual General Meeting. Remuneration paid to members of the Supervisory Board in the financial year 2012/13 for the previous financial year was in accordance with the resolution passed at the 18th Annual General Meeting of 5 July 2012.

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

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O INSURANCE) 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 and dealings

	Shares				Options (according to Stock Option Plan)		
In EUR '000	As of 31 March 2012	Change	As of 31 March 2013	% capital	As of 31 March 2012	Allocated/ exercised/lapsed	As of 31 March 2013
Heinz Moitzi	1,672	–	1,672	0.01%	114,000	–	114,000
Andreas Gerstenmayer	–	–	–	0.00%	80,000	40,000	120,000
Thomas Obendrauf	–	–	–	0.00%	34,500	-34,500	–
Hannes Androsch	445,853	–	445,853	1.72%			
Androsch Privatstiftung	5,570,666	–	5,570,666	21.51%			
Dörflinger Privatstiftung	4,594,688	–	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%			
Total – all directors' holdings and dealings	**10,641,291**		**10,641,291**	**41.09%**	**228,500**	**5,500**	**234,000**
Own shares[1)]	2,577,412	–	2,577,412	9.95%			
Other shares in issue	12,681,297	–	12,681,297	48.96%			
Total	**25,900,000**		**25,900,000**	**100.00%**			

1) The nominal value of treasury stock at 31 March 2013 was EUR 2,835,153.

The share options held by Thomas Obendrauf remained exercisable until 31 March 2013, i.e. the date he left the company and the date his contract expired. Share options granted to him but not exercised by 31 March 2013 expired without compensation.

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 to make every effort 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 ("Corporate Directive Issuer Compliance") which covers all Supervisory Board members and complies with the provisions of the Issuer Compliance Regulation of the Austrian Financial Market Authority and all other statutory regulations applicable to the financial markets. The Group Guidelines on Issuer Compliance were adapted in the financial year 2012/13 to reflect the changes in the Issuer Compliance Order (Federal Law Gazette [FLG] II No. 213/2007 as amended by FLG II No. 30/2012) enacted by the Austrian Finance Market Authority, which entered into force on 1 December 2012. The Compliance Officer constantly monitors adherence to these guidelines. During the 2012/13 financial year there were no instances of violations of the compliance regulations.

Management Board

Andreas Gerstenmayer m.p.

Heinz Moitzi m.p.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with AT&S

Aviation and Security Applications

AT&S - part of your daily life

Consolidated Financial Statements as of 31 March 2013

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Consolidated Statement of Profit or Loss

(in EUR 1,000)	Note	Financial year ended 31 March 2013	2012
Revenue	1	541,673	514,180
Cost of sales	2	(464,757)	(430,682)
Gross profit		76,916	83,498
Distribution costs	2	(28,195)	(25,590)
General and administrative costs	2	(19,102)	(21,632)
Other operating result	4	1,275	5,863
Operating result		30,894	42,139
Finance income	6	527	2,690
Finance costs	6	(15,354)	(12,577)
Finance costs - net		(14,827)	(9,887)
Profit before tax		16,067	32,252
Income taxes	7	(1,965)	(5,738)
Profit for the year		**14,102**	**26,514**
thereof owners of the parent company		14,101	26,550
thereof non-controlling interests		1	(36)
Earnings per share attributable to equity holders of the parent company (in EUR per share):	24		
- basic		0.60	1.14
- diluted		0.60	1.14

Consolidated Statement of Comprehensive Income

(in EUR 1,000)	Financial year ended 31 March 2013	2012
Profit for the year	**14,102**	**26,514**
Currency translation differences	22,285	34,764
Fair value gains/(losses) of available-for-sale financial assets, net of tax	(28)	(13)
Fair value gains/(losses) on hedging instruments for cash flow hedges, net of tax	68	(162)
Other comprehensive income for the year	**22,325**	**34,589**
Total comprehensive income for the year	**36,427**	**61,103**
thereof owners of the parent company	36,423	61,137
thereof non-controlling interests	4	(34)

Consolidated Statement of Financial Position

(in EUR 1,000)	Note	31 March 2013	31 March 2012
ASSETS			
Non-current assets			
Property, plant and equipment	8	437,763	454,466
Intangible assets	9	1,952	2,451
Financial assets	13	96	96
Overfunded retirement benefits	17	538	581
Deferred tax assets	7	21,323	16,819
Other non-current assets	10	9,657	8,730
		471,329	483,143
Current assets			
Inventories	11	62,417	64,909
Trade and other receivables	12	111,802	115,483
Financial assets	13	770	768
Current income tax receivables		657	617
Cash and cash equivalents	14	80,226	29,729
		255,872	211,506
Total assets		**727,201**	**694,649**
EQUITY	**22**		
Share capital	23	45,914	45,535
Other reserves		44,877	22,555
Retained earnings		221,713	215,075
Equity attributable to owners of the parent company		312,504	283,165
Non-controlling interests		(51)	(55)
Total equity		**312,453**	**283,110**
LIABILITIES			
Non-current liabilities			
Financial liabilities	16	168,665	188,729
Provisions for employee benefits	17	15,206	13,895
Other provisions	18	10,437	11,422
Deferred tax liabilities	7	6,386	5,701
Other liabilities	15	3,948	3,641
		204,642	223,388
Current liabilities			
Trade and other payables	15	77,348	98,037
Financial liabilities	16	129,837	84,399
Current income tax payables		1,299	3,551
Other provisions	18	1,622	2,164
		210,106	188,151
Total liabilities		**414,748**	**411,539**
Total equity and liabilities		**727,201**	**694,649**

Consolidated Statement of Cash Flows

(in EUR 1,000)	Financial year ended 31 March 2013	2012
Cash flows from operating activities		
Profit for the year	14,102	26,514
Adjustments to reconcile profit for the year to cash generated from operating activities:		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	70,991	61,217
Changes in non-current provisions	265	1,020
Income taxes	1,965	5,738
Finance costs	14,827	9,887
(Gains)/losses from the sale of fixed assets	777	(726)
Release of government grants	(808)	(657)
Other non-cash expense/(income), net	(692)	1,416
Changes in working capital:		
- Inventories	4,154	(8,992)
- Trade and other receivables	1,585	3,416
- Trade and other payables	(15,095)	7,690
- Other provisions	(551)	(518)
Cash generated from operating activities	91,520	106,005
Interest paid	(13,102)	(9,634)
Interest and dividends received	494	216
Income taxes paid	(7,239)	(9,380)
Net cash generated from operating activities	**71,673**	**87,207**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(43,959)	(113,228)
Proceeds from sale of property, plant and equipment and intangible assets	3,500	143
Proceeds from sale of available-for-sale financial assets	35	–
Acquisition of non-controlling interests	–	(473)
Purchases of financial assets	(292)	(2,193)
Proceeds from sale of financial assets	167	2,162
Net cash used in investing activities	**(40,549)**	**(113,589)**
Cash flows from financing activities		
Proceeds from long-term bonds	–	98,999
Changes in other financial liabilities	23,921	(42,330)
Proceeds from government grants	1,475	2,609
Dividends paid	(7,463)	(8,396)
Net cash generated from financing activities	**17,933**	**50,882**
Net increase in cash and cash equivalents	**49,057**	**24,500**
Cash and cash equivalents at beginning of the year	29,729	4,227
Exchange gains on cash and cash equivalents	1,440	1,002
Cash and cash equivalents at end of the year	**80,226**	**29,729**

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 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
thereof currency translation differences	–	34,762	–	–	2	34,764
thereof change in available-for-sale financial assets, net of tax	–	(13)	–	–	–	(13)
thereof change in hedging instruments for cash flow hedges, net of tax	–	(162)	–	–	–	(162)
Total comprehensive income for the year 2011/12	–	34,587	26,550	61,137	(34)	61,103
Dividends paid relating to 2010/11	–	–	(8,396)	(8,396)	–	(8,396)
Change 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**
Profit for the year	–	–	14,101	14,101	1	14,102
Other comprehensive income for the year	–	22,322	–	22,322	3	22,325
thereof currency translation differences	–	22,282	–	–	3	22,285
thereof change in available-for-sale financial assets, net of tax	–	(28)	–	–	–	(28)
thereof change in hedging instruments for cash flow hedges, net of tax	–	68	–	–	–	68
Total comprehensive income for the year 2012/13	–	22,322	14,101	36,423	4	36,427
Dividends paid relating to 2011/12	–	–	(7,463)	(7,463)	–	(7,463)
Change in treasury shares, net of tax	379	–	–	379	–	379
31 March 2013	**45,914**	**44,877**	**221,713**	**312,504**	**(51)**	**312,453**

Notes to the 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 in the segments Mobile Devices, Automotive, Aviation, Industrial, Medical & Healthcare and Advanced Packaging. 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 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 convention, 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 2013 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 (balance sheet date: 31 December 2012), its consolidation was performed on the basis of the interim financial statements as of 31 March 2013.

The consolidated financial statements have been approved for issue by the Board of Directors on 7 May 2013. The separate financial statements of the Company, which are included in the consolidation after adoption of the applicable accounting standards, will be presented for approval to the Supervisory Board on 3 June 2013. 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.

GROUP OF CONSOLIDATED ENTITIES In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries as of the 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 Asia Pacific Limited, Hong Kong (hereinafter referred to as AT&S Asia Pacific), share 100%
- AT&S (China) Company Limited, China (hereinafter referred to as AT&S China), 100% subsidiary of AT&S Asia Pacific
- AT&S (Chongqing) Company Limited, China (hereinafter referred to as AT&S Chongqing), 100% subsidiary of AT&S Asia Pacific
- AT&S Japan K.K., Japan, 100% subsidiary of AT&S Asia Pacific
- AT&S (Taiwan) Co., Ltd., Taiwan (hereinafter referred to as AT&S Taiwan), 100% subsidiary of AT&S Asia Pacific
- AT&S India Private Limited, India (hereinafter referred to as AT&S India), 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 Deutschland GmbH, Germany, share 100%
- C2C Technologie für Leiterplatten GmbH in Liqu., Austria, share 100%
- DCC - Development Circuits & Components GmbH in Liqu., Austria, share 100%
- AT & S Klagenfurt Leiterplatten GmbH, Austria, share 100%

In the financial year 2012/13 the Company has transferred the 100% share in the AT&S China to AT&S Asia Pacific. Further the Company contributed the subsidiary AT&S Verwaltungs GmbH & Co KG to the Company by transferring the shares of the existing shareholders. The two subsidiaries C2C Technologie für Leiterplatten GmbH in Liqu. and DCC – Development Circuits & Components GmbH in Liqu. are in liquidation at the balance sheet date. All three subsidiaries were non-operating in the financial year 2012/13.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets and, accordingly, recognise 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 profit or loss.

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.

METHODS OF CONSOLIDATION 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 revenues and incurring expenses, and these may also relate to business transactions with other operating segments of the entity. Separate financial information is available for the individual operating segments. The chief operating decision maker of the Group is the Management Board of the Company.

In the financial year 2011/12 the Management Board – with the Supervisory Board's approval – decided to improve the Group's organisational structure with the aim of adapting its operational processes even more effectively to its customers' needs. Three business units were created: Mobile Devices, Industrial & Automotive and Advanced Packaging.

The business unit Mobile Devices is responsible for the production of printed circuit boards for mobile end-user devices such as smartphones, tablets, digital cameras and portable media players. The printed circuit boards for these applications are largely produced in our Shanghai (AT&S China) facility.

The business unit Industrial & Automotive supplies automotive component suppliers and customers in the industrial, medical technology, aerospace and other sectors. Production for this business segment takes place at our plants in India, Korea and in all of our Austrian facilities.

The business unit Advanced Packaging specialises in new, technologically highly advanced applications. A variety of components are integrated directly into printed circuit boards in order to enable further reductions in the size of end-user devices while also enhancing the functionality. The new technology is useful in a wide range of applications. This business unit is still under development and is therefore not yet shown separately, but is included in "Others".

Since the internal reporting was adjusted to suit that structure, the segment reporting format was changed accordingly.

Since no comparable information is available for the financial year 2011/12, no comparative segment operating results for that year are shown.

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 financial year. 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 "available-for-sale financial assets", are recognised in profit or loss. Translation differences from "available-for-sale financial assets" are recognised directly in equity and not in profit or loss.

d. REVENUE RECOGNITION Revenues comprise the fair value of the consideration received or receivable in the course of the Group'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. Revenues are recognised net of VAT, discounts and price reductions, and after elimination of intercompany sales. Revenues are realised as follows:

REVENUES FROM PRODUCT SALES Revenues from product sales are recognised when significant 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 profit or loss 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 deferred 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 amortisation of goodwill.

Deferred taxes on not yet realised profits/losses of available-for-sale financial assets and on not yet realised profits/losses from hedging instruments for cash flow hedges 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 acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition or production costs of this asset. In these consolidated financial statements, no such borrowing costs have been capitalised.

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

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

Plants and buildings	10–50 years
Machinery and technical equipment	4–15 years
Tools, fixtures, furniture and office equipment	3–15 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.

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

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

Profits or losses resulting from the closure or retirement of non-current assets, which arise from the difference between the recoverable and the carrying amounts, are recognised in profit or loss.

g. INTANGIBLE ASSETS

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

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 is verifiable.
- 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 largely 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 statement of financial position 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 gains and losses are recognised in profit or loss in "Finance costs - net". 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 that are not quoted in an active market. In the statement of financial position the respective assets are recognised under the item "Trade and other receivables".

AVAILABLE-FOR-SALE FINANCIAL ASSETS Available-for-sale financial assets 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 gains and losses, net of tax, are recognised in other comprehensive income and not taken through profit or loss until they are sold or considered as impaired.

Interest income and dividends from available-for-sale securities are recognised in profit or loss under "Finance costs - net".

When a security available-for-sale is sold, the accumulated unrealised gain or loss recognised in equity is included in profit or loss in "Finance costs - net" in the reporting period.

When an available-for-sale security is considered impaired, the accumulated unrealised loss recognised in equity is recognised in profit or loss in "Finance costs - net". 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 non-listed equity instruments cannot be determined reliably, these financial assets will be measured at cost. Impairment losses, if any, are recognised in profit or loss, 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 hedging instruments for cash flow hedges. 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 and losses from derivative financial instruments are recognised in profit or loss in "Finance costs – net".

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 are as follows:

- 1.24% relates to the equity interest in AT&S Korea

The profit 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. PROVISIONS FOR 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 a special purpose entity (fund). These contributions are charged to staff costs. 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 Management 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".

Staff costs reported in the respective financial year are based on expected values and include the acquired claims, the interest expense, the actuarial gains or losses using the corridor method as well as the investment results of the assets provided for coverage.

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

SEVERANCE PAYMENTS Provisions for severance payments 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 severance payment obligations. In accordance with IAS 19 these liabilities are calculated using the projected unit credit method, taking into consideration the corridor method and represent severance payment obligations not covered by plan assets. Actuarial gains or losses exceeding the corridor are recognised in profit or loss over the expected average remaining working lives of the employees covered by the plan. For employees who joined as of 1 January 2003 the severance payment obligation is fulfilled by regular contributions to a staff provision fund ("Mitarbeitervorsorgekasse"). These contributions are included in staff costs. The Company has no further payment obligations once the contributions have been paid.

For employees of the company in India obligations for severance payments are covered by life insurances. Furthermore, severance payment 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 severance payments, 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 has issued stock option plans that are settled either in cash or in treasury shares, with the choice of settlement being with the entitled employees. These stock option plans are accounted for in accordance with IFRS 2 "Share-based Payment".

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

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

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

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in liabilities as deferred government grants; they are recognised in profit or loss 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 profit or loss in the other operating result.

t. CONTINGENT LIABILITIES, CONTINGENT RECEIVABLES AND OTHER FINANCIAL OBLIGATIONS Contingent liabilities are not recognised in the statement of finacial position, 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 There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2012 that would be expected to have a material impact on the consolidated financial statements.

The IASB issued additional standards and amendments to standards and interpretations that are not yet mandatory in the financial year 2012/13. 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 impacts
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)*	1/1/2014	Yes	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)*	1/1/2014	Yes	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)*	1/1/2014	Yes	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	Yes	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	Yes	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 fiscal 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, revenues 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. "Provisions for employee benefits").

On 31 March 2013 a reduction of the discount rate (actuarial parameter) for the Austrian companies by 0.5% from 3.75% to 3.25% would affect the projected retirement and severance payment obligations as follows:

(in EUR 1,000)	Retirement benefits	Severance payments
Increase present value of obligation	1.082	974

An increase in the interest rate (actuarial parameter) for the Austrian companies by 0.5% from 3.75% to 4.25% would have the following effects on the present value of retirement and severance payment obligations at 31 March 2013:

(in EUR 1,000)	Retirement benefits	Severance payments
Reduction present value of obligation	960	890

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

MEASUREMENT OF DEFERRED TAXES AND INCOME TAX LIABILITIES 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 39.3 million were not recognised for tax loss carry-forwards in the Group of EUR 154.9 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 and a related tax income 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 provisions, as well as the measurement of derivative financial instruments, allowances for doubtful accounts and measurements of inventory. Reference is particularly 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 operating 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, 84% (in 2011/12 85%) of the borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments, and most of the remaining 16% variable interest rate loans (in 2011/12 15%) have maturities between one and three years. 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.

As of 31 March 2013 the Group has liquidity reserves in the amount of EUR 272.1 million (at 31 March 2012 EUR 304.4 million), EUR 81 million (at 31 March 2012 EUR 30.6 million) of which is accounted for by cash (equivalents) and securities held for trading and available-for-sale securities, and EUR 191.1 million (at 31 March 2012 EUR 273.8 million) by available unused credit facilities. Thus, the liquidity reserves decreased by EUR 32.3 million year-on-year, with EUR 91.8 million (at 31 March 2012 EUR 31.5 million) included in the current reserves, which relate to AT&S China and are subject to specific liquidity requirements.

The Company is authorised, subject to the approval of the Supervisory Board, to issue up to 12,950,000 new shares from authorised capital, as well as convertible bonds in a total nominal amount of up to EUR 100 million. 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 2012/13 amounts to EUR 71.7 million (in 2011/12 EUR 87.2 million). Thus, the investments made in the reporting year could be financed from the operating cash flow.

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 characterised by high volumes demanded. During the financial year ended 31 March 2013, 53% of the Group's total revenue was attributable to its five largest customers with individual absolute shares ranging from 5% to 23%.

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. In the Group transaction risks are initially managed by closing positions (netting), in general 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 prerequisites 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 0.5 million lower (or higher, respectively) (in 2011/12 EUR 0.4 million), 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 and the new interest rates would have to be applied to the amount of equity and liabilities at the balance sheet date.

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 0.2 million (in 2011/12 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 (in 2011/12 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 (cancellation 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 2013 amounted to 69.6% (at 31 March 2012 85.7%) and is thus well below the prior year level.

III. Segment Reporting

The segment information has been adapted according to the Management Approach Concept to the changed organisational structure, which is in use for the internal group reporting and is presented in the following (refer to I.B.b. “Segment reporting”).

The primary reportable segments consist of the business units Mobile Devices, Industrial & Automotive and Advanced Packaging. The business unit Advanced Packaging is being established and has not yet reached the quantitative threshold for a separate reporting and is displayed in “Others”. The group management as well as the financial activities are not divided into the mentioned segments and are also included in “Others”.

The key factor for the operative management is the operating result. The reconciliation to consolidated amounts also includes the corresponding consolidation.

Transfers and transactions between the segments are executed at arm’s length, as with independent third parties. The segment reporting is prepared in accordance with the principles set out in I.B. “Summary of significant accounting policies”.

FINANCIAL YEAR 2012/13:

(in EUR 1,000)	Mobile Devices	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenues	334,650	243,745	2,079	(38,801)	541,673
Intersegment revenues	(37,364)	(1,147)	(290)	38,801	–
Revenue from external customers	297,286	242,598	1,789	–	541,673
Operating result	21,175	11,967	(2,393)	145	30,894
Finance costs - net					(14,827)
Profit before tax					16,067
Income taxes					(1,965)
Profit for the year					14,102
Property, plant and equipment and intangible assets	383,203	49,095	7,417	–	439,715
Investments	29,667	4,246	1,544	–	35,457
Depreciation/amortisation	60,833	7,949	2,209	–	70,991

FINANCIAL YEAR 2011/12:

(in EUR 1,000)	Mobile Devices	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenues	320,392	215,714	1,559	(23,485)	514,180
Intersegment revenues	(23,365)	–	(120)	23,485	–
Revenue from external customers [1]	297,027	215,714	1,439	–	514,180
Operating result [2]	–	–	–	–	42,139
Finance costs - net					(9,887)
Profit before tax					32,252
Income taxes					(5,738)
Profit for the year					26,514
Property, plant and equipment and intangible assets	395,201	53,825	7,891	–	456,917
Investments	88,542	11,154	1,773	–	101,469
Depreciation/amortisation	51,334	8,089	1,794	–	61,217

INFORMATION BY GEOGRAPHIC REGION A presentation of revenues is given based on ship–to-region. Non-current assets (property, plant and equipment and intangible assets) are presented by the domicile of the Company and the subsidiaries.

Revenues broken down by customer region :

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Austria	19,884	20,915
Germany	125,589	130,474
Hungary	21,131	38,808
Other European countries	49,669	38,679
Asia	255,046	206,612
Canada, USA, Mexico	63,262	72,882
Others	7,092	5,810
	541,673	**514,180**

Non-current assets broken down by domicile:

	31 March	
(in EUR 1,000)	2013	2012
Austria	26,056	27,576
China	383,157	395,135
Others	30,502	34,206
	439,715	**456,917**

[1] As a result of a change in the method of foreign currency translation, there are minor differences in the disclosure of segment revenues compared to the Annual Report 2011/12.

[2] The operating result for the new segments cannot be calculated retrospectively for the financial year 2011/12, and an alternative presentation of current operating results on the basis of the old segments is not available for financial year 2012/13. For this reason, no comparative figures are disclosed for financial year 2011/12, and there is no alternative presentation of the operating result for financial year 2012/13.

IV. Notes to the Consolidated Statement of Profit or Loss

1. REVENUE

(in EUR 1,000)	Financial year 2012/13	2011/12
Main revenue	541,363	513,902
Incidental revenue	310	278
	541,673	**514,180**

2. TYPES OF EXPENSES

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

(in EUR 1,000)	Financial year 2012/13	2011/12
Cost of materials	205,180	196,535
Staff costs	110,275	101,968
Depreciation/amortisation	70,970	61,206
Purchased services incl. leased personnel	34,019	30,490
Energy	32,398	30,505
Maintenance (incl. spare parts)	29,879	30,280
Transportation costs	10,372	9,598
Rental and leasing expenses	5,214	5,067
Change in inventories	1,444	(4,518)
Other	12,303	16,773
	512,054	**477,904**

In the financial years 2012/13 and 2011/12, 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 24,684 and TEUR 32,895 in the financial years 2012/13 and 2011/12, 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 2012/13	2011/12
Income from the reversal of government grants	626	151
Government grants for expenses	1,537	4,228
Expenses from foreign exchange differences	(489)	(595)
Gains/(losses) from the sale of non-current assets	(777)	726
Start-up losses	(890)	(1,770)
Miscellaneous other income	1,268	3,123
	1,275	**5,863**

In the financial years 2012/13 and 2011/12, government grants for expenses mainly relate to export refunds as well as research and development awards. In both financial years the start-up losses relate to the construction of the plant in Chongqing, China. As in the financial year 2011/12, the item "miscellaneous other income" mainly relates to subsequent incoming receivables and the derecognition of other liabilities written off.

5. NON-RECURRING ITEMS

In the past and previous financial year, no non-recurring costs or income were incurred.

6. FINANCE COSTS - NET

(in EUR 1,000)	Financial year 2012/13	2011/12
Interest income from financial assets at fair value through profit or loss and available-for-sale financial assets	5	90
Other interest income	489	127
Gains from the sale of cash equivalents	3	–
Gains from the sale of available-for-sale financial assets	30	–
Realised losses from derivative financial instruments, net	–	(32)
Gains from the measurement of derivative financial instruments at fair value, net	–	35
Foreign exchange gains, net	–	2,470
Finance income	**527**	**2,690**
Interest expense on bank borrowings and bonds	(13,860)	(12,197)
Realised losses from derivative financial instruments, net	(125)	–
Losses from the sale of cash equivalents and financial assets at fair value through profit or loss	–	(154)
Foreign exchange losses, net	(1,037)	–
Other financial expenses	(332)	(226)
Finance costs	**(15,354)**	**(12,577)**
Finance costs - net	**(14,827)**	**(9,887)**

7. INCOME TAXES

The income taxes are broken down as follows:

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Current income taxes	5,185	9,533
Deferred taxes	(3,220)	(3,795)
Total tax expense	**1,965**	**5,738**

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:

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Expected tax expense at standard Austrian tax rate	4,017	8,063
Effect of different tax rates in foreign countries	(1,700)	(4,105)
Non-creditable foreign withholding taxes	201	2,000
Effect of change in previously unrecognised tax losses and temporary differences	(1,966)	3,862
Effect of the change in tax rate	(922)	(3,023)
Effect of permanent differences	2,323	(1,093)
Effect of taxes from prior periods	13	23
Other tax effects, net	(1)	11
Total tax expense	**1,965**	**5,738**

Deferred tax assets and liabilities consist of the following items and loss carryforwards:

	31 March	
(in EUR 1,000)	2013	2012
Deferred tax assets		
Tax loss carryforwards including taxable goodwill	6,201	5,366
Non-current assets	13,357	10,591
Inventories	1,946	1,700
Trade and other receivables	680	31
Provisions for employee benefits	880	990
Temporary differences arising from shares in subsidiaries	629	979
Losses not yet realised from hedging instruments for cash flow hedges, recognised in equity	30	52
Others	1,292	544
Deferred tax assets	**25,015**	**20,253**
Deferred tax liabilities		
Non-current assets	(2,765)	(2,610)
Provisions for employee benefits	(135)	(115)
Other provisions	(115)	(84)
Trade payables	(659)	(455)
Temporary differences arising from shares in subsidiaries	(6,300)	(5,670)
Unrealised gains from securities available-for-sale, recognised in equity	(1)	(10)
Losses not yet realised from hedging instruments for cash flow hedges, recognised in equity	–	(1)
Others	(103)	(190)
Deferred tax liabilities	**(10,078)**	**(9,135)**
Deferred tax assets, net	**14,937**	**11,118**

Deferred tax assets and liabilities are netted if there is an enforceable right to offset current tax assets against current tax liabilities and when they are levied by the same taxation authority. The offset amounts are as follows:

	31 March	
(in EUR 1,000)	2013	2012
Deferred tax assets:		
- non-current	16,141	13,205
- current	5,182	3,614
	21,323	**16,819**
Deferred tax liabilities:		
- non-current	–	–
- current	(6,386)	(5,701)
	(6,386)	**(5,701)**
Deferred tax assets, net	**14,937**	**11,118**

At 31 March 2013 the Group has tax loss carryforwards and tax-deductible amortisation of goodwill amounting to a total of TEUR 174,218 (at 31 March 2012 TEUR 181,567), which for the most part can be carried forward for an unlimited period of time. For loss carryforwards amounting to TEUR 154,895 (at 31 March 2012 TEUR 164,701), included in this figure, deferred tax assets in the amount of TEUR 39,315 (at 31 March 2012 TEUR 41,667) were not recognised since it is unlikely that they could be realised in the foreseeable future. Of this amount, deferred tax assets in the amount of TEUR 1,052 (at 31 March 2012 TEUR 1,431) account for the measurement of treasury shares. Thus tax assets would have to be recognised directly in the Group’s equity.

Deferred taxes (net) changed as follows:

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Carrying amount at the beginning of the financial year	11,118	6,498
Currency translation differences	608	772
Income recognised in profit or loss	3,220	3,795
Income taxes recognised in equity	(9)	53
Carrying amount at the end of the financial year	**14,937**	**11,118**

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

	Financial year					
	2012/13			2011/12		
(in EUR 1,000)	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes
Currency translation differences	22,285	–	22,285	34,764	–	34,764
Gains/(losses) from the fair value measurement of available-for-sale financial assets	(41)	13	(28)	(13)	–	(13)
Gains/(losses) on the measurement of hedging instruments for cash flow hedges	90	(22)	68	(216)	54	(162)
Other comprehensive income	**22,334**	**(9)**	**22,325**	**34,535**	**54**	**34,589**

V. Notes to the Consolidated Statement of Financial Position

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 2012	55,713	359,465	5,166	34,122	454,466
Exchange differences	2,326	15,253	45	1,713	19,337
Additions	107	16,313	1,121	17,554	35,095
Disposals	(36)	(926)	(50)	–	(1,012)
Transfers	–	18,544	–	(18,544)	–
Depreciation, current	(3,698)	(64,685)	(1,740)	–	(70,123)
Net carrying amount 31 March 2013	**54,412**	**343,964**	**4,542**	**34,845**	**437,763**
At 31 March 2013					
Gross carrying amount	79,484	837,580	22,081	34,845	973,990
Accumulated depreciation	(25,072)	(493,616)	(17,539)	–	(536,227)
Net carrying amount	**54,412**	**343,964**	**4,542**	**34,845**	**437,763**

(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)	–
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**

The value of the land included in “Land, plants and buildings” amounts to TEUR 1,576 (at 31 March 2012 TEUR 1,509).

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

ENCUMBRANCES In connection with the provision of collateral for various financing agreements, property, plant and equipment in the amount of TEUR 1,684 (at 31 March 2012 TEUR 1,843) has been pledged as collateral. Reference is made to Note 16 “Financial liabilities“.

9. INTANGIBLE ASSET

(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 2012	2,451	–	2,451
Exchange differences	7	–	7
Additions	362	–	362
Amortisation, current	(868)	–	(868)
Net carrying amount 31 March 2013	**1,952**	–	**1,952**
At 31 March 2013			
Gross carrying amount	14,486	6,478	20,964
Accumulated amortisation	(12,534)	(6,478)	(19,012)
Net carrying amount	**1,952**	–	**1,952**

(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
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**

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

10. OTHER NON-CURRENT ASSETS

	31 March	
(in EUR 1,000)	2013	2012
Prepayments	6,011	5,847
Deposits made	3,646	2,883
Carrying amount	**9,657**	**8,730**

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

11. INVENTORIES

	31 March	
(in EUR 1,000)	2013	2012
Raw materials and supplies	25,769	26,818
Work in progress	16,282	16,555
Finished goods	20,366	21,536
Carrying amount	**62,417**	**64,909**

The balance of write-downs of inventories recognised as expense amounts to TEUR 9,806 as of 31 March 2013 (at 31 March 2012 TEUR 8,931).

In connection with various financing agreements, inventories in the amount of TEUR 0 (at 31 March 2012 TEUR 8) 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)	2013	2012
Trade receivables	90,919	84,611
VAT receivables	11,521	16,676
Other receivables from authorities	3,728	6,049
Prepayments	3,187	2,699
Energy tax refunds	1,508	777
Deposits	420	356
Insurance reimbursements	–	194
Other receivables	600	4,204
Impairments	(81)	(83)
	111,802	**115,483**

At 31 March 2013 other receivables mainly include prepaid expenses and at 31 March 2012 in addition receivables from asset sales.

In connection with various financing agreements trade receivables amounting to TEUR 32,000 (at 31 March 2012 TEUR 40,000) serve as collateral. Reference is made to Note 16 “Financial liabilities”.

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

REMAINING MATURITIES OF RECEIVABLES All receivables at 31 March 2013 and 31 March 2012 have remaining maturities of less than one year.

FACTORING At the balance sheet date 31 March 2013 receivables in the amount of TEUR 0 (TEUR 8,551) had been transferred to a bank under a non-recourse factoring arrangement and derecognised.

DEVELOPMENT OF PAST DUE RECEIVABLES AND IMPAIRMENTS OF TRADE RECEIVABLES

At 31 March 2013: (in EUR 1,000)	Carrying amount	thereof: not impaired and not past due or insured	thereof: not impaired and not insured and past due for the following periods			
			less than 3 months	between 3 and 6 months	between 6 and 12 months	more than 12 months
Trade receivables	90,919	89,784	1,004	50	–	–

At 31 March 2012: (in EUR 1,000)	Carrying amount	thereof: not impaired and not past due or insured	thereof: not impaired and not insured and past due 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	–	–

There were no indications at the balance sheet date that not impaired and overdue trade receivables would not be paid.

Impairments of trade receivables changed as follows:

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Impairments at the beginning of the financial year	83	89
Currency translation differences	(2)	(6)
Impairments at the end of the financial year	**81**	**83**

13. FINANCIAL ASSETS

The carrying amounts of the financial assets are as follows:

(in EUR 1,000)	31 March 2013	thereof non-current	thereof current
Financial assets at fair value through profit or loss	770	–	770
Available-for-sale financial assets	96	96	–
	866	**96**	**770**

(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**

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March	
(in EUR 1,000)	2013	2012
Bonds	770	732

All bonds are denominated in euro.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Carrying amount at the beginning of the financial year	132	156
Disposals	(5)	–
Unrealised gains/(losses) from the current period, recognised in equity	–	(20)
Realised gains/(losses) from the current period, removed from equity	(30)	–
Currency translation differences	(1)	(4)
Carrying amount at the end of the financial year	**96**	**132**

All available-for-sale financial assets are denominated in euro.

14. CASH AND CASH EQUIVALENTS

	31 March	
(in EUR 1,000)	2013	2012
Bank balances and cash on hand	80,225	29,729
Restricted cash	1	–
Carrying amount	**80,226**	**29,729**

At 31 March 2013 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 2013	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	55.129	55.129	–	–
Government grants	3.417	317	1.693	1.407
Liabilities to fiscal authorities and other state authorities	1.520	1.520	–	–
Liabilities to social security authorities	1.912	1.912	–	–
Liabilities from unconsumed vacations	3.582	3.582	–	–
Liabilities from stock options	180	119	61	–
Liabilities to employees	9.051	9.051	–	–
Other liabilities	6.505	5.718	787	–
Carrying amount	**81.296**	**77.348**	**2.541**	**1.407**

(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 state authorities	1.997	1.997	–	–
Liabilities to social security authorities	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**

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, if necessary, 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. The stock options may be exercised in full or in part after completion of the vesting period, not however during a restricted period. Options not exercised can be exercised after the expiration of the subsequent waiting period. Options not exercised within five years after the grant date lapse 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.

The stock options may be granted in the period between 1 April 2009 and 1 April 2012. A new stock option plan starting with 1 April 2013 was not completed.

The following table summarises information about all stock options granted until 31 March 2013.

	Date of grant				
	1 April 2012	1 April 2011	1 April 2010	1 April 2009	1 April 2008
Exercise price (in EUR)	9.86	16.60	7.45	3.86	15.67
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
Number of options granted	118,500	–	–	–	–
Number of options forfeited	–	–	–	–	–
Number of options exercised	–	–	10,000	10,000	–
Number of options expired	30,000	30,000	1,500	1,500	62,000
31 March 2013	**88,500**	**88,500**	**88,500**	**40,400**	**–**
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 2012	–	120	222	269	3
31 March 2013	65	7	46	118	–

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 9.55 in the financial year 2012/13 (in 2011/12 EUR 14.55).

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 2009, 1 April 2010, 1 April 2011 and 1 April 2012:

Risk-free interest rate	0.02-0.29%
Volatility	32.52-37.41%

Volatility is calculated based on the daily share prices from 1 October 2009 until the balance sheet date.

The fair value of the stock options granted is recognised as expense over their term

At 31 March 2013 the stock options exercisable intrinsic value is TEUR 47 (at 31 March 2012 TEUR 90).

At 31 March 2013 16,150 stock options are exercisable from the grant of 1 April 2009. At 31 March 2012 11,900 stock options are exercisable from the grant of 1 April 2009 and 10,000 stock options from the grant of 1 April 2010.

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

16. FINANCIAL LIABILITIES

(in EUR 1,000)	31 March 2013	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	184,810	85,527	99,283	–	5.00-5.50
Export loans	32,000	32,000	–	–	0.84
Loans from state authorities:					
- Public authorities	409	161	248	–	2.00-2.50
Other bank borrowings	81,165	12,031	46,134	23,000	2.00-6.15
Derivative financial instruments *)	118	118	–	–	
Carrying amount	**298,502**	**129,837**	**145,665**	**23,000**	

(in EUR 1,000)	31 March 2012	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	184,539	5,561	178,978	–	5.00-5.50
Export loans	40,000	40,000	–	–	1.72
Loans from state authorities:					
- Public authorities	404	161	243	–	2.00-2.50
Other bank borrowings	47,977	38,677	9,300	–	2.50-6.10
Derivative financial instruments *)	208	–	208	–	
Carrying amount	**273,128**	**84,399**	**188,729**	**–**	

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

The bond with a total nominal value of EUR 80 million was 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 5.00% 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 interest rate swaps. 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

In order to refinance the capital need for the plant in Chongqing, a long-term loan was raised under an OeKB equity financing program. The loan will be repaid in semi-annual instalments between September 2014 and February 2020. 80 percent of the loan carries a fixed interest rate and 20 percent a variable interest rate, with the variable portion scheduled to be repaid first. The main contract terms are as follows:

- Net debt/EBITDA max. 3
- Equity ratio at least 30%

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities at 31 March 2013 in consideration of interest rate hedging 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
2013/14					
Redemption	80,000	32,000	161	12,031	118
Fixed interest	9,400	–	6	2,492	–
Variable interest	–	273	–	370	–
2014/15					
Redemption	–	–	177	11,634	–
Fixed interest	5,000	–	2	2,127	–
Variable interest	–	–	–	230	–
2015/16					
Redemption	–	–	–	11,500	–
Fixed interest	5,000	–	1	2,066	–
Variable interest	–	–	–	23	–
2016/17					
Redemption	100,000	–	71	11,500	–
Fixed interest	5,000	–	1	1,662	–
Variable interest	–	–	–	–	–
2017/18					
Redemption	–	–	–	11,500	–
Fixed interest	–	–	–	1,219	–
Variable interest	–	–	–	–	–
after 2017/18					
Redemption	–	–	–	23,000	–
Fixed interest	–	–	–	1,089	–
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 2012 the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities in consideration of interest rate hedging were as follows for the next financial years:

(in EUR 1,000)	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
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	–	–	–	–	–

The bonds, export loans, loans from state authorities and other 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		Fair values 31 March	
(in EUR 1,000)	2013	2012	2013	2012
Bonds	184,810	184,539	200,924	198,185
Export loans	32,000	40,000	32,000	40,000
Loans from state authorities	409	404	414	410
Other bank borrowings	81,165	47,977	89,671	48,628
Derivative financial instruments	118	208	118	208
	298,502	**273,128**	**323,127**	**287,431**

The determination of the fair values is based on the discounted value of future payments, and is calculated using current market interest rates.

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

(in EUR 1,000)	31 March 2013	2012
Euro	295,842	251,065
US Dollar	883	17,713
Chinese Renminbi Yuan	134	2,516
Indian Rupee	–	38
Korean Won	1,631	1,750
Japanese Yen	12	46
	298,502	**273,128**

Bank borrowings are secured as follows:

- through property, plant and equipment in the amount of TEUR 1,684 (at 31 March 2012 TEUR 1,843). Reference is made to Note 8 "Property, plant and equipment";
- by inventories and trade receivables amounting to TEUR 32,000 (at 31 March 2012 TEUR 40,008). Reference is made to Note 11 "Inventories" and Note 12 "Trade and other receivables".

The Group's unused credit lines are as follows:

(in EUR 1,000)	31 March 2013	2012
Export credit lines - secured	8,000	–
Other credit lines - secured	163,071	253,819
Credit lines - unsecured	20,000	20,000
	191,071	**273,819**

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

(in EUR 1,000)	31 March 2013	2012
Less than 1 year	2,707	3,098
Between 1 and 5 years	8,407	8,144
Later than 5 years	4,468	6,852
	15,582	**18,094**

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 6,770 at 31 March 2013 (at 31 March 2012 TEUR 9,085) 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 statement of financial position as other provisions. Reference is made to Note 18 "Other provisions".

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

(in EUR 1,000)	Financial year 2012/13	2011/12
Leasing and rental expenses	2,914	3,451

17. PROVISIONS FOR EMPLOYEE BENEFITS

The provisions for employee benefits relate to pension, severance payments 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 503 in the financial year 2012/13 and to TEUR 509 in the financial year 2011/12.

DEFINED BENEFIT PLANS The Group operates non-contributory defined benefit plans for several members of the management board and other executive employees with no employees contribution required. 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 SEVERANCE PAYMENTS The employees in India are entitled to severance payments upon retirement or, under certain circumstances, upon leaving the company, the amount of which depends on years of service and compensation level. The severance payments range between half of a monthly salary per year of service and a fixed maximum. The obligations are covered by a life insurance.

UNFUNDED SEVERANCE PAYMENTS Employees in Austria, South Korea and China are entitled to receive severance payments, 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 severance payments range from 2 to 12 months of final monthly salary depending on years of service, in South Korea and China a fixed amount is paid depending also on years of service.

For employees who joined on or after 1 January 2003, regular contributions are paid to a staff provision fund ("Mitarbeitervorsorgekasse") without any further obligations on part of the Group. The contributions for the financial year 2012/13 amounted to TEUR 263 and for the financial year 2011/12 to TEUR 272.

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, severance payments and other employee benefits consist of the following:

	Retirement benefits		Severance payments		Other employee benefits	
	Financial year		Financial year		Financial year	
(in EUR 1,000)	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Current service cost	69	10	1,192	1,075	868	759
Interest expense	496	486	598	530	132	118
Settlements	–	–	239	–	–	–
Expected return on plan assets	(386)	(459)	(52)	(47)	–	–
Actuarial losses/(gains)	356	19	169	44	797	545
Total expenses	**535**	**56**	**2,146**	**1,602**	**1,797**	**1,422**

Expenses for retirement, severance and other employee benefits are recognised in cost of sales, distribution costs and general and administrative costs.

Amounts accrued in the **STATEMENT OF FINANCIAL POSITION** are:

(in EUR 1,000)	31 March 2013	31 March 2012
(Overfunded) retirement benefits	**(538)**	**(581)**
Unfunded retirement benefits	1,175	1,053
Unfunded severance payments	10,238	9,701
Other employee benefits	3,793	3,141
Provisions for employee benefits	**15,206**	**13,895**
Accrued retirement, severance payment and other employee benefits, net	14,668	13,314

Retirement benefits and severance payments in the statement of financial position are as follows:

	Retirement benefits 31 March		Severance payments 31 March	
(in EUR 1,000)	2013	2012	2013	2012
Present value of funded obligations	11,949	10,078	723	614
Fair value of plan assets	(9,479)	(8,377)	(610)	(589)
Funded status funded obligations	2,470	1,701	113	25
Present value of unfunded obligations	1,175	1,052	14,656	12,954
Unrealised actuarial gains/(losses)	(3,008)	(2,281)	(4,531)	(3,277)
Unrecognised past service costs	–	–	–	(1)
Provisions/(receivables) reported in the statement of financial position, net	637	472	10,238	9,701
thereof receivables (overfunded benefits)	(538)	(581)	–	–
thereof provisions (unfunded benefits)	1,175	1,053	10,238	9,701

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 2012/13	2011/12	Unfunded retirement benefits Financial year 2012/13	2011/12
Present value of retirement benefit obligation				
Present value at beginning of year	10,078	9,145	1,053	984
Current service cost	69	10	–	–
Interest expense	450	437	47	49
Actuarial losses/(gains)	1,517	912	271	20
Benefits paid	(165)	(426)	(196)	–
Present value at end of year	**11,949**	**10,078**	**1,175**	**1,053**
Fair value of plan assets				
Fair value at beginning of year	8,376	9,890		
Contributions to plan assets	176	32		
Expected return on plan assets	386	459		
Actuarial gains/(losses)	706	(1,579)		
Benefits paid	(165)	(426)		
Fair value at end of year	**9,479**	**8,376**		
Funded status funded retirement benefits	**2,470**	**1,702**		

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 2013	2012
Debt securities	36%	46%
Equity securities	41%	29%
Real estate	6%	4%
Cash and cash equivalents	17%	21%
	100%	**100%**

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The aggregate movement in funded and unfunded severance payments is as follows:

	Funded severance payments		Unfunded severance payments	
	Financial year		Financial year	
(in EUR 1,000)	2012/13	2011/12	2012/13	2011/12
Present value of severance payment obligation				
Present value at beginning of year	614	628	12,954	10,236
Exchange differences	(15)	(44)	37	21
Current service cost	45	48	1,147	1,027
Interest cost	49	49	549	481
Actuarial losses/(gains)	46	20	1,377	1,846
Settlements	–	–	239	–
Benefits paid	(16)	(87)	(1,646)	(657)
Present value at end of year	**723**	**614**	**14,657**	**12,954**
Fair value of plan assets				
Fair value at beginning of year	589	575		
Exchange differences	(15)	(42)		
Contributions to plan assets	–	96		
Expected return on plan assets	52	47		
Benefits paid	(16)	(87)		
Fair value at end of year	**610**	**589**		
Funded status	**113**	**25**		

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

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Present value at beginning of year	3,141	2,338
Exchange differences	66	112
Service cost	868	759
Interest expense	132	118
Actuarial losses/(gains)	797	545
Benefits paid	(1,211)	(731)
Present value at end of year	**3,793**	**3,141**

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

	Retirement benefits		Severance payments		Other employee benefits (anniversary bonuses)	
	31 March		31 March		31 March	
	2013	2012	2013	2012	2013	2012
Discount rate	3.75%	4.5%	3,75-8%	4.5-8.5%	2.5-3.75%	2.8-4.5%
Expected return on plan assets	4.65%	4.65%	8%	8%	–	–
Expected rate of compensation increase	2.25%	2.25%	3-7.75%	3-7.75%	3-13%	3-11%
Expected rate of pension increase	2%	2%	–	–	–	–
Retirement age	65	65	Individual according to respective local legislation	Individual according to respective local legislation	–	–

18. OTHER PROVISIONS

(in EUR 1,000)	Total	Warranty	Restructuring Leoben	Others
Carrying amount 31 March 2012	13,586	732	12,347	507
Utilisation	(1,350)	(112)	(789)	(449)
Reversal	(705)	(350)	–	(355)
Addition	865	137	–	728
Interest effect	(348)	–	(348)	–
Exchange differences	11	(2)	–	13
Carrying amount 31 March 2013	**12,059**	**405**	**11,210**	**444**

(in EUR 1,000)	Total	Warranty	Restructuring Leoben	Others
Carrying amount 31 March 2011	14,665	927	12,883	855
Utilisation	(1,883)	(196)	(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**	**732**	**12,347**	**507**

	31 March	
(in EUR 1,000)	2013	2012
thereof non-current	10,437	11,422
thereof current	1,622	2,164
Carrying amount	**12,059**	**13,586**

WARRANTY PROVISION The provision for warranty relates to the costs for already existing and 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 This provision relates to future vacancy costs for no longer used building space based on the non-cancellable property lease obligation. The provision was largely recognised in the amount of the present value of the expenses expected to be incurred until the end of the non-cancellable property lease obligation in December 2021.

OTHER PROVISIONS 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 at the balance sheet date:

	31 March 2013		31 March 2012	
(in EUR 1,000)	Assets	Liabilities	Assets	Liabilities
Interest rate swaps at fair value	–	118	–	208
Total market values	**–**	**118**	**–**	**208**
Net of current portion:				
Interest rate swaps at fair value	–	118	–	–
Current portion	**–**	**118**	**–**	**–**
Non-current portion	**–**	**–**	**–**	**208**

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

	31 March 2013		31 March 2012	
Currency	Nominal amount (in 1,000 local currency)	Market value (in EUR 1,000)	Nominal amount (in 1,000 local currency)	Market value (in EUR 1,000)
Euro	9,300	(118)	15,500	(208)

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

	31 March	
(in months)	2013	2012
Interest rate swaps	12	24

At 31 March 2013, 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 items in the statement of financial position by measurement category are as follows at the balance sheet date:

(in EUR 1,000) 31 March 2013	Fair values through profit or loss	Fair values in equity	Amortised cost	Total
Assets				
Non-current assets				
Financial assets	–	96	–	96
Current assets				
Trade and other receivables	–	–	91.438	91.438
Financial assets	770	–	–	770
Cash and cash equivalents	–	–	80.226	80.226
Liabilities				
Non-current liabilities				
Financial liabilities	–	–	168.665	168.665
Current liabilities				
Trade and other payables	–	–	64.180	64.180
Financial liabilities	–	118	129.719	129.837

(in EUR 1,000) 31 March 2012	Fair values through profit or loss	Fair values in equity	Amortised cost	Total
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

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 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 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Bonds	770	–	–	770
Available-for-sale financial assets	96	–	–	96
Financial liabilities				
Derivative financial instruments	–	118	–	118

(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
Available-for-sale financial assets	132	–	–	132
Financial liabilities				
Derivative financial instruments	–	208	–	208

NET RESULTS RELATING TO FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY Net gains or net losses relating to financial assets and liabilities by measurement category are as follows:

	Financial year	
(in EUR 1,000)	2012/13	2011/12
Loans and receivables	(450)	(2,029)
Financial assets at fair value through profit or loss	(89)	19
Available-for-sale financial assets	37	7
Financial liabilities at amortised cost	(14,897)	(9,728)
	(15,399)	**(11,731)**

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

TEUR -942 in net expense (in 2011/12 TEUR -2,156 in net expense) of the total net result from financial instruments is included in the operating result, and TEUR -14,457 (in 2011/12: TEUR -9,575 in net expense) in “Finance costs – net”.

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 2013 the Group has other financial commitments amounting to TEUR 16,854 (at 31 March 2012 TEUR 20,499) 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 1,424 (at 31 March 2012 TEUR 3,590). 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 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**
Change in treasury shares, net of tax	–	–	–	379	379
31 March 2013	**23,323**	**28,490**	**63,542**	**(46,118)**	**45,914**

ORDINARY SHARES At 31 March 2013 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 2013 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. This authorisation may be exercised in full or in part.

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 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 again 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 cancel 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 2012/13 shares were neither sold nor used for servicing the Company's stock option plan. At 31 March 2013 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 2012/13 and 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 again, 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 2012/13 a dividend of EUR 0.32 was paid per share (in 2011/12 EUR 0.36).

23. OTHER RESERVES

The reclassification adjustments 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	Available-for-sale financial assets	Hedging instruments for cash flow hedges	Other reserves
Carrying amount as of 31 March 2011	**(12,081)**	**44**	**5**	**(12,032)**
Balance of unrealised changes before reclassification, net of tax	34,762	(13)	(160)	34,589
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	(2)	(2)
Carrying amount as of 31 March 2012	**22,681**	**31**	**(157)**	**22,555**
Balance of unrealised changes before reclassification, net of tax	22,282	(8)	5	22,279
Transfer of realised changes recognised in the profit for the year, net of tax	–	(20)	63	43
Carrying amount as of 31 March 2013	**44,963**	**3**	**(89)**	**44,877**

With regard to the presentation of income taxes attributable to the individual components of the other comprehensive income, including reclassification adjustments, 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 2013 2,577,412 treasury shares are held, which are deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounts to 23.3 million in the financial year 2012/13 and to 23.3 million in the financial year 2011/12.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounts to 23.3 million in the financial year 2012/13 and to 23.4 million in the financial year 2011/12.

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

	Financial year	
(in 1,000)	2012/13	2011/12
Weighted average number of shares outstanding - basic	23,323	23,323
Diluting effect of options	17	48
Weighted average number of shares outstanding - diluted	**23,340**	**23,371**

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	
	2012/13	2011/12
Profit for the year (in EUR 1,000)	14,101	26,550
Weighted average number of outstanding shares - basic (in 1,000)	23,323	23,323
Basic earnings per share (in EUR)	**0.60**	**1.14**

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. The 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	
	2012/13	2011/12
Profit for the year (in EUR 1,000)	14,101	26,550
Weighted average number of outstanding shares - diluted (in 1,000)	23,340	23,371
Diluted earnings per share (in EUR)	**0.60**	**1.14**

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 2013 prepared under Austrian GAAP serve as the basis for the distribution of dividends. These financial statements reported retained earnings amounting to TEUR 19,383 at 31 March 2012 (at 31 March 2012 TEUR 24,237).

The distribution is subject to the resolution of the General Meeting. The Management Board and the Supervisory Board propose to the General Meeting to distribute a dividend of TEUR 4,665 from retained earnings and to carry forward the remaining balance. This profit distribution corresponds to a dividend of EUR 0.20 per outstanding no-par value share entitled to dividend at 31 March 2013 (with a total of 23,322,588 no-par value shares entitled to dividend at 31 March 2013).

26. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

After balance sheet date no material events occurred.

27. RELATED PARTY TRANSACTIONS

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

	Financial year	
(in EUR 1,000)	2012/13	2011/12
AIC Androsch International Management Consulting GmbH	365	385
Rechtsanwälte Riedl & Ringhofer	–	4
Dörflinger Management & Beteilungs GmbH	6	4
	371	**393**

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

MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In the financial year 2012/13 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 (until 31 March 2013)

In the financial year 2012/13 the following persons were elected members of the **SUPERVISORY BOARD:**

- Hannes Androsch (Chairman)
- Willibald Dörflinger (First Deputy Chairman)
- Regina Prehofer (Second Deputy Chairman)
- Karl Fink
- Albert Hochleitner
- Gerhard Pichler
- Georg Riedl
- Karin Schaupp

Delegated by the Works Council:

- Wolfgang Fleck
- Johann Fuchs
- Sabine Fussi
- Günther Wölfler

The number of outstanding stock options and staff costs from stock options granted are as follows:

	Number of outstanding stock options 31 March		Staff costs Financial year (in EUR 1,000)	
	2013	2012	2012/13	2011/12
Andreas Gerstenmayer	120,000	80,000	(41)	(43)
Heinz Moitzi	114,000	114,000	(67)	(170)
Thomas Obendrauf	–	34,500	(18)	–
Steen Ejlskov Hansen	–	–	–	(19)
Total Management Board	234,000	228,500	(126)	(232)
Total other executive employees	71,900	103,900	(37)	(101)
	305,900	**332,400**	**(163)**	**(333)**

The stock options of Thomas Obendrauf were exercisable until the retirement date (expiration of employment contract) on 31 March 2013. Granted stock options not exercised until 31 March 2013 lapsed without compensation. In addition, reference is made to the comments on the stock option plans under Note 15 "Trade and other payables".

Total remuneration paid to the members of the Management Board and to executive employees:

	Financial year 2012/13			Financial year 2011/12		
(in EUR 1,000)	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	396	–	396	388	203	591
Heinz Moitzi	310	–	310	308	190	498
Thomas Obendrauf	499	–	499	322	212	534
Steen Ejlskov Hansen	–	–	–	–	242	242
Executive employees	3,446	124	3,570	3,445	711	4,156
			4,775			**6,021**

The fixed compensation in the financial year 2012/13 of Thomas Obendrauf includes contractual severance payments and other claims in connection with the early termination of the management contract.

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

	Severance payments Financial year		Retirement benefits Financial year	
(in EUR 1,000)	2012/13	2011/12	2012/13	2011/12
Management Board and executive employees	186	114	645	218

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 2012/13			Financial year 2011/12		
(in EUR 1,000)	Fixed	Variable	Total	Fixed	Variable	Total
Hannes Androsch	35	–	35	33	11	44
Willibald Dörflinger	27	–	27	29	6	35
Regina Prehofer	25	–	25	15	6	21
Karl Fink	24	–	24	24	6	30
Albert Hochleitner	24	–	24	23	6	29
Gerhard Pichler	24	–	24	23	6	29
Georg Riedl	24	–	24	23	6	29
Karin Schaupp	22	–	22	16	6	22
	205	**–**	**205**	**186**	**53**	**239**

Shareholdings and stock options of members of the Management Board and the Supervisory Board as of 31 March 2013:

	Shares	Stock options	Total shares and stock options	% capital
Management Board members	1,672	234,000	235,672	0.91
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	**234,000**	**10,875,291**	**41.99**

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)	2012/13	2011/12
Audit of consolidated and separate financial statements	147	123
Other assurance services	19	29
Other services	22	5
	188	**157**

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

The average numbers of staff in the financial year are as follows:

	Financial year	
	2012/13	2011/12
Waged workers	5,802	5,928
Salaried employees	1,519	1,489
	7,321	**7,417**

The calculation of the number of staff includes an average of 3,455 temporary workers for the financial year 2012/13 and an average of 3,730 for the financial year 2011/12.

Leoben-Hinterberg, 7 May 2013

The Management Board

Andreas Gerstenmayer m.p.

Heinz Moitzi m.p.

Group Management Report 2012/13

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.

The trend towards miniaturization and more complex components characterizes the main technological challenges in the printed circuit board industry. Smartphones, for instance, are equipped with new additional functions, computers like notebooks, ultrabooks, and multimedia tablets are becoming ever more powerful while at the same time getting constantly lighter. In industrial electronics, medical technology, aviation, and industrial computers, the technological progress will also result in a wider range of applications for high-tech circuit boards. In the automotive segment, the proportion of electronics is also constantly rising, not least due to the ever increasing demands on security systems and car infotainment. The trend towards miniaturization and more complex components generally characterizes the technological challenges for printed circuit board manufacturers.

Think global – act local: With 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).

In terms of technology, AT&S is also 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.

2. BUSINESS DEVELOPMENT AND CLIMATE In the past calendar year, the global demand for printed circuit boards in the high technology sector continued to rise, whereas the demand for technologically simpler printed circuit boards declined. The price pressure is generally increasing in the industry. For the medium to long term, we continue to expect attractive growth rates in the markets addressed by us - mobile devices, automotive and medical technology.

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 past financial year also saw the industry-specific seasonal fluctuations, even though the fluctuations in the past financial year were significantly lower than in the previous financial year. Due to delayed project starts at major customers, the first and second quarters were characterized by fairly low utilization, whereas in the third quarter we managed to generate the highest quarterly revenue in AT&S history of EUR 150.3 million. The main reason for the lower seasonal fluctuations in the current financial year is the more-than-proportional increase in sales in the industrial & automotive segment, which is characterized by a fairly stable development.

For the entire financial year 2012/13, revenue increased by EUR 27.5 million or 5% to EUR 541.7 million.

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 74% in the financial year (in the previous year: 73%). In the Europe segment, we managed to win additional interesting contracts in the area of small series and niche products.

The business unit mobile devices with a share in sales of 55% (prior year: 58%) continues to be the segment of the AT&S Group with the highest sales. The generated revenue at EUR 297.3 million was slightly higher than in the year before. As in the previous year, the geographical distribution of revenue continued to shift towards Asia.

With revenue reaching EUR 242.6 million, the business unit industrial & automotive managed to generate an increase of 12%. In the past financial year, this segment also saw the trend towards a growing demand in the Asia region. In particular the demand for printed circuit boards for the automotive industry increased significantly in Asia. At the same time, demand in the industrial as well as automotive segments declined slightly in Europe.

Gross profit declined year-on-year from EUR 83.5 million to EUR 76.9 million, thus by EUR 6.6 million, due primarily to the capacity expansions completed in the financial year 2011/12 and the resulting higher annual depreciation in the past financial year. This negative effect of EUR 9.9 million could be compensated only in part through efficiency measures. Administrative and distribution costs remained unchanged over the previous year, other comprehensive income declined EUR 4.6 million mainly due to the decrease in research funds and positive one-off effects from the sale of a property in the financial year 2011/12. Overall, EBIT declined to EUR 30.9 million (prior year: EUR 42.1 million). The EBIT margin thus amounts to 5.7% and is down 2.5% on the 2011/12 financial year.

The segment result of the business unit mobile devices amounted to EUR 21.2 million, with an EBIT margin of 7.1%. The business unit industrial & automotive generated an EBIT of EUR 12.0 million and thus an EBIT margin of 4.9%. At the balance sheet date 31 March 2013, consolidated equity amounts to EUR 312.5 million and increased EUR 29.4 million year-on-year. The increase is due to the profit for the year of EUR 14.1 million, whereas other comprehensive income decreased to EUR 22.3 million mainly due to currency differences. The equity ratio of 43% at the balance sheet date equals an increase of around 2 percentage points over the previous balance sheet date and continues to show a strong equity position.

In the financial year 2012/13, net debt of the AT&S Group decreased by EUR 25.1 million to EUR 217.4 million. Due to the high operating cash flow of EUR 71.7 million, investment expenses of EUR 40.6 million could be funded through current operations. The gearing ratio at the balance sheet date of 69.6% is significantly lower than the prior year figure of 85.7%. 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 35.5 million in the financial year 2012/13. The investments relate to the construction of the site in Chongqing, China, but also to equipment for new technologies and innovation projects in Shanghai and in the Austrian plants.

On an annual average, AT&S had 7,321 employees (including leased personnel) in the financial year 2012/13, and thus 96 less than the prior-year average (2011/12: 7,417).

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 programmes that are designed to promote intercultural skills in addition to professional competencies. In technical trainings, intercultural trainings, and special management and executive development programs 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 EBIT, cash earnings and ROCE, and thus has remained unchanged over the previous year.

Sustained management and economical use of available resources are of the highest priority for AT&S. To that end, it is necessary to create a good basis in order to manage processes efficiently. AT&S created an integrated management system as basis, which combines the factors quality, environment and safety. The fact that AT&S attaches great importance to environmental management is demonstrated by the introduction of the management system ISO14001 already in the 1996/97 financial year. ISO9001 and ISOTS16949 (Quality Management – norms) and OHSAS18001 (Occupational Health and Safety – norm) complement the spectrum. Regular internal audits and annual monitoring and triannual recertification audits monitor the implementation of the regulatory requirements. In the financial year 2012/13, the compliance with all requirements was again confirmed by independent third parties.

A key component of the norms is the continuous development and improvement of existing systems. Projects implemented at various locations in the world to enhance safety and health protection are reflected in the key ratios. A multi-year comparison showed that the accident rate could be reduced continuously as a result. The efficient use of resources is another component of a continuous development in the environmental field. The focus is on improving processes, procedures and products in order to produce with the lowest possible impact on the environment and human beings. In order to achieve that, there are global goals, such as the reduction of CO2 emissions per m2 printed circuit board, the minimization of fresh water consumption and improvements in waste management, such as recycling of reusable materials or waste avoidance. As umbrella for all measures on that subject, AT&S launched the project "sustainable AT&S" in the past year, aimed at integrating sustainability into all processes. A first step was successfully completed in March 2013 with the internal sustainability report, confronting the employees for the first time directly with the concept and future measures, and subsequently integrating them into the activities.

At all locations, AT&S exceeds the statutory minimum requirements regarding environment and safety. In the course of external audits, AT&S was already regarded as industry benchmark by certification as well as local authorities. This is also reflected by numerous awards and distinctions received by AT&S in China, India, and Austria for their commitment to environmental protection and occupational safety.

The main raw materials used in the financial year 2012/13 included approx. 585 kg of pure gold (2011/12: 645 kg), 2,014 tons of copper (2011/12: 2,001 tons), 11.2 million m2 of laminates (2011/12: 10.8 million m2), and approx. 53,260 tons of different chemicals (2011/12: 53,200 tons). The electricity demand in the financial year 2012/13 amounted to around 342 GWh (2011/12: 309 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 the past financial year, AT&S decided to enter into a new business field with its subsidiary AT&S (Chongqing) Company Limited. It is planned to produce high-tech IC substrates (integrated circuit substrates) in the new plant in Chongqing, China. The building in Chongqing has already been completed. In January, the Management Board successfully concluded negotiations on an agreement with a strategic partner. The investment phase will be 3 years and will entail expenditure of approximately EUR 350 million. First revenues are expected to be generated in the year 2016.

In the financial year 2012/13, AT&S Austria Technologie & Systemtechnik Aktiengesellschaft transferred the 100% stake in AT&S (China) Company Limited to AT&S Asia Pacific Limited.

The subsidiary AT&S Korea Co., Ltd. experienced a very positive development in the past financial year. Revenue could be increased significantly due in particular to new contracts in the medical technology segment. In line with the revenue, the result also saw a positive development.

AT&S India Private Limited also experienced a positive development. Although revenue could not be increased considerably, the result improved significantly due to efficiency measures and a now stable energy supply for the production location.

The plant in Leoben successfully continued its development from niche to prototype production in the past years. The utilization in the Fehring plant is positive again, following the change from a 4-shift to a 3-shift operation.

In the past financial year, the subsidiary AT & S Klagenfurt Leiterplatten GmbH faced underutilization and growing price pressure.

In order to even better attend to our American customers, a new sales office was opened in Chicago in spring 2012. As part of the subsidiary AT&S Americas LLC, this office is the second location in the U.S.A.

4. CAPITAL STRUCTURE AND DISCLOSURES ON SHAREHOLDER RIGHTS

As of 31 March 2013, 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 authorisation 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 was 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 authorised, 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 authorised, 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 authorised to increase the share capital by up to EUR 14,245,000 through the issue of up to 12,950,000 new bearer shares.

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

5. RESEARCH AND DEVELOPMENT

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

AT&S has a two-step innovation process. In the research facilities of the also technological headquarters Leoben-Hinterberg 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 optimised 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.

In the past financial year, an important step was made primarily for the core development field "interconnect density" by the decision to enter into the business field of IC substrates. Substrates are the connection between the nano world of silicon and the micro world of printed circuit boards. With the decision to also offer substrates in the future, AT&S consistently continues its step towards miniaturization in order to push the limits of technical feasibility in the printed circuit board technology even further through new, special materials and production procedures.

Total expenses for research & development amounted to EUR 24.7 million in the financial year 2012/13 over EUR 32.9 million in the previous year. In relation to sales, this corresponds to a ratio of 4.6% or 6.4% in the previous year.

6. MATERIAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

AT&S has implemented a company-wide risk and opportunity management system.

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. The Management Board as a whole is briefed quarterly in a structured manner by risk management, which in turn reports to the supervisory board of AT&S.

The strong capitalisation, 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 risks, uncertainties and opportunities of AT&S are basically characterised 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.

In the past financial year, AT&S decided to enter into a new technology. The new plant in Chongqing will be equipped and qualified in such a way that it will be possible to produce IC substrates as from 2016. In order to facilitate the entry into the substrate business, AT&S has entered into a strategic partnership with a globally operating manufacturer of printed circuit boards. The location in Chongqing, China, offers competitive advantages over predominantly Japanese competitors. With this strategic partnership, the next step in integrating semiconductors and printed circuit boards is made. The material risks with regard to the entry into a new business field are to be identified in the area of quality of the manufactured products

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 serial products were delivered. Further promising negotiations are currently underway with potential customers

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 55% in total revenue has a relatively large leverage effect in this context.

In the past financial year, AT&S supplied approx. 630 customers, with the 5 major customers contributing around 53% 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.

With regard to the financing risk, liquidity risk, credit risk, and foreign exchange risk, reference is made to the risk report under section II in the notes.

7. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT WITH REGARD TO ACCOUNTING

AT&S has adopted a code of ethics and conduct which sets out how AT&S conducts its businesses in an ethical and socially responsible manner. These guidelines apply to all activities 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 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 of AT&S are specified in a group-wide risk management and audit manual.

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.

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 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 (part of Group Finance). The monthly budget/actual variance with corresponding comments on the results of the business units, of the plants as well as of the company is reported internally to the executives and to the members of the Supervisory Board.

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.

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. In order to counter the increasing price pressure in the industry, the focus will continue to be on high-tech products. With the continued focus on the production of high-tech printed circuit boards, especially in Shanghai and Austria, management is optimistic to be able to lay the basis for the continued positive development of AT&S.

The entry into the IC substrate market also has to be seen in this context, which constitutes a development of the current high-technology market of HDI printed circuit boards for AT&S. The entry into this segment will provide for significant growth impulses for AT&S. Furthermore, a considerably improved profitability and a significant increase in the company value are expected. From a strategic perspective, this step represents an extraordinary opportunity for the development of AT&S.

Overall, management expects increasing revenue and a positive development in Austria as well as in the subsidiaries.

Leoben-Hinterberg, 7 May 2013

The Management Board

Andreas Gerstenmayer 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, 7 May 2013

The Management Board

Andreas Gerstenmayer
Chairman 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 2012 to 31 March 2013. These consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2013, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ending 31 March 2013, 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 2013 and of its financial performance and its cash flows for the financial year from 1 April 2012 to 31 March 2013 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, 7 May 2013

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed:
Mag. Christian Neuherz
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 percentage of total deliveries
EBIT	Earnings before interest and tax, operating profit
EBIT margin	EBIT as a percentage of total revenues
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA margin	EBITDA as a percentage of total revenues
ECP® technology	Embedded component packaging technology developed by AT&S in order to embed active and/or passive components inside PCBs ® registered trade mark AT 255868
Embedding	Integrating active and passive electronic components inside printed circuit boards
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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