AT&S

Annual Report 2014/15

The future raises many big questions.

And our answers keep getting smaller.

Key figures

IFRS	Unit	2011/12	2012/13 [1)]	2013/14	2014/15	Change in %
EARNINGS DATA AND GENERAL INFORMATION						
Revenue	€ in millions	514.2	541.7	589.9	667.0	13.1%
thereof produced in Asia	%	73.4%	73.9%	75.9%	79.0%	–
thereof produced in Europe	%	26.6%	26.1%	24.1%	21.0%	–
Cost of sales	€ in millions	430.7	464.6	471.1	511.6	8.6%
Gross profit	€ in millions	83.5	77.1	118.8	155.4	30.8%
Gross profit margin	%	16.2%	14.2%	20.1%	23.3%	–
EBITDA	€ in millions	103.4	102.4	127.2	167.6	31.8%
EBITDA margin	%	20.1%	18.9%	21.6%	25.1%	–
EBIT	€ in millions	42.1	31.4	53.9	90.1	67.0%
EBIT margin	%	8.2%	5.8%	9.1%	13.5%	–
Profit for the period	€ in millions	26.5	14.6	38.2	69.3	81.5%
Profit for the period attributable to owners of the parent company	€ in millions	26.6	14.6	38.2	69.3	81.5%
Cash earnings	€ in millions	87.8	85.6	111.4	146.8	31.7%
ROE (Return on equity) [2)]	%	10.3%	5.0%	11.0%	13.9%	–
ROCE (Return on capital employed) [2)]	%	7.7%	5.6%	9.6%	12.0%	–
ROS (Return on sales)	%	5.2%	2.7%	6.5%	10.4%	–
IRR (Innovation revenue rate)	%	15.0%	19.2%	26.5%	29.2%	–
Net cash generated from operating activities (OCF)	€ in millions	87.2	71.7	104.8	143.9	37.3%
Net CAPEX	€ in millions	113.1	40.5	90.3	164.8	82.5%
Employees (incl. leased personnel), end of reporting period	–	7,478	7,011	7,129	8,120	13.9%
Employees (incl. leased personnel), average	–	7,417	7,321	7,027	7,638	8.7%
BALANCE SHEET DATA						
Total assets	€ in millions	694.6	726.7	916.1	1,220.8	33.3%
Total equity	€ in millions	283.1	304.8	390.7	604.4	54.7%
Equity attributable to owners of the parent company	€ in millions	283.2	304.9	390.7	604.3	54.7%
Equity ratio	%	40.8%	42.0%	42.7%	49.5%	–
Net debt	€ in millions	242.5	217.4	110.9	130.5	17.7%
Net gearing	%	85.7%	71.3%	28.4%	21.6%	–
Net working capital	€ in millions	92.3	102.7	91.7	95.3	3.9%
Net working capital per revenue	%	18.0%	19.0%	15.6%	14.3%	–
STOCK EXCHANGE DATA						
Shares outstanding, end of reporting period	–	23,322,588	23,322,588	38,850,000	38,850,000	–
Weighted average number of shares outstanding	–	23,322,588	23,322,588	30,820,545	38,850,000	26.1%
Earnings per shares outstanding end of reporting period	€	1.14	0.62	0.98	1.78	81.6%
Earnings per average number of shares outstanding	€	1.14	0.62	1.24	1.78	43.5%
Cash earnings per average number of shares	€	3.76	3.67	3.61	3.78	4.7%
Dividend per share [3)]	€	0.32	0.20	0.20	0,36	80 %
Closing price	€	9.15	6.79	8.75	14.62	67.1%
Dividend yield (at the closing price) [3)]	%	3.5%	2.9%	2.3%	2.5%	–
Market capitalisation, end of reporting period	€ in millions	213.4	158.4	339.9	568.0	67.1%
Market capitalisation per equity [4)]	%	75.4%	51.9%	87.0%	94.0%	–

1) Adjusted taking into account IAS 19 revised.
2) Calculated on the basis of average values.
3) 2014/15: Proposal for the Annual General Meeting on 9 July 2015.
4) Equity attributable to owners of the parent company.

Revenue
+13.1%

EBITDA
+31.8%

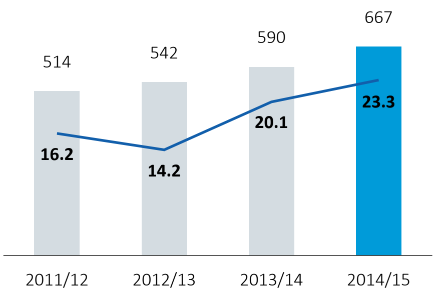
EBITDA margin
25.1%

EBIT
+67.0%

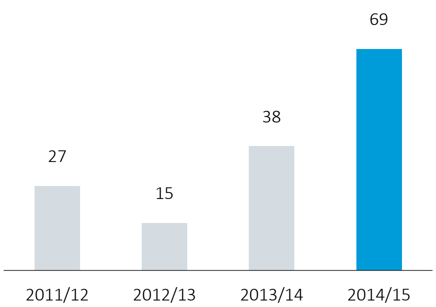
EBIT margin
13.5%

Profit for the period
+81.5%

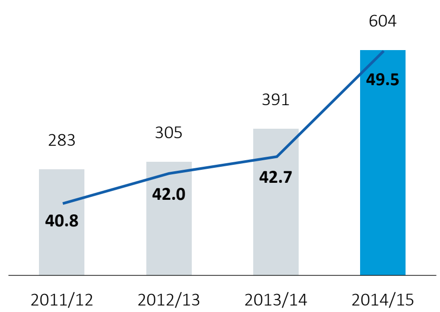
REVENUE/GROSS PROFIT MARGIN
€ in millions, in %



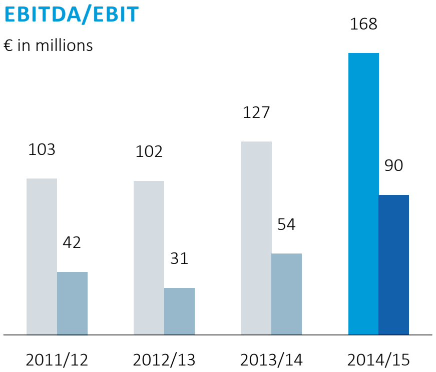
PROFIT FOR THE PERIOD
€ in millions



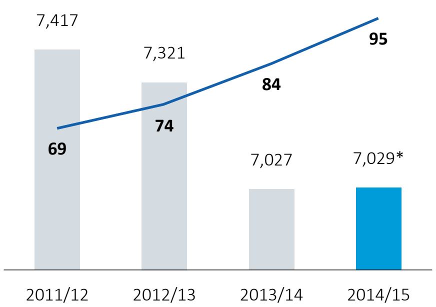
TOTAL EQUITY/EQUITY RATIO
€ in millions, in %



EBITDA/EBIT
€ in millions

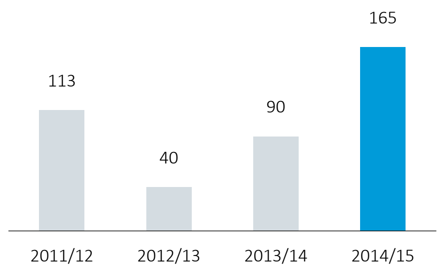


EMPLOYEES/REVENUE PER EMPLOYEE
Headcount, € in thousands



* Employees in average, adjusted to non revenue generating employees in Chongqing (609 in average), which is currently under construction.

NET CAPEX
€ in millions



Performance Highlights 2014/15

»2014/15 was an exceptionally strong year for AT&S, with notable results in all business areas.«

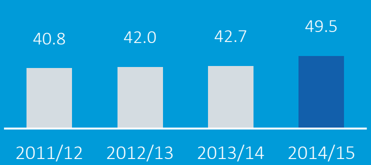
Andreas Gerstenmayer,
Chairman of the Management Board of AT&S

Investments in the future growth of AT&S

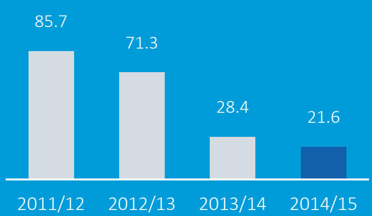
- Construction of the new plant in Chongqing, China, with a total investment volume of € 480 million by mid-2017 on schedule.
- Further financing secured through strong cash flow, a conservative dividend policy and credit facilities.

Solid balance sheet and financing structure

EQUITY RATIO IN %



NET GEARING IN %



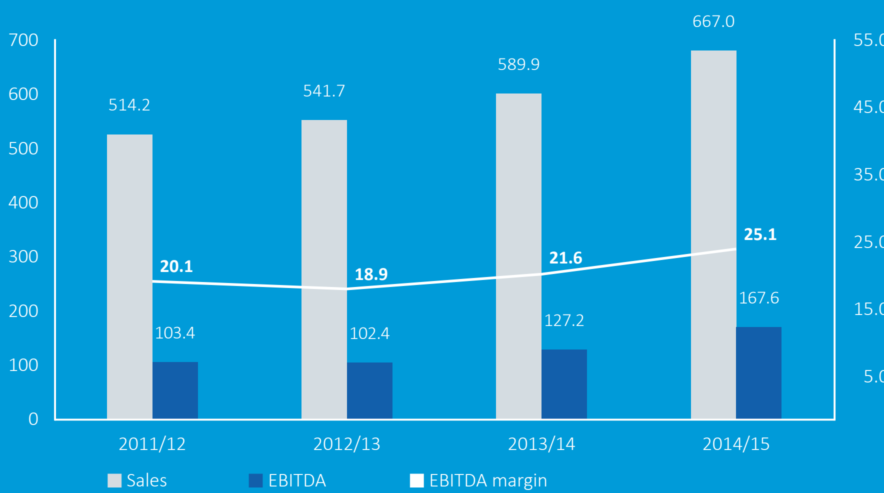
- As at the reporting date, AT&S has an equity ratio of 49.5% and sufficient liquidity to implement its current investment programme
- Net Gearing has been reduced to 21.6% based on the higher level of equity and despite the expanded investment programme
- Cash earnings of € 146.8 million (+ 31.7%) were a strong source of internal financing in 2014/15

Record highs for revenue and earnings

- Revenue growth of 13.1% to € 667.0 million
- EBITDA 31.8% above the previous year at € 167.6 million
- Improvement in EBITDA margin from 21.6% to 25.1%.
- Increase in Group profit by 81.5% to € 69.3 million. Earnings per share rise from € 1.24 to € 1.78

Business performance benefited from strong growth in the application areas of mobile end devices – mainly smartphones – and the ever-increasing proportion of electronics used in the automotive sector.

DEVELOPMENT OF SALES, EBITDA (IN € MILLIONS) AND EBITDA MARGIN (IN %)



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Developments for tomorrow, the next day and the day after that.

»Mobile phones are too expensive! They can never replace landlines – unless people want to spend millions to talk on the phone.«

Dear shareholders, customers and partners of AT&S,

This little anecdote might make you smile. After all, it was said by none other than Marty Cooper, inventor of the first mobile telephone. But for us, forming opinions on the market viability of a new technology is one of the most important factors for success. In this respect, Mr Cooper can be assured our sympathy for his misjudgement. By the way, we at AT&S bear some of the blame for the fact that his prediction did not come true. We played a significant role in shaping and advancing the technological developments needed and we profited accordingly from the boom in mobile communication.

Today, when you walk down a busy street, what do you see? People using a mobile phone. People at a pavement cafe reading emails, newspapers or whole novels on a tablet. Or using their mobile device to take a nice photo. Thanks to navigation systems, what we do not see as often today are irritated drivers. Whether backing into a parking space with a parking-assist system or taking a daily jog through the park – precisely analysed by a device measuring pulse, speed and distance – whether with data glasses or a smartwatch: never before in history have so many new technologies been a normal part of everyday life.

We provide a critical component for this explosive growth of useful technology in daily life: the printed circuit board. Understanding our business requires an understanding of our products and their special characteristics. Allow me then to take a brief look at the past.

The predecessor of today's printed circuit boards was patented in the 1920s, but its commercial significance only came decades later with the rise of the computer industry.

The ever-greater demands placed on computers required ground-breaking innovations and brought impetus to the world of printed circuit boards. The development of the multilayer printed circuit board around 30 years ago was a milestone in the industry. The individual layers are connected to each other with through-hole plating, which solves a space and performance problem.

In the beginning of 2000, HDI printed circuit boards were introduced into the market. HDI stands for high density interconnect and is based on structures that are smaller than 0.1 millimetre. Thanks to laser technology, the drilled holes – known as microvias – can be substantially reduced in size, which saves space while simultaneously improving the electrical properties. For mobile communication in particular, this development had enormous significance. In 2008, nearly all mobile GSM and UMTS devices were equipped with HDI printed circuit boards. AT&S was one of the first manufacturers to drive this development on the market. In 2002, we started production at the new Shanghai facility, which is one of the most modern HDI production sites in the world.

HDI printed circuit boards certainly opened up new opportunities, but the pace of technological development is rising dramatically.

What you always wanted to know – and should know – about the printed circuit board industry

Smaller and smaller

Along with semiconductors, printed circuit boards are one of the most important components of the digital age because they provide the indispensable connection technology for all electronic devices. The world of semiconductors and microprocessors is now in the nanometre range, stimulating new technologies and solutions in the printed circuit board sector.

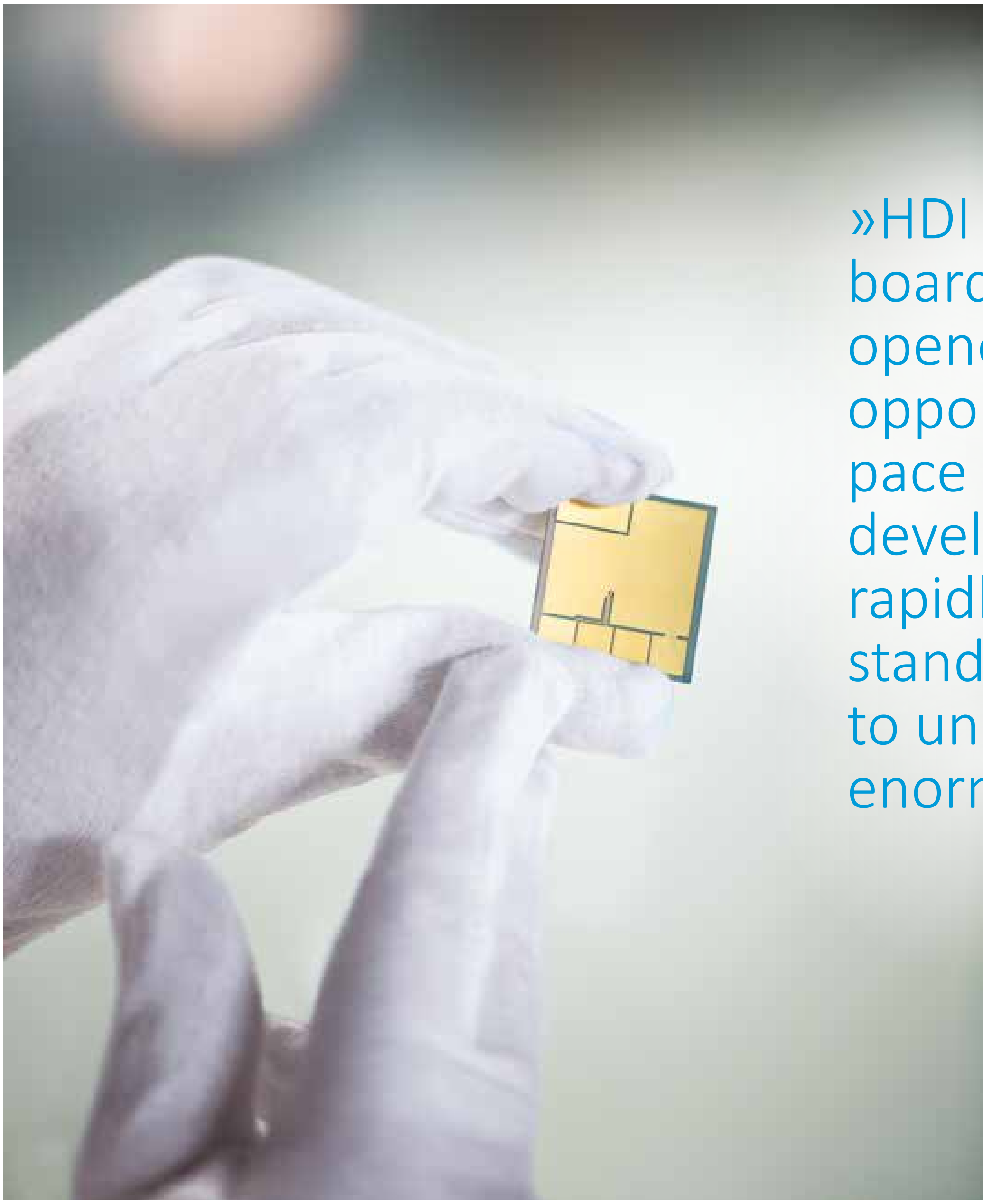
More and more

The distribution of tasks between semiconductors and printed circuit boards can be compared to that of brain and nerve pathways. Both are essential for quick reactions. The technical evolution in the electronics industry points clearly in the direction of the convergence of various parts, components and functions.

Better and better

Printed circuit boards are indispensable to the rapid increase in performance of all electronic devices and applications. In the global competition among manufacturers, PCBs are often the basis for significant advances.

Andreas Gerstenmayer,
Chairman of the Management Board



»HDI printed circuit boards certainly opened up new opportunities, but the pace of technological development is rising rapidly. To understand us, one has to understand this enormous dynamism.«

An innovative solution for embedded power electronics is presented here. It is an area where AT&S was again early in developing efficient methods to optimise the use of energy and making them ready for market.

To understand us, one has to understand this enormous dynamism. Electronic devices are becoming smaller and smaller – with ever-higher demand for functionality and performance capacity. Do you still remember your first mobile phone? If you compare its performance capacity to that of a modern smartphone, you can see that it has literally exploded within just a few years. And the potential for development has not reached its limits by far.

The enormous speed of technological change requires that we have a clear understanding of where this technological change is going. This is because our success is the success of our customers. We help them maintain their competitive advantage in the market.

In order to assess what a leading global manufacturer of computers or mobile devices will need in a few years, very specific conditions in the organisation and corporate culture are required.

For this highly sensitive area, which is related to communication, my colleague Heinz Moitzi has found an expression that is both elegant and understandable. We do manufacturing for today, and development for tomorrow, the next day and the day after that. Said simply, this captures it rather precisely. This disciplined view into the immediate future and beyond is also another of our critical success factors. It has enabled us to intelligently take advantage of the boom in numerous electronics industries in recent years. This is demonstrated not least by the positive trend in our figures. During the last five years, we have been able to increase total sales by nearly 37% to around € 667 million and EBITDA by 75% to € 168 million. Comparing the growth of both of these key figures shows that we have focused on the right market segments with successful customers. Only by doing this have we been able to increase earnings at twice the rate we have grown sales – the result of a clear strategy and the exceptional commitment of our employees.

I would now like to describe our success factors in more detail since they are the DNA of AT&S.

»During the last five years, we have been able to increase total sales by almost 37% to around € 667 million and EBITDA by 75% to € 168 million.«

Success factor customer focus.
As I mentioned above, we need to anticipate the needs of our customers in all areas of business. To do this, we analyse the trends in the electronics industry very meticulously and develop the connection technologies needed for it early and in response to the market. Only through this are we able to ensure timely, large-scale production, and thereby also create an important competitive advantage for our customers. Our European engineering tradition of creative tinkering and testing is absolutely essential for this type of technological development. This understanding of ourselves clearly differentiates us from numerous competitors and defines our most important factor for success: proximity to our customers. As a result of our high-end positioning, we have been associated with the market leaders in the widest variety of sectors for many years. This is only possible through our technological leadership and sound knowledge of the market.

Success factor global presence.
Our global presence proves that customer focus at AT&S is not just lip service. The vast majority of our production can be found where the value-creation chain of our customers is located. 79% of all of our value creation takes place in Asia, and 59% of our total revenue is generated by customers or suppliers located there. If AT&S had not dared the step towards Asia around 15 years ago, the company would no longer exist – of this I am firmly convinced. Today, we benefit from a good balance of high-tech production with high volumes over a limited product mix in Asia and a diverse product mix with lower volumes in Europe.

Success factor highest standards.
AT&S sets the highest standards in our industry for quality and technology. Needless to say, we rely on sophisticated technologies, for which we make massive investments in research and development. It is critical in this respect that we not only develop forward-looking technologies based on customer needs but also have the ability to rapidly industrialise them and deliver them in the scope required.

Success factor continuous investment.
He who stands still falls down. This is especially true in the highly dynamic printed circuit board industry. Therefore, at AT&S, we not only make substantial investments in the development of our technologies but in our production capacity as well. In the financial year 2014/15 alone, net investment amounted to nearly € 168 million. I will report more on that later.

Success factor people.
It is our employees who consolidate our position at the top of the industry through their exceptional commitment and loyalty. And, as a European company, we thrive on values such as respect, fairness, reliability and integrity.

Sustainable business leadership.
AT&S regards itself as a "good corporate citizen" with special responsibility towards the people in the regions in which we operate. In addition to supporting social programmes and continuous improvements in environmental protection, we also work continuously to reduce the consumption of natural resources such as water, raw materials and primary energy sources. Our intention through these efforts is not least to secure the economic success of AT&S.

But now, how do we leverage the power of our success factors in our operations?

In 2002 we started production at the new Shanghai facility, which is one of the most modern HDI production sites in the world.

»Performance enhancing applications for mobile devices are the absolute determinants of success.«

We divide our operations into the segments Mobile Devices & Substrates and Industrial & Automotive incl. Medical. These two areas have sharp differences with respect to their dynamics and customer demands. The segment Mobile Devices with applications for smartphones, tablets, notebooks, PCs and digital cameras is the clear driver of technology: constant innovations that expand functionality and enhance performance capacity are the absolute determinants of success. At the same time, this sector is characterised by relatively short product life cycles, which do not usually last for more than 12 to 18 months. Order quantities are generally fixed for only two months in advance.

The segment Industrial & Automotive incl. Medical is shaped by two important factors. First, in this segment we can deploy the technologies originally developed for the Mobile Devices & Substrates area to profitably extend the useful life of our production equipment. Second, at up to seven years, the life cycle is significantly longer, which makes midterm sales planning easier and stabilises capacity utilisation. The technological demands vary by application area. In the automotive sector, demand is currently supported by a rising proportion of electronic components – for example, for high-end systems such as lane-change assistants and automatic vehicle distance measurement. Up to 200 printed circuited boards are used in premium vehicles – from gearbox control and automatically adjustable LED illumination to entertainment systems. Industrial production without robots and sensors would be unimaginable today – and high-performance printed circuit boards are hidden behind these as well. In medical technology, therapeutic applications such as hearing aids and diagnostic applications such as MRT require sophisticated and reliable solutions. In this area too, AT&S has been able to secure a leading position in recent years.

Our strategy was successfully confirmed in the financial year 2014/15. Based on our successful positioning in highly profitable niches, we notably increased sales – and, more importantly, earnings – in both segments. The success and effectiveness of our strategy, however, are difficult to judge from the results of a single year viewed in isolation. Our strategic decisions are too long-term for such assessment. Our strategy includes collaborating with customers who set the tone for their sector, thereby safeguarding their own long-term success. It includes constant improvements in operational efficiency and all processes. And, naturally, it also includes timely development of the right technologies and their compatibility with industrial manufacturing.

The often-cited "Internet of Things" or "Internet of Everything" points to a number of trends that will continue to shape the future of the electronics industry. The key issue, however, is which applications will also prevail in the professional arena: for example, data glasses for maintenance work, wearable devices – applications worn on the body – that can also be used in the medical field.

4.2%

research rate, securing a position for AT&S at the peak of technology (adjusted by development costs Chongqing)

8,120

employees at AT&S as of 31 March 2015

29.2%

of all revenue in 2014/15 was generated from technologically innovative products introduced in the last three years

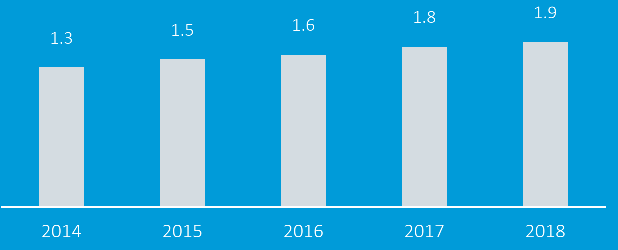
»The success and effectiveness of our strategy, however, are difficult to judge in the results of a single year viewed in isolation. Our strategic decisions are too long-term for such assessment.«

Global PCB market is growing faster than many sectors of electronics industry

Independent market estimates project average annual growth of 3.3% between 2014 and 2019 for the global printed circuit board market served by AT&S. High-value technologies such as HDI microvia printed circuit boards should achieve even stronger growth.

Smartphones remain the growth engine of the electronics industry
No other sector of the electronics industry had stronger growth in 2014 than the market for smartphones, which recorded an increase of 27% to over 1.3 billion devices sold. For the next several years, a flattening of this momentum to around 9% is expected.

SALES VOLUME FORECAST FOR SMARTPHONES IN BILLION UNITS [1)]



1) Source: Prismark, May 2015

Global market volume for IC substrates in 2014 was around US$ 8 billion

IC substrates, which are used in nearly all segments of the electronics sector, can only be offered by a few manufacturers. The top ten players account for a market share of around 80%.

With the construction of the new plant in Chongqing, China, AT&S will become one of the leading providers in this high-technology segment in the next few years. The ramp-up of the facility, which is currently undergoing qualification, is expected to begin with the initial sales planned in calendar year 2016.

Substrate-like printed circuit boards as the next step in development of HDI technology

In order to continue sustainable and profitable growth in the high-end area in the long term, AT&S will tap this market potential by building new capacity for this next generation of PCBs, known as substrate-like printed circuit boards, at the Chongqing site. The total investment at this site until mid 2017 was increased for this purpose from € 350 million to around € 480 million.

The start of production for this technology is expected in the second half of 2016 and is based on close cooperation between the two AT&S sites in Shanghai and Chongqing. Synergies, mainly in the areas of technology, process expertise and management capacity, will be utilised.

Investments to ensure long-term profitability and increased Group value

Karl Asamer, Chief Financial Officer of AT&S on financial success, asset structure, financing strategy and dividend policy.

On sales and earnings performance and how it will continue:
2014/15 was a very successful year for us. We were once again able to further improve our very good sales and earnings figures of the past year with a significant increase to € 667.0 million and record-breaking results. The sales increase was mainly due to the rise in demand in both the Mobile Devices & Substrates segment and the Industrial & Automotive segment. For the financial year 2015/16, we again expect revenue to be at the high level we have now achieved, assuming the same average exchange rates. The increase in the operating result for financial year 2014/15 to € 90.1 million is mainly due to improved capacity utilization and continuous improvements of our cost base and efficiency. Positive foreign exchange effects in the financial result and capitalised interest costs additionally contributed to the improvement in the Group annual result. For 2015/16, we expect an EBITDA margin from the production and sale of printed circuit boards to be at a comparably high level to financial year 2014/15. Taking into account the start-up costs in Chongqing, we expect an EBITDA margin at consolidated Group level of 18-20% for the financial year 2015/16.

Key earnings opportunities:
In the long term, we must continue to focus on the right areas of application and, most importantly, on the right customers who will enable us to continue to develop in terms of both volume and technology. This is the only way to ensure our high earnings level. In the next two financial years, our main focus will be on the successful start of production in Chongqing and, with that, our entry into the IC substrate and substrate-like PCB business. From a strategic perspective, this step represents an extraordinary opportunity for our development. Operationally we will continue the focus on improvements of processes and procedures as well as the optimization of IT and procurement costs of materials and services.

»AT&S has a very good credit rating. We therefore have the ability to obtain new financing over five years at interest rates below 2%.«

Solid balance sheet and cash flow:
In 2014/15, the equity ratio increased to 49.5% and the ratio of net debt to EBlTDA was reduced to 0.8. At the reporting date, AT&S had cash and cash equivalents of € 273.9 million. The gearing ratio was reduced to 21.6%. We have therefore created a solid base for financing the remaining investments in Chongqing of over € 300 million by mid 2017 and the investments needed for technological improvements and replacements. These investments in growth will increase our net debt and reduce our equity ratio. Our goal over the next two years, which are characterised by high investments, is to keep the ratio of net debt to EBITDA below 3.5 and to keep our equity ratio above 35%.

Long-term, optimised financing structure:
In the financial year 2014/15, we were able to increase net cash generated from operating activities by almost 37% to over € 143.9 million. Our most important financial source in financial year 2015/16 will remain cash flow generated from income. In parallel, we use bank loans as financing source, promissory note loans and corporate bonds. To mitigate fluctuation in liquidity, we have also secured credit facilities of over € 200 million. The average debt maturity as at the reporting date was 3.8 years. We will continue to take steps to optimise the debt maturity and take advantage of financing at an interest rate that is lower than the previous years. AT&S has a very good credit rating. We therefore have the ability to obtain new financing over five years at interest rates below 2%. In choosing our financing partners, we place great emphasis on competitiveness, long-term partnerships and a presence in the countries in which we operate.

What can AT&S shareholders expect in terms of dividends?
With the start of the IC substrates investment project in Chongqing, the previous dividend policy was temporarily suspended and replaced by a fixed amount of € 0.20 per share for the financial years 2012/13 and 2013/14. At this time of high capital expenditure, the Management Board will aim for a conservative dividend policy for the financial year just ended and for the next few years.

I believe that anyone who thinks about the future of our industry is firmly convinced that the “Internet of Things” will significantly change our daily lives once again. Devices and functionality will connect and communicate with each other via the Internet. This will also include intelligent controls for energy systems, smart homes, and the further automation of industrial processes. Revolutionary innovation can likewise be expected in the automotive area. From a technological point of view, self-driving cars that can manage without any driver at all are already possible today. In mobile communication, we are looking at the question of whether, or rather how, the smartphone will be replaced. Will the smart watch prevail, or will it be something entirely new?

We see a continuation in the trend of miniaturisation. Printed circuit boards will become even smaller, take on more functions, and integrate components. Along with this, the trend towards modularisation will continue. What this means is a substantial improvement in electronic systems that can only be achieved if their individual components are ideally matched to one another and based on a modular structure. This goal will also bring significant change to our industry.

»We see numerous trends today. But the key question is, which applications will really prevail?«

Our world is becoming very small

Heinz Moitzi, Chief Operating Officer of AT&S, on the trend towards miniaturisation, other key topics currently in R&D, and the challenges they bring.

On the focus of research:
Our industry, with its numerous application areas, is extremely dynamic and fast-moving. As a technology leader, AT&S invests around 4.2% (adjusted by development costs for Chongqing), or some € 28.2 million, in research and development – both for the further development of existing solutions and in completely new areas. In addition to the central theme of miniaturisation, which is concerned with shrinking the printed circuit board despite its ever-increasing complexity, we are also intensely focused on the issue of integrating additional components and functions or how heat build-up can be managed in ever-tighter spaces. Of course, we also critically examine and continuously improve our internal processes and procedures.

On the organisation of R&D:
It begins with the work of our Advanced Concepts team, which entails the identification, analysis and further development of new and emerging technologies. The main challenge here is to anticipate future trends in the electronics industry promptly and to recognise the implications for printed circuit boards earlier than the competition. In addition to the methods of business area analysis, technology screening and monitoring, we also use risk analysis, patent research and technical feasibility studies, to name just a few tools.

On managing R&D resources efficiently:
Our innovation process is organised around the so called AT&S Stage-Gate® process. Each concept must meet defined criteria in order to progress to the next phase. This allows us to identify the most promising projects early on and focus our resources on them. Decisive for success is early coordination with the customer, as is the early coordination with suppliers, particularly when entirely new technologies and production processes are involved.

On patents and their defence:
In the first place, we protect our innovations through patent applications. In the financial year 2014/15 alone, we were able to submit 20 new applications for protective rights. In total, AT&S holds over 100 patent families with more than 170 patents. In some cases, however, it makes more sense not to submit a patent application in order to avoid making competitors aware of innovations.

On the question of whether printed circuit boards will still exist in their current form a few years from now:
There will certainly be commodity PCBs. Even in greater volumes than today. But we will also need more and more PCBs that are

The latest generation of printed circuit boards, in the millimetre range.

different from today's in terms of their complexity, that are smaller and able to take on more and more functionality. Fifteen years ago, a telecommunications module was used only in mobile phones. Today, we also find them in intelligent refrigerators, coffee vending machines, medical devices and industrial machines. The technological possibilities for this have not at all reached their limits. In my estimation, the coming years will be extremely exciting for our industry. AT&S is well prepared for this in every respect.

Further information on R&D can be found in the Management Report starting on page 94.

It is one of the strengths of AT&S that it not only takes timely account of these trends but also reflects them in appropriate technologies – and faster than the competition can. For example, we have already been working intensively for many years to set new benchmarks and standards for miniaturisation. The development of our ECP® technology (Embedded Component Packaging technology) is a result of this work. What can this technology do? It allows active and passive components to be installed within the printed circuit board, which allows additional space for components on the surface. Also, with the construction of a new plant for IC substrates at the Chongqing site in China, we have created the conditions for future success. IC substrates are multi-layered, electrically conducting circuit substrates for silicon semiconductors (integrated circuits/ICs) and serve as the connection between the structures in the nano range of chips and the structures in the micrometre range of the printed circuit board. Through the use of ever more powerful microprocessors in computers, notebooks, smartphones and tablets, IC substrates are an important component of connection technology. By means of this plant, we are positioning AT&S as one of the leading providers of high-end IC substrate technology. In anticipation of the future trends, we have raised the volume of our investment to date in the Chongqing site from € 350 million to € 480 million. We are investing in the next generation of technology in our core business and in the further development of HDI technology at the same time. Investing in the "tomorrow", to stay with the expression coined by my colleague Heinz Moitzi.

We are therefore facing another quantum leap in the history of our company. In doing this, we are holding firm to the proven strengths and unique characteristics that have distinguished AT&S for years. In addition to our capacity to set standards in technology and quality, it is also our sound judgment about what our customers might one day use and even need that plays a role. Furthermore, we have strong, proven suppliers and research partners joining us on our path to the next level.

From a technological perspective and with respect to the new business areas described, AT&S is currently in a process of transformation with far-reaching impact on the future. The process is being driven by our core team, which works with extraordinary dedication every day – across all cultures – for the continuing success of AT&S.

»We will invest around € 480 million by 2017 and thereby maintain our leading position in technology.«

The success of AT&S thus far clearly shows that the strategic decisions of the past were correctly made and properly implemented. We base everything we do each day on continuing this path in the future: recognising and anticipating the key trends, further improving our operations, bringing our investment projects to fruition on time and on a sound technical footing. This is how we will continue to write the AT&S success story – in the interests and for the benefit of our shareholders, customers and employees. An exciting future lies ahead of us, with interesting prospects for development for which I hope to have made a little clearer for you here.

If this effort has been successful, I cordially invite you to join us on our path. Taking an analytical look back, you will see that it is a path of successful growth. For us, looking at the past is admittedly less exciting than looking to the future. That is when we will make our business more interesting than ever.

Sincerely, Andreas Gerstenmayer,
Chairman of the Management Board

AT&S – First choice for advanced applications

AT&S employs over 8,100 people worldwide.

With this vision – to be the first choice for advanced applications – AT&S has successfully established its position in the highly dynamic global market for printed circuit boards. AT&S is now the largest manufacturer of printed circuit boards in Europe and one of the world's leading producers of high-value printed circuit boards. AT&S concentrates on high-end technologies used in attractive and profitable applications over the long term for mobile devices, medical technology and in the automotive and industrial sectors. AT&S shares have been listed since 2008 on the Vienna Stock Exchange (previously, on the Frankfurt Stock Exchange since 1999). The majority of shares, at 65.9%, are in free float.

As at 31 March 2015, AT&S has over 8,100 employees who generated revenue of € 667.0 million in the financial year 2014/15.

The AT&S Mission

- We set the highest quality standards in our industry
- We industrialize leading-edge technology
- We care about people
- We reduce our ecological footprint
- We create value

Milestones in the Group's history

1987
Founding of the Group, emerging from several companies owned by the Austrian State Owned Industries

1994
Privatisation and acquisition by Messrs Androsch, Dörflinger, Zoidl

1999
Initial public offering on Frankfurt Stock Exchange („Neuer Markt"). Acquisition of Indal Electronics Ltd., largest Indian printed circuit board plant (Nanjangud) – today, AT&S India Private Limited

2002
Start of production at new Shanghai facility – one of the leading HDI production sites in the world

2006
Acquisition of Korean flexible printed circuit board manufacturer, Tofic Co. Ltd. – today, AT&S Korea Co., Ltd.

2008
AT&S change to Vienna Stock Exchange

2009
New production direction: Austrian plants produce for high-value niches in the automotive and industrial segment; Shanghai focuses on the high-end mobile devices segment

2010
Start of production at plant II in India

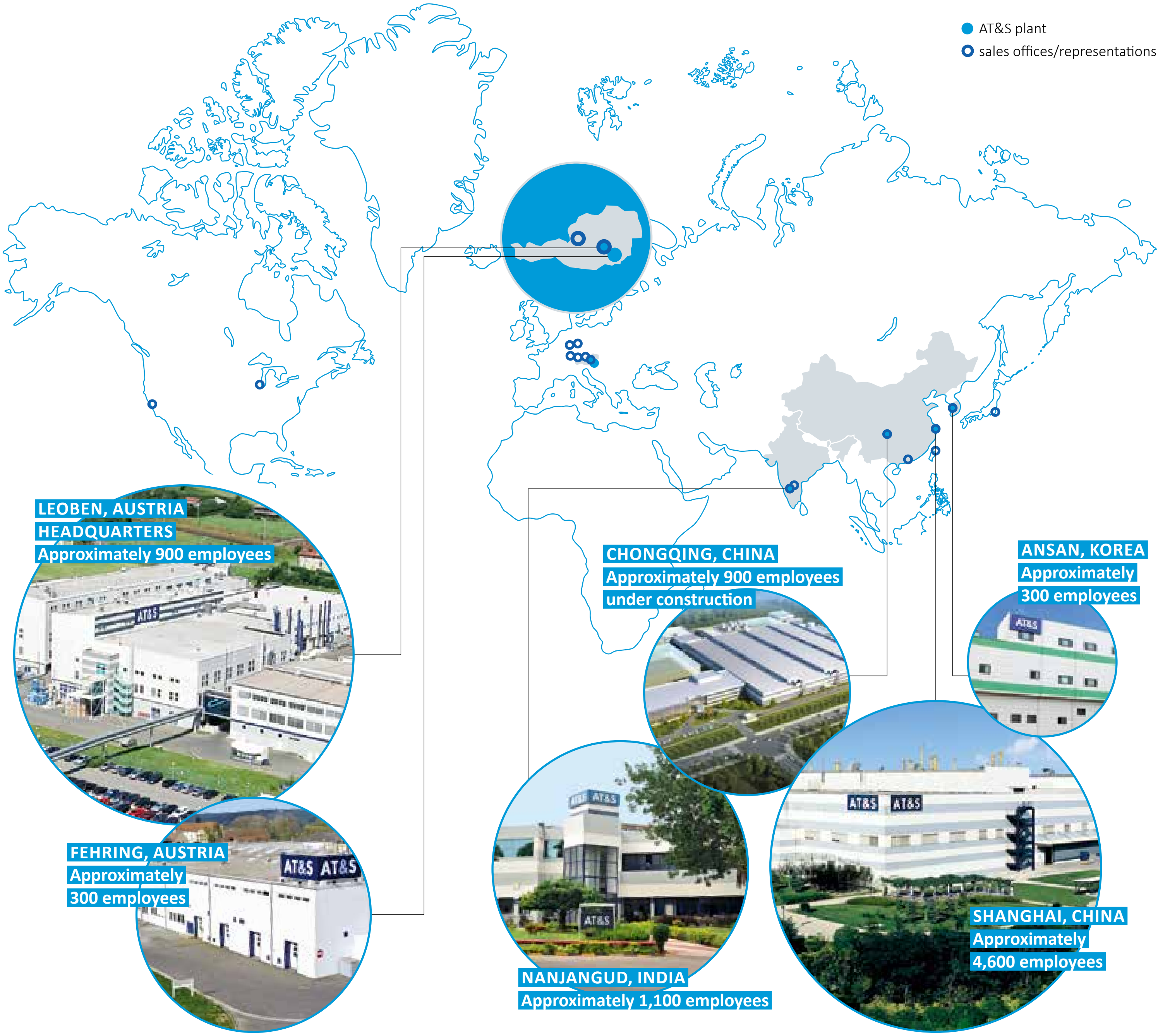
2011
- Construction starts on new plant in Chongqing, China
- Capacity increase in Shanghai by 30%

2013
AT&S enters the IC substrate market in cooperation with a leading manufacturer of semiconductors

2015
AT&S again achieves record-high sales and earnings for financial year 2014/15 and decides to increase the investment program in Chongqing from € 350 million to € 480 million

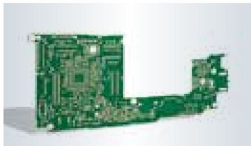
Group sites

- Production in Europe: high product diversity, low volume
- Production in Asia: high volume, low product diversity
- Sales network spanning three continents



Product Portfolio & Applications

HDI any-layer printed circuit boards

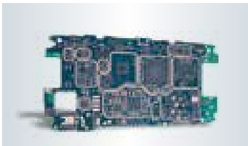


A further technological enhancement to HDI micro-via printed circuit boards: All electrical connections in HDI any-layer boards consist of laser-drilled microvias. Advantage: further miniaturisation at the same time as higher performance and reliability. AT&S produces HDI any-layer in 4 to 12 layers.

Production site
Shanghai

Applications
Smartphones, tablets, PCs

HDI microvia printed circuit boards – high density interconnect

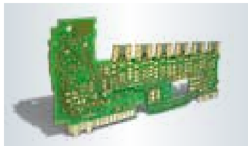


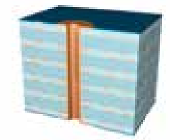
HDI stands for high density interconnect, meaning laser-drilled connections (microvias). HDI is the first step towards miniaturisation. AT&S can produce 4-layer laser PCBs up to 6-n-6 HDI multilayer PCBs.

Production site
Shanghai, Leoben

Applications
Mobile phones and nearly all electronic applications including computer tomography, navigation, infotainment and driver assistance systems

Multilayer printed circuit boards



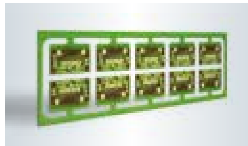


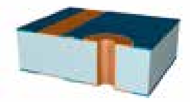
Multilayer printed circuit boards are found in almost every area of industrial electronics. AT&S produces printed circuit boards with 4 to 28 layers, in quantities from individual prototypes to small batches and mass production.

Production site
Leoben, Nanjangud, Fehring

Applications
Used in all electronic applications including touch panels, and in products ranging from aircraft to motorcycles, from storage power plants to solar arrays

Double-sided printed circuit boards



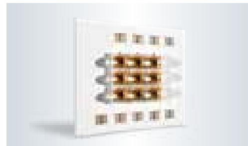


Double-sided plated-through printed circuit boards are used in all areas of electronics today. AT&S focuses on double-sided printed circuit boards with thicknesses in the range of 0.1-3.2 mm.

Production site
Fehring, Nanjangud

Applications
Primarily industrial and automotive applications

IMS printed circuit boards – insulated metal substrate

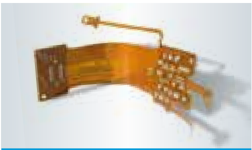


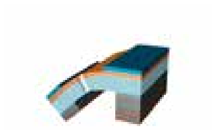
IMS stands for insulated metal substrate. The primary function of IMS printed circuit boards is heat dissipation, making them suitable for use mainly with LEDs and power components.

Production site
Fehring

Applications
Lighting industry

Flexible printed circuit boards





They are used to replace wiring and connectors, allowing for connections and geometries that are not possible with rigid printed circuit boards.

Ansan, Fehring

Nearly all areas of electronics, including measuring devices and medical applications

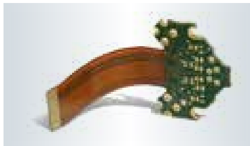
Semi-flexible printed circuit boards

These PCBs have a more limited bend radius than flexible printed circuit boards. The use of a standard thin laminate makes them a cost-effective alternative.

Fehring

Automotive applications

Rigid-flex printed circuit boards

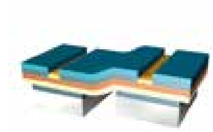


Rigid-flex printed circuit boards combine the advantages of flexible and rigid printed circuit boards, yielding benefits for signal transmission, size and stability.

Leoben, Ansan

Industrial electronics, such as production machines and industrial robots

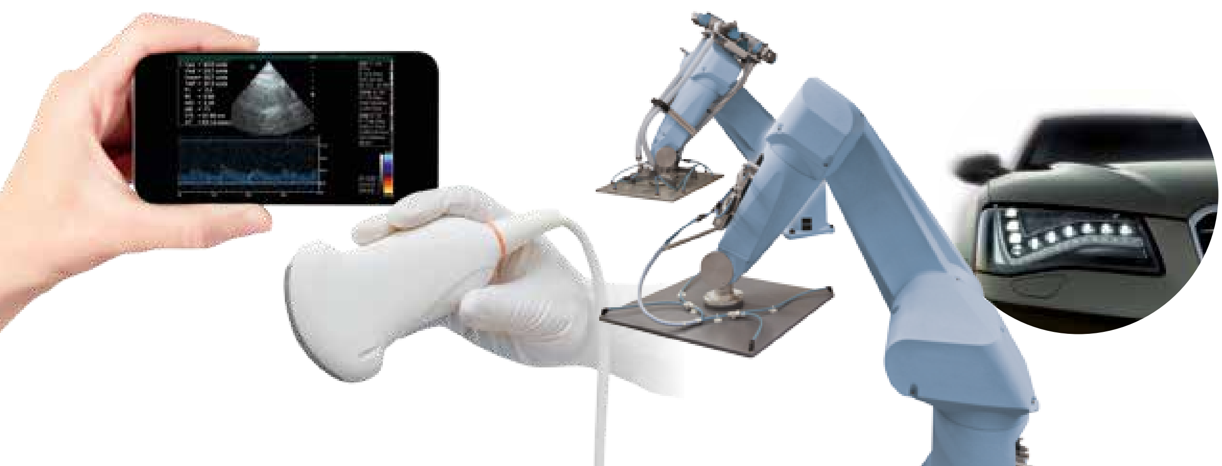
Flexible printed circuit boards on aluminium



This technology is used when installing LEDs in car headlights, for example, where the printed circuit board is bonded to an aluminium heat sink to which the LEDs are then attached.

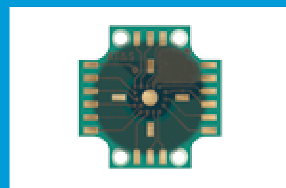
Ansan

Lighting, automotive, building lighting



AT&S patented technology

ECP: EMBEDDED COMPONENT PACKAGING



ECP® is a patented AT&S packaging technology used to embed active and passive electronic components in the inner layers of a printed circuit board. Printed circuit boards produced with ECP® technology are used in ever smaller, more efficient and more powerful devices, such as smartphones, tablets, digital cameras and hearing aids.

Production site: Leoben

2.5D® TECHNOLOGY PLATFORM

This technology platform combines mechanical and electronic miniaturisation. It enables partial reduction of the thickness of a circuit board, so that populated assemblies have a thinner profile. Additionally, it can be used to make cavities in the printed circuit board, for example for acoustic channels. A major application for this technology is the 2.5D® rigid-flex printed circuit board, a lower cost alternative for flex-to-install applications.

Production sites:
Leoben, Shanghai

Value creation chain

This is the schematic illustration of the value creation chain. Depending on the number of layers, the actual process to produce a printed circuit board can have up to 150 steps.

Resources

Purchase of resources and materials
(including copper foil, cores, prepreg, gold, tin, silver, laminate, chemicals, etc.)

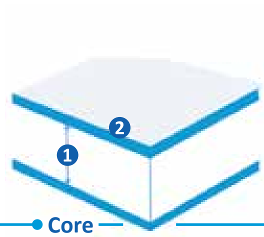
Energy
(electricity, heat, compressed air, etc.)

Water
(for production, cooling, cleaning)

Employees
(8,120 FTEs as of 31 March 2015)

Production process

Processing of customer data



Core
1. Insulation material: woven glass fibers saturated with epoxy resin
2. Copper foil

Cleaning the surface and lamination with photosensitive film

Repetition of the process steps of cleaning, lamination, exposure, development and etching

Repeat of the laminate layers and exposure processes
Up to 26 layers are possible

Application of the solder-resist mask
Protects against copper oxidation on the surface and prevents short-circuiting between the individual circuit paths and solderable areas

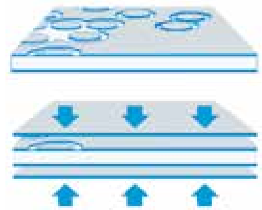
Expose, develop and cure
All inactive areas are covered. All active areas (soldering pads, test surfaces, etc.) are cleared of the solder resist

Surface coating of the pads with nickel/gold, silver or immersion tin
As oxidation protection and to form a layer that can be soldered

Contouring (milling, scoring)

Extract of determinants of the value chain

- R&D basic development, production processes, material selection, problem solving
- Internal and external recycling of waste
- Efficient use of resources, energy and water in production
- Production planning and continuous optimisation

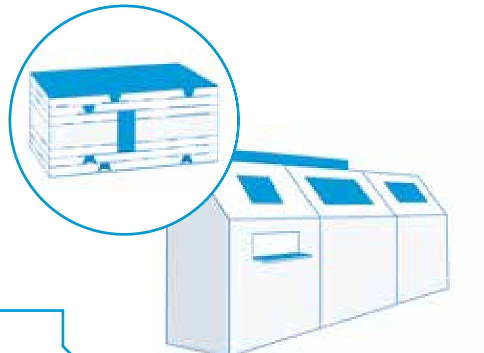


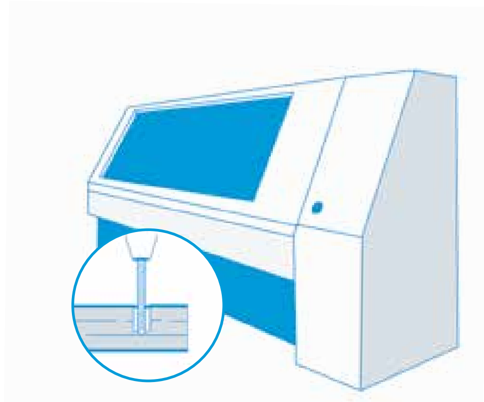
Exposure with LDI (Laser Direct Imaging)
A laser beam exposes all areas that should be preserved after the etching process

Development of the resist and removal of unneeded copper foil through etching

Chemical treatment of the surface area
For better adhesion

Lay-up and pressing of core, prepeg and copper foil at up to 40 bar and 220°C

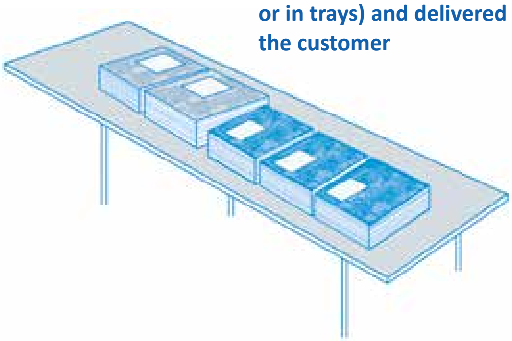




Copper plating of the drill and laser holes
For electrical conductivity

Laser drilling
For connectivitiy between individual layers

Mechanical drilling
For connectivity of the individual copper layers



Printed circuit boards are vacuum-packed (individually or in trays) and delivered to the customer

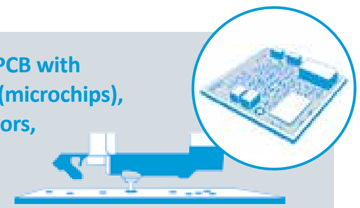
Quality control
100% test of the electrical capability, visual inspection

Quality control

Certification of facilities and processes

Training and continuous education of employees

Next steps*



Assembling the PCB with semiconductors (microchips), resistors, capacitors, etc.

Installation into the end device

Applications of AT&S printed circuit boards
Smartphones, tablets, digital cameras, LED headlights, control systems, driver assist systems, diagnostic instruments, hearing aids, pacemakers, robotics, sensor technology, etc.

* Not part of the AT&S value chain

The PCB Champions League.

Those who want uncompromising quality in the high-tech area have it manufactured at AT&S: around 8,100 employees produce high-end printed circuit boards at five locations worldwide. Even in the smallest production batches. Their expertise and dedication ensure world-class products for our demanding customers. Join us for a look at how perfection is produced at our headquarters in Leoben, Austria.

Final inspection. This is where the last check of all printed circuit boards takes place, just before they are packed and shipped. The products are electrically functional and free of defects. Nevertheless, 22 employees in a two-shift operation check 100% of the PCBs again for any visible defects.


unkontrollierte
Teile

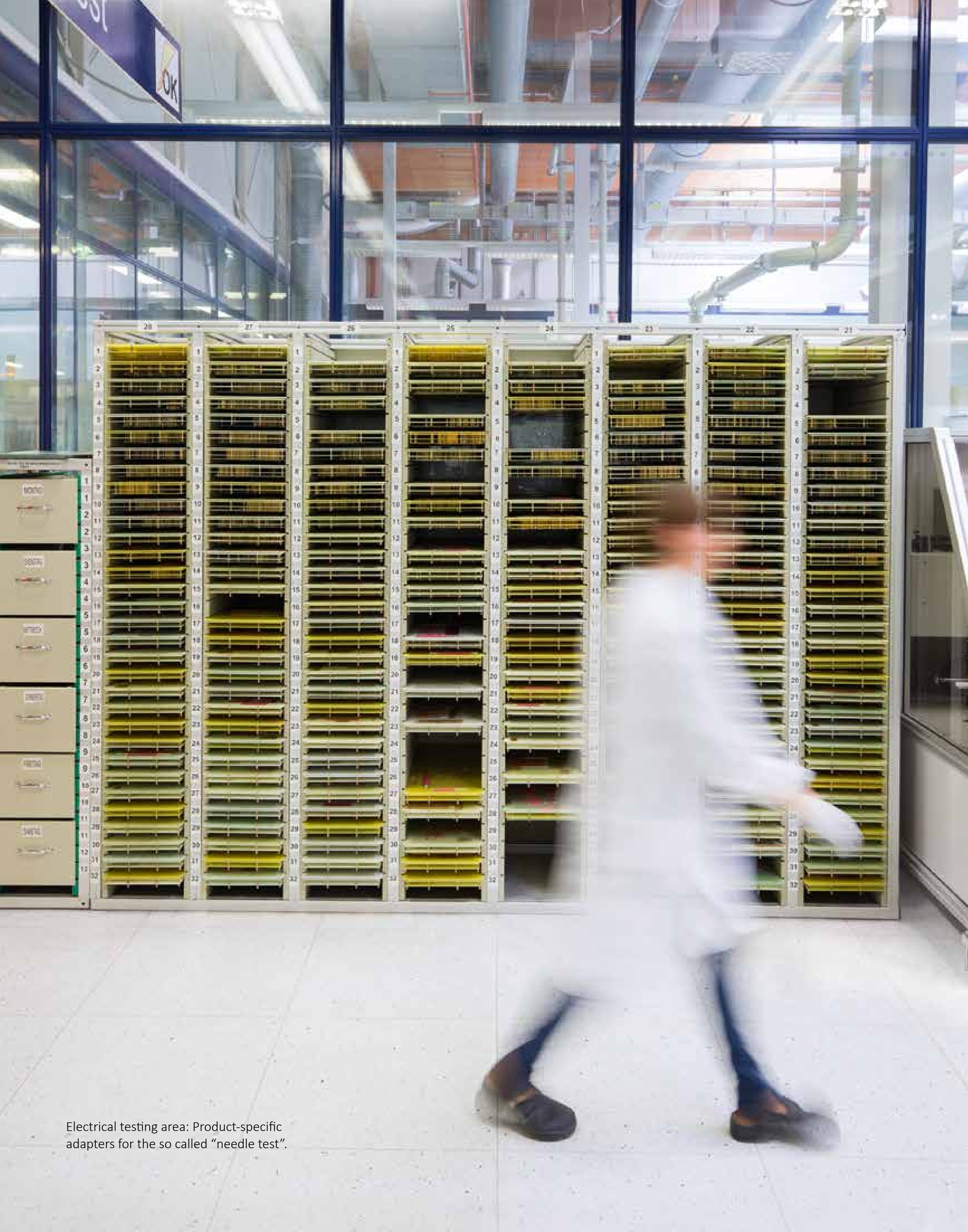
»We try to anticipate trends in the electronics industry so that we can offer our customers solutions for the products of tomorrow at an early stage.«

Dietmar Drofenik, Strategy & Business Development

◀ **Knowledge concentrated in eight linear metres.**
For the Research & Development team, it is about developing, documenting and protecting know-how. Marco Gavagnin and graduate student Martina Resch in front of the library of AT&S patents.

Flawless process controls. ▶
From base materials to the customer-specific test report – Sabrina Grießmaier, Sonja Puster and Mariella Baumgartner are responsible for process controls in the physics laboratory and keep an eye on testing criteria.

▲ **The next big thing.**
Dietmar Drofenik's job is to sharpen our entrepreneurial vision. Together with colleagues from Strategy & Business Development, he keeps a lookout for the technologies of tomorrow, the next day and the day after that.



Electrical testing area: Product-specific adapters for the so called “needle test”.

Isolation process. ▶
Daniel Gratz in the Scoring and Milling department in front of one of 15 state-of-the-art milling machines, which enable precise contouring for around 2,500 production panels per day.

▼ On-the-job training creates equipment expertise.
Serrano Santos Starlin completed a training programme lasting several months in the electroplating area as part of a comprehensive programme of training and continuing education.

◀ Quality, quality, and still more quality.
A complete range of checks for every printed circuit board. A view of the Electrical Testing department.

▼ **Ready for embedding.**
Tamara Paulsen in ECP® production, an AT&S-patented method before the components are integrated into the printed circuit board.

»We make printed circuit boards here customised for any conceivable customer need. True precision work.«

Daniel Gratz, Milling

▲ **High-end production line.**
AT&S sets the standard: Highly automated facilities with the latest start-of-the-art production technology.

»A perfect financial statement is as flawless as our printed circuit boards. And checked at least as often.«

Katharina Murg, Finance & Controlling

▲ **Watchful eyes I.** From the test tube to the Berzelius beaker. Chemistry lab technician Verena Schlugi keeps a watchful eye on the regular analysis of the process baths of chemical equipment as part of her apprenticeship.

◀ **Watchful eyes II.** Karim Beglari, Katharina Murg and Michael Dunst look after the preparation of the legally required consolidated financial statements for investors and management. They also provide assistance and accounting expertise to subsidiaries.

◀ **À la carte for the customer.**
Franz Mattl holds an AT&S production panel in his hands. In his department, milling, the outer contours are defined in order to produce the delivery format required by the customer.

The backend process. ▶
On the left, finished PCBs for shipment. Around 5,000 different customer formats are currently produced, virtually customised, at the Hinterberg plant. On the right, electroplating equipment.

»Awareness of quality doesn't end at the factory gate. If you seriously mean it, you live it.«

Yvonne Tahedl, Electrical Testing

▲ **The finger on quality.**
The conductivity of each contact point and each connection is subject to interruption and short-circuit testing by Yvonne Tahedl using a finger-test process.

▼ **Passed with flying colours.** This printed circuit board is now in the customer format and has just passed the 100 percent electrical test in the finger-test machine.

Even the newest drilling machines in the plant receive diligent maintenance.

Final inception. ▶
Doris Sarcletti is the final gatekeeper along the path to the highest quality standards in the industry. She therefore sets global standards.

»In the background, we ensure that the plants operate seamlessly and efficiently 24/7, supported by IT.«

Manfred Ofner, IT

▲ **A secret of success.**
The critical eye of a woman. Sandra Weissensteiner performing the final inspection.

◀ **Without interruption.**
Manfred Ofner and his team – pictured: Marion Burghauser and Mithun Palai – take care of smooth IT infrastructure and -systems.

▲ **Expert procurement strategy.**
Doris Polding creates value through effective management of resources and optimised supplier management.

Economy, ecology and society. ▶
For Tina Sumann, Group Manager CSR/ Sustainability, the AT&S glass is always half full when it comes to sustainable business and the compatible management of resources.

▲ **The guarantors of success.** Fritz Eder, Daniel Grosser and Markus Maier stand representative for € 667 million in sales and are there for our customers around the clock.

We as HR team care about people. Whether blue collar, white collar or management – the intercultural HR team cares about people globally by promoting respect, engagement and trust. (Nadja Noormofidi, Simona Rakusa, Monika Stoisser-Göhring)

»Our customer orientation enables us to develop solutions and product innovations early.«

Fritz Eder, Sales

Markets, Customers and Opportunities

PCB market is characterised by rapid change

The global market for printed circuit boards is heavily influenced by the highly dynamic electronics industry and specifically by the customer needs behind it. In the past years, one „big thing" has followed the next – from desktop and notebook computers, MP3 players and digital cameras, flat-screen devices and mobile phones through to the latest generation of smartphones und tablets.

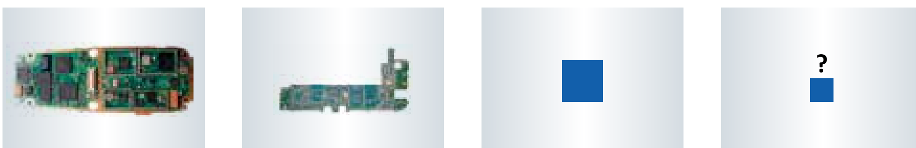
Recently, it is primarily smartphones and tablets that have been able to achieve above-average growth, significantly impacting the development of the associated electronic components, such as semiconductors and connection technologies for substrate and printed circuit boards. In early 2000, a mobile phone could generally be used „only" as a telephone. Today's smartphones are high-end computers with more processing power than NASA had for the first moon landing in 1967.

Trend for continuous miniaturisation increases

Hidden behind this rapid development and increase in performance is continuous miniaturisation in the semiconductor industry. According to Moore's law, the complexity of integrated circuits doubles every twelve to twenty-four months. The increase in power density and simultaneous reduction in the size of semiconductors has also driven the miniaturisation of printed circuit boards, the increase in complexity of layer structure, and the rapid growth of HDI and microvia technology in all market segments. Today, high-end printed circuit boards are increasingly used in the areas of automotive electronics (navigation, multimedia, camera systems) and industrial applications (machine-to-machine communication, industrial computers), as well as medical electronics (MRT, pacemakers, hearing aids) and consumer products (digital cameras, high-end televisions, smart watches).

The example of the mobile phone best demonstrates this change. Around ten years ago, the size of a typical printed circuit board for a mobile phone was about 13 x 6 cm. In 2013, a printed circuit board for a high-end smartphone measures around 9 x 2 cm. This equates to a reduction in the surface area of a printed circuit board for a highly complex mobile phone to one quarter of its original size in ten years. At the same time, the capacity and application options have substantially improved and expanded – for high-resolution photography, Internet access, integrated navigation systems and much more. Miniaturization, however, has not yet reached its limits. By integrating components into substrates and printed circuit boards, the dimensions of circuit boards can be reduced even further, as shown in the illustration below.

OVERVIEW OF THE TECHNOLOGICAL CHANGE OF PRINTED CIRCUIT BOARDS



	2003/2004	2013	2016	2024
Type	Mobile Phone	Smartphone	System on Chip	All in One
PCB	125 x 55 mm	85 x 20 mm	30 x 30 mm	20 x 20 mm?
FF	1	0,25	0,13	0,06?
L/S	100/100 µm	40/40 µm	30/30 µm	20/20 µm
Technology	1-n-1	Anylayer	Anylayer & Embedding	?

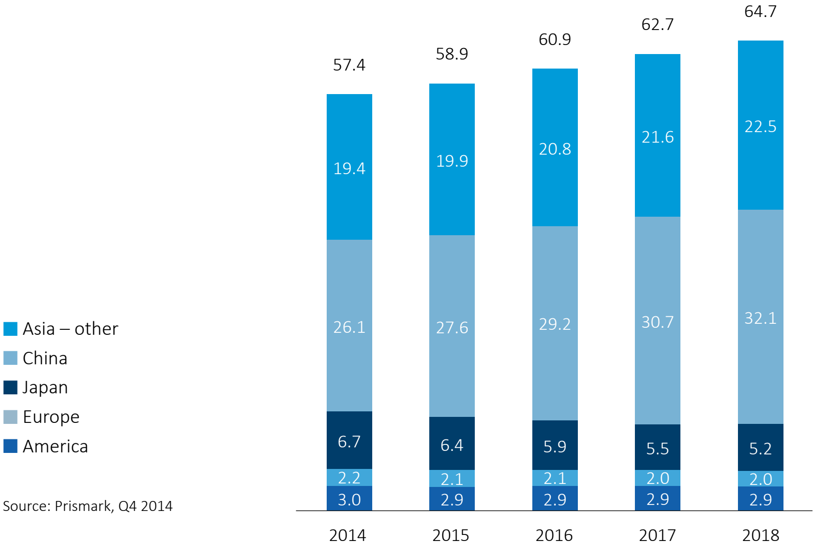
For AT&S, therefore, the integration of components into the printed circuit board (chip embedding) opens up entirely new opportunities and potential for growth. Currently, the market for the assembly services for printed circuit boards is dominated by contract electronics manufacturers (CEMs) and the market for embedding components (packaging) is dominated by the semiconductor industry. With an overall global volume of around US$ 1,300 billion, this market is many times larger than that of „unassembled“ printed circuit boards.

Integration of components opens up huge potential

The value chain of the electronics industry faces fundamental change due to the entry of combined PCB and substrate manufacturers into the world of assembly.

The global market for printed circuit boards had a total volume of over US$ 57 billion in 2014, according to estimates by Prismark. For the next several years, an average annual growth rate of around three percent is projected. Growth rates above those of the overall market are expected for high-value technologies such as HDI microvia printed circuit boards. Detailed information in this regard can be found in the Management Report starting on page 70.

SALES VOLUMES IN THE PRINTED CIRCUIT BOARD MARKET IN US$ BILLION



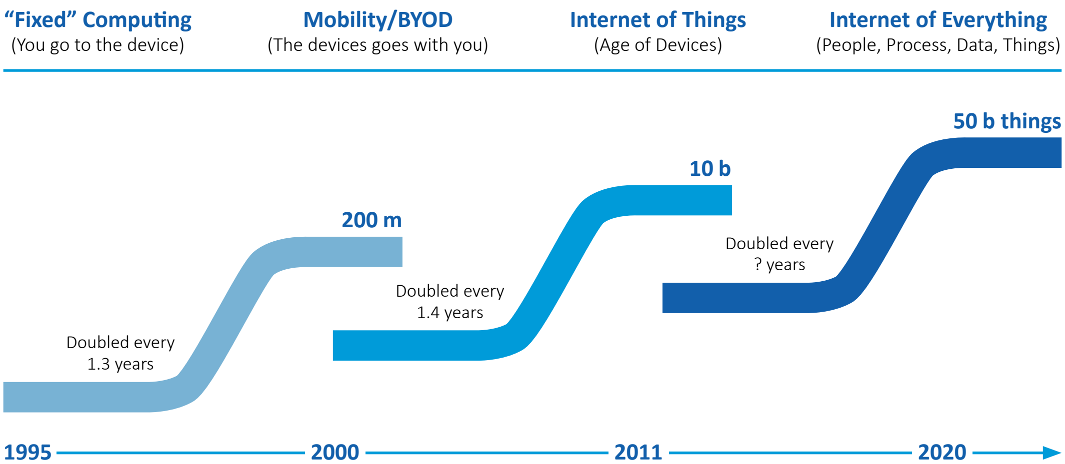
Source: Prismark, Q4 2014

Trends and technologies

“Digitalisation of the world” will define growth of the electronics industry

The continuing “digitalisation of the world” will change this decade and define the growth of the electronics industry. The driving forces behind this trend are the nearly ubiquitous access to the Internet and ever lower prices for data transmission and sensors, as well as the use of the Internet to support communication between electronic devices. Today, society is at the start of the Internet of Things (IoT). This is a trend based on how Internet-connected devices are used to improve the exchange of data, automate complex processes in industry and generate valuable information.

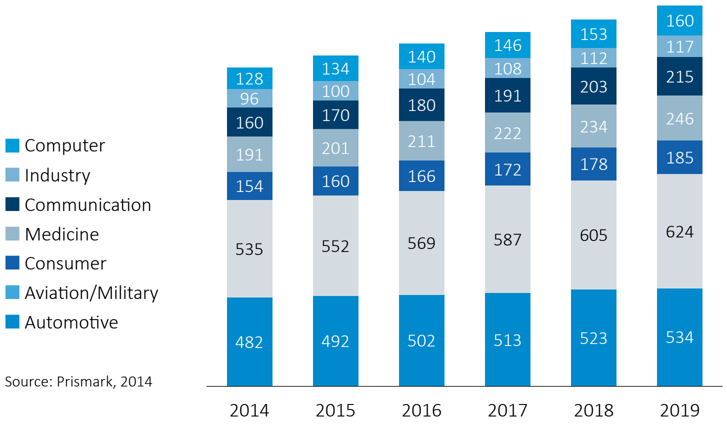
Nearly 50 billion “things” will be connected through the Internet by the year 2020, according to a study by Cisco, the leading provider of network solutions worldwide. Based on 2014 and around 20 billion connected devices – mainly smartphones and computers – this equates to an annual growth rate of around 16%. The IoT therefore has the potential to become the “next big thing” in the global electronics industry.



Source: Cisco

While the concept of IoT is still relatively recent, it has already evolved into a much broader idea: the “Internet of Everything” (IoE). This approach encompasses not only the number of devices but also a change in the way these devices have used the Internet in the past. Most of the “connected devices” in use today require active interaction by the user and are mainly used for acquiring information or entertainment. The majority of the 50 billion connected things in 2020 will be used to link and direct systems in a variety of areas such as industry, smart homes, smart cities, smart energy, smart mobility, smart healthcare, wearables and much more. This trend will have significant influence on the further growth in all segments of the entire electronics industry.

GROWTH FORECAST FOR THE ELECTRONICS MARKET BY SEGMENT IN US$ BILLION



Source: Prismark, 2014

The Prismark forecast for the development of the global electronics market reflects the trends outlined. Especially high are the growth forecasts for electronic applications in the industrial area (e.g. Industry 4.0), with a total increase by 2018 of nearly 27%, followed by the automotive area (e.g. autonomous driving) of 22.5%. According to this estimate, the medical sector (e.g. online patient monitoring), 17%, and the aviation/military sector, 20%, will also experience significant, above-average growth. In the area of computers (e.g. tablets and notebooks), with growth of 9%, and in communications (e.g. smartphones and infrastructure), with growth of 13%, a slight flattening of the growth curve is expected after the boom of previous years. The consumer electronics sector (wearables) is expected to record an increase of around 16% by 2018.

Detailed information on the trends in markets and sectors can be found in the Management Report starting on page 70.

Influences and success factors

In addition to the changes outlined above with respect to technologies and areas of application, a number of influences and success factors will determine the course of business for AT&S. The global electronics industry is highly dynamic and is itself influenced by general economic conditions, the willingness of companies to invest and consumer sentiment. In addition to these general influences, the printed circuit board industry is characterised by intensive competition with approximately 2,800 producers worldwide. AT&S has thus been focused for many years on the technologically high-end area, in which the number of relevant competitors, at around 10 to 15, is significantly lower.

In this continuously changing environment, AT&S has defined critical factors for sustainable success:

- Clear focus in the product and technology portfolio
- Long-term strategy with sufficient flexibility to be able to anticipate market developments and respond to market changes
- Maximum proximity to customers and a high level of internal market intelligence to detect the trends that will define the electronics and PCB industries
- A diversified and balanced portfolio of customers, applications and technologies in order to take advantage of the varying seasonality and volatilities in the individual market segments
- Rapid implementation of new high-end technologies and processes in the required volume
- Operational excellence to ensure high quality and production standards
- Competitive site selection

Business strategy

Taking into account the market potential outlined above and the influences and success factors, the business strategy of AT&S is aimed at a sustainable increase in enterprise value in the interests of all relevant stakeholders. The following themes are the key cornerstones of this strategy:

- **Extending technological leadership**
  - by concentrating on the high-end printed circuit board segment
  - by industrialising leading-edge technologies

- **Long-term, profitable growth**
  - by concentrating on application areas with attractive growth potential and long-term profitability
  - through operational excellence in terms of quality, efficiency, and productivity

- **Forward-looking human resources strategy**
  - new capabilities for new technologies: find and retain the best employees through global prospects for development and outstanding training and continuing education programmes
  - diversity as future opportunity

- **Sustainable business leadership**
  - through European standards at all sites
  - through ambitious key performance indicators for resource consumption and emissions
  - through clear commitment to being a good corporate citizen

Technology strategy

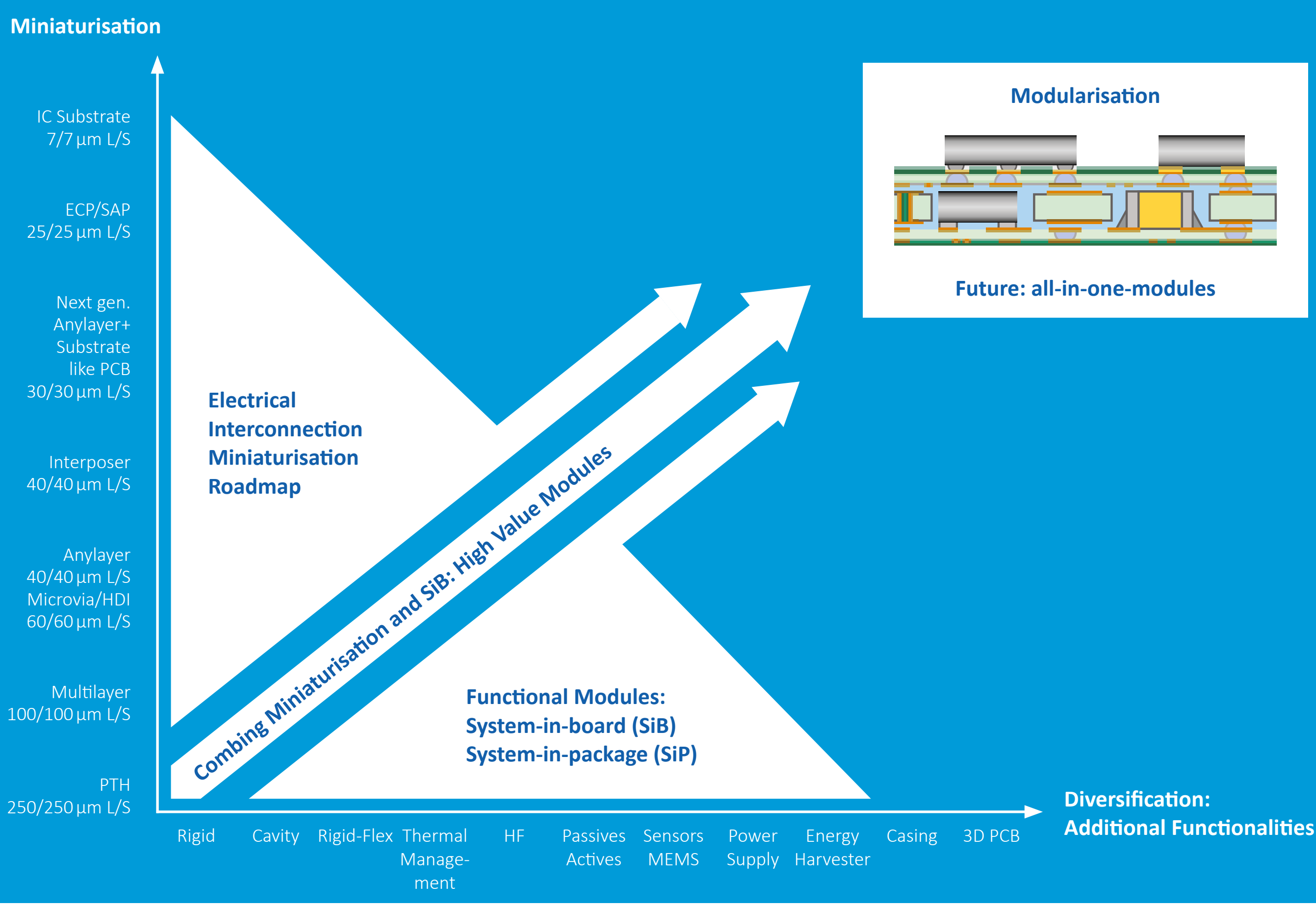
In order to secure and expand our market position as a leading producer of high-end printed circuit boards over the long term, AT&S pursues a clear technology strategy. In this strategy, the central starting point is the continuing advancement of miniaturisation through the implementation of finer structures, the processing of thinner materials, and the integration of additional functionality such as thermal solutions, energy production and the embedding of passive and active components.

The embedding technology, in particular, requires a readjustment of the current business model, in which value is added through component procurement and embedding.

The combination of these technological developments – miniaturisation at the level of the printed circuit board and IC substrates – and the implementation of system-in-board and system-in-package applications will subsequently enable the full integration of high-end HDI microvia technology and embedded component packaging, leading to highly complex all-in-one modules. In the illustration below, the left-hand scale shows the development of miniaturisation with respect to the density and intervals of the circuit paths. The horizontal axis indicates the development of the "functional integration". The combination of these two aspects will lead to the all-in-one modules mentioned above.

With the entry into IC substrate technology and the expansion of the Group's site in Chongqing through the implementation of a new level of technology for so-called substrate-like PCBs, AT&S is one of the first companies globally to establish the foundation for merging the two worlds of the printed circuit board and semiconductor industries within a competitive environment. In addition to these aspects, AT&S is also involved with numerous other matters of technology which, for competitive reasons, are not be described in detail here. Further information on research and development activities can be found in the Management Report starting on page 94.

TECHNICAL EVOLUTION AND IMPACT ON THE AT&S PRODUCT PORTFOLIO



Long-term, profitable growth

AT&S is among the most profitable companies in the industry and has distinguished itself for years with a high EBITDA margin above the industry average for printed circuit boards and strong operative cash flow generation. In order to ensure this profitability in the future, in combination with sustained growth, AT&S continues to focus on profitable market segments with sound prospects for growth and high technological requirements. An important milestone in this respect will be the start of production, in 2016, of IC substrates and substrate-like PCBs at the site in Chongqing, China.

The ongoing improvement of the product mix and optimal management and balancing of available capacity at all sites are further important parameters for the sustainable profitability of AT&S. The site plan plays an important role in this: AT&S will continue to rely on high-volume production with a limited product mix in Asia for the relevant cost advantages and on low-volume production with high product diversity in Europe. Exceptional process expertise is the basis for the quality leadership of AT&S: low internal scrap rates influence EBITDA margins, and the ratio of employee headcount – which is rising at a slower pace – to revenue growth is an expression of high productivity, among other things.

KEY DATA FOR MANAGEMENT OF THE GROUP:

AT&S measures its ability to implement innovation promptly and in response to the market using the key indicator **Innovation Revenue Rate (IRR)**. IRR represents the share of total revenue generated from products that have been introduced in the past three years and which are distinguished by a high degree of innovation. Target figure: IRR above 20%.

For the two additional performance indicators, ROCE and Cash Earnings, AT&S does not set precise target figures at present due to the expansion phase for the two new plants in Chongqing, China.

Using the **return on capital employed (ROCE)**, AT&S measures its yield on the use of capital: earnings adjusted for the financial result in relation to the average interest-bearing capital employed. ROCE should be clearly above WACC, however, which averages around 10% in the industry.

To assess operational and financial performance, AT&S uses the key figure **Cash Earnings**, which includes Group earnings for the year excluding consideration of depreciation.

Forward-looking human resources strategy

AT&S as a global technology business in an environment of constant and significant change, AT&S needs the best educated, most flexible and highly motivated employees for long-term success. To ensure and continue to develop its expertise, AT&S relies on a training and continuous education offensive with funding that is steadily being increased. Specialists are trained and further their education primarily through internal programmes due to a lack of general education paths for the PCB industry. Through international talent programmes, AT&S intends to recruit young, mobile and top-level university graduates as the next generation of leadership. Reinforcing the common, positive and distinctive corporate culture (basis: internal survey, February 2015) with a clear vision and mission, success-oriented management principles, and an environment of open feedback is just as much a success factor for AT&S as an attractive and excellent employer as the further promotion of diversity of gender and culture.

Detailed information on these topics can be found in the Management Report starting on page 88.

Sustainable business leadership

At AT&S, sustainability does not only mean being a good corporate citizen. Sustainability at AT&S is also a profitability consideration. AT&S has therefore introduced European standards in many areas of environmental protection and resource consumption at all its locations. These are clearly shown in key performance indicators: AT&S has set as its goal a reduction in total carbon footprint in kg of CO_2 per m² of printed circuit board by five percent per year and a reduction in fresh water consumption per m² of printed circuit board by three percent per year. Social responsibility is practised individually at the sites in the form of numerous projects, primarily in the area of training based on the strategy „think global, act local". Uniting economic, environmental and social responsibility for the benefit of all stakeholders is the objective of the AT&S sustainability strategy. All action areas, measures and goals were documented in the first AT&S Sustainability Report in financial year 2013/14. The next Sustainability Report will be issued in July 2015. Detailed information can also be found in the Management Report starting on page 91.

Report of the Supervisory Board

Dear shareholders,

The financial year 2014/15 was enormously successful for AT&S. In a market environment of strong growth for AT&S customers, and as a result of clear strategic direction combined with operational excellence, AT&S was able to increase all of its key success indicators and not only to maintain the growth trajectory of the previous years but sharply accelerate it as well. This growth and technological leadership in a competitive environment dominated by Asian companies is expected to continue with the start of production for the new "IC substrate" technology and expansion of the production facility in Chongqing, China, for the next generation of printed circuit boards – the substrate-like printed circuit board.

Setting the strategic direction for development in Chongqing and the specific steps, capital expenditures and financing issues associated with it was a key focus of the advice provided and decisions made by the Supervisory Board in the financial year 2014/15. One of these meetings was held at the site of the plant under construction in Chongqing, which gave all members of the Supervisory Board present an overview of the progress of the project.

Again in the past financial year, the Supervisory Board diligently executed its tasks and duties as required by law, the Articles of Association, the Austrian Corporate Governance Code (ÖCGK) and its rules of procedure. In the financial year from 1 April 2014 to 31 March 2015, the Supervisory Board was regularly informed by the Management Board through an open exchange of information and opinions, as well as comprehensive oral and written reports about the market situation, strategy, operating and financial position of the Group, its investments in other companies, staff situation and planned capital expenditure. The Supervisory Board took the respective decisions accordingly. The Supervisory Board was able to confirm a functioning Issuer Compliance system.

Between meetings of the Supervisory Board, the Chairman of the Supervisory Board was regularly informed by the Management Board of business developments.

The Supervisory Board met six times during the 2014/15 financial year, with the participation of the Management Board. Franz Katzbeck was excused from two Supervisory Board meetings; Regina Prehofer, Karin Schaupp and Karl Fink were each excused from one. During the financial year 2014/15, there were no changes in personnel on the Supervisory Board. At the 20th Annual General Meeting of AT&S on 3 July 2014, there was one re-election in the course of which Gerhard Pichler was again elected to the Supervisory Board of the Company.

SUPERVISORY BOARD COMMITTEES The Supervisory Board has established an Audit Committee and a Nomination and Remuneration Committee as standing committees. In the 2014/15 financial year the Supervisory Board also established a Project Committee to address matters related to debt financing. Each established committee attended to its individual area in detail and reported accordingly to the Supervisory Board.

The Audit Committee, consisting of Regina Prehofer (Chairwoman), Gerhard Pichler (finance expert), Georg Riedl, Wolfgang Fleck and Günther Wölfler, focused primarily on the review of the annual and consolidated annual financial statements for the year ended 31 March 2014 and planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2014/15. Through discussions with the Auditor, inspection of relevant documents and discussions with the Management Board, it obtained a true and fair view. The Audit Committee also monitors the effectiveness of the group-wide internal control system and the Group's internal audit and risk management systems. The Audit Committee reported to the plenary Supervisory Board with respect to this monitoring and found no deficiencies. The Audit Committee convened twice in the past financial year. The meetings were chaired by Regina Prehofer, who was regularly involved in quarterly reporting in this capacity and reported on these matters to the Supervisory Board.

A significant focus of the Supervisory Board with respect to remuneration was the introduction in the financial year 2014/15 of a long-term incentive programme for the Management Board and key staff based on stock appreciation rights ("SAR"). The programme is a replacement for the stock option scheme that expired with its last distribution on 1 April 2012. The Nomination and Remuneration Committee comprises the following members:

Hannes Androsch (Chairman), Karl Fink, Albert Hochleitner, Wolfgang Fleck and Günther Wölfler. The Nomination and Remuneration Committee met three times.

On 19 March 2015 the Supervisory Board resolved to create a Project Committee to oversee further progress with respect to the implementation of various measures for debt financing, including providing approval for implementation of the relevant transactions.

The Project Committee consists of Hannes Androsch (Chairman), Willibald Dörflinger, Regina Prehofer, Wolfgang Fleck and Günther Wölfler. As the Project Committee was formed on 19 March 2015, and thus at the end of the financial year, it did not meet during the financial year 2014/15. However, it will be ongoing after 31 March 2015 until its dissolution.

SELF-EVALUATION OF THE SUPERVISORY BOARD The Supervisory Board performs an annual self-evaluation, as it did again in the financial year 2014/15 to ensure the continuing improvement of its working practices and the fulfilment of its responsibilities to the shareholders and other stakeholders. The annual evaluation carried out by the Supervisory Board confirmed that its regular practices meet the requirements of the Austrian Stock Corporation Act and the Austrian Corporate Governance Code (ÖCGK), and that its organisation, work practices and orientation in the interest of the shareholders and all other stakeholders are effective. The self-evaluation will continue to constitute an important component of critical review by the Supervisory Board of its own activities.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS The Supervisory Board of AT&S proposed that PwC Wirtschaftsprüfung GmbH, Vienna be appointed Company and Group auditors for the financial year 2014/15. The proposal was approved by the Annual General Meeting of 3 July 2014.

The annual financial statements of AT&S and the consolidated financial statements for the year ended 31 March 2015 were both audited by PwC Wirtschaftsprüfung GmbH, Vienna, and awarded an unqualified audit report. The management report and the Group management report for the financial year 2014/15 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 Company's annual financial statements for the year ended 31 March 2015 in accordance with section 96(4) Austrian Stock Corporation Act (AktG). Also based on the prior discussions of the Audit Committee, and after its own detailed consideration and examination, it approved the consolidated financial statements drawn up in accordance with section 245a Austrian Commercial Code (UGB) and with IFRS, as well as the management report, the consolidated management report and the corporate governance report. The Supervisory Board review, which included extensive discussions with the auditors, did not give rise to any objections. Pursuant to the recommendation of the Audit Committee, the Supervisory Board of AT&S will propose to the 21st Annual General Meeting that PwC Wirtschaftsprüfung GmbH, Vienna be appointed Company and Group auditors for the financial year 2015/16.

The Supervisory Board adopts the Management Board's recommendation for the allocation of profits. Accordingly, 13,986,000.00 € should be distributed as dividends from the reported net profit as at 31 March 2015 amounting to 36,874,815.29 € (whereof distributable: 24,502,815.29 €), which corresponds to 0.36 € per share. The remaining amount of 22,888,815.29 € should be carried forward.

THANKS TO THE MANAGEMENT BOARD AND ALL AT&S EMPLOYEES Finally, the Supervisory Board would like to express its gratitude and acknowledgement to the entire Management Board and all employees for their particular achievements and commitments in the past financial year.

On behalf of the Supervisory Board
Leoben-Hinterberg, 8 June 2015

Hannes Androsch
Chairman of the Supervisory Board

Investor Relations

FINANCIAL CALENDAR

21st Annual General Meeting
9 July 2015

1st quarter 2015/16
28 July 2015

Ex-dividend date and Dividend payment date
30 July 2015

2nd quarter 2015/16
27 October 2015

3rd quarter 2015/16
28 January 2016

Annual results 2015/16
10 May 2016

THE AT&S INVESTMENT STORY

Four reasons to invest in AT&S:

Sustainable profitability

- One of the most profitable printed circuit board manufacturers in the world through concentration on the high-end segment
- Strong operative cash flow generation

Unique market position

- Largest European PCB producer
- Technology and quality leader in an environment dominated by competition from Asia
- Balanced industry portfolio
- Global blue chip customers

Long term attractive growth

- Global megatrends in the electronics industry offer enormous potential for AT&S (e.g. the "Internet of Things")
- The AT&S technology portfolio positions it in market and end-user segments that consistently record solid growth
- Entering a new high-end business segment by 2016 (IC Substrates)

Compelling cost advantages

- Ideal production footprint: Asia for high volume and low product mix;

  Europe for high product mix and low volumes
- High productivity and efficiency resulting from exceptional process expertise
- Cost structure continuously improved

DEVELOPMENTS IN THE CAPITAL MARKET The financial year 2014/15 was marked by uneven global economic performance, uncertainty regarding future central bank policies and a series of geopolitical crises. The original forecasts for growth in Europe were not met – not least due to the Ukraine-Russia crisis. Performance on the international stock exchanges, above all in the USA, was shaped by the sustained low interest rates in the most important national economies. Fears that the US central bank would abandon its expansionary policy caused temporary market corrections, but these did not materialise in the end. The Dow Jones Industrial (DJI) stock index in the US showed positive performance again in 2014, rising by 7.5% and continuing this trend into the first quarter of 2015 as well. The NASDAQ 100 recorded an increase of 23% between April 2014 and March 2015 due to strong demand for leading global technology shares. Despite the disappointing economic data, European shares recorded gains during the year, which were encouraged by the prospect of quantitative easing by the European Central Bank through purchases of government and corporate bonds. The leading German index, the DAX, broke the 10,000-point mark for the first time in June 2014, but lost as the year progressed and closed with a gain of 2.7% at year-end. During the first quarter of 2015, the DAX reached new highs, rising to over 12,000 points. The share index for Europe as a whole, the Eurostoxx 50, was unable to fully recover from its low point in October 2014 by the end of the year, resulting in a gain of 1.2%. For the first quarter of 2015, however, it recorded a gain of 18.6%. The Viennese benchmark index, the ATX, lost 15.2% in 2014 due to the crisis in Ukraine and the related exposure of numerous issuers – of financial and real estate shares in particular – to Eastern Europe. Weak economic data also contributed to the loss. The broader ATX Prime lost 13.5%. However, both indices more than compensated for these losses in the first quarter of 2015.

CAPITAL MARKET COMMUNICATION The AT&S investor relations team is committed to transparent, proactive and continuous communication with all capital market participants on an equal basis. The aim is to reinforce confidence in AT&S in the long term through comprehensive dialogue and information that is timely and relevant. The focus is on transparent communication of the corporate strategy, growth path, the associated opportunities and risks, and current business development. The information available is regularly updated on our website at www.ats.net/investors/, which has also been optimised for mobile applications. The AT&S Twitter and YouTube channels (@ATS_IR_PR and ATundS, respectively) are also available as a source of information. In the interest of transparency and equal treatment of all shareholders, AT&S broadcasts its Annual General Meeting and twice-yearly press conferences on the Internet. It is our goal to continuously improve the dialogue. We look forward to your questions and feedback on our shareholders' hotline (see Contact). All shareholders are cordially invited to attend the next Annual General Meeting on 9 July 2015. Current and complete information in this regard can be found on the website. You can also find the resolutions on the website, as well as information and documents from the last Annual General Meeting.

AT&S SHARE PERFORMANCE AND LIQUIDITY The AT&S share began the financial year 2014/15 at a price of € 8.70. It rose to € 10.21 by July, followed by a correction in line with key indices to € 8.60. Subsequent performance through to the end of the calendar year 2014 continued to be uneven. Based on the very good results for the first three quarters of 2014/15, a sharp and sustained upward trend began in late January 2015. The AT&S share reached its high for the reporting period of € 15.55 on 17 March 2015, accompanied by high turnover. It then declined as part of the overall correction to international technology stocks, closing on 31 March 2015 with a price of € 14.62. This represents a gain of 67.1% compared to the closing price of € 8.76 for 2013/14. The AT&S share was thus among those posting the strongest gains in the ATX Prime Index of the Vienna Stock Exchange. In parallel with this positive share price performance, the number of shares traded on the exchange also rose significantly. While liquidity for the financial year 2013/14 was still around 50,000 shares per day (single-counted), average daily turnover at the end of the financial year 2014/15 was 67,000 shares (single-counted). AT&S shares were traded for a total value of € 171.2 million in the reporting year, resulting in an average daily turnover of € 693,255.

AT&S´ share at a glance

Initial listing
16 July 1999
Frankfurt, "Neuer Markt"
starting 20 May 2008
Vienna, Prime Market

Number of ordinary shares
38,850,000

Securities Identification No.
969985

ISIN-Code
AT0000969985

Ticker symbol
ATS

Reuters
ATS.VI

Bloomberg
ATS AV

Indices
ATSPrime, WBI SME

Key Stock figures	Unit	2014/15	2013/14	2012/13
Close	€	14.62	8.75	6.79
High	€	15.55	9.12	9.60
Low	€	7.68	6.15	6.25
Market capitalisation, end of reporting period	€ in millions	568.0	339.9	158.4
Average share turnover per day	€ in thousands	693.3	496.6	177.3
Average number of shares traded per day	-	67,000	50,200	22,600
Dividend per share [1]	€	0.36	0.20	0.20
Dividend yield (at the closing price)	%	2.5%	2.3%	2.9%
Earnings per share	€	1.78	1.24	0.62
Carrying value per share	€	15.56	10.06	13.07
Price-Earnings ratio per share	-	8.21	7.06	10.95

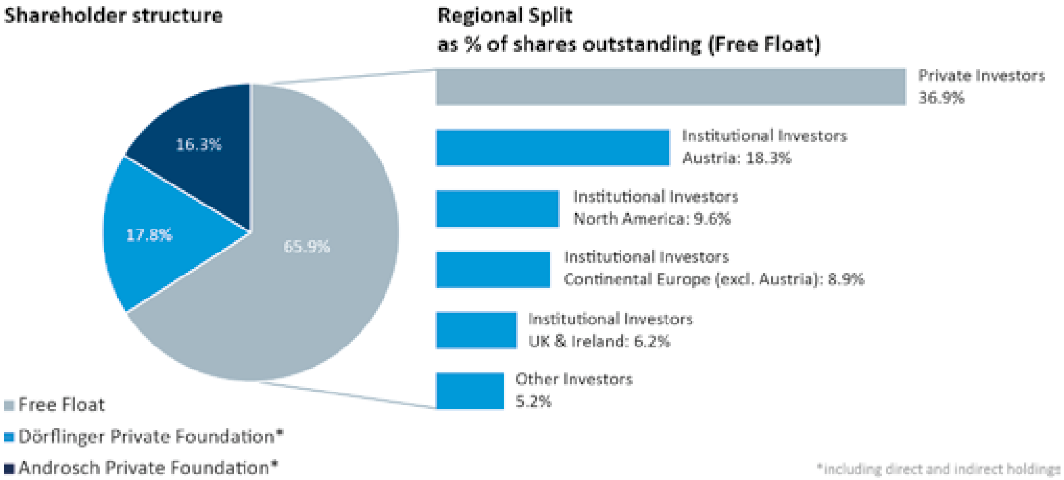
[1] 2014/15: Proposal for the Annual General Meeting on 9 July 2015.

DIVIDEND POLICY Through to the financial year 2011/12, the amount of the AT&S dividend was tied to the cash earnings key figure. On average, approximately 10% of cash earnings was distributed as dividends. With the start of the IC substrates investment project in Chongqing, this dividend policy was temporarily suspended and replaced by a fixed amount of € 0.20 per share for the financial years 2012/13 and 2013/14. The Management Board of AT&S will propose a dividend of € 0.36 amount for the financial year 2014/15 to the Annual General Meeting on 9 July 2015.A change to this distribution policy will be considered upon completion of the Chongqing project at the soonest.

ANALYSIS OF THE AT&S SHARE As at 31 March 2015, performance of the AT&S share was analysed by nine investment banks:

- Berenberg Bank
- Deutsche Bank
- Erste Group
- Hauck & Aufhäuser
- HSBC
- Kepler Cheuvreux
- Oddo Seydler Research
- Raiffeisen Centrobank
- Wood & Company

Three investment companies initiated coverage of the AT&S share in 2014/15. Both Wood & Company and Oddo Seydler Research as well as HSBC rate the share as a "buy" in their initial recommendation. In total, six analysts gave the AT&S share a "buy" recommendation and three gave a "hold" rating. The names of the analysts are available on the website www.ats.net/investors/. In a peer group dominated by Asian companies, AT&S has the third largest number of analysts on coverage.



ROAD SHOWS In the financial year 2014/15, AT&S provided information to existing and potential investors, both private and institutional, as well as analysts as part of 18 road shows, investor conferences and capital market events across all capital market centres in Europe, Asia and the USA. In addition, the Management Board and Investor Relations team sought dialogue with institutional investors and analysts through numerous one-on-one meetings and teleconferences. Discussed in these meetings were current trends in the markets and technology, the development of customer segments, performance in core businesses, and progress in the new business area, IC substrates. The increased visibility among potential and existing investors will continue to expand understanding of the AT&S business model and future strategy, and ultimately facilitate a realistic reflection of its business success in the performance of its share price.

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E-Mail: ir@ats.net

Corporate Governance Report

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Principles and Corporate Governance Declaration

AT & S Austria Technologie & Systemtechnik AG (AT&S) declares its compliance with the Austrian Corporate Governance Code (ÖCGK) as amended in January 2015, and submits this corporate governance report in accordance with section 243b Austrian Commercial Code (UGB). This report also forms part of the Annual Report for the financial year 2014/15.

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 amended where necessary. Such amendment occurred most recently in order to implement the recommendation of the EU Commission of 9 April 2014 on the quality of corporate governance reporting ('comply or explain') and to take account of the new position taken by the Austrian Financial Reporting and Auditing Committee (AFRAC) with respect to the preparation and review of corporate governance reports pursuant to section 243b UGB. The amended Code is applicable to financial years starting after 31 December 2014.

The objective of the ÖCGK is responsible management and control of companies and groups for the purpose of creating sustainable, long-term value with a high level of transparency for all stakeholders of the business.

The basis of the Code is provided by the provisions of Austrian company, stock exchange and capital markets legislation, the EU recommendations concerning the responsibilities of supervisory board members and the remuneration of directors, and the principles of the OECD guidelines for corporate governance.

The rules of the ÖCGK are divided into three categories:

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

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

AT&S shares have been listed on the Vienna Stock Exchange since 20 May 2008. In order to qualify for inclusion in the Prime Market, companies must submit a declaration of commitment to comply with the ÖCGK. AT&S has therefore expressly subscribed to the ÖCGK since its shares were listed.

As of 31 March 2015, AT&S complies with all required provisions of the Code as amended in January 2015 with the following explanations:

C-RULE 18A Internal Audit conducts regular group-wide reviews based on an audit plan approved by the Audit Committee, which includes measures to fight corruption in the Group. It reports to the Audit Committee on this matter regularly and also if warranted by particular events.

C-RULES 27–28A AND ALL RELATED PROVISIONS These rules were amended as part of the revision to 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 apply only to contracts concluded after 31 December 2009. C-Rules 27-28a were therefore not applicable with respect to the original agreement appointing Mr Moitzi to the Management Board and were also not applied in full when the same agreement was extended in 2013. Due to the short period between the most recent revision of the Austrian Corporate Governance Code and the appointment of Mr Gerstenmayer as Chairman of the Management Board of AT&S in mid-December 2009, and in order to avoid any departure from the remuneration arrangements applicable to the appointment of Mr Moitzi, the new rules were not taken into account when the agreement with Mr Gerstenmayer was signed in January 2010 nor when his Management Board contract was extended in 2013. This was not considered necessary because the Group's stock option scheme had already expired (see below). Furthermore, the Management Board and Supervisory Board work closely together on the long-term development of the Group, and the Supervisory Board and Nomination and Remuneration Committee regularly analyse the broader long-term orientation of Management Board remuneration. The following deviations from the rules currently require explanation:

The Group's now-expired stock option scheme did not require the beneficiaries to hold shares in the Group, and provided only for a vesting period of two years before a part of the options acquired could be exercised. This stock option scheme has expired, with the last allocation being made on 1 April 2012. Options granted under this scheme may still be exercised until 31 March 2017.

After extensive planning, a long-term incentive ("LTI") programme for the Management Board and key staff was implemented by resolution of the Supervisory Board on 3 July 2014 as a replacement for the stock option scheme that expired with the last distribution on 1 April 2012. The new programme is based on stock appreciation rights ("SAR"). The Management Board and Supervisory Board also work continuously to raise the performance of AT&S Group still further with respect to non-financial targets. However, in order to maintain the transparency and measurability of target achievement as it relates to variable long-term remuneration, no fixed non-financial criteria for remuneration under the long-term incentive programme are stipulated. Details of this long-term incentive programme can be found in the section on Management Board remuneration.

The portion of variable remuneration of the Management Board not in the form of stock options or SARs, but based instead on the results of the financial year, requires achievement of three near-term performance measures defined in the budget for the applicable financial year: return on capital employed (ROCE), cash earnings (CE), each with a 45% weighting, and the innovation revenue rate (IRR), with a 10% weighting. The basic prerequisite for awarding this variable remuneration is positive EBIT for the Group as a whole for the financial year and attainment of the target EBIT for the Group as a whole by at least 70% (the "hurdle rate"). In the event that the targets for ROCE, CE and IRR are exceeded, bonuses are restricted to a maximum of 200% of the annual bonus set out in the contract of employment. The inclusion of IRR is of major importance in giving variable remuneration a long-term focus because innovative strength – the development of new technologies, products or product types – is a crucial factor for the future business success of the Group. It can also be reliably measured: IRR represents the share of total revenue generated from products introduced in the past three years. The three-year reference period provides a long-term component of variable remuneration.

Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG), applied mutatis mutandis ("old system for severance pay"), if their appointments are terminated. In the event of premature termination initiated by a Management Board member for reasonable cause, or if the function is eliminated for legal reasons, remuneration is payable until the end of the appointment contract, and not necessarily for a maximum of two years. Where a Management Board member resigns or is removed from office for severe breach of duty, and in the case of death, payment of salary ceases at the end of the applicable month. Compensation payments in cases of early termination of Management Board appointments, even without good cause, could exceed more than two years' total remuneration in exceptional cases subject to termination provisions under the Salaried Employees Act.

C-RULE 62 In derogation of C-Rule 62, AT&S has not commissioned an evaluation by an external institution of its compliance with the ÖCGK at least every three years nor published a report on the findings in the Corporate Governance Report. This C-Rule of the Code as amended in January 2015 applies to financial years starting after 31 December 2014. However, this provision, which was changed from a recommendation (R-

Rule) to a C-Rule taking effect with the ÖCGK as amended in January 2015, was adopted insofar as an evaluation for the financial year 2014/15 was conducted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, whose registered office is in 1090 Vienna. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has submitted a corresponding report. In the future, compliance with the ÖCGK will be evaluated by an external institution at least every three years and a report on the findings will be published in the Corporate Governance Report.

For the Corporate Governance Report for financial year 2014/15, the following excerpt from the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is presented:

"Review of compliance with the C-Rules of the Corporate Governance Code – examination of relevant documents and the website of AT&S by random sample

Based on the review of compliance with the rules of the Austrian Corporate Governance Code, the following conclusions can be made:

- In the course of the audit procedures applied, no facts – with the exception of those deviations from C-Rules which were explained by AT&S – have come to our attention that are inconsistent with compliance with the remaining C-Rules of the Austrian Corporate Governance Code.
- The information referred to in the C-Rules of the Austrian Corporate Governance Code on the website of AT&S was published in a materially current and complete manner.
- We encountered no facts in our audit procedures that contradict the information provided to us."

AT&S AG Management Board

The Management Board is the collective executive body responsible for the management of the Group. Each member of the Management Board is also responsible for defined areas of the business in addition to 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. Meetings of the Management Board are characterised by a culture of open discussion. 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 is required to obtain the prior consent of the Supervisory Board for business transactions as stipulated by law and the Articles of Association or rules and procedure issued by the Supervisory Board to the Management Board. Additionally, Internal Audit reports directly 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 21 Management Board meetings. Written minutes of all Management Board meetings and decisions are required.

As at 31 March 2015 and for the entire reporting period, the Management Board of AT&S was composed of Andreas Gerstenmayer as Chairman (CEO), Karl Asamer as Chief Financial Officer (CFO) and Heinz Moitzi as Chief Operating Officer (COO).

In addition to the statutory collective responsibility, functional responsibility is allocated to the members of the Management Board as follows:

a) Andreas Gerstenmayer is Chairman of the Management Board (CEO) and responsible for:

- Sales and Marketing
- Human Resources
- Investor Relations, Public Relations and Internal Communications
- Business Development and Strategy
- Compliance
- CSR and Sustainability

b) Karl Asamer is Deputy Chairman of the Management Board with responsibility as CFO for:

- Finance and Accounting
- Group Accounting
- Tax
- Treasury
- Controlling
- Legal affairs, Risk Management and Internal Audit
- IT
- Procurement

c) Heinz Moitzi is COO, with responsibility for:

- Research and Development (R&D)
- Operations
- Quality Management
- Business Process Excellence
- Environment
- Safety

Mr Gerstenmayer was born on 18 February 1965 and is a German citizen. He is a graduate of the Production Engineering programme 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 Business Unit Bogies Graz (world headquarters). He was first appointed to the Management Board on 1 February 2010 and his current term ends on 31 January 2018. Mr Gerstenmayer holds no 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 advisory committee of the Styrian Research Council (Forschungsrat Steiermark).

Mr Asamer was born on 19 January 1970. He has a degree in business administration from Johannes Kepler University in Linz. Before joining AT&S, he worked for the Geka Group in Bechhofen, Germany, where he was managing partner. Prior to that, his responsibilities included financial management at Sell GmbH, the leading manufacturer of aircraft galleys for wide-body aircraft, and Magna Closures Europe, a division of automotive components supplier Magna. Mr Asamer is managing partner of Asamer GmbH, located in Ansbach, Germany. He became a member of the Management Board of AT&S on 1 April 2014. His current term ends on 31 March 2017. Mr Asamer holds no supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements.

Mr 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 the Austrian higher technical college (HTBL), where he completed his certificate in electrical engineering. In 1981 he was a measurement engineer at the Leoben University of Mining and Metallurgy. Mr Moitzi has been with AT&S since 1981, first as head of the mechanics and electroplating department, then as production and plant manager at Leoben-Hinterberg. From 2001 to 2004 he was project leader and COO of AT&S in Shanghai. Upon his return he assumed the position of Vice President of Production. He was first appointed to the Management Board on 1 April 2005, and his current term ends on 31 March 2018. Mr Moitzi holds no supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements.

AT&S AG Supervisory Board

AT&S AG Supervisory Board

	Date of birth	Date of first appointment	End of current appointment	Independent according to OECKG rule
Hannes Androsch	18.04.1938	30.09.1995[1)]	21st AGM 2015[1)]	-
Willibald Dörflinger	20.05.1950	05.07.2005	21st AGM 2015	53, 54
Regina Prehofer	02.08.1956	07.07.2011	22nd AGM 2016	53, 54
Karl Fink	22.08.1945	05.07.2005	21st AGM 2015	53, 54
Albert Hochleitner	04.07.1940	05.07.2005	21st AGM 2015	53, 54
Gerhard Pichler	30.05.1948	02.07.2009	25th AGM 2019	53
Georg Riedl	30.10.1959	28.05.1999	22nd AGM 2016	53
Karin Schaupp	23.01.1950	07.07.2011	22nd AGM 2016	53, 54
Wolfgang Fleck	15.06.1962	03.09.2008[2)]		n.a.
Sabine Fussi	12.10.1969	14.09.2011[2)]		n.a.
Franz Katzbeck	11.02.1964	15.10.2013[2)]		n.a.
Günther Wölfler	21.10.1960	10.06.2009[2)]		n.a.

[1)] AT&S was originally established as a private limited company (GmbH). The shareholders' meeting of 23 June 1995 passed a resolution to change the company into a public limited company (AG) and appointed Supervisory Board members including Hannes Androsch. The AG was registered in the Register of Companies on 30 September 1995.
[2)] Appointed by the Works Council; date of first appointment in this case is either the date of the first Supervisory Board meeting attended or the date of notification to the Supervisory Board of the appointment.

The Supervisory Board monitors and supervises Management, and is responsible for decisions that are of fundamental importance to, or involve the strategic focus of, the Group.

Throughout the financial year ended 31 March 2015, the Supervisory Board received written and oral reports from the Management Board on the Group's policies and performance, and was closely involved in all business issues. The Supervisory Board met six times during the financial year 2014/15, with the participation of the Management Board. One of these meetings was held at the site of the production facility under construction in Chongqing (China), giving all members of the Supervisory Board a first-hand view of the project's progress.

In these meetings, the Management Board and the Supervisory Board discussed the economic position of AT&S Group in depth. As part of the Group's ongoing reporting process and at all board meetings, the Management Board gave the Supervisory Board comprehensive reports on the Group's operating and financial position, and on its investments in other companies, staff situation and planned capital expenditure. In-depth discussions focused primarily on the strategic entry into the IC substrate market as part of a partnership with a leading semiconductor manufacturer and on the broader direction of the new production facility in Chongqing, China.

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.

COMPOSITION

SHAREHOLDER REPRESENTATIVES

Hannes Androsch, Chairman of the Supervisory Board, was first appointed on 30 September 1995. His current appointment runs until the 21st Annual General Meeting in 2015.

He is an industrialist who, from 1970 to 1981, was Austrian Federal Minister of Finance. Between 1976 and 1981, he was also Vice Chancellor of the Republic of Austria. From July 1981 until 1988 he was Managing

Director of Creditanstalt-Bankverein. In 1994, together with Willibald Dörflinger and Helmut Zoidl, he carried out a management buyout of AT&S. Hannes Androsch holds interests in a number of well-known Austrian businesses.

Willibald Dörflinger, First Deputy Chairman of the Supervisory Board, was initially appointed to the Board on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

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

Other supervisory board or similar positions held by Mr Dörflinger at listed companies:
- HWA AG

Regina Prehofer, Second Deputy Chairwoman of the Supervisory Board, was first appointed to the Board on 7 July 2011. Her current appointment runs 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 joined 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 to 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 moved 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 Administration. In October 2011 she was also appointed Vice Rector with responsibility for finance.

Other supervisory board or similar positions held by Regina Prehofer at listed companies:
- Wienerberger AG (Chairwoman of Supervisory Board since December 2013)

Karl Fink was first appointed on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

He 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 Deputy Managing Director in July 2004. In October 2007 he was appointed Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Mr Fink retired from the Vienna Insurance Group's Managing Board on 30 September 2009. He is a member of the Management Board of Wiener Städtische Versicherungsverein, the principal shareholder in Vienna Insurance Group, and holds a number of supervisory and consultative positions within that Group. He is also honorary consul of Montenegro.

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

Albert Hochleitner was first appointed on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

Mr 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 joined Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Wurzburg. In October 1992 he became a member of the Management Board of Siemens AG Austria. From 1994 he was Chairman of the Management Board, before becoming a member of the Supervisory Board of Siemens AG in 2005, which he left 2010 because of reaching the applicable age limit for members of the Supervisory Board.

Gerhard Pichler was first appointed on 2 July 2009. His current appointment runs until the 25th Annual General Meeting in 2019.

He 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.

Georg Riedl was first appointed on 28 May 1999. His current appointment runs 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 commenced independent practice at Riedl & Ringhofer. He has been in independent practice since 2013 at the law office of Frotz Riedl Rechtsanwälte. He specialises in business, commercial, corporate, foundation and tax law, mergers and acquisitions, and contract law.

Other supervisory board or similar positions held by Mr Riedl at listed companies:

- Bwin.Party Digital Entertainment Plc
- Vienna Insurance Group AG

Karin Schaupp was first appointed on 7 July 2011. Her current appointment runs until the 22nd Annual General Meeting in 2016.

Karin Schaupp earned her doctorate at the Karl Franzens Universitat Graz in 1978 and began her career as a university research assistant at the Institute of Pharmaceutical Chemistry. In 1980 she started 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 Southeastern Europe. In 2000 she was appointed to the management board of Fresenius Kabi AG, Bad Homburg, with responsibility for worldwide operations. She has been an independent consultant since 2003, with a focus on strategic business development and innovation transfer.

Other supervisory board or similar positions held by Ms Schaupp at listed companies:

- BDI - BioEnergy International AG

EMPLOYEE REPRESENTATIVES

Employee participation on supervisory boards and their committees is mandated by law and forms part of the Austrian corporate governance system. Employee representatives are entitled to appoint from among themselves one Supervisory Board member for every two Supervisory Board members elected by the General Meeting. If there is an odd number of shareholders' representatives, 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. The Group Works Council meets regularly with the Management Board. These meetings facilitate the exchange of information on developments in the Group which have a direct bearing on employees.

Wolfgang Fleck, Sabine Fussi, Franz Katzbeck and Günther Wölfler have been appointed to the Supervisory Board by the Works Council (as at 31 March 2015).

Additional information on the Supervisory Board and its composition is available online at 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 Group 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 Group 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 Group 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.
- During the last three years, the Supervisory Board member was neither a statutory auditor of the Group, nor a person with an interest in the audit firm, nor an employee of any such firm.
- The Supervisory Board member is not a member of a management board of another company in which 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 Group, or who represent the interests of such shareholders.
- The Supervisory Board member is not a close family relative (direct descendant, spouse, life 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.

In the meeting of 19 March 2015, the members of the Supervisory Board representing shareholder interests each declared whether they were independent as determined by the above criteria. 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 under C–Rule 53 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 – Regina Prehofer, Karin Schaupp, Willibald Dörflinger, Karl Fink and Albert Hochleitner – 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 is also a consideration in its composition. Three members of the Supervisory Board are women, representing a proportion of female members of 25% – significantly above the Austrian average. The age of Supervisory Board members ranges from 45 to 77. All members of the Supervisory Board representing shareholder interests have extensive experience in international business.

AGREEMENTS REQUIRING APPROVAL In connection with various projects, the Group obtained the services from consulting companies where the Chairman of the Supervisory Board Hannes Androsch as member of the management board has full authority to act on behalf of the company (AIC Androsch International Management Consulting GmbH) and where the First Deputy Chairman of the Supervisory Board Willibald Dörflinger as member of the management board has full authority to act on behalf of the company (Dörflinger Management & Beteiligungs GmbH) or by Supervisory Board members (Dörflinger Management & Beteiligungs GmbH). The Group optained legal services from Frotz Riedl Rechtsanwälte, where Member of the Supervisory Board Georg Riedl works as attoreney:

in Tsd. €	2014/15	2013/14
AIC Androsch International Management Consulting GmbH	380	387
Dörflinger Management & Beteiligungs GmbH	8	5
Frotz Riedl Rechtsanwälte	3	6
	391	**398**

COMMITTEES In order to provide effective support and to properly address complex technical matters, the Supervisory Board has established two committees for in-depth focus on particular issues and regular reporting to the Supervisory Board. In the financial year 2014/15 the Supervisory Board also established a Project Committee to review matters related to debt financing.

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

- Regina Prehofer (Chairwoman)
- Gerhard Pichler (finance expert)
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Audit Committee monitors the accounting process and the work of the statutory auditor. It monitors and reviews the statutory auditor's independence, reviews and prepares the adoption 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 auditor 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 Group'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 2014, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2014/15, and the discussion of the risk management, internal control and internal audit systems. The chairwoman of the Audit Committee was also involved in the quarterly reporting in the financial year 2014/15.

NOMINATION AND REMUNERATION COMMITTEE The Nomination and Remuneration Committee comprised:

- Hannes Androsch (Chairman)
- Karl Fink
- Albert Hochleitner
- Wolfgang Fleck
- Günther Wölfler

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 and the remuneration of Management Board members. The committee met three times for these purposes in the financial year 2014/15.

The Nomination and Remuneration Committee is authorised to make decisions in urgent cases. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies.

PROJECT COMMITTEE On 19 March 2015 the Supervisory Board – in connection with a policy resolution of the same date concerning the implementation of various measures for debt financing – resolved under Article 17 of the Articles of Association to create a Project Committee made up of Supervisory Board members to oversee further progress, including giving approval for implementation of the relevant transactions. The Project Committee comprises the following members:

- Hannes Androsch (Chairman)
- Willibald Dörflinger
- Regina Prehofer
- Wolfgang Fleck
- Günther Wölfler

The Project Committee was authorised by the Supervisory Board to provide all further approvals required for issuing bonds, or assuming another form of debt, and the precise terms and conditions with respect to this.

As the Project Committee was formed on 19 March 2015, and thus at the end of the financial year, it did not meet during the financial year 2014/15. However, it will be ongoing after 31 March 2015 until its dissolution.

Remuneration report: Management and Supervisory Boards

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 2014/15 annual and consolidated financial statements.

MANAGEMENT BOARD REMUNERATION Total remuneration paid to members of the Management Board in the financial year:

	Financial year 2014/15			Financial year 2013/14		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	429	506	935	428	373	801
Karl Asamer	361	301	662	–	–	–
Heinz Moitzi	359	361	720	357	424	781
Total	**1,149**	**1,168**	**2,317**	**785**	**797**	**1,582**

The fixed element represented 45.88% of Mr Gerstenmayer's total remuneration and the variable element 54.12%. The fixed element represented 54.53% of Mr Asamer's total remuneration, and the variable element 45.47%. The fixed element represented 49.86% of Mr Moitzi's total remuneration, and the variable element 50.14%. For the Management Board as a whole, the fixed element represented 49.59% of total remuneration, and the variable element 50.41% in the financial year 2014/15.

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 number of stock options allocated to members of the Management Board was as follows:

Allocated on 1 April of every year

	Total	2012	2011	2010	2009
Andreas Gerstenmayer	120,000	40,000	40,000	40,000	–
Heinz Moitzi	120,000	30,000	30,000	30,000	30,000
Exercise Price (€)		9.86	16.60	7.45	3.86

The options granted may be exercised in tranches: up to 20% after two years, up to 30% after three years, and up to 50% after four years (from the allotment date). 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 granting expire without compensation. If the end of the five-year period falls within a restricted period, however, the restricted period will interrupt that five-year period. Options can be exercised again after the restricted period for the length of time the interruption occurred. The five-year period is thus extended by this amount of time. Options not exercised by the end of any five-year period extended in this manner become invalid and lapse without compensation. The stock option scheme in question has ended with the last allotment made on 1 April 2012. Options allotted on 1 April 2012 and not yet exercised (see Directors' holdings and dealings, including changes in the financial year 2014/15) may still be exercised until 31 March 2017.

After extensive planning, a long-term incentive programme for the Management Board and executive employees was implemented by resolution of the Supervisory Board on 3 July 2014 as a replacement for the stock option scheme that expired with the last distribution on 1 April 2012. The new programme is based on stock appreciation rights ("SAR"). SARs are rights to appreciation in value based on share performance over a defined period of time. As with stock options, but without a granting of actual shares or an option for such granting, the recipient receives financial remuneration only if the performance of the share price is positive.

In particular, the conditions include long-term and multiple-year performance criteria, a minimum vesting period of three years (with a subsequent exercise period of no more than two years), a minimum own investment by the recipient, and an upper limit on the potential financial benefits.

- Earnings per share (EPS) determines how many of the SARs allotted may actually be exercised once the vesting period ends. The EPS established by the medium-term plan for the reporting date of the third year following the allotment applies as the target. If, at the end of the vesting period, less than 50% of the EPS target has been achieved, the allotted SARs are forfeited. If 100% or more of the EPS target has been achieved at the end of the vesting period, all of the allotted SARs may be exercised. If achievement of the target is between 50% and 100%, the allotted SARs may be exercised in linear proportion to the percentage achieved.
- Own investment is a mandatory prerequisite for exercising SARs. The own investment is made by purchasing shares corresponding to 20% of the total allotment amount in SARs for a given year (e.g. for an allotment of 5,000 SARs, the own investment is 1,000 shares). If the own investment has not been made in full by the end of the vesting period (after three years), SARs are forfeited in a corresponding amount. The own investment must be held for the entire period of participation in the LTI programme.
- The exercise price is determined on the allotment date and is equal to the average closing price of AT&S shares on the Vienna Stock Exchange during the six months preceding the respective allotment date.
- The performance of the share price determines the amount of the LTI awarded to the recipient: The difference between the exercise price of the relevant virtual allotment and the closing price of the AT&S share on the Vienna Stock Exchange on the exercise date is multiplied by the number of SARs. There are no premiums on the exercise price and payouts are made in cash. In the event of extraordinary positive performance, the payout amount per SAR is limited to the amount represented by 200% of the respective exercise price. (Example: For an exercise price of €8.00, the maximum value per SAR is €16.00, which means that any share closing price above €24.00 produces no associated increase in the value per SAR.)

In this LTI Programme for 2014 – 2016, three allotment tranches are possible, which will occur between 1 April 2014 and 1 April 2016. To date, the following number of SARs has been allotted to members of the Management Board at the exercise price indicated:

Allocation on 1 April 2014

	Total	2014
Andreas Gerstenmayer	40,000	40,000
Karl Asamer	30,000	30,000
Heinz Moitzi	30,000	30,000
Exercise Price (€)		7.68

The variable remuneration of the Management Board in the financial year 2014/15 (not in the form of stock options and SARs) was dependent on the achievement of three performance measures defined in the budget for the financial year in question: return on capital employed (ROCE), cash earnings (CE), each with a 45% weighting, and the innovation revenue rate (IRR), with a 10% weighting. The basic prerequisite for awarding this variable remuneration is positive EBIT for the Group as a whole for the financial year and attainment of the target EBIT for the Group as a whole by at least 70% (the "hurdle rate"). In the event that the targets for ROCE, CE and IRR are exceeded, bonuses are restricted to a maximum of 200% of the annual bonus set out in the contract of employment. The inclusion of IRR is of major importance in giving variable remuneration a long-term focus given that innovative strength – the development of new technologies, products or product types – is a crucial factor for the future business success of the Group. It can also be reliably measured: IRR represents the share of total revenue generated from products introduced in the past three years which are technical innovative. The three-year reference period provides a long-term component of variable remuneration. Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG), applied mutatis mutandis (“old system for severance pay”), if their appointments are terminated. In the event of premature termination initiated by a Management Board member for reasonable cause, or if the function is eliminated for legal reasons, remuneration is payable until the end of the appointment contract. Where a Management Board member resigns or is removed from office for severe breach of duty, and in the case of death, payment of salary ceases at the end of the applicable month. There are no other rights or entitlements arising from the termination of appointments.

Management Board pension entitlements are defined benefit or defined contribution plans agreed individually. Mr Moitzi's pension entitlement is 1.2% of his most recent salary for each year of service, up to a maximum of 40%. For Andreas Gerstenmayer a contribution of 10% of monthly gross salary is paid into a pension fund. The amount of the occupational pension is based on the capital accumulated in the pension fund; the annualisation is determined by the pension fund's rules.

Members of the Management Board are entitled to a company car (the respective non-monetary remuneration is included under fixed remuneration), and are covered by accident insurance. Health insurance is limited to what is provided under the Austrian statutory social security system.

SUPERVISORY BOARD REMUNERATION Remuneration for the members of the Supervisory Board is determined retrospectively for the past financial year by means of a resolution at the Annual General Meeting. Remuneration paid to members of the Supervisory Board in the financial year 2014/15 for the previous financial year was in accordance with the resolution passed at the 20th Annual General Meeting of 3 July 2014.

in €

Member	Fixed fee	Committee fee	Variable remuneration	Attendance fees	Total
Hannes Androsch	30,000	3,000	17,700	2,000	52,700
Willibald Dörflinger	25,000	–	8,850	1,600	35,450
Regina Prehofer	20,000	3,000	8,850	2,000	33,850
Karl Fink	20,000	2,000	8,850	1,600	32,450
Albert Hochleitner	20,000	2,000	8,850	1,600	32,450
Gerhard Pichler	20,000	2,000	8,850	2,000	32,850
Georg Riedl	20,000	2,000	8,850	2,000	32,850
Karin Schaupp	20,000	–	8,850	2,000	30,850
Total	**175,000**	**14,000**	**79,650**	**14,800**	**283,450**

The Chairman of the Supervisory Board receives fixed remuneration of €30,000 per financial year, the First Deputy Chairman €25,000 and all other elected members €20,000. Chairmanship of a standing committee (Nomination and Remuneration Committee, Audit Committee) is remunerated with a fixed amount of €3,000 per financial year, and membership of a standing committee with €2,000. The attendance fee is €400 per Supervisory Board meeting, and all cash expenses are reimbursed. Members of the Supervisory Board also receive variable remuneration based on targeted cash earnings (CE) and return on capital employed (ROCE) for each financial year. If the targets are 100% achieved, the Chairman receives €10,000 and other members €5,000. The targets receive equal weighting. Members of the Supervisory Board do not receive stock options in the Group. As resolved by the 20th Annual General Meeting of 3 July 2014, variable remuneration was paid to Supervisory Board members in the financial year 2014/15 in respect of the financial year 2013/14, since the targets established for variable remuneration in the budget for the financial year 2013/14 were achieved.

The employee representatives perform their duties on the Supervisory Board voluntarily and therefore receive no separate remuneration for their position.

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O INSURANCE) The D&O insurance at AT&S covers all past, present and future members of the Group'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 provides global cover and the annual premium is paid by AT&S.

Directors’ Holdings & Dealings

The members of the Supervisory Board and the Management Board have voluntarily undertaken to publicly disclose the number of shares in AT & S Austria Technologie & Systemtechnik Aktiengesellschaft held by them. The holdings of individuals with close personal relationships with members of the Supervisory Board or Management Board are not disclosed.

	Shares				Options (Stock Option Scheme)		
	As of 31 Mar 2014	Change	As of 31 Mar 2015	% capital*)	As of 31 Mar 2014	Exercised/lapsed	As of 31 Mar 2015
Andreas Gerstenmayer	–	10,000	10,000	0.03 %	120,000	40,000	80,000
Karl Asamer	–	4,000	4,000	0.01 %	–	–	–
Heinz Moitzi	2,786	–	2,786	0.01 %	90,000	30,000	60,000
Hannes Androsch	599,699	–	599,699	1.54 %	–	–	–
Androsch Privatstiftung	6,339,896	–	6,339,896	16.32 %	–	–	–
Willibald Dörflinger	–	–	–	–	–	–	–
Dörflinger Privatstiftung	6,902,380	–	6,902,380	17.77 %	–	–	–
Karl Fink	–	–	–	–	–	–	–
Albert Hochleitner	–	–	–	–	–	–	–
Gerhard Pichler	26,768	–	26,768	0.07 %	–	–	–
Regina Prehofer	–	–	–	–	–	–	–
Georg Riedl	15,482	–	15,482	0.04 %	–	–	–
Karin Schaupp	–	–	–	–	–	–	–
Wolfgang Fleck	–	–	–	–	–	–	–
Sabine Fussi	–	–	–	–	–	–	–
Franz Katzbeck	–	–	–	–	–	–	–
Günther Wölfler	–	–	–	–	–	–	–

*) The indicated number of shares held in AT & S Austria Technologie & Systemtechnik Aktiengesellschaft includes all direct and indirect investments. Thus, for the Androsch Private Foundation, this information also includes those shares held by AIC Androsch International Management Consulting GmbH, which is owned by the Androsch Private Foundation. For the Dörflinger Private Foundation, it also includes those shares held by Dörflinger Management & Beteiligungs GmbH, whose majority owner is the Dörflinger Private Foundation. Transactions between the Androsch Private Foundation and AIC Androsch International Management Consulting GmbH, which is owned by the Androsch Private Foundation, are therefore offsetting and not separately presented here.

The individual directors' dealings notifications can be viewed in and downloaded from the FMA Directors' Dealings Database, at https://www.fma.gv.at/en/companies/issuers/directors-dealings/directorsdealings-database.html.

Other codes of conduct

INCREASING THE REPRESENTATION OF WOMEN IN SENIOR MANAGEMENT AT&S has no explicitly formulated plan for increasing the number of women on the Management or Supervisory Boards or in senior management positions in the Group or its subsidiaries. The selection of candidates to fill open positions is based on the principle of the best possible person for the job, regardless of gender, age, religion or ethnic origin.

There are women in various senior management positions at AT&S and its subsidiaries. Although no women are represented on the Management Board of AT&S, two of the eight members of the AT&S Supervisory Board representing shareholder interests and one of the employee representatives are women. At 25%, the proportion of female Supervisory Board members is above the average for Austrian companies. Of the senior management positions at the first level directly below the Management Board, 16% are held by women. Around 34% of the Group's employees are female. Within AT&S, the ratio of women in Europe and the USA at 40% continues to be significantly higher than that in Asia, where the ratio is 33%. The Group continues to make every effort to increase the representation of women at senior management level. Proactive efforts are made, particularly when staff return from maternity leave, to ensure that careers and family life are compatible.

AT&S CODE OF BUSINESS ETHICS AND CONDUCT As a supplement to the ÖCGK, AT&S has established its own code of ethics and conduct, 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 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 aim of the ÖCGK to raise Austrian and foreign investors' confidence in the Austrian financial market by enhancing transparency and introducing universal principles. AT&S attaches great importance to the equal treatment of all investors and the provision of comprehensive information. For the purpose of preventing insider trading and ensuring compliance with other relevant capital market regulations, the Group has adopted a Compliance Code ("Group Guidelines on Issuer Compliance") that applies, including all Supervisory Board members. The Group Guidelines on Issuer Compliance were amended in the financial year 2012/13 and entered into force on 1 December 2012 to reflect the changes in the Issuer Compliance Order (Federal Law Gazette BGBl. II No. 213/2007 as amended by BGBl. II No. 30/2012) issued by the Austrian Finance Market Authority.

Management Board

Andreas Gerstenmayer | Karl Asamer | Heinz Moitzi

Group Management Report 2014/15

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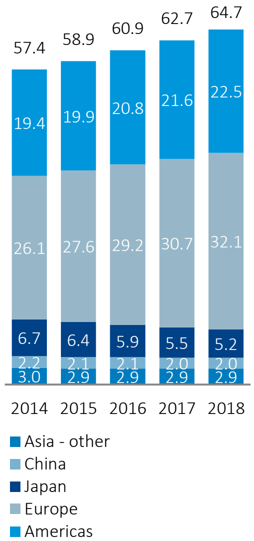
1. Business development

1.1. Market and industry

PCB market
US$ in billions



Source: Prismark, Q4 2014

A printed circuit board (PCB) is a connection platform for electrical, electronic and mechanical components. It enables the mechanical mounting as well as the electrical connection of resistors, capacitors, microprocessors, memory components, sensors, connectors and many other components required for fully functioning electronic systems. Since almost every electronic device includes one or more printed circuit boards, they are an essential part of our everyday lives.

Printed circuit boards consist of electrically insulating carrier material (usually fibreglass mats saturated in epoxy resin) and conductive connections attached to them (normally made of etched copper layers). There are countless types of printed circuit boards, ranging from single-layer to highly complex multilayer models. The complexity of printed circuit boards and the related requirements for the different production processes are determined by several factors. These factors are the number of layers, the vertical connection of the individual layers and their minimum hole diameter, line width and spacing as well as the surface finish. Progressive miniaturisation of electronic components in end devices while simultaneously increasing power density increases the requirements for and the complexity of printed circuit boards. For many years, AT&S has placed its focus on the production of highly complex printed circuit boards for the most sophisticated applications. Over 75% of revenue are now achieved in this top category of technology.

IC substrates represent cutting edge technology for connection platforms. The most important difference from printed circuit boards are the achievable structures – a minimum of less than 10µm is possible. Unlike in the production of printed circuit boards, however, the cleanroom requirements to be met are far more complex, and alternative plating processes are required to form vertical connections. Other than traditional printed circuit boards, IC substrates may also consist of ceramic or glass materials.

INTERNATIONAL MARKET DEVELOPMENT The global printed circuit board market is strongly influenced by the highly developed but unpredictable electronics industry. As a result of rapidly changing customer needs and the shifting global economic climate, the markets for end devices and semiconductors are subject to greater and greater fluctuations. The printed circuit board industry is also subject to these macro trends determining the demand for electronic devices and systems. Additionally, the imbalance between supply and demand, the progressing geographic migration, the price decline and the fierce competition exert an influence over this highly fragmented market, which has become even more dynamic and more difficult to predict as a result. On a global scale, about 2,800 producers existed in 2013 (source: NTI, Aug. 2014). The top 30 entities hold a global market share of about 55% (source: Prismark, Q4 2014).

Independent market analysts predict an average annual growth of about 3% for the global printed circuit board market until 2019 (source: Prismark, Q4 2014), expecting above average growth rates for more advanced technologies such as HDI Microvia PCBs.

In 2014, global demand for printed circuit boards was at US$ 57.4 billion (source: Prismark, Q4 2014), meaning an increase of 2.3% on the previous year. The chart shows the different developments in the various regions. While the American, European and Japanese markets are becoming less and less important, Asia (excluding Japan) will claim a share of about 85% in the global production of printed circuit boards by 2019.

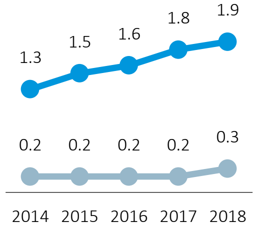
SMARTPHONES REMAIN GROWTH DRIVERS IN THE ELECTRONICS INDUSTRY

With about 1.3 billion devices sold, the smartphone market was by far the largest segment of the global electronics industry in 2014, and also the fastest growing (27% growth) year-on-year. Even if independent market analysts predict significantly lower average growth rates of about 9% for the coming years (source: IDC, March 2015), smartphones will remain one of the most important growth drivers in the future. Contrary to initial forecasts, which predicted an average annual growth of 13% (source: IDC, January 2014), the tablet PC market with its 4.5% growth was significantly less dynamic in January 2014 (source: IDC, March 2015) than in 2013. For the upcoming years, an average growth of about 3% p.a. is now expected (source: IDC, March 2015).

In addition to the devices stated above, PCs, notebooks, server/memory computers, communication infrastructure devices and consumer products such as digital cameras and TV sets are key components of the market segments Computer, Communication and Consumer. AT&S management sees considerable market potential in wearable devices such as, e.g., smart watches, which require printed circuit board technologies of a similarly high quality as smartphones.

These market segments are largely driven by the mega trend “connectivity”. To connect individual devices – such as smartphones, tablets, computers, so-called smart devices such as smart watches, fitness trackers but also TVs and a variety of future everyday electrical devices – over the internet opens up new areas for growth, which will define the developments in these segments in the coming years under the keyword “Internet of Things”.

Smartphones and tablet PCs as growth drivers
Units sold in billions



Source: IDC, March 2015

ABOVE-AVERAGE GROWTH IN AUTOMOBILE ELECTRONICS THROUGH NEW DEVICES

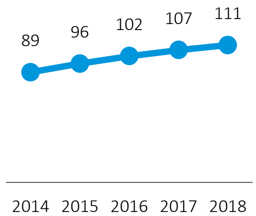
For the global automotive market, independent market analysts predict an average annual growth of about 5% until 2018. The share in electronics systems will show an annual growth of 5.5% over the same period (source: Prismark, Q4, 2014). With regard to printed circuit board demand for automobile electronics, an average annual growth of 4% is predicted (source: Prismark, Q4, 2014). The growth rates both for electronics systems and for printed circuit boards significantly exceed the average totals of the global electronics industry, which are forecast to grow 3,5% for electronics systems and 3,1% for printed circuit boards (source: Prismark, Q4 2014).

The automotive sector focuses on safety, information, reduced consumption and reduced emissions. Resilience, duration and temperature resistance thus define the high demands imposed on printed circuit boards in use. Applications in the fields of safety and information largely drive the demand for and the usage of HDI and Microvia printed circuit boards in this segment. Devices now using HDI and Microvia printed circuit boards range from navigation, multimedia and infotainment systems as well as emergency call and camera systems to electronic transmission control.

In the future, the subject of “autonomous driving” will require the development of new central systems for collecting information and data provided by camera systems, radar and ultrasound sensors, as well as for analysing them and subsequently triggering the respective actuators for the braking, stability and steering systems. Due to the large data volume and the fast transmission rates needed, these new central computers also require HDI technology.

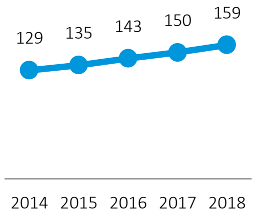
In the automobile electronics segment, AT&S is among the top ten printed circuit board suppliers in the world in terms of revenue (source: NTI, March 2014).

Sales volume of automotive market
Vehicles sold in millions



Source: KPMG, LMC Sep. 2013

Sales volume of industrial electronics systems market
US$ in billions



Source: Prismark Discovery Series, March 2015

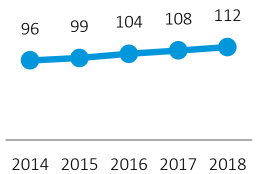
STABLE GROWTH IN INDUSTRIAL ELECTRONICS

Independent market analysts expect a growth of about 5% for 2015 in the industrial electronics systems market (source: Prismark, March 2015). The correlating growth in printed circuit boards for this segment is predicted to be about 3% for the same period (source: Prismark, March 2015).

The market for industrial electronics is highly fragmented and, as a result of the wide range of applications, marked by a wide variety of customers having quite sophisticated demands as regards the printed circuit board technologies used. The technology range in demand ranges from single and double sided PCBs, multilayer PCBs with a large number of layers as well as an increasing amount of HDI and Microvia PCBs to all types of flexible and rigid-flexible PCBs. In order to meet the resulting requirements – which are determined by area of application and the various product specifications – key success factors for printed circuit board producers are proximity to the customer, high flexibility and short delivery periods.

The industrial electronics segment is still very much shaped by applications in the areas of measurement and control technology, power electronics, lighting systems as well as diagnostic instruments, RFID readers but also railway technology. In the future, M2M (machine-to-machine and machine-to-man) communication modules driven by Industry 4.0 activities will enable further growth in this segment. AT&S is working together with several industry leaders in this new field of operations and is fully prepared to fulfil the new applications' requirements.

Sales volume of medical electronics systems market
US$ in billions



Source: Prismark Discovery Series, March 2015

THE MARKET FOR MEDICAL ELECTRONICS

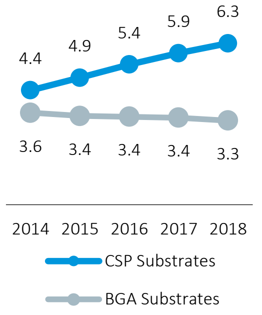
The global market for medical electronics systems obtained a value of US$ 96 billion in 2014 (source: Prismark Discovery Series, March 2015), meaning a stagnation year-on-year. Predictions by other analysts show significant deviations in market sizes. IC-Insight expected a total systems market of US$ 50.9 billion e.g. for 2014 (source: IC-Insight, December 2013). These deviations illustrate this market's complexity with regard to applications such as diagnostic and imaging devices, therapy applications, patient monitoring. Further areas of applications are surgical lighting, sterilisation systems, analytical instruments and molecular diagnostics. The deviating predictions with regard to the actual market volume of medical electronics are to be interpreted depending on the allocation of the above stated applications to the individual segments of the global electronics industry. Prices for medical technology, devices and systems range from low two-digit US$ amounts for fitness trackers to several 100,000 US$ for a computer tomography system.

Growth forecasts differ to the same extent as the different market volume assessments. Prismark, for example, expects an average annual growth of about 4% for the coming years, while IC-Insight assumes that the market for medical electronics will increase by 7%.

Medical technology applications demand the highest standard of reliability with regard to the devices and, as a result, the printed circuit boards used in them. Additionally, miniaturisation and weight reduction are of utmost importance, particularly with regard to applications such as cardiac pacemakers, hearing aid devices or other mobile systems. The many years of experience gained in the development and miniaturisation of high quality printed circuit boards for the smartphone industry, combined with the fulfilment of this technology's highest quality requirements in the automotive segment, enable AT&S to acquire more and more customers in this market and to meet their demands in the best possible way.

THE MARKET FOR IC SUBSTRATES Independent market analysts originally predicted a volume of US$ 8.9 billion for 2013, and a growth of 4% for 2014 (source: JMS, second half-year 2012). Due to the global decline of the computer market for desktop PCs resulting from the tablet growth, most recent analyses show a significantly lower market volume for so-called BGA substrates, but instead a stronger growth for CSP substrates. The total IC substrate market thus achieved a value of US$ 7.6 billion in 2013 (source: JMS, June 2014). A total market volume of US$ 8.0 billion was predicted for 2014, and an average annual growth of about 4.7% for the coming years. For BGA substrates, a market volume of US$ 3.6 billion was stated for 2014, and an average annual decline in demand by about 1.4% for the period from 2014 to 2018. For CSP substrates, a market volume of US$ 4.4 billion was calculated for 2014, and an average annual growth of about 9% for the years from 2014 to 2018 (source: JMS, June 2014).

Sales volume of IC substrates market for BGA and CSP technology
US$ in billions

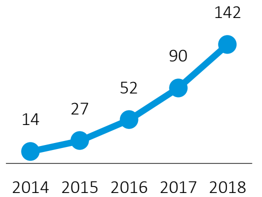


Source: JMS, June 2014

IC substrates are used in all segments of the electronics industry, with more than 80% of this technology being installed in smartphones, desktop computers, notebooks, tablets, servers and memory systems (source: Prismark, July 2014). Contrary to the great number of printed circuit board producers, there are only a few producers of IC substrates, with the top ten players having a market share of more than 80% between them (source: Prismark, July 2014). This environment enables AT&S to establish itself as one of the leading market suppliers in this high-tech segment in the coming years.

MINIATURISATION, FUNCTIONAL INTEGRATION AND MODULARISATION DETERMINE THE MARKET FOR EMBEDDED COMPONENT PACKAGING (ECP) AND EMBEDDED DIE PACKAGING The embedded die packaging technology is currently being introduced to the market. Yole analysts estimate the total market volume for 2014 to be US$ 14 million and predict a market increase until 2018, reaching a total volume of about US$ 142 million. This corresponds to an average annual growth of about 78%. There are currently about a dozen suppliers for embedding technologies, with AT&S currently in a clear leading position in this new market, having a market share of 75% (source: Yole, March 2015).

Sales volume of Embedded Die packaging market
US$ in millions



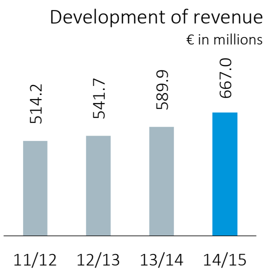
Source: Yole, March 2015

Paramount to ECP technology is miniaturisation by integrating components and thus functionality into the printed circuit board, as well as an improved reliability of the connector technology between components and printed circuit board. Further challenges include increasing mechanical stability and improving thermal and electrical properties for applications in the high frequency area, for power electronics but also for audio applications and high-speed data transfer.

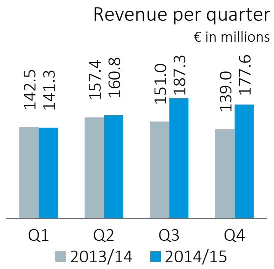
ECP technology focuses on two different areas. So-called packages or system-in-package (SiP) modules currently represent the largest part. Typical examples for application include power modules, MOSFET and IGBT applications, MEMS modules, sensor and camera modules, audio and radio modules as well as DC/DC converters.

The second area relates to motherboards (main boards), including applications such as highly reliable printed circuit boards for rough environmental conditions (e.g. motor control in the automotive sector), notebooks, mobile internet devices, smartphones, hearing aid devices and RFID solutions.

1.2. Profit situation

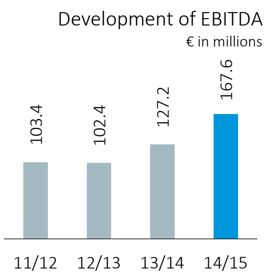


AT&S was able to improve the previous year's extraordinarily positive business development in the financial year 2014/15 and achieved record results both in terms of revenue and profit. In the first quarter (typically the weakest quarter in the industry), revenue declined by € 1.2 million or 0.9% to € 141.3 million (previous year: € 142.5 million). The second and third quarters usually are the strongest quarters in terms of revenue for AT&S. In the second quarter of 2014/15, AT&S was able to increase its revenue by € 3.4 million or 2.1% to € 160.8 million (previous year: € 157.4 million), owing mainly to the strong demand in the Industrial & Automotive segment. This trend continued in the third quarter of 2014/15, leading to a sharp increase in revenue by € 36.3 million or 24.1% to € 187.3 million (previous year: € 151.0 million). The increase in demand was supported by a number of product launches and the ongoing successful positioning in the mobile communication high-end segment. Furthermore, AT&S was able to further increase production volumes due to optimised processes. Owing to the Chinese New Year and the associated production break, the fourth quarter is traditionally weaker than the second and third quarters. As a result of the continuously positive development in the Mobile Devices & Substrates segment, demand in the fourth quarter considerably exceeded expectations. Revenue rose by € 38.6 million or 27.8% to € 177.6 million (previous year: € 139.0 million). Revenue thus surpassed the already strong second quarter.

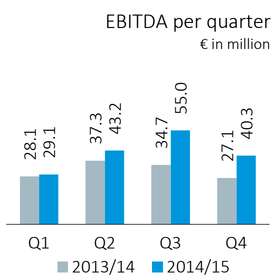


Result key data

€ in millions (unless otherwise stated)	2014/15	2013/14	±
Revenue	667.0	589.9	13.1%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	167.6	127.2	31.8%
EBITDA margin (%)	25.1%	21.6%	
Operating result (EBIT)	90.1	53.9	67.0%
EBIT margin (%)	13.5%	9.1%	
Profit for the year	69.3	38.2	81.5%
Earnings per share (€)	1.78	1.24	43.5%
Investments	154.5	111.1	39.0%
Average number of staff (incl. leased personnel)	7,638	7,027	8.7%



In the reporting year 2014/15, AT&S achieved a total increase in Group revenue by € 77.1 million or 13.1% to € 667.0 million (previous year: € 589.9 million). A very high capacity utilisation in all business units made this positive development possible. In addition to its strong organic growth, AT&S also benefited from currency effects in the reporting year. About 65.1% of the 2014/15 revenue was invoiced in foreign currencies. The share in revenue of products manufactured in Asia rose from 75.9% in the previous year to 79.0% in the financial year. The regional revenue structure based on the entry point of delivery shows a share of 58.9% for Asia, after 52.7% in the previous year. The revenue share of the remaining regions showed a downward trend.



The Group's EBITDA at an amount € 167.6 million was up by € 40.4 million or 31.8 % on the previous year (€ 127.2 million). Currency effects from the Chinese renminbi, the Indian rupee, the Hong Kong dollar as well as the South Korean won increased the EBITDA by € 5.6 million or 4.4%. Non-capitalisable start-up costs for the new substrate plant in Chongqing impact the EBITDA at € 4.7 million (previous year: € 4.9 million) in the reporting year. The amount in the previous year included costs relating to the closure of the plant in Klagenfurt in the amount of € 3.0 million. Furthermore, the result was positively influenced by a supplier's compensation payment.

In the Mobile Devices & Substrates segment, AT&S achieved a revenue of € 455.2 million in the reporting year, meaning an increase by € 76.9 million or 20.3% as compared to the previous year (€ 378.3 million). The segment benefited from a strong demand in the ultimate two quarters of the reporting year, from the successful launch of new products and from positive currency effects. Additionally, the impact of the plant holidays due to the Chinese New Year in the fourth quarter was minimised. The segment's EBITDA was improved by € 20.7 million or 19.4% to € 127.5 million (previous year: € 106.8 million). Non-capitalisable start-up costs for the new substrate plant in Chongqing affect EBITDA and stood at € 4.7 million (previous year: € 4.9 million).

The Industrial & Automotive segment was able to increase its revenue by € 28.9 million or 10.6% to € 301.8 million in 2014/15 (previous year: € 272.9 million). Important drivers of this development were the trend towards more electronics in motor vehicles, the development towards Industry 4.0 and the stronger demand for mobile applications in the patient monitoring segment. The segment's EBITDA was increased by € 13.3 million or 61.8% to € 34.8 million (previous year: € 21.5 million). The increase still amounts to a notable 41.9% even after deducting the costs related to the closure of the plant in Klagenfurt (€ 3.0 million) from the previous year.

Development of profit

€ in millions

	2013/14	One-off effects[1]	Currency effects[2]	Organic	2014/15
Revenue	589.9	–	21.4	55.7	667.0
Cost of sales	(471.1)	–	(18.1)	(22.4)	(511.6)
Gross profit	118.8	–	3.3	33.3	155.4
Distribution costs	(30.9)	–	(0.7)	(0.0)	(31.6)
General and administrative costs	(24.1)	–	(0.4)	(3.5)	(28.0)
Other operating result	(6.9)	(0.5)	0.2	1.5	(5.7)
Non-recurring items	(3.0)	3.0	–	–	–
Operating result before depreciation and amortisation (EBITDA)	127.2	3.2	5.6	31.6	167.6
Operating result (EBIT)	53.9	2.5	2.4	31.3	90.1
Finance costs - net	(11.1)	0.2	6.6	(0.8)	(5.1)
Profit before tax	42.8	2.7	9.0	30.5	85.0
Income taxes	(4.6)	0.0	(0.8)	(10.2)	(15.6)
Profit for the year (result after tax)	38.2	2.7	8.2	20.2	69.3

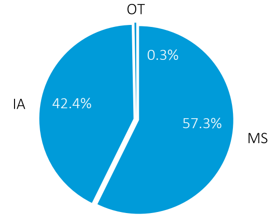
[1] Plant construction Chongqing, Klagenfurt closure

[2] Translation and valuation effects included in the consolidated financial statements

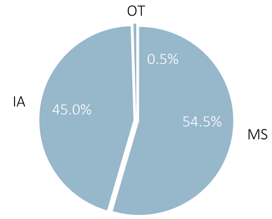
As compared to the previous year, the EBITDA margin increased by 3.5 percentage points from 21.6% to 25.1%. After deducting one-off effects (Chongqing start-up costs and Klagenfurt closure), the increase amounts to 2.9 percentage points, from 22.9% in the previous year to 25.8% in the reporting year. On the one hand, the improvement results from the degression of fixed costs due to the good capacity utilisation and from the improved product mix. Furthermore, by taking optimisation measures, cost of materials was decreased from a 34.7% ratio of revenue in the previous year to 34.1% in the reporting year. The ratio of staff costs to revenue amounted to 20.0% and thus improved slightly (previous year: 20.6%). This development also affects administrative and distribution costs, which increased below trend due to economies of scale. As compared to the previous year, interest on social capital in the amount of € 1.3 million was recorded in finance costs – net. The previous year's figures were not adjusted (expenses 2013/14: € 0.9 million) for reasons of immateriality. Furthermore, positive currency differences resulting from the measurement of foreign currency receivables and liabilities in the amount of € 0.7 million were recognised in profit or loss (previous year: expenses € 1.3 million).

Revenue from external customers by segment

in %



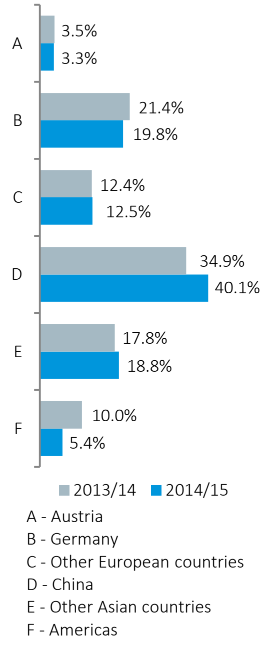
2014/15

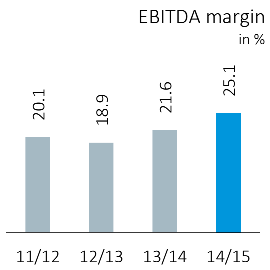


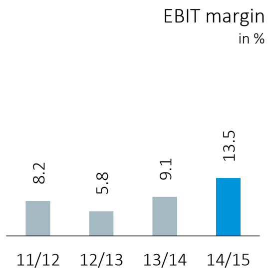
2013/14

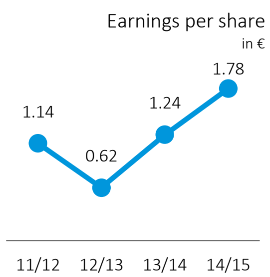
Revenue by regions

in %









Amortisation of intangible assets and depreciation of property, plant and equipment in the amount of € 71.5 million or 11.0% of fixed assets (previous year: € 67.9 million or 15.3% of fixed assets) reflect AT&S's high technical standards as well as its investment ratio. In addition to scheduled depreciation and amortisation, special write-offs were incurred in the amount of € 6.0 million or 0.9% of fixed assets (previous year: € 5.4 million or 1.2% of fixed assets) resulting from the impairment of technical equipment no longer in use. Special write-offs are made when there is no longer a potential of use in ongoing operations and the recoverable amount in a disposal falls below the carrying amount.

The operating result (EBIT) increased by € 36.2 million or 67.0% to € 90.1 million (previous year: € 53.9 million). The EBIT margin improved by 4.4 percentage points to 13.5% (previous year: 9.1%).

Finance costs – net improved from € -11.1 million to € -5.1 million. Interest expenses on financial liabilities rose from € 10.4 million to € 11.3 million. This is mainly due to the higher average gross debt resulting from borrowing measures in order to finance the new substrate plant in Chongqing. Capitalised interest on borrowed capital in the amount of € 2.8 million (previous year: € 0.5 million) directly related to the acquisition of qualifying assets was deducted from interest expenses. For the first time, finance costs – net include interest expenses in the amount of € 1.3 million resulting from social capital, which were included in the respective expense items in the previous year. The previous year's figures (€ 0.9 million) were not adjusted for reasons of immateriality.

In the reporting year, positive foreign exchange differences resulting from the measurement of liquid foreign currency funds and financial instrument exchange gains realised were recognised as income in the amount of € 6.6 million (previous year: expense € 0.3 million). Generally, finance costs – net are influenced by currency effects only to a limited extent, as the main part of the loans from credit institutions is made up of liabilities in euros. The main intra-group loans are long-term by nature and their repayment is neither scheduled nor probable in the foreseeable future. These loans are therefore recorded directly in equity through the statement of comprehensive income.

The Group's tax burden increased in relation to the profit for the year before tax and amounts to € 15.6 million (previous year: € 4.6 million). As compared to the prior year, the effective tax rate rose by 7.6 percentage points from 10.8% to 18.4%. This is due to a higher earnings share in countries with higher tax rates as well as the effect from tax rate changes. As a “high-tech company”, AT&S (China) Company Limited was able to regain its entitlement to more favourable tax rates in January 2015, with retroactive effect for the calendar year 2014. This entitlement begins on 1 January 2014, is valid for three years and depends on the yearly fulfilment of certain criteria. The negative effect on the result in the amount of € 1.3 million due to a remeasurement of non-current deferred tax assets was recorded as tax expense in the fourth quarter of 2014/15.

The profit for the year increased from € 38.2 million in the previous year by € 31.1 million or 81.5% to € 69.3 million, and earnings per share increased by € 0.54 or 43.5% from € 1.24 to € 1.78. It has to be taken into account in this context that the number of weighted shares increased from 30.8 million to 38.9 million due to the capital increase performed in the course of the financial year 2013/14.

1.3. Financial position

Development of statement of financial position

€ in millions	31 Mar 2014	One-off effects[1)]	Currency effects	Organic	31 Mar 2015
Non-current assets	483.9	102.5	153.3	(26.9)	712.8
Current assets	432.2	(24.8)	89.2	11.5	508.1
Total assets	**916.1**	**77.7**	**242.5**	**(15.4)**	**1,220.8**
Equity	390.7	(14.7)	169.5	58.9	604.4
Non-current liabilities	370.3	102.8	33.4	(93.5)	413.1
Current liabilities	155.0	(10.4)	39.6	19.1	203.4
Total equity and liabilities	**916.1**	**77.7**	**242.5**	**(15.4)**	**1,220.8**

1) Chongqing, Remeasurement of personnel provisions and measurement of hedging reserve to interest rate swap

In the financial year 2014/15, the total amount of the consolidated statement of financial position rose by € 304.7 million or 33.3% from € 916.1 million to € 1,220.8 million. This was mainly due to additions to assets for the new plant in Chongqing in the amount of € 79.1 million as well as positive exchange rate differences in the amount of € 242.5 million.

The increase in intangible assets by a total of € 36.1 million or 394.4 % to € 45.2 million (previous year: € 9.1 million) mainly results from capitalised development costs meeting the criteria of IAS 38 in the amount of € 29.8 million as well as exchange rate differences in the amount of € 5.4 million. Property, plant and equipment mainly rose due to additions in Chongqing in the amount of € 49.3 million, technology upgrades in Shanghai in the amount of € 47.7 million as well as exchange rate differences in the amount of € 122.9 million by a total of € 168.6 million or 38.7 % to € 603.7 million (previous year: € 435.1 million). Amortisation and depreciation in the amount of € 71.5 million (previous year: € 67.9 million) are taken into account in the net change in non-current assets. Non-current assets comprise input tax receivables in the amount of € 17.6 million (previous year: € 4.3 million) which can only be offset against VAT payables in over a year's time. Revaluations of the Chinese renminbi, the Indian rupee and the South Korean won contributed to an increase in non-current assets in the total amount of € 153.3 million.

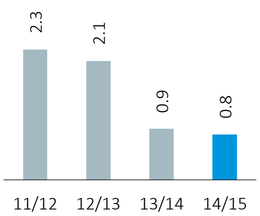
Net working capital

€ in millions (unless otherwise stated)	31 Mar 2015	31 Mar 2014	±
Inventories	89.2	59.4	50.1%
Trade receivables	113.5	94.0	20.7%
Trade payables	(97.8)	(66.2)	47.8%
Liabilities from investments	17.5	26.3	(33.4%)
Working capital trade	**122.4**	**113.5**	**7.9%**
Other current assets, payables, provisions	(27.1)	(21.8)	24.1%
Net working capital	**95.3**	**91.7**	**3.9%**
Net working capital in % of total revenue	14.3%	15.6%	
Days outstanding (in days):			
Inventories	64	46	38.2%
Receivables	62	58	6.7%
Payables	77	43	80.4%

Inventories rose by € 29.8 million or 50.1% from € 59.4 million to € 89.2 million. This is due to an increase in raw materials and supplies as well as finished goods and the above stated exchange rate effects. Trade receivables rose by € 19.5 million or 20.7% to € 113.5 million (previous year: € 94.0 million). The increase results from higher revenue as well as exchange rate effects. Days of receivables outstanding increased by 6.7% to 62 days (previous year: 58 days). The increase in days of receivables outstanding was restricted by a rigorous receivables management system, resulting in the days of receivables outstanding now being significantly below the days of liabilities outstanding. By permanently optimising payment targets and exchange rate effects, trade payables increased by € 31.6 million or 47.8% from € 66.2 million to € 97.8 million. This increase was achieved despite liabilities from investments having declined by € 8.8 million to € 17.5 million (previous year: € 26.3 million).

Equity increased by € 213.7 million or 54.7% from € 390.7 million to € 604.4 million. The positive Group result contributed to this increase in the amount of € 69.3 million (previous year: € 38.2 million). Positive currency differences from the translation of subsidiaries' net asset positions as well as from the translation of long-term loans to subsidiaries increased equity by € 161.4 million. The increase results from a considerable revaluation of the Chinese renminbi, the Indian rupee and the South Korean won in the second half-year. In contrast, currency translation differences affected equity by € 42.7 million in the previous year. Losses from the measurement of hedging instruments (interest rate hedge) in the amount of € 2.5 million (previous year: loss € 0.2 million) had a negative impact on equity. Actuarial losses mainly resulting from the low interest rates used reduce equity by € 6.8 million (previous year: € 0.7 million).

Net debt / EBITDA
Multiple



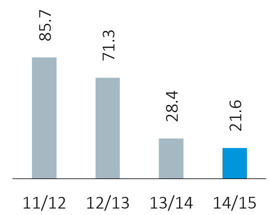
Non-current financial liabilities rose by € 33.4 million or 10.3% from € 325.9 million to € 359.3 million. The current portion decreased from € 46.1 million to € 46.0 million. An increase was reported for non-current other liabilities. Personnel provisions contained therein increased by € 9.0 million (previous year: € 2.5 million) as a result of changes in actuarial parameters.

Net debt

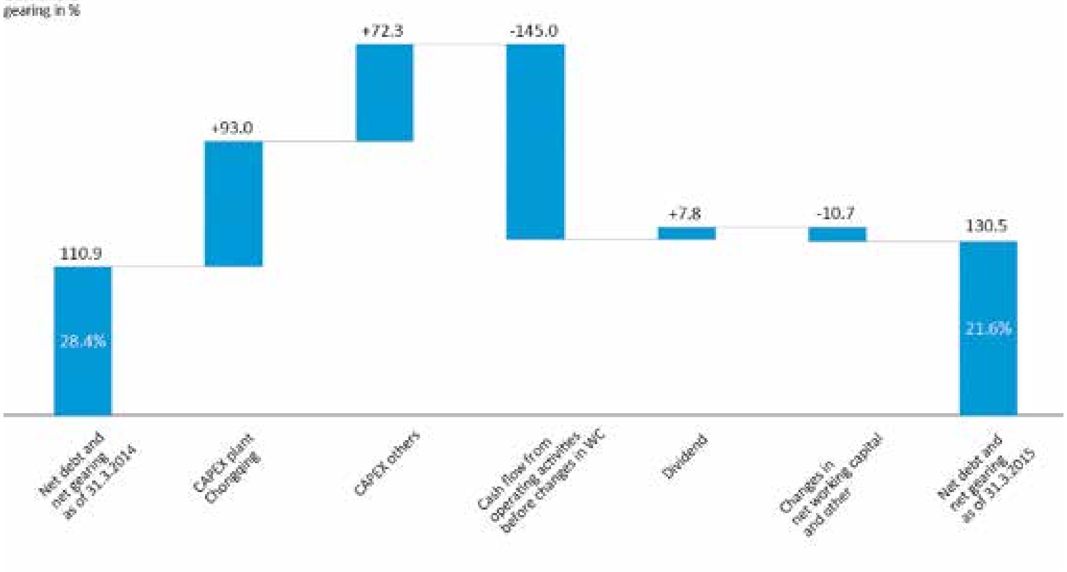
€ in millions (unless otherwise stated)	31 Mar 2015	31 Mar 2014	±
Financial liabilites, current	46.0	46.1	(0.1%)
Financial liabilities, non-current	359.3	325.9	10.3%
Cash and cash equivalents	(273.9)	(260.1)	5.3%
Financial assets	(0.9)	(0.9)	(6.4%)
Net debt	**130.5**	**110.9**	**17.7%**
Operating result before interest, tax, depreciation and amortisation (EBITDA)	167.6	127.2	31.8%
Net debt/EBITDA ratio	0.8	0.9	
Equity	604.4	390.7	54.7%
Total consolidated statement of financial position	1,220.8	916.1	33.3%
Equity ratio (%)	49.5%	42.7%	
Net gearing (Net debt/Equity) (%)	21.6%	28.4%	

Despite improved cash flows from operating activities before changes in working capital, net debt increased by € 19.6 million or 17.7% to € 130.5 million (previous year: € 110.9 million) as a result of the considerable amount of investment activities, the dividend paid and the increase in net current assets. The gearing ratio decreased to 21.6% as a result of the higher equity and was thus significantly below the previous year's level of 28.4%. The indicator net debt/EBITDA, representing a theoretical payback period for debts, improved from 0.9 to 0.8 years despite the slightly higher net debt due to the sharp EBITDA increase.

Net gearing
in %



Low increase in net debt, despite high investment activity
€ in millions
gearing in %



TREASURY ACTIVITIES AT&S financing is based on a four-pillar strategy aimed at minimising dependence on individual financing instruments:

Long-term, fixed interest bearing retail bonds are the strategy's foundation: They are advantageous due to high predictability and security for the Company resulting from fixed interest rates and permanency. However, the higher placement costs are a disadvantage. The term of the current retail bond at a carrying amount of € 101.5 million expires in November 2016.

Promissory note bonds serve as the second pillar: Their convincing feature is also their high predictability. In March 2014, € 156.5 million as well as US$ 2.0 million with terms of 5, 7 or 10 years were issued to 40 investors. An interest rate swap was used to convert future variable euro interest obligations into fixed interest payments.

Bank loans are used as the third pillar. € 109.3 million in loans were taken out from several national and international banks. These loans have maturities between 1 and 7 years and the majority of interest rates are fixed.

The fourth pillar consists of credit lines serving to cover liquidity fluctuations. At the reporting date, AT&S reported more than € 211.1 million in unused credit lines.

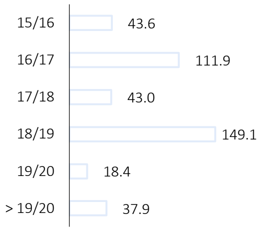
It is the AT&S treasury's most important task to secure sufficient liquidity reserves. Additionally, covenants defined in the credit agreements must be monitored in order to ensure that they are complied with.

At 0.8 years, the theoretical payback period for debts, defined as net debt/EBITDA, stood significantly below the target value of 4.0 years and has further improved despite the considerable amount of investment activities (previous year: 0.9 years). The equity ratio increased from 42.7% in the previous year to 49.5% in the reporting year.

Treasury keydata

	Covenant	31 Mar 2015	31 Mar 2014
Net debt/EBITDA ratio	< 4.0	0.8	0.9
Equity ratio	>35%	49.5%	42.7%

Redemption
€ in millions

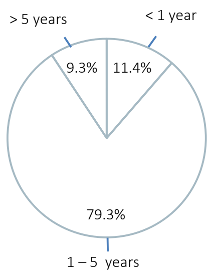


AT&S pursues a financing structure that is as balanced as possible, has an average duration and is consistent with the investment programme. At the reporting date, the duration amounted to 3.8 years (previous year: 4.8 years). The decrease results from the remaining bond maturities (due on 18 November 2016) and the promissory note bond having become shorter. As a result of the repayment of the bond and bank credits in the amount of € 111.9 million in 2016/17 and the repayment of parts of the promissory note bond as well as bank credits in the amount of € 149.1 million in 2018/19, the financing structure shows a high amount in both years.

Carrying amount of financial liabilities per maturity

€ in millions	31 Mar 2015	in %	31 Mar 2014	in %
Remaining maturity				
Less than 1 year	46.0	11.4%	46.1	12.4%
Between 1 and 5 years	321.6	79.3%	282.9	76.0%
More than 5 years	37.7	9.3%	43.0	11.6%
Total Financial Liabilities	405.3	100.0%	371.9	100.0%

Maturities of financial liabilities
in %



A further target was minimising interest rate risk by predominantly using fixed interest rates. 78.3% of financing is conducted at or was swapped to fixed interest rates, and only 21.7% is based on variable interest rates. This strategy resulted in the fact that AT&S only gained limited benefits from the general interest level decline in the reporting year.

AT&S operates an active finance management in order to achieve the above stated treasury target as cost-effectively as possible. In the financial year 2015/16, AT&S must take advantage of the currently low interest rates in financing and invest existing liquid funds profitably but risk-sensitively. These targets are supported by early conversion of liquid funds in currencies with higher interest rates and which are also continuously required by AT&S. Moreover, this serves as a natural kind of currency hedging.

In addition to this natural hedging and the interest rate hedging stated above, AT&S occasionally hedges foreign currency transaction risks in the short-term (less than one year). At the reporting date, there were no such hedging instruments. Currency translation risks resulting from the conversion of subsidiaries with different local currencies are not hedged.

CASH FLOW Based on the extremely positive development of the result, net cash generated from operating activities before changes in working capital significantly increased from € 103.7 million to € 145.0 million. However, while profit for the year increased from € 38.2 million to € 69.3 million, interest payments also increased from € 14.2 million to € 14.5 million, as did tax payments (from € 8.4 million to € 16.4 million) due to the increased profit for the year.

Net cash generated from operating activities was increased from € 104.8 million by € 39.1 million or 37.3% to € 143.9 million. While net cash generated from operating activities before changes in working capital increased by € 41.3 million or 39.8% to € 145.0 million, cash used in working capital only rose by € 2.7 million. This is the result of an optimised inventory management, a rigorous receivables management as well as an optimised creditor management. Other provisions resulted in an inflow of € 1.6 million.

Due to investment activities in Chongqing and Shanghai as well as various technological reinvestments at other locations, net cash used in investing activities amounted to € 164.8 million.

At € 11.9 million, net cash generated from financing activities was down by € 157.2 million on the exceptionally high amount of the previous year, which was due to a capital increase as well as the placing of promissory note bonds.

Free cash flows, i.e. cash flows from operating activities plus cash flows from investing activities, were negative at € 20.9 million as a result of the high investing activities and stood € 35.4 million below the previous year's amount of € 14.5 million (positive).

Cash flow statement (short version)

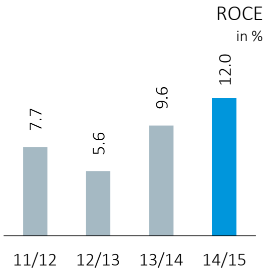
€ in millions	2014/15	2013/14	±
Cash flows from operating activities before changes in working capital	145.0	103.7	39.8%
Cash flows from operating activities	143.9	104.8	37.3%
Cash flows from investing activities	(164.8)	(90.3)	82.5%
Free cash flows	(20.9)	14.5	n.a.
Cash flows from financing activities	11.9	169.1	(92.9%)
Change in cash and cash equivalents	(9.0)	183.6	n.a.
Currency effects on cash and cash equivalents	22.8	(3.7)	n.a.
Cash and cash equivalents at end of the year	273.9	260.1	5.3%

Despite high investments, cash and cash equivalents still slightly increased from € 260.1 million to € 273.9 million, mainly resulting from the very strong cash flows from operating activities. This currently very high amount is used to ensure the financing of the new plant in Chongqing. As a consequence, sufficient cash is available for the investments in Chongqing that are planned for the next months.

AT&S PERFORMANCE SYSTEM In addition to revenue and EBITDA as primary reference values in the internal strategic corporate management, AT&S uses a further three key data to measure performance: ROCE, cash earnings and IRR. They serve to describe and control performance vis-à-vis investors, operative performance and performance vis-à-vis customers.

AT&S uses return on capital employed (ROCE) to measure its performance from the point of view of investors, using the result less finance costs – net in relation to the average capital employed. This illustrates the extent to which AT&S fulfils its investors' interest requirements. Average capital costs are derived from the minimum return expected by investors to provide equity or borrowings. The weighted average cost of capital (WACC) for the printed circuit board industry stands at about 10.1%. At a ROCE of 12.0%, AT&S was able to significantly surpass the WACC value in the reporting year. After deducting expenses as well as the average capital employed from the substrate business, ROCE amounted to 15.9% (previous year: 11.0%). The return on capital employed was thus significantly higher than the return expected by investors.

ROCE improved year-on-year mainly due to the significant increase in EBIT. As a result of considerable investment activities as well as positive currency effects, the average capital rose to € 618.2 million (previous year: € 511.9 million).

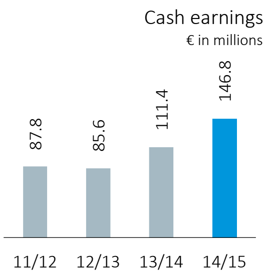


Return on capital employed (ROCE)

€ in millions	2014/15	2013/14	±
Operating Result (EBIT) before non-recurring items	90.1	56.9	58.2%
Non-recurring items	–	(3.0)	n.a.
Income taxes	(15.6)	(4.6)	238.3%
Operating result after tax (NOPAT)	**74.5**	**49.3**	**51.0%**
Equity - average	497.5	347.8	43.1%
Net debt - average	120.7	164.1	(26.5%)
Capital employed - average	**618.2**	**511.9**	**20.8%**
ROCE	12.0%	9.6%	

In addition to the investor-oriented indicator ROCE, AT&S uses cash earnings as a control reference. This indicator describes a company's operative financial efficiency.

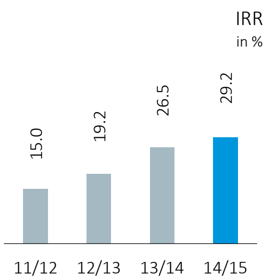
Owing to the significantly improved profit for the year and the slightly increased depreciation and amortisation, cash earnings rose by € 35.4 million or 31.7% to € 146.8 million (previous year: € 111.4 million).



Cash earnings

€ in millions (unless otherwise stated)	2014/15	2013/14	±
Profit for the year attributable to owners of the parent company	69.3	38.2	81.5%
Depreciation and amortisation and impairments of property, plant and equipment and intangible assets	77.5	73.3	5.8%
Cash earnings	146.8	111.4	31.7%
Cash earnings per share (€)	3.78	3.61	4.5%

The third performance indicator relates to the ability to implement innovations in a timely manner and in response to the market. AT&S measures this ability by using the innovation revenue rate (IRR) which expresses the revenue share of products featuring new and innovative technologies and launched on the market less than three years ago. For the financial year 2014/15, the IRR amounts to 29.2% (previous year: 26.5%). AT&S pursues a cycle of five years, i.e. an IRR of at least 20%.



Innovation Revenue Rate (IRR)

€ in millions	2014/15	2013/14	±
Main revenue	666.7	589.6	13.1%
Main revenue generated with innovative products	194.7	156.3	24.6%
IRR	29.2%	26.5%	

2. Significant events after the reporting period

On 28 April 2015, AT&S announced its entry into a new generation of printed circuit boards, the so-called "substrate-like PCB". This is achieved by expanding its capacities at the Chongqing site. As a consequence, the investment volume planned for this site until mid-2017 increased from the original amount of € 350 million to € 480 million.

Other than that, until 5 May 2015 no events or developments came to AT&S's attention that would have resulted in significant changes in the disclosure or measurement of the individual asset and liability items as at 31 March 2015.

3. Plants and branch offices

The AT&S group currently operates the following five active production plants specialising in different technologies:

Austria

LEOBEN AND FEHRING The Austrian plants mainly deliver to the European and to an increasing extent to the American market. Short turnaround times, special applications and the proximity to the customer are particularly important in Europe. The plant in Leoben successfully continued with the niche and prototype production which was launched in the past years. At the plant in Leoben, the market trend towards an increased digitisation is illustrated by more orders in the Industry 4.0 area and more connectivity between electronic devices (Internet of Things). Despite the high production capacity utilisation at the Leoben site, the flexibility to handle short-term requests was maintained. Production for the future market Advanced Packaging is also operated in Leoben. The production capacity utilisation of the plant in Fehring developed positively in the reporting year. An increased focus on IMS applications (aluminium is attached to the printed circuit board as a heat conductor) shows an extremely positive effect on the result. Additionally, synergies with other sites (Leoben and Nanjangud) are utilised in the outer layer manufacturing of multilayers. The decline in the original core business (double-layer printed circuit boards) was compensated by these measures.

China

SHANGHAI The plant in Shanghai produces HDI (high density interconnection) high-tech printed circuit boards in serial production for the Mobile Devices & Substrates segment and has customers all over the world. Capacity was well utilised in the financial year 2014/15; in some months, this plant continuously produced at maximum capacity. Moreover, demand for HDI printed circuit boards for the automobile industry has risen in 2014/15, which also led to an increase in the production of printed circuit boards for the Industrial & Automotive business unit.

China

CHONGQING AT&S wants to set another technological milestone at this second plant in China with the production of IC substrates (integrated circuit substrates). The cooperation with the technology partner turns out to be successful, and the building of the new site is on schedule. Certification of the newly developed processes by customers is planned for the end of the 2015 calendar year, with ramp-up and first revenues being scheduled for the 2016 calendar year. Additionally, entry into the next generation of printed circuit boards, the “substrate-like PCBs”, is conducted at this site (refer to Section 2. “Significant events after the reporting period”).

South Korea

ANSAN The positive development of the AT&S Korea subsidiary continued in the financial year 2014/15. In addition to the still very good utilisation of production capacities with regard to medical products for European and American customers, AT&S produced substantial volumes in the high-end mobile devices segment.

India

NANJANGUD Revenue and the operating result showed a very positive trend. Production volume per square metre of printed circuit board as well as manufacturing efficiency (material and energy consumption as well as maintenance costs) were significantly improved by taking targeted measures. The plant's capacity was continuously at a very high level.

Hong Kong

HONG KONG The company AT&S Asia Pacific in Hong Kong is the holding company for the Mobile Devices & Substrates segment and the location of Group-wide procurement related to this business unit. The proximity to the CEMs of the customers and to the suppliers is another locational advantage which the business partners highly appreciate. About half of the Group’s revenue is carried out via this company.

Sales offices

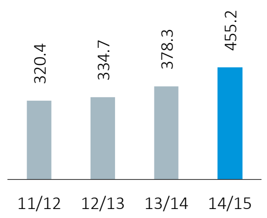
The sales offices in America, Germany, Japan and Taiwan continued to guarantee good and close contact with the customers in the financial year 2014/15.

4. Business development by segments

The AT&S Group breaks its operating activities down into three business units: Mobile Devices & Substrates, Industrial & Automotive and Others. The Mobile Devices & Substrates segment mainly covers the smartphone, tablet and digital camera applications. The Industrial & Automotive segment includes the industrial electronics, automotive, aviation & security and medical applications. The Others segment covers the activities of the Advanced Packaging segment (which is in the development phase) as well as higher-level Group activities. The Advanced Packaging segment neither reaches the quantitative thresholds, nor are this business unit's opportunities and risks material to the Group as a whole. It is therefore not presented as a segment of its own in segment reporting.

Demand for HDI printed circuit boards in the automobile industry continued to increase in 2014/15. This is shown in the significantly increased inter-segment revenue that rose from € 68.7 million to € 100.9 million and is to be eliminated in calculating Group revenue.

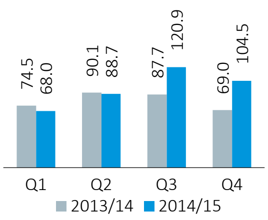
Mobile Devices & Substrates
Development of revenue
€ in millions



MOBILE DEVICES & SUBSTRATES SEGMENT

The applications of the Mobile Devices & Substrates segment require technologically sophisticated printed circuit boards and permanent process and product innovations. The strong growth in demand for smartphones all over the world is the key growth driver. The ever greater performance of these devices would not be possible without HDI (high density interconnection) printed circuit boards. AT&S is one of the leading suppliers of HDI technology around the world and ranked third in 2013 (source: Prismark: August 2014). With a share in revenue of 57.3% (previous year 54.5%), the Mobile Devices & Substrates segment still remains the largest segment of the AT&S Group.

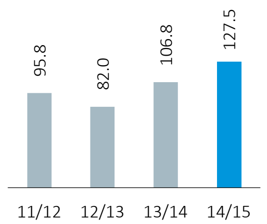
Mobile Devices & Substrates
Revenue from external customers by quarters
€ in millions



Mobile Devices & Substrates segment – overview

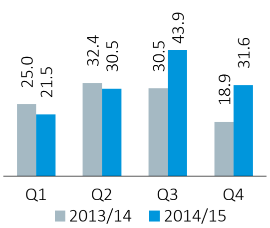
€ in millions (unless otherwise stated)	2014/15	2013/14	±
Segment revenue	455.2	378.3	20.3%
Revenue from external customers	382.1	321.3	18.9%
Operating result before depreciation and amortisation (EBITDA)	127.5	106.8	19.4%
EBITDA margin (%)	28.0%	28.2%	
Operating result (EBIT)	60.1	43.4	38.6%
EBIT margin (%)	13.2%	11.5%	
Investments	126.8	94.3	34.5%
Employees (incl. leased personnel), average	5,017	4,425	13.4%

Mobile Devices & Substrates
EBITDA Development
€ in millions



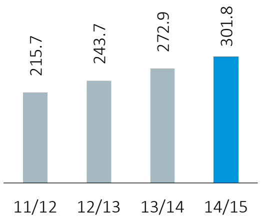
At € 455.2 million, revenue generated exceeded the previous year's figure of € 378.3 million by € 76.9 million or 20.3%. Also the first three quarters of 2014/15 showed the industry-specific seasonality with a weaker first quarter. After the increase in demand expected for the summer due to product launches in the mobile industry, demand rose again in autumn. Capacity was very high in these two quarters. However, the fourth quarter, which is usually weaker as a result of plant closures due to the Chinese New Year, continued to show a strong demand in the past financial year and exceeded the second quarter. AT&S minimised closure days in order to make use of the high demand's momentum and to meet its customers' demands. In terms of geography, more and more revenue is generated in Asia as in the previous year, because the majority of the big CEMs (contract electronic manufacturers) is located in Asia. Revenue development was also affected by positive exchange rate effects.

Mobile Devices & Substrates
EBITDA by quarters
€ in millions

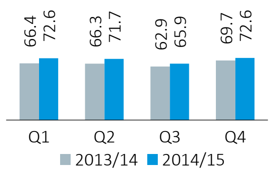


The segment's EBITDA at an amount of € 127.5 million was up by € 20.7 million or 19.4% on the previous year (€ 106.8 million). This was due to higher revenue, a better product mix, plants working at their capacity limits, positive exchange rate effects as well as efficiency-enhancing measures so as to compensate for the negative effects from start-up losses in Chongqing. At 28.0%, the Mobile Devices & Substrates segment's EBITDA margin was down by 0.2 percentage points on the previous year (28.2%).

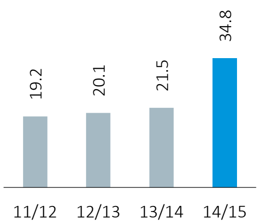
Industrial & Automotive
Development of revenue
€ in millions



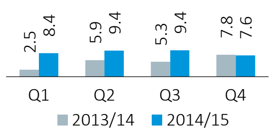
Industrial & Automotive
Revenue from external customers by quarters
€ in millions



Industrial & Automotive
EBITDA Development
€ in millions



Industrial & Automotive
EBITDA by quarters
€ in millions



The operating result (EBIT) increased by € 16.7 million or 38.6% to € 60.1 million (previous year: € 43.4 million). Compared to the previous year, special write-offs of technologies no longer in use increased by € 1.0 million to € 6.0 million (previous year: € 5.0 million).

The EBIT margin improved by 1.7 percentage points to 13.2% (previous year: 11.5%) because the total amount of depreciation and amortisation increased below trend.

Additions to assets rose by € 32.5 million or 34.5% to € 126.8 million (previous year: € 94.3 million). Aside from additions in the amount of € 47.7 million resulting from ongoing technology upgrades of the plant in Shanghai, non-current assets increased by € 79.1 million at the new site in Chongqing. The implementation of the first production line is still on schedule, and the first revenue is expected in the calendar year 2016.

INDUSTRIAL & AUTOMOTIVE SEGMENT

With a growth in revenue by € 28.9 million to € 301.8 million (previous year: € 272.9 million), the Industrial & Automotive segment generated an increase of 10.6%. The positive development was caused on the one hand by a still increasing demand in the automotive segment (the share in electronic components in vehicles for e.g. advanced driver assistance systems is continuously increasing) and on the other hand by a stronger demand in the industrial and medical technology segments.

Industrial & Automotive segment – overview

€ in millions (unless otherwise stated)	2014/15	2013/14	±
Segment revenue	301.8	272.9	10.6%
Revenue from external customers	282.9	265.2	6.7%
Operating result before depreciation and amortisation (EBITDA)	34.8	21.5	61.8%
EBITDA margin (%)	11.5%	7.9%	
Operating result (EBIT)	25.9	13.2	95.8%
EBIT margin (%)	8.6%	4.8%	
Investments	25.5	7.9	221.4%
Employees (incl. leased personnel), average	2,489	2,482	0.3%

Regarding the development of the Leoben, Fehring, Ansan and Nanjangud sites allocated to the Industrial & Automotive segment, refer to Section 3 of the Group Management Report. In general, the financial year 2014/15 was characterised by an once again improved capacity utilisation, further efficiency-enhancing measures and the elimination of one-off effects due to the closure of the Klagenfurt site in the amount of € 3.0 million. The segment result was, however, affected by negative exchange rate effects in the financial year 2014/15. In total, this resulted in an increase of EBITDA by € 13.3 million or 61.8% to € 34.8 million (previous year: € 21.5 million).

The EBITDA margin increased by 3.6 percentage points to an amount of 11.5% (previous year: 7.9%). After deducting closure costs relating to Klagenfurt, the previous year's amount is 9.0% and the increase 2.5%.

The operating result (EBIT) increased by € 12.7 million or 95.8% to € 25.9 million (previous year: € 13.2 million). At 8.6%, the Industrial & Automotive segment's EBIT margin significantly surpassed the previous year's amount of 4.8% due to the above stated effects.

Additions to assets rose by € 17.6 million or 221.4% to € 25.5 million (previous year: € 7.9 million). The main reason for the increase were the additions in Austria. Additionally, there were additions resulting from in-sourcing and efficiency-enhancing measures as well as for technological production upgrades at other sites.

OTHERS SEGMENT Aside from general holding activities, the Others segment also includes the Advanced Packaging business unit which is in the development phase. This business unit deals with embedding active and passive electronic components in printed circuit boards by using the ECP® technology patented by AT&S. The objective is to further miniaturise the printed circuit boards while improving heat distribution, electrical performance and service life at the same time. The business unit continued to significantly increase its revenues in the financial year 2014/15, more and more establishing itself as a development partner for its customers. Due to the business unit still being small in size, it is still not reported to be a segment of its own.

Others segment – overview

€ in millions (unless otherwise stated)	2014/15	2013/14	±
Segment revenue	10.9	7.5	46.1%
Revenue from external customers	2.0	3.4	(40.0%)
Operating result before depreciation and amortisation (EBITDA)	5.2	(1.1)	n.a.
EBITDA margin (%)	47.8%	(14.7%)	
Operating result (EBIT)	4.0	(2.7)	n.a.
EBIT margin (%)	36.4%	(36.1%)	
Investments	2.1	8.9	(75.9%)
Employees (incl. leased personnel), average	132	120	9.9%

5. Group

5.1. Employees

Following the vision and mission of "we care about people", the AT&S Group's HR activities are also continuously developed further. In accordance with this mission, a profound series of interviews with executives in charge was conducted in the financial year 2014/15 in order to ask them about their needs and expectations against the backdrop of the new challenges that AT&S wants to face in the coming years. This served to establish priorities for AT&S's HR activities, such as the further development of an international talent programme, but also working on AT&S leadership principles.

Employees' commitment, motivation and excitement represent key success factors for AT&S. AT&S offers to its employees all over the world a safe working environment that operates under essential values such as transparency, personal responsibility and trust. This serves as motivation and consequently increases the quality of products and services. Voluntary commitment to corporate social responsibility (CSR) measures as well as to the Electronic Industry Citizenship Coalition (EICC) code of conduct reinforce AT&S's global dedications to environmental, economic, labour, safety at work and ethical areas.

HUMAN RESOURCES IN FACTS AND FIGURES In the financial year 2014/15, the Group had an average full time equivalent employee count (taking leased personnel into consideration) of 7,638. This means there were 611 more full time equivalents compared to the average in the previous financial year. This development is due to the hiring of staff at the plant in Chongqing.

Average number of full time equivalents (incl. leased personnel)

	2014/15	2013/14	±
Mobile Devices & Substrates segment	5,017	4,425	592
Industrial & Automotive segment	2,489	2,482	7
Others	132	120	12
Total Group	7,638	7,027	611

LEADERSHIP PRINCIPLES In the financial year 2014/15, new leadership principles based on the AT&S vision and mission were prepared and communicated across the entire Group. OPEN-MINDEDNESS, COMMITMENT and RESPONSIBILITY are the values envisaged to ensure excellent leadership. In order to put these values into practice on all levels, an initiative was launched to raise awareness among executives and to educate them. In doing so, emphasis is placed on reinforcing strengths and building mutual sympathy and trust. Excellent leadership is ultimately the foundation for keeping employees motivated and remain loyal to a company in the long-term – it is thus essential for further business success. It includes, among others, talent management, further developing key competences and skills, advancing the establishment of an open feedback culture as well as supporting but also challenging employees.

SUPPORTING AND CHALLENGING – establishing a balance. It is AT&S's objective to continuously increase employee satisfaction. The only way to achieve this, however, is to deploy each person according to his or her skills and to develop him or her taking into account his or her existing potentials. This balance between supporting and challenging is an important basis for employee satisfaction, which, in turn, is the foundation upon which loyal, motivated and successful behaviour in accordance with the AT&S vision is built.

Based on the Company's aims for the following financial year, targets for individual employees in the area in which they specialise are defined in annual staff appraisal meetings. Additionally, potentials and further development opportunities within the current position but also with regard to potential other career paths are discussed.

Ongoing training of staff members including guidance at the workplace, internal and external training sessions, workshops and coaching sessions, are a priority in staff development in order to do justice to the vision "first choice for advanced applications". In the financial year 2014/15, € 869.8 thousand (previous year:

€ 452.3 thousand) was invested in external training sessions alone. Group-wide training costs therefore increased by 92.3% as compared to the previous year. This increase mainly resulted from higher staff development costs related to the entry into new technological fields. Furthermore, AT&S offers standard training to new employees so that they can familiarise themselves with the production process of printed circuit boards, the organisational structure and processes of AT&S as well as the Company's values. Multi-functional, international as well as intercultural training are also available in order to facilitate networking, ensure effective processes and an ongoing transfer of knowledge, and avoid the creation of cultural barriers. Training sessions especially developed for management, which are in line with AT&S's vision, mission and strategy, range from the essentials of leadership as well as carrying out appraisal meetings with employees to change management and strategy development.

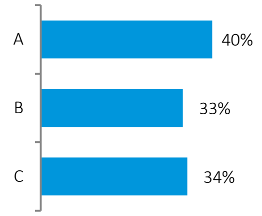
AT&S attaches great importance to talent development, among other things in the area of apprentices in order to ensure that there will be young skilled staff in the future. At the end of the financial year, 599 apprentices were employed across the Group, 571 of which in India passing a training scheme of several years, 27 in Austria and 1 in Germany. By offering High Technology Experience tours as well as 'come and see' days and holiday internships, AT&S strives to give young people an idea of how exciting it would be to work for AT&S and to convince them of the benefits of technology professions. In cooperation with universities, practice-oriented Bachelor and Master degree dissertations are assigned in order to position AT&S as an appealing employer also among graduates. In the course of the so-called “International Talent Program”, talented graduates from different countries undergo a multi-level selection procedure and can then participate in an 18 to 24 month trainee programme where they gain extensive insights in theory and practice in the field of printed circuit board technology and production and are introduced to all production and development areas of AT&S. Not only specific knowledge, but also methodological and social skills are furthered, and what has been learned is put into practice.

Expenditure on external training sessions

€ in thousands	2014/15	2013/14	±
Mobile Devices & Substrates segment	383.8	179.4	113.9%
Industrial & Automotive segment	283.5	210.2	34.9%
Others	202.5	62.7	223.0%
Total Group	869.8	452.3	92.3%

DIVERSITY & MOBILITY AT&S unconditionally respects equal opportunities in relation to career paths and remuneration or training, irrespective of age, sex, background, religion, sexual orientation, ethnicity, disability, religious or political belief. Especially for an international company such as AT&S, a high level of diversity is a key to future success. At the end of the financial year, the proportion of female employees at AT&S amounted to 34%. At 40%, the female proportion in Europe and the United States is still significantly higher than in Asia. The female proportion in top management rose from 11% in the previous year to 16%. With regard to diversity and successfully assembled teams, AT&S is committed to further increase the number of female employees, particularly in executive positions.

Proportion of female employees in %



A - Europe and USA
B - Asia
C - Total

At all its sites across the world, AT&S employed people with 34 different nationalities. In its capacity as a globally operating company, AT&S offers a variety of career options at an international level. Aside from the “international talent program”, AT&S fosters international cooperation as well as professional mobility, primarily with regard to its employees but also in relation to external applicants. AT&S additionally offers intercultural training sessions, promotes language skills and places value in virtual cooperation in order to ensure the best possible communication and the highest possible efficiency. This also contributes to learning from one another and to uphold the principle of 'open-mindedness'.

At 30 years, the average age is relatively low as compared to the general demographic development, primarily resulting from the many young employees in China. Average age in Asia is 28.4 years and thus considerably lower than the average age in the United States and in Europe (39.1 years). The Group-wide average term of service (incl. leased personnel) stands at 5.4 years, with average term of service in the United States and Europe amounting to 11.9 and in Asia to 4.0 years. This mainly results from the fact that the company in Chongqing has only been established two years ago and has since been undergoing continuous development.

AT&S places a strong emphasis on sustainable corporate development, using measures aimed at motivating employees as well as recruiting new talent and encouraging their long-term loyalty.

Alongside competitive levels of remuneration AT&S also firmly believes in giving its staff the chance to be able to share in the financial success of the Company: this is important both for the motivation of staff members as well as for recruiting and retaining new talent. The global bonus system takes this core principle into account, with individually and collectively agreed bonus payments being distributed whenever specific hurdle rates are achieved. The first hurdle rate consists of positive EBIT for the overall Group, with the second one being linked to the attainment of particular EBIT and/or gross profit margins in relation to budgeted targets in the respective area of responsibility.

The extent of the amount distributed will depend on ROCE, cash earnings, the innovation revenue rate as well as the individual performance of each member of staff. The bonus system also specifies that in more challenging economic times in which set targets cannot be achieved, distribution of bonuses will be either reduced or entirely suspended. Details on how ROCE, cash earnings and the innovation revenue rate are determined can be found in Section 1.3. “Financial position” in the Group Management Report.

OUTLOOK Based on the mission statement “we care about people”, it is the objective of AT&S's HR programme to support AT&S's executive employees in the strategic positioning of the Group and to establish an AT&S knowledge society involving all staff members. Leverage of a successful management is considerable and ensures a sustainable corporate success. Management and knowledge interact successfully if all staff members identify with the corporate objectives, commit to achieve these objectives through their dedication and motivation, and are ready to contribute a high performance level.

5.2. Sustainability

Sustainable management and the careful use of available resources are a high priority for AT&S. As a key milestone, AT&S therefore included the topic of sustainability in its corporate mission in the financial year 2014/15.

- We reduce our ecological footprint
- We care about people

Taking into account sustainability aspects is one of the keys to the Company's continued success. By integrating sustainability into the Company's vision, AT&S shows a strong commitment to its stakeholders.

EMPLOYEES

Employees have a right to an entirely safe working environment. At the same time AT&S wants its people to be ambassadors of its values, and to play an active part in fulfilling its mission.

CUSTOMERS & SUPPLIERS

We would like our customers and suppliers to help us manage our supply chain so as to minimise the burden on the environment and our immediate surroundings. This applies to the procurement and use of chemicals and other materials, and to sustainable production methods and transportation.

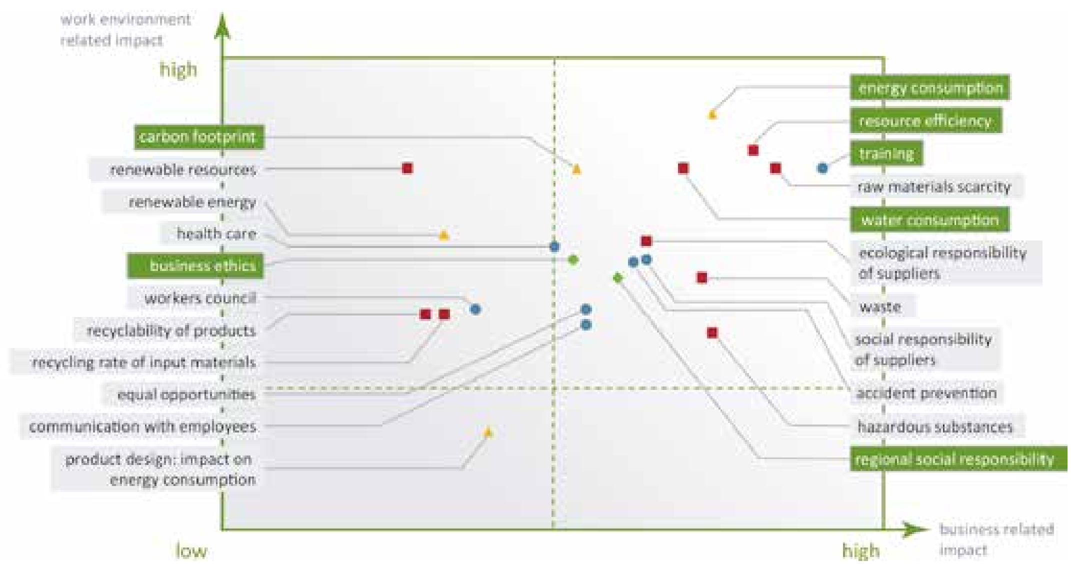
Our customers' and suppliers' needs and concerns are regularly raised through requests for feedback, and business review meetings and audits. This enables us to work with them to solve any problems.

INVESTORS

In our communications with investors, we set out to present sustainability as a key success factor. By reducing our consumption of energy, water and other resources, and keeping the social impact of our operations in mind, we minimise our production costs.

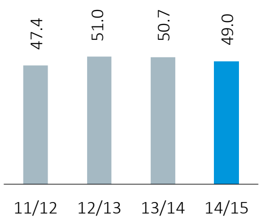
Sustainable business practices are also crucial to obtaining licences to operate for our production sites. And continuing to improve our sustainability performance ensures that we retain the permits that are awarded to us.

Supported by a number of employees from all types of departments and sites, central aspects of sustainability to AT&S were defined in the course of a comprehensive materiality analysis. By interviewing and involving departments such as production, sales, human resources, investor relations, environmental and safety at work, etc., a comprehensive idea of the different demands and key aspects impacting the Company was generated. Further details on the materiality analysis will be included in the 2014/15 Sustainability Report which will be published in July 2015.



Only those values and contributions were taken into consideration that may actually impact AT&S in order to effect changes. The following aspects were defined as key topics:

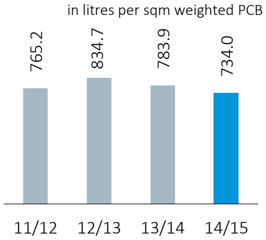
Carbon footprint
in kg CO_2 per sqm weighted PCB



ENERGY AND CARBON FOOTPRINT, WATER AND RESOURCES In order to produce its products, AT&S requires a lot of energy in the form of electricity and heat. This results in CO_2 emissions in production, but CO_2 emissions occurring in the delivery of products to customers are also calculated. AT&S describes these CO_2 emissions by using a key performance indicator – the total carbon footprint in kg CO_2 per sqm PCB produced.

Water is an essential component in the course of production. Innovative water recycling systems as well as high-quality treatment techniques already enable AT&S to reduce its water needs to a minimum. AT&S still aims to keep reducing water consumption by 3% each year. Freshwater consumption is also a key performance indicator.

Freshwater consumption
in litres per sqm weighted PCB



In order to reduce the ecological footprint according to the AT&S mission, AT&S strongly focuses on optimising the use of materials as well as raw materials and supplies. Projects differ depending on the respective focuses at the individual production sites. The uniform objective of all projects is to avoid waste, improve recycling rates and thus increase production efficiency. In the financial year 2014/15, material consumption rose based on an increase in production.

Purchase of significant materials

	Unit	2014/15	2013/14	2012/13
Gold	kg	596	484	585
Copper[1)]	t	3,550	3,144	2,014
Laminate	million sqm	13.4	12.5	11.2
Chemicals	tsd. t	92.9	87.2	86.1

1) Starting with financial year 2013/14 copper foils were included.

PLACE OF LEARNING In line with the AT&S mission “we care about people”, highly qualified and motivated employees are key for the Company. It is the only way to achieve our vision together in the long term. More detailed descriptions of measures and offers as well as key data are presented in the chapter on human resources.

SHAPING THE FUTURE BY THINKING AHEAD Training and motivation of employees is not the only central aspect of our mission statement “we care about people” – the safety of our employees is also one of them. The same standards with regard to equipment safety systems but also personal protective gear for all employees are in place at all production plants. The introduction of OHSAS18001, a management system for occupational health and safety, as well as the measures that came with it, enabled AT&S to reduce accidents at work per one million working hours by 59% since the financial year 2004/2005. For the purposes of continuously improving this rate, AT&S strives to decrease accidents at work by 7% each year.

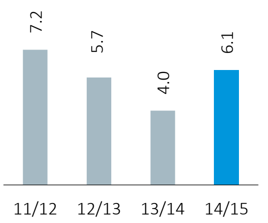
AT&S is aware of its social responsibility both internally and externally. This is heavily dominated by the mission statement “think global, act local”. AT&S places its focuses taking into account cultural and local requirements and needs. Examples include improving health care in India, aiding school students and university students in China or promoting universities and research centres in Austria.

The integrated management system has proven its worth as a framework for the successful implementation of the AT&S mission. The system includes the standards ISO/TS16949 for quality management, ISO14001 for environmental management and OHSAS18001 for occupational health and safety as well as further quality standards. As in the previous years, the integrated management system at Group level as well as at all sites was once again certified by the certifying body in a recertification audit in the financial year 2014/15. In the financial year 2014/15, AT&S became one of the first Austrian companies to successfully introduce certification according to ISO50001 – the standard for energy management – at both Austrian sites in Hinterberg and Fehring.

AT&S regards sustainability as a key contribution to our Company's successful future. Detailed examples, measures and objectives will be included in the 2014/15 Sustainability Report.

Number of accidents at work

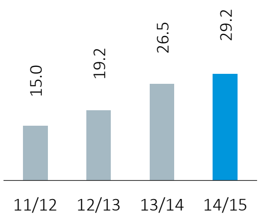
Working hours lost per one million hours of work as of absence of more than one day



5.3. Research and development

IRR (Innovation Revenue Rate

in %



HIGHLIGHTS IN THE FINANCIAL YEAR 2014/15

- 29.2% of AT&S's total revenue is generated by products which have new, innovative technologies and that were launched on the market within the last three years (Innovation Revenue Rate).
- The "cool printed circuit board" wins the Innovation Award of the Austrian province of Styria and is among the top five projects competing for the Austrian Innovation Award.
- Substrate project: Successful completion of development phase and machine qualification, product qualification initiated.

For the second year in a row, AT&S generated over 20% of its revenue with products that have been on the market for less than three years. Those products are the result of consistently implementing our technology strategy and the development projects derived from it. This emphasises how much innovation means to AT&S. Not only does innovation make a key contribution to generating revenue, it also became one of the most significant features distinguishing AT&S from its competitors in the market.

DEVELOPMENT ACTIVITIES In its development activities, AT&S focuses on the core development areas:

1. Interconnect density
In this area, the goal is to miniaturise the printed circuit board and/or substrate as well as its structures and to increase the complexity / interconnect density.

2. Mechanical integration
Here, the printed circuit board is developed to assume additional functions as a component of the electronic device. It thus becomes flexible or rigid-flexible, a carrier of high-frequency electronics or a specialist for heating management.

3. Functionality integration
This development area focuses on integration of other electronic components into the printed circuit board. The printed circuit board then no longer acts as a traditional connector but assumes an entire electronic functionality in its capacity as a module.

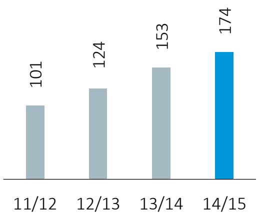
4. Printed solutions
Here, the focus is on new solutions that reduce the consumption of water and other natural resources (e.g. copper). New processes based on the printing technology are developed in order to minimise the use of natural resources.

Total expenses for research and development projects amounted to € 57.9 million in the financial year 2014/15. This corresponds to a research rate (i.e. relation to revenue) of 8.7% compared to 5.4% in the previous year. The value of the financial year 2014/15 was characterised by the high development expenses for the substrate business. After deducting expenses for this special project, the research rate amounts to 4.2% and the respective expenses for research and development increased by € 2.2 million or 8.4% to € 28.2 million (previous year: € 26.0 million). With this research rate remaining at such a high level, we are able to secure our position as technological leader also in the years to come.

Innovative strength and long-term competitiveness are also reflected in the number and quality of the patents. In the financial year 2014/15, AT&S filed 20 new patent applications all over the world. AT&S now has 114 patent families, resulting in 174 patents. Additionally, the IP portfolio was further extended through the purchase of licences particularly in the field of embedding technology in the past financial year 2014/15.

Development efficiency is ensured by closely and globally cooperating with customers, suppliers and research institutions. Key R&D partners with whom AT&S continuously initiates and carries out projects are, for example, the Fraunhofer Institute in Berlin, the Vienna University of Technology, Joanneum Research in Graz, the Christian Doppler Laboratories in Graz, the Montanuniversität Leoben and the Fudan University in Shanghai. AT&S internally performs a two-stage innovation process. Development activities in the fields of materials, processes and applications are carried out at the research institutions at Leoben-Hinterberg headquarter to the point where the basic technological feasibility has been reached. This area thus covers applied research and technology evaluation. After that, it is the responsibility of the local departments for technology development and implementation situated at the plants of AT&S to continue the experimental development of products and processes and to integrate these products and processes into existing production operations.

AT&S patents
Quantity



OUTLINES OF CURRENT RESEARCH AND DEVELOPMENT PROJECTS In the IC substrates project – the Group's largest development project – development phase and machine qualification were completed successfully. First line facilities have been installed and production of qualification lots was initiated. This qualification phase will determine the exact process parameters for mass production that will be used to produce at high yield and high volume. The qualification lots serve to evaluate the final product characteristics and long-term reliability. The findings established in the process help to further optimise the products. Certification by the customer is planned by the end of the calendar year 2015. With regard to interconnect density, qualification for product types completely new at AT&S constitutes a quantum leap in comparison to AT&S's existing product portfolio. After completing certification, the start-up phase and subsequent volume production is scheduled to take place in the fourth quarter of 2015/16.

The power module product portfolio, including embedded components, is continuously expanded towards higher performance categories. The development project EmPower focuses on highly efficient and miniaturised components in the area of electromobility. In the past year, functional high power packages were realised and are subsequently planned to be industrialised. Moreover, conceptual development for Hybrid Electrical Vehicles (HEV) was transferred to product development.

Also regarding the miniaturisation of printed circuit boards in mobile end devices, the development of a new technological leap was completed. Modified manufacturing processes are now available, fulfilling product requirements with regard to a higher interconnect density for the next generation. The first products in high-volume production are expected in the financial year 2015/16.

The trend towards miniaturisation while simultaneously increasing performance in electronic devices represents a great challenge to the manufacturers of the respective components. Part of this challenge is heat development in a narrower and narrower space. No matter if smartphones, lighting technology or electric cars are concerned: Innovations serving to counter overheating represent an important field of activity. After all, more than half of all product defects are caused by temperature having risen too high. Our new thermal solutions counteracting this issue resulted in winning the Innovation Award of the Austrian province of Styria and being nominated for the Austrian Innovation Award in the past financial year.

A first batch of products in a newly developing and technically very sophisticated league of printed circuit board production with regard to process control – printed circuit boards for high-frequency applications – was also launched in the past financial year. Printed circuit boards for high-frequency applications represent a fast-growing market because these products are required for contactless communication between people and devices, fields such as information, automobile, industry and medical technology as well as radar applications such as those already in use in state-of-the-art vehicles. In the future they will be a basic requirement for driverless cars and tools.

6. Risk and opportunities management

PRINCIPLES, STRUCTURES AND PROCESSES Risk and opportunities management is a fundamental part of the way in which the AT&S Group does its business. The quest to increase enterprise value involves not just opportunities but also the taking of risks. In order to identify risks at an early stage and deal with them in a pro-active manner, AT&S operates a group-wide Risk Management and Internal Control System as well as Internal Revision, as in accordance with Austrian Code of Corporate Governance (ÖCGK) requirements.

From an organisational perspective, the Risk Management, Internal Control System and Internal Revision functions come within the responsibility of the CFO. The overall board receives monthly updates from the Group Risk Manager and/or the internal auditor in the course of the Management Board meeting. The Supervisory Board is involved in audit committee meetings taking place twice a year. The proper functioning of the risk management system is also assessed once a year by the auditor in the course of the annual audit of financial statements pursuant to Rule 83 ÖCGK.

Operative risk management consists of a process for the purpose of risk identification and assessment which is to be carried out at least twice a year. Risks which comply with the criteria as set out in the risk strategy are aggregated taking into consideration various scenarios in relation to the overall risk position of the Group and recorded in the risk report sent to the Management Board and Supervisory Board, which is updated on a six-monthly basis. Risk controlling activities are achieved through measures aimed at minimising their effects and likelihood by those responsible.

The risks, uncertainties and opportunities facing the Group are generally based on worldwide developments on the printed circuit board and substrate market and can be summarised as follows:

Strategy

INVESTMENTS In order to make the most of growth potential and remain competitive, the Group undertakes major investments in new forms of technology as well as in the further development and capacity expansion of already existing technologies. There are particular opportunities to be gained from – but also risks to be taken into account in association with – entering into the substrates business (characterised through potentially attractive margins, entrance barriers and only a handful of competitors) through a strategic partnership with a world leading semiconductor manufacturer. Furthermore, the location at Chongqing in China offers competitive advantages over the largely Japanese dominated competition. The first revenues for the IC substrates segment can be anticipated in the calendar year 2016.

Risks in the field of investment, particularly with regard to entering the substrate business, and in general for the business activities of AT&S exist in the form of unrecognised or wrongly anticipated technological developments or changes in demand which could bear negatively on investment value.

COMPETITION The intensive focus on the high-tech segment coupled with the highest quality standards and consistently carried out cost controls meant that the Group was able to achieve a competitive advantage over a majority of its competitors in the HDI segment and thus effectively counter the intensive competition and the permanent ‘commodification’ (with a corresponding margin reduction). This strategy is also supported by the growth in the number of end products relevant to AT&S's HDI product range, from smartphones and other mobile applications as well as the automotive segment.

The opportunities related to Austrian AT&S plants exist due to high flexibility, high quality standards and the ability to react very quickly to changing specifications and technologies, as is required on the industrial market through various technological demands on the part of a number of customers. New forms of technology and projects are constantly being pushed in close cooperation with various different customers.

Advanced Packaging, a form of technology which AT&S made ready for the market under the ECP® brand name, also offers considerable potential in itself, and the segment was further expanded in the course of the previous financial year.

Competitor risks arise through potential quality improvements and technological developments in countries with low production costs. This could mean that the activities of the Group especially in Austria and possibly also at other manufacturing locations like those in China might become less competitive.

Market development

CUSTOMER BASE With the help of advanced production technologies and high quality standards, the AT&S Group has managed – largely due to its capacities in Asia – to establish itself as a reliable provider for some of the world's most renowned players in the electronics industry. The revenue generated with the five largest among these customers accounts for 52% of total revenue. The good business relations with these customers also offer excellent opportunities for the future.

However, a customer concentration of this kind also brings risks with it, for example in case there is a significant reduction in business with this customer. This therefore means that both the maintenance of AT&S's competitiveness as well as the continued broadening of its customer base and the development of new product segments to quickly increase compensation levels in case of a reduced quantity of sales with any of the individual main customers is of considerable importance.

ECONOMIC DEVELOPMENT Economic cycles and fluctuations when it comes to product demand in the industry for mobile end products, the automobile sector and the industry in general could have a negative effect on the Group's results, just as of course any upward trend in the economy can also lead to increased business opportunities. The wide-ranging positioning throughout the Mobile Devices & Substrates and Industrial & Automotive product segments enables the partial reduction of risks due to the different production cycles.

Procurement

COMMODITY PRICES Energy as well as raw material (gold, copper, laminate) price fluctuations can in the short-term have both a positive as well as a negative impact on achievable margins.

SUPPLIER BASE The strategy of the Group consistently focuses on a wide and diversified base of carefully selected suppliers with a view to reducing any dependencies on individual suppliers. There are therefore – with a few exceptions – alternative supplier options so as to respond to supply risks. The Group enjoys longstanding and stable customer-supplier relations with its main key suppliers with particular expertise and competitive standings.

Business environment

INTELLECTUAL PROPERTY The AT&S Group endeavours to utilise any opportunities for obtaining intellectual property as well as gaining access to promising patents through the development of own projects, cooperation schemes with partners and investments. Risks arise if the Group fails to protect its intellectual property, thus enabling the competition to utilise these technologies. Legal disputes on intellectual property might keep the Group from utilising or selling any technologies in dispute, and legal disputes on the misuse of third party intellectual property might result in substantial financial burdens. The new IC substrates segment in particular bears risks in this regard, with one of the reasons being the fact that AT&S needs to further augment its corresponding expertise in this field.

COMPLIANCE Any amendments to regulatory requirements, such as the prohibition of specific processes or materials, might lead to a rise in production costs. The Group might be subject to substantial penalties should any customer requirements on confidentiality or statutory provisions be violated. AT&S has implemented organisational measures aimed at preventing or minimising the occurrence of compliance risks. The expansion of such measures is ongoing.

LOCATION SPECIFIC RISKS A major part of the Group is located outside of Austria, particularly in Asia. This means that the Group might be subject to potential legal uncertainties, state intervention, trade restrictions or political unrest. Irrespective of the above, any production site of the Group may furthermore be exposed to fire, natural disasters, acts of war, shortages of supply or other events. The termination of land use rights, permits or lease contracts of specific plants might also have a negative impact on the production output of the Group.

The Group actively protects itself against such risks by weighing the risks and associated costs and has concluded insurance contracts to the extent customary for a company of this size if such contracts are available at costs which are reasonable in relation to the impending risks.

Operating business

PRODUCT QUALITY As previously, it will be the high quality of products, adherence to delivery deadlines and service quality which will offer the Group a chance to differentiate itself from the competition and utilise growth opportunities in the future. Any technical defects, quality deficiencies or difficulties in delivering products may expose the Group to warranty claims, claims for damages and contractual penalties, resulting in product recalls and the loss of customers. AT&S has in place a corresponding quality management system designed to rule out deficiencies in product quality and their negative consequences as far as possible. Furthermore, the Group is insured against major risks by virtue of an (extended) product liability insurance policy.

TECHNOLOGY AND PROJECT DEVELOPMENT The Group's know-how regarding project and technology development, particularly in China, makes it possible for the Group to utilise further promising growth opportunities, such as in particular the development of the IC Substrates business. At the same time, however, this entails special risks, also in view of the substantial volume of investment made at the Chongqing site. Complications in the further technological development and project development might result in major burdens for business development as well as the financial and administrative resources.

Organisation

EMPLOYEES The collective industry experience and management expertise of the employees of the AT&S Group form the basis for the utilisation of future opportunities. The business of the Group might suffer if employees in leading positions were to terminate their employment relations with the Group or if the Group was unable to continue to recruit and retain highly qualified engineers or sales personnel. AT&S continuously develops strategies for retaining key employees, recruiting valuable personnel and further expanding the skills of its staff members.

WAGE COSTS A substantial increase in wage costs, particularly at the production sites in China, might have a negative impact on the competitiveness of the Group.

Financial risks

FINANCIAL RISK For more information on financial, liquidity, credit and foreign exchange risks, please refer to Note 20 "Additional disclosures on financial instruments" in the notes to the consolidated financial statements.

TAX RISK The Company is active on a global basis and thus confronted with different tax systems. Unless the requirements for the formation of a provision or liability are met, both national and international tax risks are incorporated within financial risks and monitored accordingly. At present, the material tax risks are in relation to the company in India.

7. Internal Control and Risk Management System with regard to accounting

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 actual risk management as well as the Internal Control System (ICS) are subsumed. The main criteria of the Risk Management, the Internal Control System and Internal Revision 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 those responsible) 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 targets described for financial reporting.

The accounting procedures are documented in separate process instructions. As far as possible, these processes are standardised across the Group and are presented in a standardised 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 done on a monthly basis as part of the Group reporting, with the financial information being reviewed and analysed by the Group Accounting department (part of Group Finance & Controlling). The monthly budget/actual variance with corresponding comments on the results of the segments, 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 carried out by the Group Controlling department (as part of Group Finance & Controlling). Quarterly forecasts are drawn up during the year for the remaining financial year based on the quarterly results and current planning information. 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. Shareholding structure and disclosures on capital (disclosures according to § 243a UGB)

CAPITAL SHARE STRUCTURE AND DISCLOSURE OF SHAREHOLDER RIGHTS As of the reporting date at 31 March 2015, the Company's ordinary shares amount to € 42,735,000 and are made up of 38,850,000 no-par value shares with a notional value of € 1.1 per share. The voting right at the Annual General Meeting is exercised according to no-par value shares, with each no-par value share equalling one voting right. All shares are bearer shares.

Significant direct and indirect shareholdings in the group parent AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (AT & S AG), which at the reporting date amount to at least 10%, are presented below:

	Shares	% capital	% voting rights
Dörflinger-Privatstiftung: Karl-Waldbrunner-Platz 1, A-1210 Vienna	6,902,380	17.77%	17.77%
Androsch Privatstiftung: Schottengasse 10, A-1010 Vienna	6,339,896	16.32%	16.32%

At the reporting date 31 March 2015, about 65.91% of the shares were in free float. With the exception of the shareholdings stated above, no other shareholder existed holding more than 10% of the voting rights in AT&S AG. No shares with special control rights exist. The exercise of the voting right by employees who hold shares in the Company is not subject to any limitations.

No special provisions exist on the appointment and dismissal of members of the Management Board and the Supervisory Board.

No compensation agreements are in place between AT&S AG and its Management Board and Supervisory Board members or employees that would become effective in the case of a public takeover bid.

By resolution passed at the 20th Annual General Meeting on 3 July 2014, the Management Board was authorised until 2 July 2019 to increase the Company's ordinary shares, subject to approval by the Supervisory Board, by up to € 21,367,500.00 by way of issuing up to 19,425,000 new no-par value bearer shares against contribution in cash or in kind, in one or several tranches, also by way of indirect rights offering after having been taken over by one or more credit institutions in accordance with § 153 (6) Austrian Stock Corporation Act (AktG). In doing so, the Management Board was authorised to determine, subject to approval by the Supervisory Board, the detailed conditions for such issuance (in particular the issue amount, what the contribution in kind entails, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the articles of association resulting from the issuance of shares from the approved capital. The Annual General Meeting also passed the resolution to amend § 4 of the articles of association (ordinary shares) in accordance with this resolution.

Furthermore, by resolution of the 20th Annual General Meeting on 3 July 2014, the authorisation to issue convertible bonds as resolved in the Annual General Meeting on 7 July 2010 was revoked and simultaneously, the Management Board was authorised until 2 July 2019, subject to approval by the Supervisory Board, to issue one or several convertible bearer bonds at a total nominal amount of up to € 150,000,000.00 and to grant to bearers of convertible bonds subscription rights and/or conversion rights for up to 19,425,000 new no-par value bearer shares of the Company in accordance with the convertible bond conditions to be defined by the Management Board. In doing so, the Company's ordinary shares were conditionally increased by up to € 21,367,500.00 by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with § 159 (2) No. 1 AktG. This conditional capital increase is only carried out insofar as the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 3 July 2014 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. Furthermore, the Management Board was authorised to determine, subject to approval by the Supervisory

Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights).

With regard to increasing the approved capital and/or the conditional capital increase, the following definition of amount in accordance with the resolutions passed at the 20th Annual General Meeting on 3 July 2014 is to be observed: The sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000 (definition of amount of authorisations).

TREASURY SHARES By a resolution passed at the 19th Annual General Meeting on 4 July 2013, the Management Board was again authorised to acquire and to withdraw – within 30 months as from the resolution date – treasury shares to the maximum extent of up to 10% of the ordinary shares of the Company. Furthermore, the Management Board was authorised, for a period of five years as of the date the resolution was passed, i.e. up to and including 3 July 2018, upon approval by the Supervisory Board, to sell treasury shares also in a different way than via the stock exchange or by public offer, most notably to serve employee stock options, convertible bonds or to use such shares as a consideration for the acquisition of entities or other assets and for any other legal purpose.

As of 31 March 2015, the Group does not hold any treasury shares.

There are no off-balance sheet transactions between AT&S AG and its subsidiaries.

AT&S AG neither has granted any loans nor has it assumed any liabilities in favour of board members.

For further information, reference is made to the Notes in the notes to the consolidated financial statements (Note 22 “Share capital” as well as Note 16 “Financial liabilities”).

The Company's Corporate Governance Report pursuant to § 243b UGB is available at http://www.ats.net/de/unternehmen/corporate-governance/berichte/.

9. Outlook

The ever increasing demand for electronic end devices, the generally rising proportion of electronics in various applications as well as the interlinking of various electronic applications in both private and professional environments constitute mega trends in the years to come and will continue to result in an increase in demand for printed circuit boards. In order to counter the increasing price pressure in the industry, the focus will remain on the further development of the core business with high-tech products also in the financial year 2015/16. Against this backdrop, the development of innovative products and technologies remains a top priority for AT&S. In order to hedge this strategy, investments in technological upgrades at existing production plants are being continued in addition to research and development activities.

The entry into the IC substrate market segment constitutes a development of the current high-tech market of HDI printed circuit boards for AT&S. From a strategic perspective, this step represents an extraordinary opportunity for the development of the Group. After the construction of the building and the installation of the first line at the Chongqing site in the financial year 2014/15, the facilities will be certified in the financial year 2015/16. Ramp-up will be initiated in the calendar year 2016, and the first revenues are also expected to be achieved in the calendar year 2016. In parallel to this, the second line will be installed. As a result of the plant's ramp-up phase, AT&S expects start-up costs affecting the Group's profit for the year.

At the end of April, an expansion of the originally budgeted investments in the site until mid-2017 from € 350 million to € 480 million was announced: AT&S is positioning itself for the next printed circuit board technology generation and will, in addition to IC substrates, also produce substrate-like printed circuit boards in Chongqing from 2016. In doing so, AT&S wants to tap into the potential resulting from progressive miniaturisation and increasing modularisation, thus ensuring long-term and sustainably profitable growth in the high-end segment.

AT&S will make continuous investments in the new site in Chongqing also in 2015/16 and additionally make investments in further technology upgrades at existing sites. In these times which are characterised by high capital expenditure, management intends to pursue a cautious dividend policy in the following years.

Provided that the macroeconomic environment remains stable and customer demand remains strong, management assumes that capacity utilisation in the coming financial year will remain on a high level. Based on limited available capacities, revenue development is predicted to be similar to the financial year 2014/15. Based on the burden expected with regard to the Chongqing start-up, the EBITDA margin will stand between 18% and 20%, with the EBITDA margin in the core business remaining at more or less the level of the financial year 2014/15.

Leoben-Hinterberg, 5 May 2015

The Management Board

Andreas Gerstenmayer m.p. Karl Asamer m.p. Heinz Moitzi m.p.

Consolidated Financial Statements as of 31 March 2015

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Consolidated Statement of Profit or Loss

€ in thousands	Note	2014/15	2013/14
Revenue	1	667,010	589,909
Cost of sales	2	(511,628)	(471,096)
Gross profit		**155,382**	**118,813**
Distribution costs	2	(31,595)	(30,901)
General and administrative costs	2	(28,005)	(24,143)
Other operating result	4	(5,696)	(6,835)
Non-recurring items	5	–	(3,004)
Operating result		**90,086**	**53,930**
Finance income	6	9,067	316
Finance costs	6	(14,170)	(11,406)
Finance costs - net		**(5,103)**	**(11,090)**
Profit before tax		**84,983**	**42,840**
Income taxes	7	(15,634)	(4,621)
Profit for the year		**69,349**	**38,219**
Attributable to owners of the parent company		69,279	38,168
Attributable to non-controlling interests		70	51
Earnings per share attributable to equity holders of the parent company (in € per share):	24		
- basic		1.78	1.24
- diluted		1.78	1.21

Consolidated Statement of Comprehensive Income

€ in thousands	2014/15	2013/14
Profit for the year	**69,349**	**38,219**
Items to be reclassified:		
Currency translation differences	161,373	(42,697)
(Losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(2,517)	(225)
Items not to be reclassified:		
Remeasurement of post-employment obligations	(6,757)	(728)
Other comprehensive income for the year	**152,099**	**(43,650)**
Total comprehensive income for the year	**221,448**	**(5,431)**
Attributable to owners of the parent company	221,350	(5,480)
Attributable to non-controlling interests	98	49

Consolidated Statement of Financial Position

€ in thousands	Note	31 Mar 2015	31 Mar 2014
ASSETS			
Property, plant and equipment	8	603,664	435,103
Intangible assets	9	45,211	9,145
Financial assets	13	96	96
Deferred tax assets	7	34,301	25,538
Other non-current assets	10	29,485	13,976
Non-current assets		**712,757**	**483,858**
Inventories	11	89,222	59,434
Trade and other receivables	12	143,130	110,999
Financial assets	13	780	836
Current income tax receivables		1,004	799
Cash and cash equivalents	14	273,919	260,133
Current assets		**508,055**	**432,201**
Total assets		**1,220,812**	**916,059**
EQUITY			
Share capital	22	141,846	141,846
Other reserves	23	150,774	(1,297)
Retained earnings		311,642	250,133
Equity attributable to owners of the parent company		604,262	390,682
Non-controlling interests		96	(2)
Total equity		**604,358**	**390,680**
LIABILITIES			
Financial liabilities	16	359,268	325,863
Provisions for employee benefits	17	33,726	24,755
Other provisions	18	7,545	9,736
Deferred tax liabilities	7	7,774	6,738
Other liabilities	15	4,757	3,244
Non-current liabilities		**413,070**	**370,336**
Trade and other payables	15	149,409	101,908
Financial liabilities	16	46,037	46,076
Current income tax payables		2,823	3,986
Other provisions	18	5,115	3,073
Current liabilities		**203,384**	**155,043**
Total liabilities		**616,454**	**525,379**
Total equity and liabilities		**1,220,812**	**916,059**

Consolidated Statement of Cash Flows

€ in thousands	2014/15	2013/14
Cash flows from operating activities		
Profit for the year	69,349	38,219
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	77,485	73,245
Changes in non-current provisions	6,079	1,917
Income taxes	15,634	4,621
Finance costs/income	5,103	11,090
Gains/losses from the sale of fixed assets	114	461
Release of government grants	(1,189)	(1,153)
Other non-cash expense/(income), net	1,010	(2,485)
Interest paid	(14,460)	(14,153)
Interest and dividends received	2,267	278
Income taxes paid	(16,436)	(8,380)
Net cash generated from operating activities before changes in working capital	**144,956**	**103,660**
Inventories	(16,011)	(474)
Trade and other receivables	(23,612)	(9,766)
Trade and other payables	36,926	9,828
Other provisions	1,611	1,511
Net cash generated from operating activities	**143,870**	**104,759**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(165,318)	(90,906)
Proceeds from the sale of property, plant and equipment and intangible assets	539	630
Capital expenditure for financial assets	–	(12)
Net cash used in investing activities	**(164,779)**	**(90,288)**
Cash flows from financing activities		
Proceeds from borrowings	34,623	261,982
Repayments of borrowings	(16,249)	(185,450)
Proceeds from government grants	1,339	1,345
Dividends paid	(7,770)	(4,665)
Proceeds from capital increase	–	79,179
Sale of treasury shares	–	16,753
Net cash generated from financing activities	**11,943**	**169,144**
Net increase/(decrease) in cash and cash equivalents	**(8,966)**	**183,615**
Cash and cash equivalents at beginning of the year	260,133	80,226
Exchange gains/(losses) on cash and cash equivalents	22,752	(3,708)
Cash and cash equivalents at 31 Mar	**273,919**	**260,133**

Consolidated Statement of Changes in Equity

€ in thousands	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 Mar 2013 *)	**45,914**	**42,351**	**216,630**	**304,895**	**(51)**	**304,844**
Profit for the year	–	–	38,168	38,168	51	38,219
Other comprehensive income for the year	–	(43,648)	–	(43,648)	(2)	(43,650)
thereof currency translation differences	–	*(42,695)*	–	*(42,695)*	*(2)*	*(42,697)*
thereof remeasurement of post-employment obligations		*(728)*	–	*(728)*	–	*(728)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*(225)*	–	*(225)*	–	*(225)*
Total comprehensive income for the year 2013/14	**–**	**(43,648)**	**38,168**	**(5,480)**	**49**	**(5,431)**
Dividends paid relating to 2012/13	–	–	(4,665)	(4,665)	–	(4,665)
Change in treasury shares, net of tax	16,753	–	–	16,753	–	16,753
Proceeds of share issue	79,179	–	–	79,179	–	79,179
31 Mar 2014	**141,846**	**(1,297)**	**250,133**	**390,682**	**(2)**	**390,680**
Profit for the year	–	–	69,279	69,279	70	69,349
Other comprehensive income for the year	–	152,071	–	152,071	28	152,099
thereof currency translation differences	–	*161,339*	–	*161,339*	*34*	*161,373*
thereof remeasurement of post-employment obligations	–	*(6,751)*	–	*(6,751)*	*(6)*	*(6,757)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*(2,517)*	–	*(2,517)*	–	*(2,517)*
Total comprehensive income for the year 2014/15	**–**	**152,071**	**69,279**	**221,350**	**98**	**221,448**
Dividends paid relating to 2013/14	–	–	(7,770)	(7,770)	–	(7,770)
31 Mar 2015	**141,846**	**150,774**	**311,642**	**604,262**	**96**	**604,358**

*) Adjusted taking into account IAS 19 revised.

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”) was incorporated in Austria. The Company is headquartered in Austria, Fabriksgasse 13, 8700 Leoben-Hinterberg.

The Group manufactures and distributes printed circuit boards and provides related services primarily in the segments Mobile Devices & Substrates, Industrial & Automotive, and Advanced Packaging. The products are manufactured in the European and Asian market and are directly distributed to original equipment manufacturers (OEM) as well as to contract electronic manufacturers (CEM).

Since 20 May 2008 the Company has been listed in the Prime Market segment of the Vienna Stock Exchange, Austria, and, after a period of double listing on the previous exchange in Frankfurt am Main, Germany, has been traded exclusively at the Vienna Stock Exchange since 15 September 2008. Prior to changing the stock exchange, the Company had been listed at the Frankfurt Stock Exchange 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. ACCOUNTING AND MEASUREMENT 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 2015 with the following exceptions: Due to the legal situation in China, the financial year of AT&S (China) Company Limited and AT&S (Chongqing) Company Limited corresponds to the calendar year (balance sheet date: 31 December 2014), meaning that they were consolidated on the basis of the interim financial statements as of 31 March 2015.

The consolidated financial statements were approved for issue by the Management Board on 5 May 2015. 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 8 June 2015. 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 shareholders in a way that might also affect the presentation of the consolidated financial statements.

GROUP OF CONSOLIDATED ENTITIES The Company controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries

- 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%
- AT & S Klagenfurt Leiterplatten GmbH in Liqu., Austria, share 100%

The subsidiary AT & S Klagenfurt Leiterplatten GmbH in Liqu. is in liquidation at the balance sheet date.

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 equity interests issued and the liabilities incurred and/or assumed at the acquisition date. The consideration transferred also 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, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interests 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 Group measures 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, recognises 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 fair value determined at initial recognition of an associate, joint venture or financial asset. In addition, any amounts recognised in other comprehensive income in respect of that entity are accounted for as if the parent company 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 balances 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.

Capital consolidation is made in accordance with IFRS 10 "Consolidated 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. Furthermore, uniform accounting and measurement 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.

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.

Following AT&S's entry into IC substrate manufacturing and allocation of the new business to the Mobile Devices Business Unit, that unit has been renamed as the Mobile Devices & Substrates Business Unit. Both mobile applications and substrates have an appropriate organisational structure, the management reporting, however, continues to be performed for the Mobile Devices & Substrates segment as a whole.

The business unit Mobile Devices & Substrates 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 production of IC substrates is planned to take place at the plant in Chongqing (AT&S Chongqing) which is currently under construction.

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

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. This 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".

c. FOREIGN CURRENCIES

The Group's presentation currency is the euro (€). 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 profit and loss statements are translated at the average exchange rates of the financial year. The effect of changes in the exchange rate with regard to the foreign subsidiaries' net assets is recognised directly in equity.

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.

d. REVENUE RECOGNITION Revenue comprises the fair value of considerations received in the course of the Group's ordinary activities. Revenue is recognised net of VAT, discounts and price reductions, and after elimination of intercompany sales. Revenue is realised as follows:

REVENUE FROM PRODUCT SALES Revenue from product sales is recognised when 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 for the year and accounts for deferred income taxes.

The Group provides for deferred income taxes using the balance-sheet oriented method. Under this method, the expected tax effect on differences arising between the carrying amounts in the consolidated financial statements and the taxable carrying amounts are taken into account by recognising deferred tax assets and tax liabilities. These differences will be reversed in the future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax assets capitalised at the current balance sheet date.

Deferred income taxes and liabilities 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 directly recognised in equity.

In accordance with IFRS, deferred income 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 are not recognized for temporary differences in connection with holdings in subsidiaries provided that the Group is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

f. PROPERTY, PLANT AND EQUIPMENT Items of property, plant and equipment are measured at 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 according to IAS 23.

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.

Scheduled depreciation is based on the following useful lives applicable throughout the Group:

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 at the end of their useful lives 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 property, plant and equipment 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. Scheduled 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 and rental 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 net realisable value and the carrying amounts, are recognised in profit or loss.

g. INTANGIBLE ASSETS

PATENTS, TRADEMARKS AND LICENSES Expenditure on acquired patents, trademarks and licenses is capitalised at cost, including incidental acquisition expenses, and amortised on a straight-line basis over their useful lives, generally between two and ten 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 costs are also expensed as incurred.

An intangible asset arising from development is 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 reliably measure the expenditure attributable to the intangible asset during its development.

h. IMPAIRMENT LOSSES AND WRITE-UPS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND NON-CURRENT ASSETS HELD FOR SALE

The Group regularly reviews property, plant and equipment and intangible assets for possible impairment. If evidence for impairment exists, an impairment test is carried out without delay. Property, plant and equipment in progress and intangible assets in the development phase are tested annually for impairment. If the recoverable amount of the respective 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. The discount rates applied correspond to the weighted cost of capital based on externally available capital market data that are typical in the industry and have been adapted to the specific risks.

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. Interest is not recognised.

j. TRADE AND OTHER RECEIVABLES

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

k. FINANCIAL ASSETS

Financial assets are recognised and derecognised using 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 fair value, 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 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 time they are expected 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 income 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 previously 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 previously recognised in equity is recognised in profit or loss in “Finance costs - net”. An asset is impaired, if there are indications that the recoverable 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 every 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 fair value of 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 are not reversed.

l. DERIVATIVE FINANCIAL INSTRUMENTS The Group enters, if possible, 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. They 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.

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 relate to 1.24% of 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, it is probable that this will result in an outflow of resources, and the amount can be estimated reliably. The provisions are remeasured at each balance sheet date and their amounts 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

PENSION 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 defined benefit plans that are measured 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 future pension benefit is determined on the basis of years of service, expected remuneration and pension adjustments.

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

Staff costs recognised in the respective financial year are based on expected values and include the service costs. The net debt's net interest is recognised in "Finance costs - net". Remeasurements of the net debt are recognised in other comprehensive income and comprise gains and losses arising from the remeasurement of post-employment obligations.

PROVISIONS FOR SEVERANCE PAYMENTS Pursuant to Austrian labour regulations, severance payments have to be paid primarily on termination of employment by the employer or on the retirement of an employee. At each balance sheet date the liabilities are measured 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 as described above and represent severance payment obligations not covered by plan assets. For employees who joined the Company as on or after 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. These obligations are measured in accordance with IAS 19 using the projected unit credit method as described above and represent severance payment obligations not covered by plan assets.

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

Anniversary bonuses are special one-off payments stipulated in the Collective Agreement which are dependent on remuneration 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.

Staff costs recognised in the respective financial year include entitlements acquired and the actuarial results. Interest component is recognised in "Finance costs - net". At each balance sheet date the liabilities are measured by qualified and independent actuaries.

q. STOCK OPTION PLANS

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 stock option plans 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. STOCK APPRECIATION RIGHTS

The Group introduced a long-term incentive programme based on stock appreciation rights (SAR). Stock appreciation rights relate to value increase in share prices based on the development of the share price. These rights are accounted for in accordance with IFRS 2 "Share-based Payment".

The fair value of the employee services rendered as consideration for the granting of SAR is recognised as an expense. Upon initial recognition and at every balance sheet date until the liabilities are settled, SAR liabilities are measured at fair value through profit or loss, applying the option price model. Reference is made to Note 15 "Trade and other payables".

s. LIABILITIES Liabilities are initially 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 average exchange rate prevailing at the balance sheet date.

t. GOVERNMENT GRANTS Government grants are recognised at their fair value where there is a reasonable assurance that the grants 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 useful lives of the related assets. Government grants relating to costs and property, plant and equipment are recognised in profit or loss in the other operating result.

u. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER FINANCIAL OBLIGATIONS Contingent liabilities are not recognised in the statement of financial position, but disclosed in Note 21 in the notes to the consolidated financial statements. They are not disclosed if an outflow of resources with economic benefit is unlikely.

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

v. FIRST-TIME APPLICATION OF ACCOUNTING STANDARDS
The following new and/or amended standards and interpretations were applied for the first time in the financial year and pertain to the International Financial Reporting Standards (IFRS) as adopted by the EU.

IAS 32: The amendment to IAS 32 „Financial Instruments: Presentation“ clarifies that in order to offset financial assets and financial liabilities, an unconditional legally enforceable netting right cannot be contingent on the occurrence of a future condition and must also exist in the event of an insolvency of one of the parties involved. Additionally, the amendment lists examples for criteria under which a gross settlement of a financial asset and a financial liability may still lead to offsetting. The Group does not currently perform any offsetting, therefore there is no need for a different presentation.

IAS 36: The amendment to IAS 36 "Impairment of Assets" relates to disclosures regarding the recoverable amount of non-financial assets. It supersedes some of the disclosure requirements, included in IAS 36 as a result of the publication of IFRS 13, on the recoverable amount of cash-generating units to which significant goodwill or significant intangible assets with indefinite useful lives were allocated. The amendment has no impact on the Group's disclosures.

IAS 39: The amendment to IAS 39 "Financial Instruments: Recognition and Measurement" on the novation of derivatives and continuation of hedge accounting responds to new legal and regulatory requirements with regard to over-the-counter derivatives and the change to central counterparties. Pursuant to the previous provisions of IAS 39, a derivative change to central counterparties would have resulted in a mandatory termination of hedge accounting, which is now no longer case, provided that the novation of a hedging instrument with a central counterparty meets certain criteria. The amendment has no impact on the Group's recognition or measurement.

IFRS 10, IAS 27: IFRS 10, "Consolidated Financial Statements", builds on existing principles by introducing a uniform consolidation model for all entities based on identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard became effective on 1 January 2014. However, the Group early adopted the standard with effect from 1 April 2013. Due to the new IFRS 10, IAS 27, "Investments in Associates and Joint Ventures", was amended. The introduction of IFRS 10, "Consolidated Financial Statements", did not have any effect on the Group's scope of consolidation.

IFRS 12: IFRS 12, "Disclosure of Interests in Other Entities", includes the revised disclosure requirements of IAS 27 or IFRS 10, IAS 31 or IFRS 11 and IAS 28 in one single standard and expands the disclosures with regard to subsidiaries in which non-controlling interests are significant. The introduction of IFRS 12, which was early adopted in the financial year 2013/14 by the AT&S Group, did not result in any changes in the notes to the consolidated financial statements of the AT&S Group, since the non-controlling interests in the Group's equity are not classified as material.

w. FUTURE AMENDMENTS TO ACCOUNTING STANDARDS
The IASB and IFRIC issued additional standards and interpretations not yet effective in the financial year 2014/15.

These have already been in part 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 effective; 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 on the consolidated financial statements
IAS 19	Employee benefits (clarifies requirements with regard to employee contributions to a defined contribution plan)	01 Jul 2014	Yes	None
	Annual Improvements to IFRSs 2010-2012	01 Jul 2014	Yes	None
	Annual Improvements to IFRSs 2011-2013	01 Jul 2014	Yes	None
IFRIC 21	Levies (provides guidance on when to recognise a provision for levies)	01 Jan 2014	Yes [3]	None
IFRS 14	Regulatory deferral accounts (provides information on how to account for regulatory deferral accounts for first-time adopters of IFRS)	01 Jan 2016	No	None
IFRS 11	Accounting for Acquisition of Interests in Joint Operations (Amendments to IFRS 11)	01 Jan 2016	No	None
IAS 16, IAS 38	Property, Plant and Equipment/Intangible Assets Clarification of Acceptable Methods of Depreciation and Amortisation	01 Jan 2016	No	None
IAS 16, IAS 41	Property, Plant and Equipment/Agriculture: Bearer Plants	01 Jan 2016	No	None
IAS 27	Equity Method in Separate Financial Statement	01 Jan 2016	No	None
	Annual Improvements to IFRSs 2012-2014	01 Jan 2016	No	None
IAS 1	Disclosure initiative (Amendments to IAS 1)	01 Jan 2016	No	None
IFRS 10, IFRS 12, IAS 28	Investment companies: Application consolidate exception	01 Jan 2016	No	None
IFRS 15	Revenue from Contracts with Customers	01 Jan 2017	No	None
IFRS 9	Financial instruments (New rules on the classification and measurement of financial instruments, the provisions on hedge accounting and on impairment)	01 Jan 2018	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.

[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.
[3] Deviating effective date in the EU: 17 Jun 2014

C. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group uses estimates and assumptions to determine the reported amounts of assets, liabilities, revenue and expenses, as well as other financial liabilities, 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.

DEVELOPMENT COSTS Capitalised development costs largely relate to the development of a new technology for the production of substrates for silicon semiconductor chips taking place at the new site in Chongqing, China. These development costs are capitalised because the criteria for capitalisation presented in the accounting methods were fully met as at 1 March 2014.

For the purposes of assessing impairment of capitalised development costs, management makes assumptions on the amount of the estimated future cash flows arising from the project, the discount rate to be applied, the growth rate and the period of inflow of the estimated future benefit.

An increase in significant assumptions would have the following impact on the impairment test as at 31 March 2015:

	Pre-tax discount Interest rate + 5.00%	growth rate + 5.00%
Capitalized development costs	no impairment required	no impairment required

A reduction in the same assumptions would have the following impact on the impairment test as at 31 March 2015:

	Pre-tax discount Interest rate - 5.00%	growth rate - 5.00%
Capitalized development costs	no impairment required	no impairment required

CALCULATION OF THE PRESENT VALUES OF PROJECTED EMPLOYEE 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”).

These actuarial assumptions used to calculate the pension expenses and the expected defined benefit obligations were subjected to stress tests using the following parameters: An increase in the interest rate, in the expected remuneration and/or in future pensions for the Austrian entities by the percentage points stated in the table below would affect the present values of the projected pension and severance payment obligations as follows as of 31 March 2015:

€ in thousands	Interest rate + 0.50%	Increase in renumeration + 0.25%	Increase in pensions + 0.25%
Pension obligation	(1,375)	154	624
Severance payments	(1,248)	633	–

A decrease in the same parameters for the Austrian companies would have the following effects on the present value of pension and severance payment obligations at 31 March 2015:

€ in thousands	Interest rate - 0.50%	Increase in renumeration - 0.25%	Increase in pensions - 0.25%
Pension obligation	1,560	(150)	(594)
Severance payments	1,366	(609)	–

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

MEASUREMENT OF DEFERRED INCOME TAX ASSETS AND CURRENT TAX LIABILITIES Deferred income tax assets and liabilities are determined using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A future change in tax rates would also have an impact on the deferred tax capitalised at the balance sheet date.

Deferred income tax assets in the amount of € 42.1 million were not recognised for income tax loss carryforwards in the Group of € 164.2 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 income tax assets would have to be recognised and a related tax income to be reported. 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 receivable and measurements of inventory. Reference is particularly made to Note 4 “Other operating result”, Note 8 “Property, plant and equipment”, Note 9 “Intangible assets” and Note 18 “Other provisions”.

II. Segment Reporting

The segment information presented below is prepared in accordance with the Management Approach Concept as depicted in the Group's internal reporting (refer to Section I.B.b. "Segment Reporting").

Following AT&S's entry into the new business with IC substrates and the allocation of the new business to the Mobile Devices business unit, that unit has been renamed Mobile Devices & Substrates business unit. Both mobile applications and substrates now have appropriate organisational structures, whereas management reporting continues to be performed for the Mobile Devices & Substrates segment as a whole.

The primary reportable segments consist of the business units Mobile Devices & Substrates, Industrial & Automotive and Others. The "Others" segment includes the business unit Advanced Packaging, which is in the development phase. The Advanced Packaging segment neither reaches the quantitative threshold levels, nor are this business unit's opportunities and risks material to the Group as a whole. It is therefore not presented as a segment of its own in segment reporting. The "Others" segment further includes general holding activities as well as the Group's financing activities. The central operating result control reference is the operating result before depreciation and amortisation. The respective reconciliation to Group amounts further 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. "Accounting and measurement policies".

FINANCIAL YEAR 2014/15

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	455,192	301,790	10,913	(100,885)	667,010
Intersegment revenue	(73,115)	(18,898)	(8,872)	100,885	–
Revenue from external customers	382,077	282,892	2,041	–	667,010
Operating result before depreciation/ amortisation	**127,501**	**34,780**	**5,211**	**79**	**167,571**
Depreciation/amortisation	(67,368)	(8,874)	(1,243)	–	(77,485)
Operating result	**60,133**	**25,906**	**3,968**	**79**	**90,086**
Finance costs - net					(5,103)
Profit before tax					84,983
Income taxes					(15,634)
Profit for the year					**69,349**
Property, plant and equipment and intangible assets	567,909	70,036	10,930	–	648,875
Additions to property, plant and equipment and intangible assets	126,825	25,515	2,135	–	154,475

FINANCIAL YEAR 2013/14

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	378,278	272,882	7,473	(68,724)	589,909
Intersegment revenue	(56,971)	(7,678)	(4,075)	68,724	–
Revenue from external customers	321,307	265,204	3,398	–	589,909
Operating result before depreciation/ amortisation	**106,756**	**21,504**	**(1,099)**	**14**	**127,175**
Depreciation/amortisation	(63,368)	(8,275)	(1,602)	–	(73,245)
Operating result	**43,388**	**13,229**	**(2,701)**	**14**	**53,930**
Finance costs - net					(11,090)
Profit before tax					42,840
Income taxes					(4,621)
Profit for the year					**38,219**
Property, plant and equipment and intangible assets	386,319	47,888	10,041	–	444,248
Additions to property, plant and equipment and intangible assets	94,275	7,940	8,883	–	111,098
Non-recurring items	–	3,004	–	–	3,004

INFORMATION BY GEOGRAPHIC REGION

Revenues broken down by customer region, based on ship-to-region:

€ in thousands	2014/15	2013/14
Austria	22,290	20,386
Germany	132,342	126,373
Other European countries	83,576	73,171
China	267,449	205,691
Other Asian countries	125,436	105,190
Americas	35,917	59,098
	667,010	**589,909**

52% of total revenue (51% in the financial year 2013/14) is attributable to the five largest customers in terms of revenue.

Property, plant and equipment and intangible assets broken down by domicile:

€ in thousands	31.03.2015	31.03.2014
Austria	49,019	33,473
China	567,867	386,279
Others	31,989	24,496
	648,875	**444,248**

III. Notes to the Consolidated Statement of Profit or Loss

1. REVENUE

€ in thousands	2014/15	2013/14
Main revenue	666,705	589,608
Incidental revenue	305	301
	667,010	**589,909**

2. TYPES OF EXPENSES

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

€ in thousands	2014/15	2013/14
Cost of materials	227,503	204,884
Staff costs	133,572	121,324
Depreciation/amortisation	67,755	67,819
Purchased services incl. leased personnel	46,744	39,713
Energy	37,786	33,483
Maintenance (incl. spare parts)	40,732	34,044
Transportation costs	13,086	11,052
Rental and leasing expenses	4,878	4,987
Change in Inventories	(12,231)	(5,666)
Other	11,403	14,501
	571,228	**526,140**

In the financial years 2014/15 and 2013/14, the item “Other” mainly relates to travel expenses, insurance expenses, IT service costs, legal and consulting fees.

3. RESEARCH AND DEVELOPMENT COSTS

In the financial year 2014/15 the Group incurred research and development costs in the amount of € 28,150 thousand (in the financial year 2013/14: € 25,977 thousand). The stated amounts represent only costs which can be directly allocated and which are recognised in the profit and loss under cost of sales. In these consolidated financial statements, development costs of € 29,789 thousand (in the financial year 2013/2014: € 146 thousand) were capitalised. Reference is made to Note 9 “Intangible Asset”.

4. OTHER OPERATING RESULT

€ in thousands	2014/15	2013/14
Income from the reversal of government grants	309	321
Government grants for expenses	3,402	3,009
Income/(expenses) from exchange differences	987	(1,328)
Gains/(losses) from the sale of non-current assets	(114)	(461)
Impairments of property, plant and equipment*)	(5,966)	(4,996)
Start-up losses	(8,703)	(4,931)
Miscellaneous other income	4,389	1,551
	(5,696)	**(6,835)**

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

In den financial years 2014/15 and 2013/14, government grants for expenses mainly relate to export refunds as well as research and development awards. In 2013/14, start-up losses resulted from the construction of the new plant in Chongqing, China. In the financial year 2014/15, this item additionally includes costs relating to the implementation of a new line in Hinterberg-Leoben, Austria. In the financial year 2014/15, the item “Miscellaneous other income” mainly relates to the reduction in the provision for building space no longer used – reference is made to Note 18 “Other Provisions” – as well as to one-off income resulting from a compensation payment made by a supplier. In the financial year 2013/14, the item “Miscellaneous other income” mainly relates to subsequent incoming receivables and the derecognition of other liabilities written off.

5. NON-RECURRING ITEMS

€ in thousands	2014/15	2013/14
Staff costs	–	2,194
Net costs arising from other contractual obligations	–	810
	–	**3,004**

In the financial year 2014/15, non-recurring items did not exist. In the financial year 2013/14, costs incurred in the amount of € 3,004 thousand for the closure of the plant in Klagenfurt. Of this amount, € 2,194 thousand relate to social plan payments, and € 810 thousand relate to costs incurred for the reconstruction of rented buildings.

6. FINANCE COSTS - NET

€ in thousands	2014/15	2013/14
Interest income from financial assets at fair value through profit or loss and available-for-sale financial assets	35	32
Other interest income	2,232	245
Gains from the sale of cash equivalents	91	39
Foreign exchange gains, net	6,709	–
Finance income	**9,067**	**316**
Interest expense on bank borrowings and bonds	(11,308)	(10,392)
Net interest expense on personnel-related liabilities	(1,327)	–
Realised losses from derivative financial instruments, net	(690)	(178)
Foreign exchange losses, net	–	(311)
Other financial expenses	(845)	(525)
Finance costs	**(14,170)**	**(11,406)**
Finance costs - net	**(5,103)**	**(11,090)**

In accordance with IAS 23, the item "Interest expense on bank borrowings and bonds" includes capitalised borrowing costs in the amount of € 2,791 thousand (financial year 2013/14: € 531 thousand), net.

7. INCOME TAXES

The income taxes are broken down as follows:

€ in thousands	2014/15	2013/14
Current income taxes	14,564	11,022
Deferred taxes	1,070	(6,401)
Total tax expense	**15,634**	**4,621**

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

€ in thousands	2014/15	2013/14
Expected tax expense at Austrian tax rate	21,245	10,710
Effect of different tax rates in foreign countries	(5,354)	(4,002)
Non-creditable foreign withholding taxes	1,142	1,496
Effect of change in previously unrecognised tax losses and temporary differences	(938)	1,407
Effect of the change in tax rate	979	(3,292)
Effect of permanent differences	(1,479)	(1,714)
Effect of taxes from prior periods	39	9
Other tax effects, net	–	7
Total tax expense	**15,634**	**4,621**

The effect of the change in tax rates mainly results from the again applicable reduced tax rate of 15% with regard to the subsidiary AT&S (China) compared to the regular tax rate of 25% that had previously been applicable.

For the purposes of more transparency and an improved comparability, the previous year's figures in the items "Effect of different tax rates in foreign countries" and "Effect of permanent differences" were adjusted.

Deferred income tax assets and liabilities consist of the following items of the statement of financial position and loss carryforwards:

€ in thousands	31 Mar 2015	31 Mar 2014
Deferred income tax assets		
Incom tax loss carryforwards including taxable goodwill	415	2,278
Non-current assets	23,435	16,158
Inventories	2,897	2,448
Trade and other receivables	16	14
Provisions for employee benefits	4,977	3,130
Trade and other payables	2,994	2,684
Temporary differences arising from shares in subsidiaries	46	306
Losses not yet realised from hedging instruments for cash flow hedges, recognised in equity	944	–
Others	1,682	1,072
Deferred income tax assets	**37,406**	**28,090**
Deferred income tax liabilities		
Non-current assets	(2,806)	(2,517)
Temporary differences arising from shares in subsidiaries	(7,675)	(6,663)
Gains not yet realised from securities available-for-sale, recognised in equity	(1)	(1)
Others	(397)	(109)
Deferred income tax liabilities	**(10,879)**	**(9,290)**
Deferred income tax assets, net	**26,527**	**18,800**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes and liabilities relate to taxes levied by the same taxation authority. The amounts after setting off deferred income tax assets against deferred liabilities are as follows:

€ in thousands	31 Mar 2015	31 Mar 2014
Deferred income tax assets:		
- non-current	25,610	15,979
- current	8,691	9,559
	34,301	**25,538**
Deferred income tax liabilities:		
- non-current	(99)	(75)
- current	(7,675)	(6,663)
	(7,774)	**(6,738)**
Deferred income tax assets, net	**26,527**	**18,800**

At 31 March 2015 the Group has income tax loss carryforwards and tax-deductible amortisation of goodwill amounting to a total of € 171,820 thousand (at 31 March 2014: € 164,586 thousand), which for the most part can be carried forward for an unlimited period of time. For loss carryforwards amounting to € 164,163 thousand (at 31 March 2014: € 162,421 thousand), included in this figure, deferred income tax assets in the amount of € 42,083 thousand (at 31 March 2014: € 41,484 thousand) were not recognised since it is unlikely that they will be realised in the foreseeable future.

Deferred income taxes (net) changed as follows:

€ in thousands	2014/15	2013/14
Carrying amount at the beginning of the financial year	18,800	14,937
Currency translation differences	7,958	(2,613)
Income recognised in profit or loss	(1,070)	6,401
Income taxes recognised in equity	839	75
Carrying amount at the end of the financial year	**26,527**	**18,800**

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

	2014/15			2013/14		
€ in thousands	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	161,373	–	161,373	(42,697)	–	(42,697)
Gains/(losses) on the measurement of hedging instruments for cash flow hedges	(3,356)	839	(2,517)	(300)	75	(225)
Remeasurements of post-employment obligations	(6,757)	–	(6,757)	(728)	–	(728)
Other comprehensive income	**151,260**	**839**	**152,099**	**(43,725)**	**75**	**(43,650)**

IV. Notes to the Consolidated Statement of Financial Position

8. PROPERTY, PLANT AND EQUIPMENT

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Carrying amount 31 Mar 2014	46,996	267,635	4,865	115,607	435,103
Exchange differences	18,381	77,073	994	26,411	122,859
Additions	7,890	68,478	2,925	43,650	122,943
Disposals	(3)	(658)	–	–	(661)
Transfers	27,163	53,572	11	(80,746)	–
Impairment	–	(5,966)	–	–	(5,966)
Depreciation, current	(4,656)	(63,998)	(1,960)	–	(70,614)
Carrying amount 31 Mar 2015	**95,771**	**396,136**	**6,835**	**104,922**	**603,664**
At 31 Mar 2015					
Gross carrying amount	135,314	1,088,131	27,223	104,922	1,355,590
Accumulated depreciation	(39,543)	(691,995)	(20,388)	–	(751,926)
Carrying amount	**95,771**	**396,136**	**6,835**	**104,922**	**603,664**

€ in thousands	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Carrying amount 31 Mar 2013	54,412	343,964	4,542	34,845	437,763
Exchange differences	(3,975)	(21,761)	(307)	(6,158)	(32,201)
Change in scope of consolidation	–	(84)	–	–	(84)
Additions	187	10,368	2,212	89,487	102,254
Disposals	(14)	(978)	(13)	–	(1,005)
Transfers	21	2,527	19	(2,567)	–
Impairment	–	(4,996)	–	–	(4,996)
Depreciation, current	(3,635)	(61,405)	(1,588)	–	(66,628)
Carrying amount 31 Mar 2014	**46,996**	**267,635**	**4,865**	**115,607**	**435,103**
At 31 Mar 2014					
Gross carrying amount	73,719	786,139	22,517	115,607	997,982
Accumulated depreciation	(26,723)	(518,504)	(17,652)	–	(562,879)
Carrying amount	**46,996**	**267,635**	**4,865**	**115,607**	**435,103**

The value of the land included in "Land, plants and buildings" amounts to € 1,858 thousand (at 31 March 2014: € 1,509 thousand).

Depreciation of the current financial year is recognised mainly in cost of sales, as well as distribution costs, and general and administrative costs as well as in start-up losses recognised in other comprehensive income.

In the financial year 2014/15, borrowing costs of € 2,557 thousand were capitalised with regard to qualifying assets (in the financial year 2013/14: € 531 thousand). A financing rate of 3.63% was applied (in the financial year 2013/14: 3.62%).

IMPAIRMENT Impairment of machinery and technical equipment amounted to € 5,966 thousand (in the financial year 2013/14: € 4,996 thousand) in the financial year 2014/15. This impairment resulted from a prototype line which can no longer be used and from machines that are no longer recoverable.

9. INTANGIBLE ASSETS

€ in thousands	Industrial property and similar rights and assets, and licenses in such rights and assets	Capitalised development costs	Goodwill	Prepayments	Other intangible assets	Total
Carrying amount 31 Mar 2014	1,313	140	–	7,692	–	9,145
Exchange differences	85	5,354	–	–	–	5,439
Additions	1,535	29,789	–	–	208	31,532
Amortisation, current	(697)	–	–	–	(208)	(905)
Carrying amount 31 Mar 2015	**2,236**	**35,283**	**–**	**7,692**	**–**	**45,211**
At 31 Mar 2015						
Gross carrying amount	16,572	35,283	7,767	7,692	–	67,314
Accumulated amortisation	(14,336)	–	(7,767)	–	–	(22,103)
Carrying amount	**2,236**	**35,283**	**–**	**7,692**	**–**	**45,211**

€ in thousands	Industrial property and similar rights and assets, and licenses in such rights and assets	Capitalised development costs	Goodwill	Prepayments	Other intangible assets	Total
Carrying amount 31 Mar 2013	1,952	–	–	–	–	1,952
Exchange differences	(21)	(6)	–	–	–	(27)
Additions	484	146	–	7,692	522	8,844
Disposals	(3)	–	–	–	–	(3)
Impairment	(375)	–	–	–	–	(375)
Amortisation, current	(724)	–	–	–	(522)	(1,246)
Carrying amount 31 Mar 2014	**1,313**	**140**	**–**	**7,692**	**–**	**9,145**
At 31 Mar 2014						
Gross carrying amount	14,681	140	6,307	7,692	–	28,820
Accumulated amortisation	(13,368)	–	(6,307)	–	–	(19,675)
Carrying amount	**1,313**	**140**	**–**	**7,692**	**–**	**9,145**

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

The Group's largest development project is the development of a new technology for the production of substrates for silicon semiconductor chips taking place at the new site in Chongqing, China. As the evidence required for the capitalisation of development costs was provided for this project, the corresponding costs were recognised in the consolidated financial statements.

In the financial year 2014/15, borrowing costs of € 234 thousand were capitalised with regards to capitalised development costs (in the financial year 2013/14: € 0 thousand). A financing rate of 3.63% was applied.

IMPAIRMENTS In the financial year 2014/15, there was no impairment to be recognised. In the financial year 2013/14 impairment amounted to € 375 thousand and was recognised for licences that can no longer be used.

The impairment test for the development project in Chongqing, China, not yet completed is based on calculations of the value in use. Value in use is determined annually in accordance with the DCF method, based on the following critical assumptions:

- Long-term growth rate: 5%
- (input tax) discount rate: 11.1%

As a result of the project's long-term nature and in order to adequately take into account cash outflows from the substrate business expected in future periods, the calculation of the value in use is based on the expected cash flows for the next ten years. A consideration over a shorter period of time would lead to a disproportionately increased weighting of cash inflows.

10. OTHER NON-CURRENT ASSETS

€ in thousands	31 Mar 2015	31 Mar 2014
Prepayments	6,878	5,467
Deposits made	5,013	4,190
Other non-current receivables	17,594	4,319
Carrying amount	**29,485**	**13,976**

Prepayments relate to long-term rent prepayments for the factory premises in China. Other non-current receivables comprise input tax reimbursements in China for the plant Chongqing under construction, which may only be recovered in the operating phase.

11. INVENTORIES

€ in thousands	31 Mar 2015	31 Mar 2014
Raw materials and supplies	32,558	21,839
Work in progress	22,533	15,576
Finished goods	34,131	22,019
Carrying amount	**89,222**	**59,434**

The balance of inventory write-downs recognised as an expense amounts to € 13,953 thousand as of 31 March 2015 (€ 9,899 thousand at 31 March 2014). As in the previous year, no material write-downs resulted from the measurement of inventories at net realisable value in the financial year 2014/15.

12. TRADE AND OTHER RECEIVABLES

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

€ in thousands	31 Mar 2015	31 Mar 2014
Trade receivables	113,886	94,118
VAT receivables	15,140	5,993
Other receivables from authorities	6,253	3,889
Prepayments	4,722	3,724
Energy tax refunds	1,937	2,245
Deposits	977	656
Other receivables	609	456
Impairments	(394)	(82)
	143,130	**110,999**

At 31 March 2015 as well as 31 March 2014, other receivables mainly include receivables resulting from prepaid expenses and accrued charges.

In connection with various financing agreements trade receivables amounting to € 32,000 thousand (at 31 March 2014: € 32,000 thousand) serve as collateral. Reference is made to Note 16 “Financial liabilities”.

Taking into account impairment, the carrying amounts of trade and other receivables approximate their fair values.

REMAINING MATURITIES OF RECEIVABLES All receivables at 31 March 2015 and 31 March 2014 have remaining maturities of less than one year.

DEVELOPMENT OF PAST DUE RECEIVABLES AND IMPAIRMENTS OF TRADE RECEIVABLES

31 Mar 2015: € in thousands	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	**113,886**	**112,508**	**957**	**27**	**–**	**–**

31 Mar 2014: € in thousands	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	**94,118**	**93,298**	**678**	**60**	**–**	**–**

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

Impairments of trade receivables have developed as follows:

€ in thousands	2014/15	2013/14
Impairments at the beginning of year	82	81
Utilisation	–	(70)
Addition	253	83
Currency translation differences	59	(12)
Impairments at the end of year	**394**	**82**

13. FINANCIAL ASSETS

The carrying amounts of the financial assets are as follows:

€ in thousands	31 Mar 2015	thereof non-current	thereof current
Financial assets at fair value through profit or loss	780	–	780
Available-for-sale financial assets	96	96	–
	876	**96**	**780**

€ in thousands	31 Mar 2014	thereof non-current	thereof current
Financial assets at fair value through profit or loss	836	–	836
Available-for-sale financial assets	96	96	–
	932	**96**	**836**

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

€ in thousands	31 Mar 2015	31 Mar 2014
Bonds	**780**	**836**

All bonds are denominated in euro (nominal currency).

AVAILABLE-FOR-SALE FINANCIAL ASSETS

€ in thousands	2014/15	2013/14
Carrying amount at the beginning of year	96	96
Disposals	–	–
Realised gains/(losses) from the current period, removed from equity	–	–
Exchange differences	–	–
Carrying amount at the end of year	**96**	**96**

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

14. CASH AND CASH EQUIVALENTS

€ in thousands	31 Mar 2015	31 Mar 2014
Bank balances and cash on hand	273,919	260,132
Restricted cash	–	1
Carrying amount	**273,919**	**260,133**

At 31 March 2014 restricted cash relates to AT&S India.

The reported carrying amounts correspond to the respective fair values.

15. TRADE AND OTHER PAYABLES

		Remaining maturity		
€ in thousands	31 Mar 2015	Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	97,785	97,785	–	–
Government grants	4,265	311	3,868	86
Liabilities to fiscal authorities and other state authorities	5,853	5,853	–	–
Liabilities to social security authorities	2,523	2,523	–	–
Liabilities from unconsumed vacations	5,303	5,303	–	–
Liabilities from stock options	418	54	364	–
Liabilities from stock appreciation rights	397	–	397	–
Liabilities to employees	29,133	29,133	–	–
Other liabilities	8,489	8,447	42	–
Carrying amount	**154,166**	**149,409**	**4,671**	**86**

		Remaining maturity		
€ in thousands	31 Mar 2014	Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	66,184	66,184	–	–
Government grants	3,457	312	2,981	164
Liabilities to fiscal authorities and other state authorities	3,195	3,195	–	–
Liabilities to social security authorities	1,912	1,912	–	–
Liabilities from unconsumed vacations	3,875	3,875	–	–
Liabilities from stock options	195	130	65	–
Liabilities to employees	19,697	19,697	–	–
Other liabilities	6,637	6,603	34	–
Carrying amount	**105,152**	**101,908**	**3,080**	**164**

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 profit or loss according to the useful life of the related property, plant and equipment.

Furthermore, the Group 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. Associated deferred amounts are included in government grants.

LIABILITIES FROM STOCK OPTIONS Due to the expiry of the stock option plan (2005 to 2008), the 1st meeting of the Nomination and Remuneration Committee of the Supervisory Board on 17 March 2009 passed a resolution to implement another stock option plan (SOP 2009 from 2009 to 2012) after it had been submitted for appraisal in the 55th meeting of the Supervisory Board on 16 December 2008. Granting of stock options was possible in the period between 1 April 2009 and 1 April 2012.

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 at the date the option is exercised by the beneficiary.

The exercise price is determined at the respective date of grant, representing the average AT&S share price over a period of six calendar months prior to the date of grant plus 10%. The exercise price, however, 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 become invalid and forfeit without compensation. In the event that a restricted period comprises the end of this five-year period, this restricted period will interrupt the five-year period concerned. After the end of the restricted period, stock options may still be exercised for a period corresponding to the interruption. Stock options not exercised by the end of this five-year period (extended as stated above if need be) become invalid and forfeit without compensation.

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

The following table shows the development of the stock options in the financial years 2014/15 and 2013/14.

	Date of grant			
	1 April 2012	1 April 2011	1 April 2010	1 April 2009
Exercise price (in €)	9.86	16.60	7.45	3.86
31 Mar 2013	88,500	88,500	88,500	40,400
Number of options exercised	–	–	–	39,200
Number of options expired	–	–	–	1,200
31 Mar 2014	**88,500**	**88,500**	**88,500**	**–**
Number of options exercised	–	–	84,000	–
Number of options expired	1,500	1,500	1,500	–
31 Mar 2015	**87,000**	**87,000**	**3,000**	**–**
Remaining contract period of stock options	2 years	1 year	3 months	–
Fair value of granted stock options at the balance sheet date (in € thousands)				
31 Mar 2014	94	13	130	–
31 Mar 2015	**417**	**32**	**21**	**–**

Reference is made to Note 26 “Related party transactions”.

The weighted average share price on the day of execution of all options executed in the financial year 2014/15 is € 9.93 (in the financial year 2013/14: € 8.45).

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 2010, 1 April 2011 and 1 April 2012.

Risk-free interest rate	-0.19 to -0.24%
Volatility	30.16 to 30.97%

Volatility is calculated based on the daily share prices from 2 September 2013 until the balance sheet date.

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

At 31 March 2015 the stock options’ exercisable intrinsic value is € 104 thousand (at 31 March 2014: € 59 thousand).

At 31 March 2015, 3,000 stock options are exercisable from the grant of 1 April 2010, and 17,400 stock options are exercisable from the grant of 1 April 2012. At 31 March 2014, 45,000 stock options are exercisable from the grant of 1 April 2010.

LIABILITIES FROM STOCK APPRECIATION RIGHTS Due to the expiry of the stock option plan (2009 to 2012), the 81st Supervisory Board meeting on 3 July 2014 passed a resolution to introduce a long-term incentive programme based on stock appreciation rights (SAR). SAR relate to the value increase in share prices based on the development of the share price. SAR may be granted in the period between 1 April 2014 and 1 April 2016.

Each SAR entitles the holder to the right to a cash settlement at the remaining amount between the exercise price and the closing rate of the AT&S share at the stock exchange with the main quotation (currently Vienna Stock Exchange) at the date the subscription right is exercised.

The exercise price of SAR is determined at the respective date of grant, corresponding to the average closing rate of the AT&S share at the Vienna Stock Exchange or at the stock exchange with the main quotation of the AT&S shares over a period of six calendar months immediately preceding the date of grant.

SAR may be exercised in full or in part after the respective completion of a three-year period following the date of grant, not however during a restricted period. Granted stock appreciation rights not exercised within five years after the grant date become invalid and forfeit without compensation.

SAR may only be exercised by the beneficiaries if the following requirements are met at the date of exercise:

- The beneficiary's employment contract with a company pertaining to the AT&S Group remains valid. Subject to certain conditions, rights may also be exercised within a year after termination of the employment contract.
- The required personal investment in the amount of 20% of the first amount granted (in SAR) in AT&S shares is held. If the personal investment is not fully established by the end of the three-year waiting period, the previously granted SAR become forfeit in full. The established personal investment is required to be held over the complete period of participation in the programme and will also apply to the granting in the subsequent years. The personal investment may only be wound down when exercise is no longer possible.
- The earnings per share (EPS) performance target was met. The level of attainment of the earnings per share performance indicator determines how many of the SAR granted may actually be exercised. The target value is the EPS value determined in the mid-term plan for the balance sheet date of the third year after the grant date. If the EPS target is attained at 100% or surpassed, the SAR granted may be exercised in full. If attainment is between 50% and 100%, the SAR granted may be exercised on a pro rata basis. If the EPS value attained is below 50%, the SAR granted become forfeit in full.

Number and allocation of SAR granted:

	Date of grant
	1 April 2014
Exercise price (in €)	7.68
31 Mar 2014	**–**
Number of stock appreciation rights granted	230,000
31 Mar 2015	**230,000**
Remaining contract period of stock appreciation rights	4 years
Fair value of granted stock appreciation rights at the balance sheet date (in € thousands)	
31 Mar 2014	–
31 Mar 2015	**1,192**

SAR 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 later realised on the market.

Risk-free interest rate	-0.19 to -0.24%
Volatility	34.39%

Volatility is calculated based on the daily share prices from 1 September 2011 until the balance sheet date.

The fair value of the SAR granted is recognised as expense over their term.

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 thousands	31 Mar 2015	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	101,505	1,822	99,683	–	5.00
Export loans	32,000	32,000	–	–	0.49
Loans from state authorities	508	–	508	–	0.75-2.00
Other bank borrowings	267,515	12,215	219,116	36,184	1.15-5.76
Derivative financial instruments [1)]	3,777	–	2,266	1,511	
Carrying amount	**405,305**	**46,037**	**321,573**	**37,695**	

€ in thousands	31 Mar 2014	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	101,305	1,822	99,483	–	5.00
Export loans	32,000	32,000	–	–	0.74
Loans from state authorities	510	177	333	–	0.75-2.00
Other bank borrowings	237,704	12,077	182,830	42,797	1.50-6.40
Derivative financial instruments [1)]	420	–	241	179	
Carrying amount	**371,939**	**46,076**	**282,887**	**42,976**	

[1)] Reference is made to Note 19 "Derivative financial instruments".

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 € 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.

The bond is 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 (Übernahmegesetz), 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.

In order to refinance the capital need for the plant in Chongqing, a long-term loan was raised under an OeKB equity financing program in the financial year 2012/13. The loan will be repaid in semi-annual instalments between September 2014 and February 2020. 80% of the loan carries a fixed interest rate and 20% a variable interest rate, with the variable portion scheduled to be repaid first. The main contract terms are as follows:

- Net debt/EBITDA max. 4
- Equity ratio at least 30%
- Change of control

In order to secure planned investments in Chongqing and to further optimise the funding of the Group, a promissory note loan was successfully placed in the total amount of € 158 million in February 2014. The loan comprises several tranches with terms to maturity of five, seven and ten years carrying variable and fixed interest rates. The loan was entered into in euros and US dollars. The variable interest rate denominated in euros was hedged in full by interest rate swaps.

The main contract terms are as follows:

- Equity ratio at least 35%
- Net Debt/EBITDA >3 (step-up covenant)
- Change of control within the meaning of the Austrian Takeover Act if this change of control significantly affects the ability to meet the loan obligations.

If the step-up covenant is exceeded, the margin increases by 75 basis points. The promissory note bond is recognised in other bank borrowings.

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities at 31 March 2015 in consideration of interest rate hedging are as follows in the next financial years:

€ in thousands	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2015/16					
Redemption	–	32,000	–	11,611	–
Fixed interest	5,000	–	6	4,121	–
Variable interest	–	159	–	3,910	–
2016/17					
Redemption	100,000	–	213	11,679	–
Fixed interest	5,000	–	6	3,748	–
Variable interest	–	–	–	4,373	–
2017/18					
Redemption	–	–	251	42,764	–
Fixed interest	–	–	1	3,334	–
Variable interest	–	–	–	4,516	–
2018/19					
Redemption	–	–	150	148,907	–
Fixed interest	–	–	1	2,920	–
Variable interest	–	–	–	2,744	–
2019/20					
Redemption	–	–	44	16,068	2,266
Fixed interest	–	–	–	693	–
Variable interest	–	–	–	853	–
after 2019/20					
Redemption	–	–	–	36,360	1,511
Fixed interest	–	–	–	1,122	–
Variable interest	–	–	–	740	–

With the exception of the export loan, which will probably be prolongated again, no significant deviations from the agreed interest and redemption payments are expected regarding term or amount.

At the prior-year balance sheet date 31 March 2014 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 thousands	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2014/15					
Redemption	–	32,000	177	11,504	–
Fixed interest	5,000	–	5	4,183	–
Variable interest	–	240	–	3,134	–
2015/16					
Redemption	–	–	–	11,500	–
Fixed interest	5,000	–	5	4,121	–
Variable interest	–	–	–	2,985	–
2016/17					
Redemption	100,000	–	184	11,500	–
Fixed interest	5,000	–	5	3,748	–
Variable interest	–	–	–	2,967	–
2017/18					
Redemption	–	–	150	22,462	–
Fixed interest	–	–	–	3,334	–
Variable interest	–	–	–	2,967	–
2018/19					
Redemption	–	–	–	138,076	241
Fixed interest	–	–	–	2,920	–
Variable interest	–	–	–	2,530	–
after 2018/19					
Redemption	–	–	–	43,000	179
Fixed interest	–	–	–	1,832	–
Variable interest	–	–	–	1,319	–

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		Fair values	
€ in thousands	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Bonds	101,505	101,305	105,000	106,000
Export loans	32,000	32,000	32,000	32,000
Loans from state authorities	508	510	520	516
Other bank borrowings	267,515	237,704	270,801	239,037
Derivative financial instruments	3,777	420	3,777	420
	405,305	**371,939**	**412,098**	**377,973**

The calculation of the fair values is based on the discounted value of future payments using current market interest rates, or the fair values are determined based on quoted prices.

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

€ in thousands	31 Mar 2015	31 Mar 2014
Euro	351,610	359,401
US Dollar	53,534	10,016
Chinese Renminbi Yuan	161	2,522
	405,305	**371,939**

Bank borrowings are secured by trade receivables amounting to € 32,000 thousand (at 31 March 2014: € 32,000 thousand). Reference is made to Note 12 “Trade and other receivables”.

The Group’s unused credit lines are as follows:

€ in thousands	31 Mar 2015	31 Mar 2014
Export credit lines - secured	8,000	8,000
Other credit lines - secured	203,068	230,510
Credit lines - unsecured	–	20,000
	211,068	**258,510**

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

€ in thousands	31 Mar 2015	31 Mar 2014
Less than 1 year	2,113	2,102
Between 1 and 5 years	7,133	7,350
More than 5 years	2,709	4,228
	11,955	**13,680**

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 mainly include 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 a non-cancellable lease period until December 2021. The stated amounts also include € 4,219 thousand at 31 March 2015 (at 31 March 2014: € 5,967 thousand) 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 in the financial year are as follows:

€ in thousands	2014/15	2013/14
Leasing and rental expenses	**3,551**	**3,123**

17. PROVISIONS FOR EMPLOYEE BENEFITS

The provisions for employee benefits relate to pension commitments, 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 renumeration. Employer contributions under these plans amounted to € 472 thousand in the financial year 2014/15 and to € 475 thousand in the financial year 2013/14.

DEFINED BENEFIT PLANS The Group operates defined benefit plans for several members of the management board and other executive employees with no employee contribution required. The board members' and other executive employees' plans are partially funded through assets in pension funds and partially unfunded. Pension benefits of board members and executive employees are based on their salaries and years of service. Essentially, the Group is exposed to risks arising from these obligations as the Group cannot reliably establish future salary and pension benefits increases owing to longevity and inflation.

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 the remuneration received by the respective member of staff. The severance payments range between half of a monthly remuneration per year of service and a fixed maximum. Severance payment obligations are covered by a life insurance. Essentially, the Group is exposed to risks arising from these obligations as the Group cannot reliably establish future remuneration increases owing to inflation.

UNFUNDED SEVERANCE PAYMENTS Employees in Austria, South Korea and China are entitled to receive severance payments, which are based upon years of service and remuneration received by the respective member of staff and are generally payable upon retirement and, under certain circumstances, upon leaving the Company. For staff members having joined the company before 1 January 2003, the severance payments in Austria range from two to twelve months of final monthly salary, with staff members in South Korea and China also entitled to a fixed amount depending on years of service and salary. Essentially, the Group is exposed to risks arising from these obligations as the Group cannot reliably establish future remuneration increases owing to inflation.

For employees who joined on or after 1 January 2003 in Austria, 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 2014/15 amounted to € 288 thousand and for the financial year 2013/14 to € 267 thousand.

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

EXPENSES for (defined benefit) pension obligations, severance payments and other employee benefits consist of the following:

	Retirement benefits		Severance payments		Other employee benefits	
€ in thousands	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Current service cost	98	91	1,366	1,497	261	1,060
Interest expense	136	138	549	524	149	144
Remeasurement of obligations from other employee benefits	–	–	–	–	1,121	152
Expenses recognised in profit for the period	**234**	**229**	**1,915**	**2,021**	**1,531**	**1,356**
Remeasurement of obligations from post-employment benefits	2,551	472	4,206	255	–	–
Expenses recognised in other comprehensive income	**2,551**	**472**	**4,206**	**255**	**–**	**–**
Total	**2,785**	**701**	**6,121**	**2,276**	**1,531**	**1,356**

Expenses for retirement, severance payments and other employee benefits are recognised in profit and loss under cost of sales, distribution costs and general and administrative costs. In the financial year 2014/15, net interest expense on personnel-related liabilities is presented in "finance costs – net" for the first time.

Amounts accrued in the STATEMENT OF FINANCIAL POSITION are:

€ in thousands	31 Mar 2015	31 Mar 2014
Funded pension benefits	5,546	3,091
Unfunded pension benefits	1,493	1,226
Unfunded severance payments	22,284	16,505
Fundend serverance payments	202	66
Other employee benefits	4,201	3,867
Provisions for employee benefits	**33,726**	**24,755**

Pension obligations and severance payments are as follows:

	Retirement benefits		Severance payments	
€ in thousands	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Present value of funded obligations	15,862	13,010	1,014	674
Fair value of plan assets	(10,316)	(9,919)	(812)	(608)
Funded status funded obligations	5,546	3,091	202	66
Present value of unfunded obligations	1,493	1,226	22,284	16,505
Provisions recognised in the statement of financial position	**7,039**	**4,317**	**22,486**	**16,571**

The present value of projected pension benefits, the movement in plan assets (held to cover the pension benefits) and funded status are as follows:

	Funded retirement benefits		Unfunded retirement benefits	
€ in thousands	2014/15	2013/14	2014/15	2013/14
Present value of pension obligation				
Present value at beginning of year	13,010	11,949	1,226	1,175
Current service cost	98	91	–	–
Interest expense	424	444	39	43
Remeasurement from the change in financial assumptions	3,604	898	269	64
Remeasurement from adjustments based on past experience	(1,132)	(238)	21	5
Benefits paid	(142)	(134)	(62)	(61)
Present value at end of year	**15,862**	**13,010**	**1,493**	**1,226**
Fair value of plan assets				
Fair value at beginning of year	9,919	9,404		
Contributions	–	42		
Investment result	211	257		
Interest income	327	350		
Benefits paid	(141)	(134)		
Fair value at end of year	**10,316**	**9,919**		
Funded status funded pension benefits	**5,546**	**3,091**		

At 31 March 2015, the average maturity of funded pension benefits is 17 years and of unfunded pension benefits 13 years.

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

in %	31 Mar 2015	31 Mar 2014
Debt securities	39%	34%
Equity securities	45%	44%
Real estate	4%	5%
Cash and cash equivalents	12%	17%
	100%	**100%**

A significant portion of plan assets is traded in an active market.

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

	Funded severance payments		Unfunded severance payments	
€ in thousands	2014/15	2013/14	2014/15	2013/14
Present value of severance payment obligation				
Present value at beginning of year	674	723	16,505	14,657
Exchange differences	181	(116)	354	(23)
Service cost	50	45	1,316	1,452
Interest cost	64	49	544	519
Remeasurement from the change in demographic assumptions	–	(2)	(369)	(528)
Remeasurement from the change in financial assumptions	59	(64)	3,820	889
Remeasurement from adjustments based on past experience	12	55	680	(88)
Benefits paid	(26)	(16)	(566)	(373)
Present value at end of year	**1,014**	**674**	**22,284**	**16,505**
Fair value of plan assets				
Fair value at beginning of year	608	616		
Exchange differences	149	(100)		
Contributions	26	57		
Investment result	(4)	7		
Interest income	59	44		
Benefits paid	(26)	(16)		
Fair value at end of year	**812**	**608**		
Funded status funded severance payments	**202**	**66**		

At 31 March 2015, the average maturity of unfunded severance payments is 13 years.

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

€ in thousands	2014/15	2013/14
Present value at beginning of year	3,867	3,793
Exchange differences	305	(96)
Service cost	261	1,060
Interest expense	149	144
Remeasurement from the change in demographic assumptions	(286)	(53)
Remeasurement from the change in financial assumptions	493	49
Remeasurement from adjustments based on past experience	914	155
Benefits paid	(1,502)	(1,185)
Present value at end of year	**4,201**	**3,867**

At 31 March 2015, the average maturity of other employee benefits is 11 years.

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

	Retirement benefits		Severance payments		Other employee benefits (anniversary bonuses)	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Discount rate	1.70 %	3.30 %	2.10 %	3.57 %	2.15 %	3.40 %
Expected rate of renumeration increase	2.25 %	2.25 %	3.40 %	3.32 %	5.00 %	5.38 %
Expected rate of pension increase	2.00 %	2.00 %	–	–	–	–
Retirement age	65	65	*)	*)	–	–

*) individual according to respective local legislation

18. OTHER PROVISIONS

€ in thousands	Total	Warranty	Restructuring	Others
Carrying amount 31 Mar 2014	12,809	893	10,816	1,100
Utilisation	(1,970)	(240)	(1,030)	(700)
Reversal	(2,578)	(530)	(1,612)	(436)
Addition	3,978	2,005	–	1,973
Interest effect	(21)	–	(21)	–
Exchange differences	442	387	–	55
Carrying amount 31 Mar 2015	**12,660**	**2,515**	**8,153**	**1,992**

€ in thousands	Total	Warranty	Restructuring	Others
Carrying amount 31 Mar 2013	12,059	405	11,210	444
Utilisation	(4,535)	(471)	(3,444)	(620)
Reversal	–	–	–	–
Addition	5,302	995	3,004	1,303
Interest effect	46	–	46	–
Exchange differences	(63)	(36)	–	(27)
Carrying amount 31 Mar 2014	**12,809**	**893**	**10,816**	**1,100**

€ in thousands	31 Mar 2015	31 Mar 2014
thereof non-current	7,545	9,736
thereof current	5,115	3,073
Carrying amount	**12,660**	**12,809**

WARRANTY PROVISION This item 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. The amount of expected costs includes amounts taken over from product liability insurance.

PROVISION FOR THE RESTRUCTURING This provision relates to future vacancy costs for no longer used building space based on the non-cancellable property lease obligation as well as to a potential loss from the utilisation of the property by the lessor which is to be borne by the lessee. The value was adjusted due to the reduction in unused building space. 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. Moreover, a provision for the closure of the plant in Klagenfurt recognised in the financial year 2013/14 was utilised in the financial year 2014/15.

OTHERS The item “Others” relates to provisions for risks from pending losses on onerous contracts as well as to provisions for the risk associated with pension scheme premiums in Asia resulting from the uncertain legal situation there.

19. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments mainly relate to foreign exchange swap contracts 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 Mar 2015		31 Mar 2014	
€ in thousands	Assets	Liabilities	Assets	Liabilities
Interest rate swaps at fair value	–	3,777	–	420
Total market values	**–**	**3,777**	**–**	**420**
Current portion	**–**	**–**	**–**	**–**
Non-current portion	**–**	**3,777**	**–**	**420**

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 Mar 2015		31 Mar 2014	
Currency	Nominal amount in 1,000 local currency	Market value € in thousands	Nominal amount in 1,000 local currency	Market value € in thousands
Euro	92,000	(3,777)	92,000	(420)

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

in months	31 Mar 2015	31 Mar 2014
Interest rate swaps	47 - 71	59 - 83

At 31 March 2015, the fixed interest rates for interest rate swaps are 1.01% and 1.405%, the variable interest rate is based on the 6-month EURIBOR.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using interest rate swaps. Such interest rate swaps have the economic effect of converting loans from floating rates to fixed rates. If the Group takes out loans at floating rates, it swaps such loans into fixed rate loans. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. Gains or losses from the measurement of interest rate swaps are recognised in equity. Associated interest expenses were recognised in profit or loss under “finance costs”.

20. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

CARRYING AMOUNTS AND FAIR VALUES BY MEASUREMENT CATEGORY The carrying amounts and fair values of financial instruments included in several items in the statement of financial position by measurement category are as follows at the balance sheet date. Unless otherwise stated, carrying amounts correspond approximately to the fair values:

31 Mar 2015 € in thousands	Measurement categories in accordance with IAS 39 or measurement in accordance with other IFRSs	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Financial assets	**AFSFA**	**2**	**96**	**96**
Current assets				
Trade receivables less impairments	LAR		113,492	
Other receivables	LAR		609	
Other receivables	–		29,029	
Trade and other receivables			**143,130**	
Financial assets	FAAFVPL	1	780	780
Cash and cash equivalents	LAR		273,919	
Cash and cash equivalents			**273,919**	
Liabilities				
Bonds	FLAAC	1	101,505	105,000
Other financial liabilities	FLAAC	2	300,023	303,321
Derivative financial instruments	DHI	2	3,777	3,777
Non-current and current financial liabilities			**405,305**	**412,098**
Trade payables	FLAAC		97,785	
Other payables	FLAAC		29,133	
Other payables	–		27,248	
Trade and other non-current and current payables			**154,166**	
Aggregated by measurement categories				
Assets				
Loans and receivables	LAR [1)]		388,020	
Available-for-sale financial assets	AFSFA [2)]		96	
Financial assets at fair value through profit or loss	FAAFVPL [3)]		780	
Liabilities				
Financial liabilities at amortised costs	FLAAC [4)]		528,446	
Derivatives as hedging instruments	DHI [5)]		3,777	

31 Mar 2014 € in thousands	Measurement categories in accordance with IAS 39 or measurement in accordance with other IFRSs	Level	Carrying amount	Fair value
Assets				
Non-current assets				
Financial assets	**AFSFA**	**2**	**96**	**96**
Current assets				
Trade receivables less impairments	LAR		94,036	
Other receivables	LAR		456	
Other receivables	–		16,507	
Trade and other receivables			**110,999**	
Financial assets	FAAFVPL	1	836	836
Cash and cash equivalents	LAR	1	15,321	15,321
Cash and cash equivalents	LAR		244,812	
Cash and cash equivalents			**260,133**	
Liabilities				
Bonds	FLAAC	1	101,305	106,000
Other financial liabilities	FLAAC	2	270,214	271,553
Derivative financial instruments	DHI	2	420	420
Non-current and current financial liabilities			**371,939**	**377,973**
Trade payables	FLAAC		66,184	
Other payables	FLAAC		19,697	
Other payables	–		19,271	
Trade and other non-current and current payables			**105,152**	
Aggregated by measurement categories				
Assets				
Loans and receivables	LAR [1]		354,625	
Available-for-sale financial assets	AFSFA [2]		96	
Financial assets at fair value through profit or loss	FAAFVPL [3]		836	
Liabilities				
Financial liabilities at amortised costs	FLAAC [4]		457,400	
Derivatives as hedging instruments	DHI [5]		420	

[1] Loans and receivables
[2] Available-for-sale financial assets
[3] Financial assets at fair value through profit or loss
[4] Financial liabilities at amortised cost
[5] Derivatives as hedging instruments

Three valuation hierarchies have to be distinguished in the fair value measurement.

- Level 1: The fair values are determined based on quoted market prices in an active market for identical financial instruments.
- Level 2: If quoted market prices in active markets are not available, the fair values are determined based on the results of a measurement method that is based to the greatest possible extent on market prices.
- Level 3: In this case, the fair values are determined using measurement models which are not based on observable market data.

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:

€ in thousands	2014/15	2013/14
Loans and receivables	6,815	(2,065)
Financial assets at fair value through profit or loss	(29)	(87)
Available-for-sale financial assets	8	8
Financial liabilities at amortised cost	(8,712)	(9,768)
	(1,918)	**(11,912)**

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.

€ 427 thousand in net income (in 2013/14: € -1,420 thousand in net expense) of the total net result from financial instruments is included in the operating result, and € -2,345 thousand (in 2013/14: € -10,492 thousand in net expense) in "Finance costs – net".

FINANCIAL RISKS

In the following, the financial risks, which comprise the financing risk, the liquidity risk, the credit risk, and the foreign exchange risk, are addressed. In the Group Management Report, further risk categories and the related processes and measures are outlined.

Risk management of financial risks is carried out by the central treasury department (Group Treasury) under policies approved by the Management Board. Responsibilities, authorisations and limits are governed by these 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, 78% (in the previous year 84%) of the total bonds and bank borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments. Reference is made to Note 16 "Financial liabilities".

The financial liabilities of the Group are linked with loan commitments that are customary in the market. These commitments are reviewed on a quarterly basis. In the case of non-compliance with the commitment, the lenders have a right of notice.

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

At 31 March 2015 the Group has liquidity reserves in the amount of € 485.9 million (at 31 March 2014: € 519.6 million), € 274.8 million (at 31 March 2014: € 261.1 million) of which is accounted for by cash (equivalents) and securities held for trading and available-for-sale securities, and € 211.1 million (at 31 March 2014: € 258.5 million) by available unused credit facilities. Thus, the liquidity reserves decreased by € 33.7 million year-on-year, with € 131.7 million (at 31 March 2014: € 180.2 million) included in the current reserves, which relate to AT&S in China and are subject to specific liquidity requirements.

The Group has a clearly positive operating cash flow. The net cash flow from operating activities for the financial year 2014/15 amounts to € 143.9 million (in 2013/14: € 104.8 million). Thus, the investments made in the reporting year could be financed mainly 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. 52% of the Group's total revenue was attributable to its five largest customers.

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 As a globally operating entity, the AT&S Group is exposed to foreign exchange risk. "Natural hedges" exist in part through local added value created at the various plants. In the Group transaction risks are initially managed by closing positions (netting). Open positions are continuously analysed and hedged by using different hedging instruments such as forward contracts, currency options and currency swaps.

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

FINANCIAL MARKET RISKS Detailed information on financial market risks and derivative financial instruments is contained in Note I.B.l. "Accounting and measurement 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 (exchange 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 profit for the year would have been € 0.9 million lower (or higher, respectively) (in 2013/14: € 0.6 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. 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 the US dollar would have had an impact on the profit for the year in the amount of € 0.6 million (in 2013/14: € 1.1 million). This effect would have been due to the measurement of trade receivables and payables as well as financial balances and derivative financial instruments measured at fair value based on US dollars.

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 continue providing the equity holders with dividends and the other stakeholders with appropriate services, and on the other hand, maintaining an appropriate capital structure in order to optimise capital costs. Therefore, the amount of the dividend payments is adjusted to the respective requirements, capital is repaid to equity owners (withdrawal of treasury shares), new shares are issued or the portfolio of other assets is changed.

Based on the covenants defined in the credit agreements, the Group monitors its capital based on the equity ratio as well as the ratio of net debt to EBITDA (theoretical payback period for debts).

The Group's strategy is not to fall below an equity ratio of 40% and not to exceed a theoretical payback period for debts of 3.0 years, creating sufficient leeway to cushion the occurrence of adverse business developments and to ensure the Company's going concern also in times of crisis. It is acceptable if the values are temporarily exceeded.

At the balance sheet date, the equity ratio was 49.5% and thus significantly surpassed the previous year's figure of 42.7%. At 0.8 years, the theoretical payback period for debts was below the already low previous year's figure of 0.9 years.

The net gearing performance indicator used up until the previous year is no longer used as a central control reference as it is not directly reflected in the credit agreements.

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 2015 the Group has other financial commitments amounting to € 32,857 thousand (at 31 March 2014: € 59,548 thousand) in connection with contractually binding investment projects. Furthermore, at the balance sheet date the Group has contingent liabilities from bank guarantees in the amount of € 51 thousand (at 31 March 2014: € 703 thousand). Other guarantees or contingencies relating to the ordinary business operations do not exist at the balance sheet date.

22. SHARE CAPITAL

	Outstanding shares in thousand shares	Ordinary shares € in thousands	Share premium € in thousands	Treasury shares, net of tax € in thousands	Share capital € in thousands
31 Mar 2013	**23,323**	**28,490**	**63,542**	**(46,118)**	**45,914**
Change in treasury shares, net of tax	2,577	–	(29,365)	46,118	16,753
Proceeds of share issue	12,950	14,245	64,934	–	79,179
31 Mar 2014	**38,850**	**42,735**	**99,111**	**–**	**141,846**
31 Mar 2015	**38,850**	**42,735**	**99,111**	**–**	**141,846**

ORDINARY SHARES

After increasing the Company’s ordinary shares in the financial year 2013/14 by € 14,245 thousand by way of issuing 12,950,000 no-par value bearer shares, the ordinary shares as of 31 March 2015 amount to € 42,735 thousand (previous year: € 42,735 thousand) and are made up of 38,850,000 (previous year: 38,850,000) no-par value shares with a notional value of € 1.10 each.

APPROVED CAPITAL AND CONDITIONAL CAPITAL INCREASE

By resolution passed at the 20th Annual General Meeting on 3 July 2014, the Management Board was authorised until 2 July 2019 to increase the Company's ordinary shares, subject to approval by the Supervisory Board, by up to € 21,367.5 thousand by way of issuing up to 19,425,000 new no-par value bearer shares against contribution in cash or in kind, in one or several tranches, also by way of indirect rights offering after having been taken over by one or more credit institutions in accordance with § 153 (6) Austrian Stock Corporation Act (AktG). In doing so, the Management Board was authorised, subject to approval by the Supervisory Board, to fully or partially exclude the shareholders’s subscription right as well as to determine the detailed conditions for such issuance (in particular the issue amount, what the contribution in kind entails, the content of the share rights, the exclusion of subscription rights, etc.) (approved capital). The Supervisory Board was authorised to adopt amendments to the articles of association resulting from the issuance of shares from the approved capital.

Furthermore, by resolution of the 20th Annual General Meeting on 3 July 2014, the authorisation to issue convertible bonds as resolved in the Annual General Meeting on 7 July 2010 was revoked and simultaneously, the Management Board was authorised until 2 July 2019, subject to approval by the Supervisory Board, to issue one or several convertible bearer bonds at a total nominal amount of up to € 150,000.0 thousand and to grant to bearers of convertible bonds subscription rights and/or conversion rights for up to 19,425,000 new no-par value bearer shares of the Company in accordance with the convertible bond conditions to be defined by the Management Board and subject to approval by the Supervisory Board. The Management Board was authorised to fully or partially exclude the shareholders’ subscription right to convertible bonds. Convertible bonds may also be issued by a directly or indirectly 100%-owned company of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft. In such a case, the Management Board was authorised, subject to approval by the Supervisory Board, to assume a guarantee for the convertible bonds on behalf of the issuing company and to grant conversion and/or subscription rights with regard to shares of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft to the bearers of the convertible bonds.

Furthermore, in doing so, the Company’s ordinary shares were conditionally increased by up to € 21,367.5 thousand by way of issuance of up to 19,425,000 new no-par value bearer shares in accordance with § 159 (2) No. 1 Austrian Stock Corporation Act (AktG). This conditional capital increase is only carried out insofar as the bearers of convertible bonds issued based on the authorisation resolution passed at the Annual General Meeting on 3 July 2014 claim the right to conversion and/or subscription granted to them with regard to the Company's shares. Furthermore, the Management Board was authorised to determine, subject to approval by the Supervisory Board, the further details of carrying out the conditional capital increase (particularly the issue amount and the content of the share rights). The Supervisory Board was authorised to adopt amendments to the articles of association resulting from the issuance of shares from the conditional capital.

With regard to increasing the approved capital and/or the conditional capital increase, the following definition of amount in accordance with the resolutions passed at the 20th Annual General Meeting on 3 July 2014 is to be observed: The sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the convertible bond conditions and (ii) the number of shares issued from approved capital shall not exceed the total amount of 19,425,000.

OUTSTANDING SHARES The number of shares issued amounts to 38,850,000 at 31 March 2015 (38,850,000 at 31 March 2014).

TREASURY SHARES By a resolution passed at the 19th Annual General Meeting on 4 July 2013, the Management Board was again authorised (pursuant to § 65 (1) No. 8 of the Austrian Stock Corporation Act (AktG)) to acquire - within 30 months as from the resolution date - treasury shares to the maximum extent of up to 10% of the ordinary shares of the Company at a lowest price that may be no more than 30% lower than the average unweighted closing rate of the last 10 trading days and at a highest price per share of a maximum of up to 30% above the average unweighted closing rate of the last 10 trading days. The authorisation also includes the acquisition of shares of subsidiaries (§ 66 AktG). The acquisition may be carried out via the stock exchange, by means of a public offering or in any other legal way and for any legal purpose. The Management Board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the Company without any other resolution of the Annual General Meeting. This authorisation may be exercised in full, in part or in several tranches. The Supervisory Board is authorised to resolve amendments to the articles of association that may result from the withdrawal of shares.

Since 15 May 2006, the Group has purchased a total of 2,632,432 treasury shares at the prevailing market price amounting to a total of € 47,484.0 thousand. In the financial year 2013/14, 2,577,412 treasury shares were sold in the course of the capital increase. At 31 March 2015, the Group no longer holds any treasury shares.

At the 19th Annual General Meeting on 4 July 2013, 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 3 July 2018, upon approval by the Supervisory Board and without any further resolution of the Annual General Meeting, to sell or use the repurchased treasury shares or treasury shares already held by the Company also in a different way than via the stock exchange or by public offer, most notably to use treasury shares for the following purposes:

- Issuance to employees, executive employees and members of the Management Board of the Company or to an affiliated company, including the servicing of stock transfer programmes (particularly with regard to stock options, long-term incentive plans or other employee stock option plans),
- To serve issued convertible bonds, if any,
- As consideration for the acquisition of entities, investments or other assets, and
- For any other legal purpose,

and by doing so, to exclude the general purchase option of shareholders (subscription right exclusion). The authorisation may be exercised in full, in part and also in several tranches and may serve multiple purposes.

DIVIDEND PER SHARE In the financial year 2014/15 a dividend of € 0.20 was paid per share (in 2013/14: € 0.20).

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 thousands	Currency translation differences	Available-for-sale financial assets	Hedging instruments for cash flow hedges	Remeasurement of obligations from post-employment benefits	Other reserves
Carrying amount as of 31 Mar 2013*)	**44,963**	**3**	**(89)**	**(2,526)**	**42,351**
Balance of unrealised changes before reclassification, net of tax	(42,695)	–	(314)	–	(43,009)
Transfer of realised changes recognised in the profit for the year, net of tax	–	–	89	–	89
Remeasurement of obligations from post-employment benefits	–	–	–	(728)	(728)
Carrying amount as of 31 Mar 2014	**2,268**	**3**	**(314)**	**(3,254)**	**(1,297)**
Balance of unrealised changes before reclassification, net of tax	161,339	–	(2,517)	–	158,822
Remeasurement of obligations from post-employment benefits	–	–	–	(6,751)	(6,751)
Carrying amount as of 31 Mar 2015	**163,607**	**3**	**(2,831)**	**(10,005)**	**150,774**

*) Adjusted taking into account IAS 19 revised.

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”.

V. 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 38,850,000. At 31 March 2015 no treasury shares are held, which would have had to be deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounts to 38,850 thousand in the financial year 2014/15 and to 30,821 thousand in the financial year 2013/14.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounts to 38,850 thousand in the financial year 2014/15 and to 31,618 thousand in the financial year 2013/14.

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

in thousands	2014/15	2013/14
Weighted average number of shares outstanding – basic	38,850	30,821
Diluting effect	–	797
Weighted average number of shares outstanding – diluted	**38,850**	**31,618**

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.

	2014/15	2013/14
Profit for the year (€ in thousands)	69,279	38,168
Weighted average number of shares outstanding – basic (in thousands)	38,850	30,821
Basic earnings per share (in €)	**1.78**	**1.24**

DILUTED EARNINGS PER SHARE Diluted earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of outstanding shares including the number of potentially outstanding ordinary shares of the same period. The potentially outstanding ordinary shares comprise the additional shares to be issued for exercisable options or subscription rights and are included in diluted earnings per share.

	2014/15	2013/14
Profit for the year (€ in thousands)	69,279	38,168
Weighted average number of shares outstanding – diluted (in thousands)	38,850	31,618
Diluted earnings per share (in €)	**1.78**	**1.21**

25. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

On 28 April 2015, AT&S announced its entry into a new generation of printed circuit boards, the so-called "substrate-like PCB". This is achieved by expanding its capacities at the Chongqing site. As a consequence, the investment volume planned for this site until mid-2017 increased from the original amount of € 350 million to € 480 million.

Other than that, until 5 May 2015 no events or developments came to AT&S's attention that would have resulted in significant changes in the disclosure or measurement of the individual asset and liability items as at 31 March 2015.

26. RELATED PARTY TRANSACTIONS

In connection with various projects, the Group received consulting services from companies where Supervisory Board chairman Mr. Androsch (AIC Androsch International Management Consulting GmbH) and Supervisory Board deputy chairman Mr. Dörflinger (Dörflinger Managmeent & Beteiligungs GmbH) are managing directors with the power of sole representation. The Group also received legal advice from Frotz Riedl Rechtsanwälte, where Supervisory Board member Mr. Riedl works as an independent lawyer.

€ in thousands	2014/15	2013/14
AIC Androsch International Management Consulting GmbH	380	387
Dörflinger Management & Beteiligungs GmbH	8	5
Frotz Riedl Rechtsanwälte	3	6
	391	**398**

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 2014/15 and until the date of issuance of these consolidated financial statements the following persons served on the MANAGEMENT BOARD:

- Andreas Gerstenmayer (Chairman)
- Karl Asamer (Deputy Chairman)
- Heinz Moitzi

In the financial year 2014/15 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
- Sabine Fussi
- Franz Katzbeck
- Günther Wölfler

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

	Number of outstanding stock options		Staff costs (€ in thousands)	
	31 Mar 2015	31 Mar 2014	2014/15	2013/14
Andreas Gerstenmayer	80,000	120,000	218	60
Heinz Moitzi	60,000	90,000	114	89
Total Management Board	140,000	210,000	332	149
Total other executive employees	37,000	55,500	99	46
	177,000	**265,500**	**431**	**195**

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

	Number of outstanding stock appreciation rights	Staff costs (€ in thousands)
	31 Mar 2015	2014/15
Andreas Gerstenmayer	40,000	69
Karl Asamer	30,000	52
Heinz Moitzi	30,000	52
Total Management Board	100,000	173
Total other executive employees	130,000	224
	230,000	**397**

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 in the financial year in accordance with IAS 24:

	2014/15			2013/14		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	429	506	935	428	373	801
Karl Asamer	361	301	662	–	–	–
Heinz Moitzi	359	361	720	357	424	781
Executive employees	4,134	1,996	6,130	3,898	1,598	5,496
			8,447			**7,078**

IAS 24 includes key management personnel having authority and responsibility for directly or indirectly planning, directing and controlling the activities of the entity, including any managing director of that entity.

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

	Severance payments Financial year		Pensions Financial year	
€ in thousands	2014/15	2013/14	2014/15	2013/14
Expenses recognised in profit for the period	165	136	328	322
Remeasurement recognised in other comprehensive income	381	2	2,550	472

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

	2014/15			2013/14		
€ in thousands	Fixed	Variable	Total	Fixed	Variable	Total
Hannes Androsch	35	19	54	35	18	53
Willibald Dörflinger	28	9	37	26	9	35
Regina Prehofer	25	9	34	25	9	34
Karl Fink	24	9	33	23	9	32
Albert Hochleitner	25	9	34	23	9	32
Gerhard Pichler	25	9	34	24	9	33
Georg Riedl	25	9	34	24	9	33
Karin Schaupp	22	9	31	22	9	31
	209	**82**	**291**	**202**	**81**	**283**

Shareholdings and stock options of members of the Management Board and the Supervisory Board as of 31 March 2015:

	Shares	Stock options	Total shares and stock options	% capital
Management Board members	**16,786**	**140,000**	**156,786**	**0.40**
Supervisory Board members:				
Hannes Androsch	599,699	–	599,699	1.54
Other members of the Supervisory Board	42,250	–	42,250	0.11
Total Supervisory Board members	**641,949**	**–**	**641,949**	**1.65**
Private foundations:				
Androsch Privatstiftung	6,339,896	–	6,339,896	16.32
Dörflinger Privatstiftung	6,902,380	–	6,902,380	17.77
Total private foundations	**13,242,276**	**–**	**13,242,276**	**34.09**
	13,901,011	**140,000**	**14,041,011**	**36.14**

27. EXPENSES FOR THE GROUP AUDITOR

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

€ in thousands	2014/15	2013/14
Audit of consolidated and separate financial statements	124	125
Other assurance services	2	101
Other services	48	52
	174	**278**

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.

28. NUMBER OF STAFF

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

	2014/15	2013/14
Waged workers	5,924	5,488
Salaried employees	1,714	1,539
	7,638	**7,027**

The calculation of the number of staff includes an average of 3,264 leased personnel for the financial year 2014/15 and an average of 3,045 for the financial year 2013/14.

Leoben-Hinterberg, 5 May 2015

The Management Board

Andreas Gerstenmayer m.p.

Karl Asamer 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, 5 May 2015

The Management Board

Andreas Gerstenmayer Chairman of the Board	Karl Asamer Member of the Board	Heinz Moitzi Member of the Board

Auditor's Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben-Hinterberg, for the fiscal year from 1 April 2014 to 31 March 2015. These consolidated financial statements comprise the consolidated statement of financial position as of 31 March 2015, 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 fiscal year ended 31 March 2015, 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 system and for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements under Section 245a UGB. 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; 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 (ISA) 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 2015 and of its financial performance and its cash flows for the fiscal year from 1 April 2014 to 31 March 2015 in accordance with International Financial Reporting Standards (IFRS) 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 as to whether the other disclosures are not misleading with respect to the Company's 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 (Austrian Commercial Code) 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 (Austrian Commercial Code) are appropriate.

Vienna, 5 May 2015

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:

Christian Neuherz
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Commercial Code (UGB) 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 Consolidated 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

Advanced Concepts team
Team composed of Technology Early Detection and Business Development, primarily focused on identifying and developing new technologies and products for AT&S.

Assembly service
Assembling of components on (or inside of) the printed circuit board

ATX Global Players
A free float weighted price index made up of all stocks traded on the Vienna Stock Exchange and listed in the "Prime Market", which generate at least 20 percent of sales outside of Europe.

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.

BGA substrates
Ball Grid Array substrate. This substrate is at least 1.2 times as large as the chip placed on it.

CAPEX
CAPEX refers to the cash investments in property, plant and equipment and intangible assets, meaning that the asset acquisition is adjusted to exclude non-cash effects.

Cash earnings
Calculation see the Group Management Report

Corporate citizenship
Civic engagement in and by companies that follow a mid- and long-term corporate strategy based on responsible business operations and, as a "good citizen", are actively engaged even beyond their business activities in the local society, for example, in environmental or cultural pursuits.

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, beyond the statutory requirements. CSR should promote responsible corporate behaviour in business activities - with respect to the environment, relationships with staff (the workplace), and the dialogue with other stakeholders and interest groups.

Covenants (financial)
A covenant is an obligation of a borrower to the creditor not to exceed or fall below certain criteria. The most common covenants are the equity ratio and net debt/EBITDA.

Coverage
Company analysis with assessment by financial analysts

CSP substrates
Chip Scale Packaging Substrate; this substrate is no more than 1.2 times as large as the chip placed on it.

Duration
The average repayment time for financial liabilities

EBIT
Operating result = earnings before net finance costs and taxes (Earnings Before Interest and Taxes)

EBIT margin
EBIT as a percentage of total revenue

EBITDA
Operating result before depreciation and amortisation (Earnings Before Interest, Taxes, Depreciation and Amortisation)

EBITDA margin
EBITDA as a percentage of total revenue

ECP® technology
Embedded component packaging technology developed by AT&S in order to embed active and/or passive components inside printed circuit boards (® registered trademark AT 255868)

Embedding
Integrating active and/or passive electronic components inside printed circuit boards

EN9100
Aerospace quality management standard

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.

R&D
Research & Development

FF
Form factor

Flex-to-install
Printed circuit boards that can be bent for the purpose of a space efficient installation (e. g. in a casing)

HDI printed circuit boards
Printed circuit boards with structures smaller than 100 micrometres (0.1 mm) - high density interconnection.

Hedging
Financial transactions providing protection against risks such as exchange rate or interest fluctuations.

High-end segment
Technologically demanding market segment on which AT&S focuses as a technology leader

IC substrates
IC substrates are multi-layered, electrically conducting circuit substrates for silicon semiconductors also known as chips or integrated circuits/ICs and serve as the connection between the chip(s) and the main printed circuit board.

IFRS
International Financial Reporting Standards are the international accounting rules, which are mandatory for AT&S as an exchange-listed company.

Internet of Things
A trend based on how Internet-connected devices are used to improve the exchange of data, automate complex processes in industry and generate valuable information.

Internet of Everything
Most of the "connected devices" in use today require active interaction by the user and are mainly used for acquiring information or entertainment. The majority of the 50 billion connected things in 2020 will be used to link and direct systems in a variety of areas such as industry, smart homes, smart cities, smart energy, smart healthcare, wearables and much more.

IRR
The Innovation Revenue Rate represents the share of total revenue generated from products that feature new, innovative technologies and have been introduced in the past three years.

ISIN
Alpha-numerical securities identification number (International Securities Identification Number)

ISO
International Organisation for Standardisation

ISO 14001
Environmental management standard

ISO 9001
Quality management standard

ISO/TS 16949
ISO technical specification reflecting the requirements of international automotive manufacturers

Solder-resist mask
Finish that protects the surface of the printed circuit board

L/S
Line/space: line width and spacing of circuit paths

LTI
Long-term incentive: long-term-oriented bonus system

MEMS
Microelectromechanical system

Microvia
Microvias are minute holes drilled by a laser to generate the electrical connection between the layers in a multilayer circuit board.

Miniaturisation
Trend towards even more dense printed circuit board structures on ever smaller surfaces

Modularisation
Individual components packaged into modules

Multilayer
Multilayer printed circuit board

Net CAPEX
Capital expenditure net of receipts from the disposal of property, plant and equipment and intangible assets

Net debt
Calucation see key data section in the Group Management Report

NOPAT
Net operating profit after tax represents annual profit adjusted to exclude net finance costs. Calculation see the Group Management Report.

OHSAS 18001
Occupational Health and Safety Assessment Series

One-stop shop
Enabling customers to source multiple solutions from one location

OCGK
Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex)

Prime Market
Stocks admitted to trading on the Vienna Stock Exchange on the Official Market or Second Regulated Market and subject to additional, more stringent requirements

PTH
Plated through-hole

Ramp-up
Start-up of a manufacturing plant

Retail bonds
Corporate bonds whose subscribers can be either private or institutional investors

Rigid-flex printed circuit boards
See the AT&S product portfolio section

ROCE
Return on capital employed measures how effectively a company generates returns from the capital it uses. Calculation see the Group Management Report.

Sale-and-lease-back
Special form of leasing: an enterprise sells property or moveable assets to a leasing company and leases it back for use in the business

Promissory note loan
A large bond-like loan with a medium to long term. The lenders are usually banks or insurance companies. The loan is certified with the borrower's promissory note.

Stock options
Options to buy or sell particular stocks

Swap
A swap is a derivative financial instrument under which future payment streams are exchanged. Typically, currencies (currency swap) or fixed and variable interest payments (interest swap) are exchanged.

System in Board (SiB)
When passive and/or active components are embedded inside printed circuit boards

System in Package (SiP)
Consists of one or more semiconductors and passive components that form a system or a functional block

Net gearing
Calculation see the Group Management Report.

WACC
Weighted Average Cost of Capital represents the average cost that a company hast to pay to obtain equity or debt capital.

Wearable devices
Electronic devices that can be worn

Contact/Imprint

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Disclaimer

This report contains forward-looking statements which were made on the basis of the information available at the time of publication. These can be identified by the use of such expressions as “expects”, “plans”, “anticipates”, “intends”, “could”, “will”, “aim” and “estimation” or other similar words. These statements are based on current expectations and assumptions. Such statements are by their very nature subject to known and unknown risks and uncertainties. As a result, actual developments may vary significantly from the forward-looking statements made in this report. Recipients of this report are expressly cautioned not to place undue reliance on such statements. Neither AT&S nor any other entity accept any responsibility for the correctness and completeness of the forward-looking statements contained in this report. AT&S undertakes no obligation to update or revise any forward-looking statements, whether as a result of changed assumptions or expectations, new information or future events.

Percentages and individual items presented in this report are rounded which may result in rounding differences.

Formulations attributable to people are to be understood as gender-neutral.

This report in no way represents an invitation or recommendation to buy or sell shares in AT&S.

The report is published in German and English. In case of doubt, the German version is binding.

No responsibility accepted for errors or omissions.
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