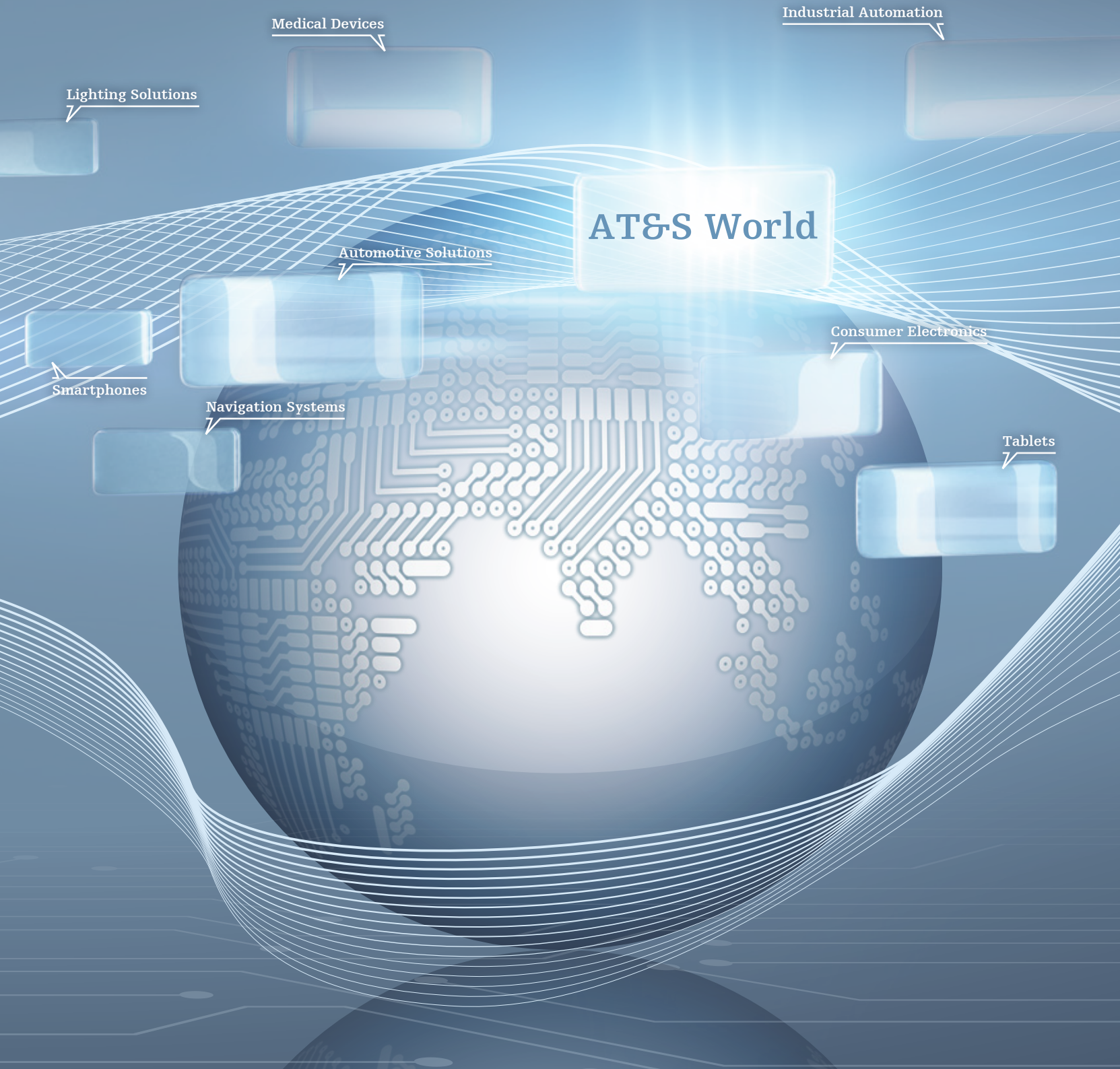


AT&S

Half-Year Financial Report
2011/2012



Key figures

	IFRS			
	H1 2011/12		H1 2010/11	
	before non-recurring items	after non-recurring items	before non-recurring items ¹⁾	after non-recurring items ¹⁾
(if not otherwise stated, all figures in EUR 1,000)				
CONSOLIDATED INCOME STATEMENT				
Revenues		241,884		242,681
thereof produced in Asia		70.0%		69.1%
thereof produced in Europe		30.0%		30.9%
EBITDA	47,697	47,697	49,196	48,539
EBITDA margin	19.7%	19.7%	20.3%	20.0%
EBIT	19,576	19,576	25,483	24,759
EBIT margin	8.1%	8.1%	10.5%	10.2%
Net income	13,968	13,968	19,827	19,102
Net income of owners of the parent company	13,986	13,986	19,869	19,145
Cash earnings	42,108	42,108	43,582	42,925
CONSOLIDATED BALANCE SHEET				
Total assets		668,887		539,603
Total equity		261,794		223,922
Total equity of owners of the parent company		261,835		223,432
Net debt		250,482		161,645
Net gearing		95.7%		72.2%
Net working capital		105,648		75,152
Net working capital per revenues		21.8%		15.5%
Equity ratio		39.1%		41.5%
CONSOLIDATED CASH FLOW STATEMENT				
Net cash generated from operating activities (OCF)		26,120		32,099
CAPEX, net		62,568		48,795
GENERAL INFORMATION				
Payroll (incl. leased personnel), ultimo		7,733		7,090
Payroll (incl. leased personnel), average		7,473		6,598
KEY STOCK FIGURES				
Earnings per share (EUR)	0.60	0.60	0.85	0.82
Cash earnings per share (EUR)	1.81	1.81	1.87	1.84
Market capitalisation, end of period		209,903		275,906
Market capitalisation per equity		80.2%		123.5%
Weighted average number of shares outstanding		23,322,588		23,322,588
KEY FINANCIAL FIGURES				
ROE ²⁾	11.4%	11.4%	18.3%	18.0%
ROCE ²⁾	7.2%	7.2%	10.8%	10.7%
ROS	5.8%	5.8%	8.2%	7.9%

¹⁾ Non-recurring items include the closing of the Vienna office.

²⁾ Calculated on the basis of average values.

Highlights

- *AT&S reports strong 2nd quarter and significantly increased profits*
- *AT&S confirms outlook for financial 2011/12*
- *AT&S awarded distinction for environmental management*

Statement of the Management Board

Dear shareholders,

AT&S got off to a difficult start in the first quarter of financial 2011/12, so we are happy to be able to report that the second quarter was one of the best in the Group's history. As expected, several new applications in the mobile devices industry have come to market in the past few months. This has meant excellent capacity utilisation in our Shanghai plant. We also have successes to report with our automotive customers, and sales in this sector are continuing to grow. Industrial business has lagged, reflecting manufacturers' concern about the uncertainties in financial markets.

On the basis of our latest market and customer information, we see no reason to revise the forecast for the current financial year that we published in May 2011. The current global economic climate has made it more difficult to quantify requirements reliably, which in turn makes quarterly forecasting more uncertain. However, the market remains fundamentally sound, and in the medium to longer term promises attractive growth rates.

For AT&S, what is crucial is that consumer confidence remains at its present levels, that shifts in exchange rate parities do not increase any further, and that there is no sudden economic downturn in Europe and the USA such as we experienced in 2008. In the short term, much will depend on the upcoming holiday shopping season.

In the second quarter of financial 2011/12 the Group's sales reached a new record high of EUR 131.4m, with an EBIT margin of 11%, making it one of the best quarters in AT&S's history. Earnings before interest and tax (EBIT) for the first half of the financial year came to approximately EUR 20m, resulting in earnings per share of some EUR 0.60.

The key figures for the first half of financial 2011/12 were as follows:

- Sales revenues: EUR 241.9m
- Gross profit: EUR 38.3m, for a gross margin of 15.8%
- EBITDA: EUR 47.7m, for an EBITDA margin of 19.7%
- Operating profit: EUR 19.6m, for an EBIT margin of 8.1%
- Profit before tax: EUR 16.7m
- Consolidated net profit: EUR 13.9m
- Earnings per share: EUR 0.60
- No. of shares outstanding (average)*: 23,323

* Thousands of shares

Financing

The maturities of the total financial liabilities of EUR 268.1m were as follows:

Less than 1 year:	EUR	175.3m
1-5 years:	EUR	92.8m

The investments in expansion of capacity in India and China resulted in an increase in net debt from EUR 57m to EUR 250.5m in the past six months. Over the same period the substantial consolidated net profit pushed up the Group's equity by EUR 32m to EUR 261.8m, with the net effect that gearing is up from 84.3% to 95.7%.

AT&S opens new sales office in Taiwan

AT&S Group's involvement in Asia began ten years ago, and has proved a resounding success. In the spring of this year we announced that we would further expand manufacturing capacity in China with a new plant in Chongqing. Increased demand from large customers in Asia decided us to open a new sales office in Taiwan this autumn. This enables us to provide our customers with additional support and advice on the spot.

Over the past few years, our global sales network has proved to be a major factor in the Group's ongoing development and success. We currently have production facilities in Austria, China, India and Korea. In addition, we have a sales, service and design centre in Nörvenich, Germany, and a sales network spanning four continents. Our objective with this production and sales structure is to be able to provide every customer, irrespective of size, with individual, tailored solutions.

Award for AT&S

The importance we run on effective environmental management system in all our plants has recently been highlighted by an award to our facilities in India. The ELCINA-EFY Annual Award has been awarded by ELCINA (Electronics Association of India) since 1976 for Excellence in Electronics Hardware Manufacturing and Services. To date we have invested more than EUR 4m in environmental protection in our plant in India.

With best regards

Andreas Gerstenmayer
Chairman of the Management Board

Thomas Obendrauf
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

Corporate governance information

On 23 September 2011 the Dörflinger Private Foundation announced that it had acquired 20,000 shares in AT&S AG at an average price of EUR 8.969 per share. This increases Dörflinger Private Foundation's holding in AT&S AG from 17.66% to 17.74%.

AT&S stock options

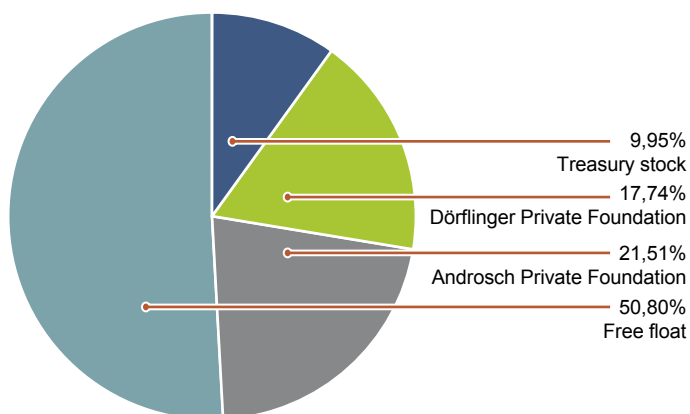
In the first half of financial 2011/12 there were no changes in the shareholdings of senior managers for the purposes of section 48d Austrian Stock Exchange Act (BörseG). Stock options held by members of the Management Board were as follows (Supervisory Board members do not receive stock options):

	2007	2008	2009	2010	2011	Summe
Andreas Gerstenmayer				40,000	40,000	80,000
Heinz Moitzi	30,000	30,000	30,000	30,000	30,000	150,000
Thomas Obendrauf	1,500	1,500	1,500	1,500	30,000	36,000
Exercise price (EUR)	22.57	15.67	3.86	7.45	16.60	

AT&S stock

Shareholdings

As of 30 September 2011, 50.80% of AT&S's shares constituted the free float, 21.51% were held by the Androsch Private Foundation, 17.74% by the Dörflinger Private Foundation and 9.95% by AT&S.



Share price in the first half of 2011/12

Over the past six months three factors have had a major impact on the performance of AT&S stock:

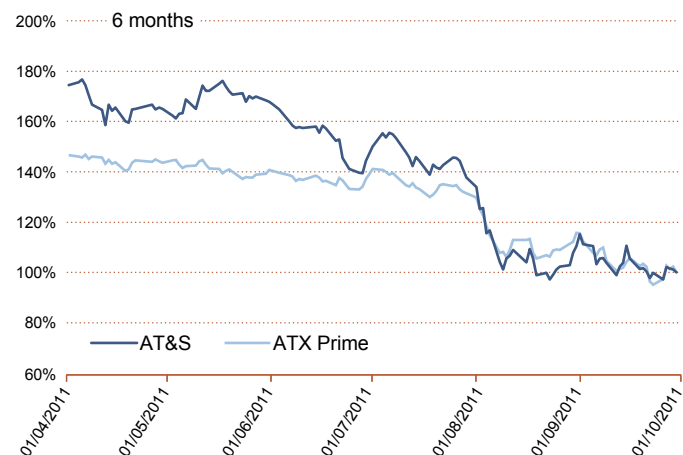
- The drop in volumes traded on the Vienna Stock Exchange
- The escalation of the debt crisis in several European countries, leading to a deterioration in the economic outlook for Europe
- The Group's performance in the first quarter, which fell short of expectations

Since the AT&S share is known as one of the Vienna Stock Exchange's cyclical stocks, the market downturn had a knock-on effect on our share's performance.

AT&S stock is currently being followed by six analysts, of which five unequivocally rate it "buy".

As part of our investor relation activities we travelled to New York and Toronto at the end of September. There we met with investors, who invest not only in high-tech companies in Asia and the USA but also in selected Austrian companies. There was significant interest in AT&S Group.

AT&S against the ATX Prime



Key stock figures for the first six months (EUR)

EUR	30 September 2011	30 September 2010
Earnings per share	0.60	0.82
High	15.90	11.83
Low	8.75	8.04
Close	9.00	11.83

AT&S stock

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

Financial calendar

24 January 2012	Results for 3rd quarter 2011/12
10 May 2012	Publication of financial statements 2011/12

Investor Relations

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12:00 H: 18°
L: 10°
Intermittent clouds

- Call History**
1 new voicemail
- Appointments:**
No upcoming appointments
- No tasks**
- Profile: Normal**



Interim Financial Report (IFRS)

Consolidated Income Statement

(in EUR 1,000)	1 July - 30 September		1 April - 30 September	
	2011	2010	2011	2010
Revenues	131,422	128,740	241,884	242,681
Cost of sales	(106,981)	(102,455)	(203,616)	(196,564)
Gross Profit	24,441	26,285	38,268	46,117
Selling costs	(6,588)	(6,113)	(12,580)	(11,917)
General and administrative costs	(4,919)	(5,260)	(10,202)	(10,526)
Other operating result	2,213	467	4,090	1,810
Non-recurring items	-	-	-	(725)
Operating result	15,147	15,379	19,576	24,759
Financial income	2,385	2,438	2,657	4,200
Financial expense	(3,164)	(3,439)	(5,547)	(4,501)
Financial result	(779)	(1,001)	(2,890)	(301)
Profit before tax	14,368	14,378	16,686	24,458
Income tax expense	(2,461)	(2,842)	(2,718)	(5,356)
Profit for the period	11,907	11,536	13,968	19,102
thereof owners of the parent company	11,851	11,542	13,986	19,145
thereof non-controlling interests	56	(6)	(18)	(43)
Earnings per share for profit attributable to equity holders of the parent company (in EUR per share):				
- basic	0.51	0.49	0.60	0.82
- diluted	0.51	0.49	0.60	0.81
Weighted average number of shares outstanding – basic (in thousands)	23,323	23,323	23,323	23,323
Weighted average number of shares outstanding – diluted (in thousands)	23,373	23,463	23,373	23,463

Consolidated Statement of Comprehensive Income

(in EUR 1,000)	1 July - 30 September		1 April - 30 September	
	2011	2010	2011	2010
Profit for the period	11,907	11,536	13,968	19,102
Currency translation differences	30,940	(33,132)	27,045	(1,667)
Fair value gains/(losses) of available-for-sale financial assets, net of tax	(8)	2	(11)	2
Fair value gains/(losses) of cash flow hedges, net of tax	(122)	30	(155)	24
Other comprehensive income for the period	30,810	(33,100)	26,879	(1,641)
Total comprehensive income for the period	42,717	(21,564)	40,847	17,461
thereof owners of the parent company	42,663	(21,558)	40,867	17,504
thereof non-controlling interests	54	(6)	(20)	(43)

Consolidated Balance Sheet

(in EUR 1,000)	30 September 2011	31 March 2011
ASSETS		
Non-current assets		
Property, plant and equipment	440,371	385,510
Intangible assets	2,403	2,543
Financial assets	96	121
Overfunded retirement benefits	624	590
Deferred tax assets	12,129	10,736
Other non-current assets	8,243	4,144
	463,866	403,644
Current assets		
Inventories	66,008	53,376
Trade and other receivables	121,107	99,899
Financial assets	796	13,912
Current income tax receivables	337	277
Cash and cash equivalents	16,773	4,227
	205,021	171,691
Total assets	668,887	575,335
EQUITY		
Share capital	44,475	44,475
Other reserves	14,849	(12,032)
Retained earnings	202,511	197,020
Equity attributable to owners of the parent company	261,835	229,463
Non-controlling interests	(41)	353
Total equity	261,794	229,816
LIABILITIES		
Non-current liabilities		
Financial liabilities	92,790	95,559
Provisions for employee benefits	12,774	12,210
Other provisions	11,767	11,967
Deferred tax liabilities	4,763	4,238
Other liabilities	3,725	2,109
	125,819	126,083
Current liabilities		
Trade and other payables	101,981	96,554
Financial liabilities	175,358	116,427
Current income tax payables	1,847	3,757
Other provisions	2,088	2,698
	281,274	219,436
Total liabilities	407,093	345,519
Total equity and liabilities	668,887	575,335

Consolidated Statement of Cash Flows

(in EUR 1,000)	1 April - 30 September	
	2011	2010
Cash flows from operating activities		
Profit for the period	13,968	19,102
Adjustments to reconcile profit for the period to cash generated from operations:		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	28,121	23,781
Changes in non-current provisions	260	(208)
Income tax expense	2,718	5,356
Financial expense	2,890	301
Losses from the sale of fixed assets	131	118
Release from government grants	(503)	(3,102)
Other non-cash expense, net	810	988
Changes in working capital:		
- Inventories	(10,186)	(10,489)
- Trade receivables and others	(4,793)	(10,349)
- Trade and other payables	4,790	16,935
- Other provisions	(603)	7
Cash generated from operations	37,603	42,440
Interest paid	(6,551)	(6,359)
Interest and dividends received	92	250
Income tax paid	(5,024)	(4,232)
Net cash generated from operating activities	26,120	32,099
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(62,640)	(48,795)
Proceeds from sale of property, plant and equipment and intangible assets	72	-
Acquisition of non-controlling interest	(473)	-
Purchases of financial assets	(769)	(2,257)
Proceeds from sale of financial assets	1,096	1,267
Net cash used in investing activities	(62,714)	(49,785)
Cash flows from financing activities		
Proceeds from borrowings	54,101	12,156
Proceeds from government grants	2,435	2,999
Dividend paid	(8,396)	(2,332)
Net cash generated from financing activities	48,140	12,823
Net increase/(decrease) in cash and cash equivalents	11,546	(4,863)
Cash and cash equivalents at beginning of the year	4,227	13,354
Exchange gains on cash and cash equivalents	1,000	23
Cash and cash equivalents at end of period	16,773	8,514

Consolidated Statement of Changes in Equity

(in EUR 1,000)	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 March 2010	45,680	(1,560)	164,184	208,304	489	208,793
Total comprehensive income for the period	–	(1,641)	19,145	17,504	(43)	17,461
Dividend relating to 2009/10	–	–	(2,332)	(2,332)	–	(2,332)
Reclassifications of losses attributable to non-controlling interests	–	–	(43)	(43)	43	–
30 September 2010	45,680	(3,201)	180,954	223,433	489	223,922
31 March 2011	44,475	(12,032)	197,020	229,463	353	229,816
Total comprehensive income for the period	–	26,881	13,986	40,867	(20)	40,847
Dividend relating to 2010/11	–	–	(8,396)	(8,396)	–	(8,396)
Reclassifications of losses attributable to non-controlling interests	–	–	–	–	–	–
Acquisition of non-controlling interest	–	–	(99)	(99)	(374)	(473)
30 September 2011	44,475	14,849	202,511	261,835	(41)	261,794

Segment Reporting

1 April - 30 September 2011

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	169,313	72,571	–	241,884
Intercompany sales	53	88,048	(88,101)	–
Total revenues	169,366	160,619	(88,101)	241,884
Inter-segment revenue	(88,048)	(53)	88,101	–
Segment revenue, net	81,318	160,566	–	241,884
Operating result	12,536	9,055	(2,015)	19,576
Financial result	–	–	–	(2,890)
Profit before income tax	–	–	–	16,686
Income tax expense	–	–	–	(2,718)
Profit for the period	–	–	–	13,968
Total assets	117,001	558,835	(6,949)	668,887
Investments	5,480	53,083	(10)	58,553
Depreciation/amortisation	2,533	25,468	120	28,121
Non-recurring items	–	–	–	–

1 April - 30 September 2010

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	175,576	67,105	–	242,681
Intercompany sales	1	100,579	(100,580)	–
Total revenues	175,577	167,684	(100,580)	242,681
Inter-segment revenue	(100,579)	(1)	100,580	–
Segment revenue, net	74,998	167,683	–	242,681
Operating result	7,269	22,467	(4,977)	24,759
Financial result	–	–	–	(301)
Profit before income tax	–	–	–	24,458
Income tax expense	–	–	–	(5,356)
Profit for the period	–	–	–	19,102
Total assets	108,451	429,931	1,221	539,603
Investments	1,967	59,139	258	61,364
Depreciation/amortisation	2,450	20,967	364	23,781
Non-recurring items	–	–	(725)	(725)

Additional information

Revenue broken down by industries is as follows:

(in EUR 1,000)	1 April - 30 September	
	2011	2010
Mobile Devices	132,147	144,372
Industrial	66,246	68,870
Automotive	43,136	28,106
Other	355	1,333
	241,884	242,681

Revenue broken down by country is as follows:

(in EUR 1,000)	1 April - 30 September	
	2011	2010
Austria	11,476	11,430
Germany	68,480	59,116
Hungary	25,612	21,922
Other European countries	18,783	15,249
Asia	79,297	67,199
Canada, USA, Mexico	34,945	65,515
Other	3,291	2,250
	241,884	242,681

Notes to the Interim Financial Report

General

Accounting and valuation policies

The interim report for the six months ended 30 September 2011 has been prepared in accordance with the standards (IFRS and IAS) of the International Accounting Standards Board (IASB), taking IAS 34 into account, and the interpretations (IFRIC and SIC), as adopted by the European Union.

The consolidated interim financial statements do not include all the information contained in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2011.

There are no differences in accounting and valuation policies compared with those applied in the financial year ended 31 March 2011.

The consolidated interim statements for the six months ended 30 September 2011 are unaudited and have not been the subject of external audit review.

Notes to the income statement

Revenues

The sales revenues of EUR 241.9m in the first half of financial 2011/12 are almost exactly the same as in the same period last year (EUR 242.7m). It is very satisfactory that sales have held firm at last year's level even in the face of a weaker USD exchange rate in this first half year as compared with first half 2010/11. The sales of EUR 131.4m in the second quarter of the current financial year are the highest quarterly sales in AT&S's history, and 19% higher than those of the first quarter.

The division of production volumes – 70% in Asia and 30% in Europe – is more or less the same as in the comparable period last year, when the split was 69% to 31%. Comparing the first two quarters, there is a noticeable shift in favour of Asia, as a result of the excellent capacity utilisation achieved in the Shanghai plant.

On a segment basis, there was a marked increase in automotive business, where sales have jumped 53% in comparison with the same period last year. The mobile devices and industrial segments had slight decreases to report –8% and –4% respectively. However, mobile devices in particular were up again from first quarter to second quarter, by an impressive 36%.

Gross profit

Since the expansion of production capacities in Shanghai was effectively completed by the end of the first half of this financial year, there were higher charges for depreciation of property, plant and equipment, and in consequence increased production costs in comparison with the same period of the last financial year. This resulted in a gross profit of EUR 38.3m, as compared with EUR 46.1m a year ago. A quarter on quarter comparison for the current financial year shows a 77% improvement in gross profit from EUR 13.8m to EUR 24.4m. This satisfactory outcome is predominantly attributable to good second-quarter capacity utilisation in our Shanghai facility.

Non-recurring items

During the first half of the current financial year no costs were incurred that were attributable to non-recurring items.

In the first half of the previous financial year it was decided to close the Vienna office, since the headquarters function had moved back to Leoben, where the Company's registered office and the Leoben-Hinterberg plant are located. The non-recurring items last year related to the closure of the Vienna office, and consisted mainly of staff costs arising from the social plan agreed as a consequence of this decision.

Operating result

Similarly to the gross profit, operating profit for the period fell from EUR 24.8m last year to EUR 19.6m in the first half of financial 2011/12. There were minor savings in general administrative costs compared with the first half of last financial year. Sales and distribution expenses were up slightly, as a result of higher transport costs. Other operating profits in the current half-year came out at EUR 4.1m, compared with EUR 1.8m in the same period last year. The increase is largely attributable to an insurance claim and valuation gains on foreign currencies.

The operating profit in relation to sales (EBIT margin) was 8.1%, not quite as high as the 10.2% achieved last year. On a quarterly basis, however, there was a very satisfactory improvement – from 4.0% in the first quarter of the financial year to 11.5% in the second quarter.

The segment results before consolidation compared with the same period last year showed a considerable increase in Europe, from EUR 7.2m to EUR 12.5m. In Asia, however, the low capacity utilisation in the first quarter of the current financial year could not be made good in the second quarter, so that segment results dropped from EUR 22.5m last year to EUR 9.1m this year.

Financial result

The financial income in the first half year was mainly the result of valuation gains on the financing of the factory in China reflecting the revaluation of the renminbi yuan (CNY) against the euro to take into account appreciation since 31 March 2011.

Financial expenses consisted of interest expense of EUR 5.4m, compared with EUR 4.2m in the same period last year, and of small expense items arising from changes in exchange rates.

Taxes on income

The change – as compared with the same period last year – in the effective rate of tax on a consolidated basis is principally a consequence of the varying proportions of Group earnings contributed by individual companies with different tax rates, together with the effects of the various different tax regimes which the Group is subject to.

Taxes on income are also significantly affected by the measurement of deferred taxation: for a large part of the tax loss carryforwards arising, deferred tax assets continue not to be recognised, since the likelihood of their being realisable in the foreseeable future is low.

Notes to the comprehensive income statement

Currency translation differences

The increase in the foreign currency translation reserve in the first half of the current financial year (EUR 27m) reflected almost exclusively the changes in exchange rates of the Group's functional currencies, the renminbi yuan (CNY) and the Hong Kong dollar (HKD), against the Group reporting currency, the euro. In the same period last year exchange rate changes had only a minor effect on the comprehensive income statement.

Notes to the balance sheet

Assets and finances

Net debt rose to EUR 250.5m, an increase of EUR 56.8m compared with the position at 31 March 2011. Financing requirements have increased mainly in connection with the expansion of the plant in Shanghai together with the first phase of investment in the new plant in China, in Chongqing. Working capital also increased, from EUR 79.4m at 31 March 2011 to EUR 105.6m at the end of the first half of the financial year. The net gearing ratio rose from

84% at 31 March 2011 to 96% at the end of the half-year, effectively unchanged from the end of first-quarter financial 2011/12. This reflected the improvement in the Group's equity as a result of the satisfactory consolidated net income and exchange translation gains, and despite the ongoing capital investment.

As a result of healthy earnings and exchange translation gains, the Group's consolidated equity rose from EUR 229.8m at the end of the last financial year to EUR 261.8m at 30 September 2011. Consolidated net income for the period totalled EUR 42.7m. In the same period last year there were no significant exchange differences affecting consolidated net income.

Treasury shares

In the 16th Annual General Meeting of 7 July 2010 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire the Company's own shares up to a maximum amount of 10% of the share capital. The Management Board was also again authorised – for a period of five years (i.e., until 6 July 2015) and subject to the approval of the Supervisory Board – to dispose of treasury shares otherwise than through the stock exchange or by means of a public offering, and in particular for the purpose of enabling the exercise of employee stock options or the conversion of convertible bonds, or as consideration for the acquisition of businesses or other assets.

No further treasury shares were acquired under the share repurchase scheme in the first half of this financial year. At 30 September 2011 and taking into account the stock options exercised, the Group held the same number of treasury shares – 2,577,412 shares, or 9.95 % of the issued share capital – as at 31 March 2011, with a total acquisition cost of EUR 46.6 million.

Notes to the cash flow statement

Net cash provided by operating activities in the financial year to date amounted to EUR 26.1m, compared with EUR 32.1m in the same period last year. The main reason for the slight decline compared with last year was the higher working capital requirement as a result of increases in inventories and receivables. There was a positive effect on cash flow from operating activities as a result of final completion of the expansion of the plants in Shanghai and India in the current financial year: depreciation in the first half of the year was higher – EUR 28.1m compared with EUR 23.8m last year.

Net cash used in investing activities amounted to EUR 62.7m. The increase compared with the same period last year (EUR 49.8m) is explained by the continuing expansion of capacity in Shanghai and India and the first phase of development of the new facility in Chongqing, China.

Additional funds were taken up to finance the expansion of capacity, resulting in a net cash inflow from financing activities of EUR 48.1m compared with EUR 12.8m in the same period last year. Dividend payments were EUR 8.4m, as against EUR 2.3m in the preceding year.

Other information

New sales office in Taiwan

In order to be able to provide our customers in Taiwan with a better service, we are setting up a sales office there. The company is in the process of being formed, and will be a wholly owned subsidiary of AT&S Asia Pacific Ltd.

Dividends

As resolved in the Annual General Meeting of 7 July 2011, in the first half of the current financial year a dividend of EUR 0.36 per share amounting to a total of EUR 8,396,000 was paid out of retained earnings as at 31 March 2011.

Related party transactions

In connection with various projects, in the first half of financial 2011/12 fees amounting to EUR 204,000 were payable to AIC Androsch International Management Consulting Ges.m.b.H. and fees of EUR 4,000 were payable to Riedl & Ringhofer (lawyers).

Leoben-Hinterberg, 21 November 2011

Management Board

Andreas Gerstenmayer m.p.

Thomas Obendrauf m.p.

Heinz Moitzi m.p.

Group Interim Management Report

Business developments and performance

The second quarter of 2011/12 was the quarter with the highest sales to date in AT&S Group's history. As in past years, the seasonality of printed circuit board business is very much in evidence in this financial year too, particularly in the mobile devices sector: demand in the second and third quarters again rose appreciably. Sales for the first half of financial 2011/12 were EUR 241.9m, nearly reaching the excellent sales figure of EUR 242.7m for the same period last year. In the second quarter sales were up by 19% to EUR 131.4m, after EUR 110.5m in the first quarter.

Because of the current global economic climate, it has become generally more difficult to forecast future demand. However, our markets remain fundamentally sound, and in the medium to longer term we continue to base our plans on the assumption of attractive growth rates.

Considering revenues by Business Unit, after three weaker quarters Mobile Devices is now showing a very positive trend. Sales for the second quarter were up by 36% to EUR 76.2m from EUR 56.0m in the previous quarter. Automotive continued the growth trend of previous quarters, and sales for the first half of financial 2011/12 were more than 53% up on the same period last year. AT&S's Industrial Business Unit has been hit by the general decline in the industrial sector, with the result that sales for the first half of 2011/12 were slightly down compared with the same period last year.

The successful implementation of our strategy of focusing production on high-tech printed circuit boards resulted in us being able to increase the m² prices at nearly all our production facilities. The Austrian plants specialising in special orders and small batches were major contributors to this development.

Our plant in Shanghai, which is geared towards large batches using HDI technology, achieved satisfactory capacity utilisation in the second quarter after a period of capacity under-utilisation in the first quarter. The forecast for the third quarter is also positive.

To cope with growing demand from our customers, a new plant in Chongqing is to be built in the months to come. Currently, the production hall is under construction. Further investment decisions will be made depending on how customer demand develops.

Material events after balance sheet date

To improve the maturity structure of its financing, on 18 November 2011 (value date), AT&S issued 5% bonds denominated in units of EUR 1,000 to a total value of EUR 100m, repayable in five years. Application for admission of the bonds to listing in the Semi-Official Market of the Vienna Stock Exchange has been made.

Significant risks, uncertainties and opportunities

There were no material differences in the categories of risk exposure in the course of the first half of the financial year 2011/12 compared with those described in detail in the notes to the 2010/11 consolidated financial statements under II. Risk Report.

In order to reduce liquidity risk, long-term funding was put in place in earlier financial years. In addition, after the end of the current half-year a 5-year EUR 100m bond was issued for the purpose of improving the maturity structure of AT&S Group's financing. Sufficient credit facilities are also available to cover the increased working capital requirements resulting from higher volumes of business. In addition to this, on the basis of the authorisation conferred in the Annual General Meeting of 7 July 2010 the Management Board also has the option of issuing up to 12,950,000 new shares out of authorised capital and convertible bonds up to a nominal value of EUR 100,000,000, and may dispose of treasury shares.

In the first half of financial 2011/12 there was a significant positive cash flow from operating activities. Given the projections of continuing net cash inflows from operating activities and the comprehensive financing arrangements, enough liquidity is available to cover all currently planned and potential future investments.

For more information on the use of financial instruments please refer to the detailed Risk Report in the consolidated financial statements. Group exposure to currency risk and its effects on operating profit is further reduced by the fact that the Group's sales in US dollars are largely originated in production facilities in the extended US dollar area. With respect to the remaining effects, changes in the exchange rates of functional currencies against the reporting currency, the euro, are mainly recognised directly in equity.

Despite continuing investment activities, net debt of 96% at the end of the first half of the financial year remained at the same level as at the end of the first quarter. In addition to excellent consolidated net income, exchange translation gains from the appreciation of the BNY and HKD against the EUR helped to strengthen the Group's equity base. Given a continuation of the positive earnings situation and stable exchange rates, we are confident that the ratio will return to the target level of 80% in the medium term.

With respect to the opportunities and risks attaching to developments in the external environment for financial 2011/12 as a whole, the assumption is still that total sales of the printed circuit board industry worldwide will increase. In the first half year, internal and external growth expectations for AT&S were missed by a small margin, but developments in the second quarter were already moving in the right direction. The first quarter was still seriously affected by project postponements, while significantly improved capacity utilisation was achieved in the second quarter. The behaviour of the global economy in the medium term is, however, difficult to gauge. Past experience – especially in recent years – has shown that markets and macroeconomic conditions should always be viewed critically and kept under constant review, in order to ensure prompt reaction to any changes.

Outlook

The continuing increase in the use of electronic systems in everyday life, the growing penetration rates of communications applications and the increasing functionality of mobile devices will all lead to rising demand for high-end printed circuit boards. Management expects above average benefits for AT&S from this development because of its decision to focus on the high value end of the market.

On the basis of our latest market and customer information, we see no reason to revise the forecast for the current financial year that we published in May 2011. The current global economic climate has made it more difficult to quantify future requirements reliably, which in turn makes quarterly forecasting more uncertain. However, the market remains fundamentally sound, and in the medium to longer term promises attractive growth rates. For AT&S, what is crucial is that consumer confidence remains at its present levels, that shifts in exchange rate parities

do not increase any further, and that there is no sudden economic downturn in Europe and the USA such as we experienced in 2008. In the short term, much will also depend on the upcoming holiday shopping season.

In order to be able to keep pace with faster growth in all its businesses and service its customers, AT&S continues to expand its production facilities. Depending on how rapidly construction and installation proceeds, present expectations are that investments for the whole of financial 2011/12 will be in the region of EUR 130m. The lion's share of investment is accounted for by expansion activities in Shanghai, as well as the construction work (buildings and infrastructure) for the new plant in Chongqing.

Higher capacity utilisation and more efficient use of available capacities compared with the first quarter of the current financial year are expected to have a positive impact on operating profit. In the light of this, Management is forecasting an EBIT margin of over 9% for financial 2011/12 as a whole.

Leoben-Hinterberg, 21 November 2011

Management Board

Andreas Gerstenmayer m.p.

Thomas Obendrauf m.p.

Heinz Moitzi m.p.

Statement of all Legal Representatives

We confirm to the best of our knowledge that the interim 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 interim management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Leoben-Hinterberg, 21 November 2011

The Management Board

Andreas Gerstenmayer
Chairman of the Management Board

Thomas Obendrauf
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

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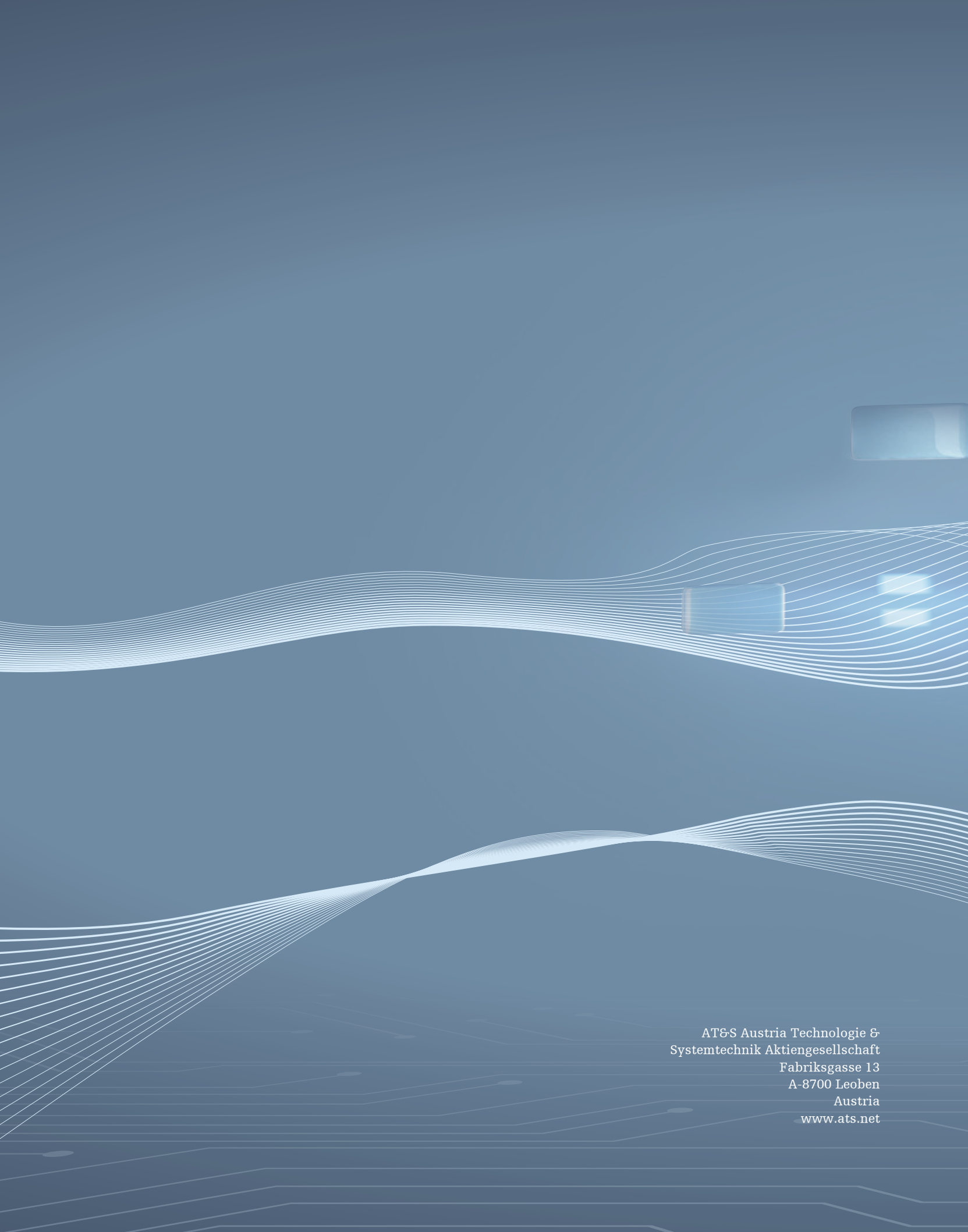
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