

## Key issues in 2010

### Answers from AT&S AG

This year the IVA has again formulated ten questions on key issues, and is inviting listed companies to answer them. The companies' responses are posted on the internet, at [www.iva.or.at](http://www.iva.or.at).

The questions:

1. **How many employees had higher total annual remuneration than an ordinary management board member in 2009? How many employees earned more than 75 percent of the remuneration of an ordinary management board member?**

*No employees had higher total annual remuneration than an ordinary management board member in the financial year 2009/10. Three AT&S Group employees earned slightly more than 75% (including expatriate benefits and benefits in kind) of the remuneration of an ordinary management board member. All three are management board members at AT&S subsidiaries abroad.*

2. **What performance measures do you use to ensure that the performance-related pay of management board members and other senior executives promotes sustainable, long-term value creation in the company? How high is total performance-related pay as a proportion of the total wage and salary bill?**

*The internal performance indicators used at AT&S are return on capital employed (ROCE) and economic value added (EVA). As none of the performance thresholds were achieved in the last financial year, performance-related pay accounted for 0% of the total wage and salary bill.*

**3. How high were tax-deductible entertainment expenses in 2009?**

*Tax-deductible entertainment expenses at AT&S Group subsidiaries liable for Austrian corporation tax amounted to around EUR 46,000.*

*In the meaning of section 12(1)(3) Austrian Corporate Income Tax Act in conjunction with section 20(1)(3) Income Tax Act, entertainment expenses are generally non-deductible. Regarding hospitality expenses for business acquaintances, if the taxpayer can prove that the entertainment serves as advertising and is for predominantly business reasons, half of those expenses are tax-deductible.*

*In the case of the Group companies that are not fully liable for tax (i.e. foreign subsidiaries), applying a definition of entertainment expenses comparable to that of the Austrian Income Tax Act and Income Tax Guidelines, some EUR 2.9 million in such expenses qualified as tax-deductible in the various tax jurisdictions concerned.*

**4. What were the effects of the financial crisis on the company's financing, with regard to the terms and the company's ability to raise capital?**

*Liquidity became a valuable commodity during the financial crisis. However, AT&S had no difficulties in raising capital. This was reflected in new long-term borrowing and the approval of credit lines for money market financing (liquidity reserves on the balance sheet date increased by EUR 20.4 million (m) year on year). Regarding terms, interest margins rose and low refinancing rates also had a positive impact. As a result, the total burden on the Group's financing structure remained virtually unchanged.*

**5. Austria only: How high were your corporate income tax payments in 2009, and any tax loss carryforwards and their impact on deferred tax? How high were subsidies and other funding from the federal government, provincial governments, local authorities and the Chamber of Economics for research and development, investments, employment, exports and marketing?**

Corporate income tax payments in 2009: EUR 7,000 (minimum payment)  
Cumulative tax loss carryforwards at 31 March 2010: Approx. EUR 150m  
Impact on deferred tax: EUR 0 (no longer capitalised)

*The impact on income of government grants and grants for costs is described in section IV of the notes to the consolidated financial statements. Austria accounted for EUR 203,000 of total income from the reversal of government grants of EUR 758,000; government grants for costs totalled EUR 1,844,000, of which EUR 1,020,000 was attributable to Austria.*

6. **How high were your expenses for human resource (HR) consulting, legal advice, and PR and lobbying in 2009 (please itemise)?**

*HR consulting: EUR 208,000*

*Legal advice: EUR 154,000*

*PR: EUR 43,000*

*(Figures rounded to the nearest thousand)*

7. **What was the cost of external services employed for the annual general meeting, the annual report (please state size of edition) and IR work (inc. roadshows and attendance of investors' meetings, exhibitions and shareholder events)?**

*Annual general meeting 2009: EUR 70,000*

*Annual report 2009/10: EUR 50,000 (1,600 copies)*

*IR work: EUR 73,000 (including EUR 10,000 for events and roadshows)*

8. **Do you have an internal audit unit? If so, how many employees does it have? If the audit was performed externally, what did this cost?**

*An internal audit unit is in place (with one staff member). Relevant experts from the various departments are involved in internal audits.*

9. **Which steps have you taken to counter the effects of climate change? Please give a description and the costs of these measures.**

*AT&S was one of the leading companies to have implemented global systems to measure its carbon footprint in the financial year 2009/10. The calculations were based on energy consumption during production and the costs of transporting goods to consumers for all six production plants. AT&S aims to continuously reduce its energy consumption from year to year.*

*A number of steps were taken to reduce energy consumption and CO<sub>2</sub> emissions:*

- Innovative water treatment technology at the Nanjangud plant improved the share of recycled water in production to 80%; the technology will be installed at the Nanjangud 2 site by the end of 2010*
- Cutting-edge water treatment technology at the Shanghai plant*
- Installation of heat pumps at the Hinterberg plant should reduce gas consumption by 191,000 cubic metres, saving 335 tonnes of CO<sub>2</sub>*
- Savings of 30% in energy consumed for lighting*
- Strict requirements apply to all investments in equipment to ensure that water and energy consumption is minimised*

10. **Do you channel business and financial transactions through tax havens such as Liechtenstein, Malta, Cyprus, Singapore, Caribbean islands or the**

**Channel Islands? If so, please state the scale of these operations and the reasons for them.**

*No*

**Thank you for your answers!**