

**Report of the Supervisory Board of
AT & S Austria Technologie & Systemtechnik Aktiengesellschaft („AT&S“)
based in Leoben-Hinterberg
to the Annual General Meeting**

Throughout the financial year from 1 April 2009 to 31 March 2010, the Supervisory Board received written and oral reports from the Management Board on the company's policies and performance, and was closely involved in a number of the Group's major issues.

During the financial year 2009/10 the Supervisory Board convened four times, with the Management Board participating. In these meetings the Management Board provided the Supervisory Board with detailed reports on the state of AT&S Group's affairs. As part of the Group's reporting procedures and at all board meetings, the Management Board also gave the Supervisory Board comprehensive reports on the Group's operating and financial position, as well as its holdings in other companies, its staff situation and its planned investments. Strategic projects, long-term strategy, new statutory requirements, in particular the Austrian Shareholders' Rights (Amendment) Act 2009 (Aktienrechtsänderungsgesetz 2009), measures to cope with the economic crisis, and corporate and staff restructuring initiatives were discussed and decided on. Outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board also held ongoing discussions on the Group's strategic focus and the progress of its business activities.

All members were present at two of the Supervisory Board meetings in the financial year 2009/10, while Erich Schwarzbichler and Karl Fink were each excused from one meeting. At the meeting on 10 June 2009 Günther Wölfler replaced Markus Schumy as Supervisory Board member delegated by the Works Council.

The committees established by the Supervisory Board carried out detailed analysis of particular issues and reported their findings to the Supervisory Board. The Audit Committee met twice during the last financial year. The first meeting was chaired by Erich Schwarzbichler, who resigned his appointment at the Annual General Meeting on 2 July 2009. He was succeeded by Gerhard Pichler, who was unanimously elected as new member of the Supervisory Board. The Supervisory Board then appointed him as Chairman of the Audit Committee. In this function Gerhard Pichler was regularly involved in the quarterly reporting, and reported on these matters to the Audit Committee.

In the financial year just ended Harald Sommerer, the Chairman of the Management Board, decided not to extend his appointment when it expired on 30 June 2010. The Nomination and Remuneration Committee met once to initiate the measures required to appoint a successor to Harald Sommerer. Andreas Gerstenmayer was appointed Chairman of the Management Board for a period of three years beginning on 1 February 2010 at the Supervisory Board meeting on 16 December 2009. Harald Sommerer left the Management Board on 31 January 2010.

Further information on the activities of the Supervisory Board and its committees can be found in the corporate governance report.

The annual financial statements of AT&S AG and the consolidated financial statements for the year ended 31 March 2010 were both audited by PwC Wirtschaftsprüfung GmbH, Vienna, who awarded them an unqualified audit report. The management report and the Group management report for the financial year 2009/10 were consistent with the annual financial statements and the consolidated financial statements. Based on the preliminary discussions of the Audit Committee, and after its own detailed consideration and review, the Supervisory Board approved the annual financial statements for the year ended 31 March 2010 in accordance with section 96(4) Austrian Companies Act (Aktiengesetz). On the same basis, the Supervisory Board also approved the consolidated financial statements drawn up in accordance with section 245a Austrian Business Code (Unternehmensgesetzbuch) and with IFRS, as well as the management report, the Group management report and the corporate governance report. The Supervisory Board review did not give rise to any objections. The Supervisory Board adopted the Management Board's recommendation for the application of profits: the retained earnings as at 31 March 2010 amounting to EUR 14,143,889.47 are to be distrib-

uted in payment of a dividend of EUR 0.10 per share, and the remaining amount is to be carried forward.

The Supervisory Board would like to thank the Management Board and all of the Group's staff for their hard work during the financial year 2009/10 and for their dedication under extremely testing economic conditions.

On behalf of the Supervisory Board

Dr. Hannes Androsch
Chairman of the Supervisory Board

Leoben-Hinterberg, 8 June 2010