

# The market raises the questions.



# Key figures

	Unit	Q1 2015/16	Q1 2016/17	Change in %
<b>EARNINGS DATA AND GENERAL INFORMATION</b>				
Revenue	€ in millions	194.4	178.9	(8.0%)
thereof produced in Asia	%	80%	79%	–
thereof produced in Europe	%	20%	21%	–
Cost of sales	€ in millions	152.6	169.4	11.0%
Gross profit	€ in millions	41.8	9.4	(77.4%)
Gross profit margin	%	21.5%	5.3%	–
EBITDA	€ in millions	45.5	18.8	(58.6%)
EBITDA margin	%	23.4%	10.5%	–
EBITDA adjusted <sup>1)</sup>	€ in millions	45.2	38.1	(15.8%)
EBITDA margin adjusted <sup>1)</sup>	%	23.3%	21.9%	–
EBIT	€ in millions	23.8	(9.2)	(>100%)
EBIT margin	%	12.3%	(5.1%)	–
EBIT adjusted <sup>1)</sup>	€ in millions	25.7	19.1	(25.5%)
EBIT margin adjusted <sup>1)</sup>	%	13.2%	11.0%	–
Profit for the period	€ in millions	19.6	(13.6)	(>100%)
Profit for the period attributable to owners of the parent company	€ in millions	19.6	(13.6)	(>100%)
ROE (Return on equity) <sup>2)</sup>	%	13.0%	(9.7%)	–
ROCE (Return on capital employed) <sup>2)</sup>	%	10.8%	(3.7%)	–
ROS (Return on sales)	%	10.1%	(7.6%)	–
Cashflow from operating activities (OCF)	€ in millions	37.7	(11.8)	(>100%)
Net CAPEX	€ in millions	40.3	66.3	64.4%
Employees (incl. leased personnel), end of reporting period	–	8,539	9,222	8.0%
Employees (incl. leased personnel), average	–	8,390	9,165	9.2%
<b>BALANCE SHEET DATA</b>				
		31 Mar 2016	30 Jun 2016	
Total assets	€ in millions	1,344.7	1,488.4	10.7%
Total equity	€ in millions	568.9	553.5	(2.7%)
Equity attributable to owners of the parent company	€ in millions	568.9	553.5	(2.7%)
Equity ratio	%	42.3%	37.2%	–
Net debt	€ in millions	263.2	342.4	30.1%
Net gearing	%	46.3%	61.9%	–
Net working capital	€ in millions	88.4	99.6	12.7%
Net working capital per revenue	%	11.6%	13.9%	–
<b>STOCK EXCHANGE DATA</b>				
		Q1 2015/16	Q1 2016/17	
Shares outstanding, end of reporting period	–	38,850,000	38,850,000	–
Weighted average number of shares outstanding	–	38,850,000	38,850,000	–
Earnings per shares outstanding end of reporting period	€	0.50	(0.35)	(>100%)
Earnings per average number of shares outstanding	€	0.50	(0.35)	(>100%)
Market capitalisation, end of reporting period	€ in millions	504.7	419.2	(16.9%)
Market capitalisation per equity <sup>3)</sup>	%	84.0% <sup>4)</sup>	75.7%	–

<sup>1)</sup> Adjusted for Chongqing project.

<sup>2)</sup> Calculated on the basis of average values.

<sup>3)</sup> Equity attributable to owners of the parent company.

<sup>4)</sup> Calculated on the basis of the Equity as of 30 June 2015.

# Summary

- Generally stable capacity utilisation and high demand compared with the previous quarter – with the expected usual seasonal trend in the Mobile Devices & Substrates segment in Q1.
- As expected, revenue was below the level of the previous year, which showed no seasonality: Q1 2016/17: € 178.9 million, vs. Q1 2015/16: € 194.4 million, but at the same level as in Q4 2015/16.
- EBITDA influenced by start-up effects of the Chongqing project (€ 19.3 million): € 18.8 million vs. € 45.5 million; adjusted for the start-up effects, EBITDA amounts to € 38.1 million.
- The EBITDA margin was at 10.5%, down 12.9 percentage points on the prior-year level – adjusted at 21.9%, and hence at a similarly high level as in the previous year (23.3%) despite the seasonal slowdown.
- Loss for the period, at € -13.6 million, below the prior-year figure of € 19.6 million due to the start-up effects of the Chongqing project and significantly higher finance costs.
- Earnings per share declined from € 0.50 to € -0.35.
- Net investments in tangible and intangible assets in the first three months: € 66.3 million.
- Cash flow from operating activities before changes in working capital fell from € 44.7 million to € 8.6 million.
- Net debt rose from € 263.2 million to € 342.4 million, as expected, due to high investment activities; the net gearing ratio amounted to 61.9%.
- Status Chongqing: The optimisation of the highly complex production facilities for the first production line for IC substrates is currently causing a slightly flatter ramp-up. AT&S adheres to the target of full utilisation of production line 1 at the end of the calendar year 2016. Parts of production line 1 for substrate-like PCBs were started in early July, ahead of schedule.
- Guidance for financial year 2016/17 confirmed.



# Corporate Governance information

**22<sup>ND</sup> ORDINARY ANNUAL GENERAL MEETING** At the 22<sup>nd</sup> Ordinary General Meeting of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (AT&S) on 7 July 2016, held after the end of the reporting period on 30 June 2016, a dividend of € 0.36 per participating no-par value share was adopted for the financial year 2015/16. Ex-dividend day was 26 July 2016 and dividend payment day is 28 July 2016.

At the Annual General Meeting, the members of the Management Board and the Supervisory Board were granted discharge for the financial year 2015/16.

In accordance with the proposal of the Management and Supervisory Board, the remuneration for the Supervisory Board for the business year 2015/16 has been determined at an amount of € 437,200 in the aggregate. This remuneration will be paid out in the financial year 2016/17 for the preceding financial year 2015/16.

PwC Wirtschaftsprüfung GmbH, Vienna, was appointed auditor and group auditor for the financial year 2016/17.

Moreover, the Articles of Association were amended with respect to the term of office of Supervisory Board members and the by-election for resigning Supervisory Board members.

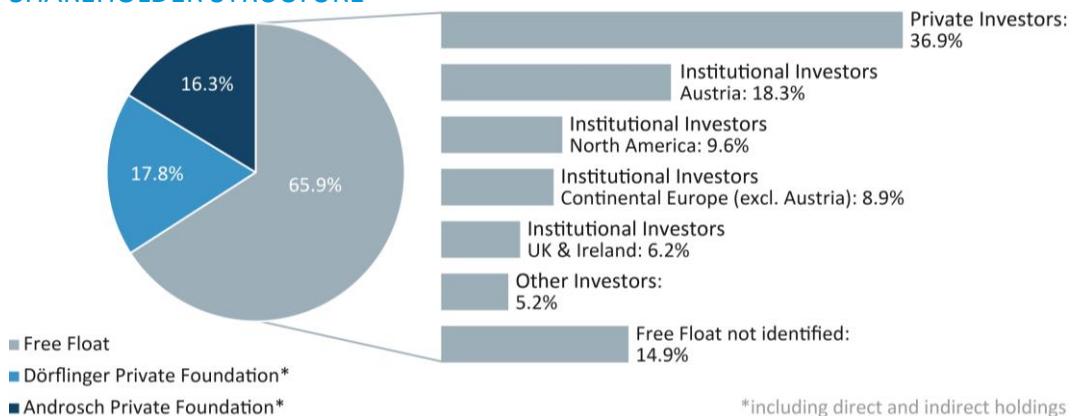
Furthermore, in accordance with the proposal of the Supervisory Board, the Annual General Meeting resolved to re-elect Georg Riedl, Regina Prehofer and Karin Schaupp to the Supervisory Board of the company until the end of the Annual General Meeting which decides on the discharge of the financial year 2018/19.

In the course of the Annual General Meeting it was announced that the mandates of the Management Board members Andreas Gerstenmayer, CEO, Karl Asamer, CFO and Heinz Moitzi, COO have been prolonged for five years - prior to maturity - until 31 May 2021.

**SUPERVISORY BOARD** As disclosed under “22<sup>nd</sup> Ordinary Annual General Meeting”, the Annual General Meeting adopted a resolution to re-elect Georg Riedl, Regina Prehofer and Karin Schaupp to the Supervisory Board of the company. The term of office runs until the end of the Annual General Meeting which decides on the formal approval of the financial year 2018/19, hence in principle until the 25<sup>th</sup> Ordinary Annual General Meeting in the year 2019.

# AT&S stock

## SHAREHOLDER STRUCTURE

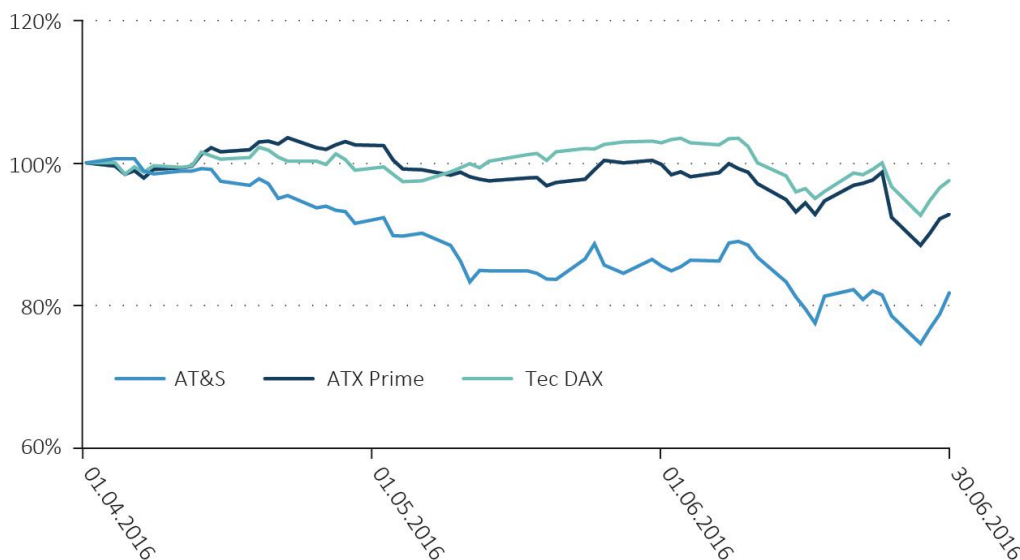


## DEVELOPMENTS IN THE CAPITAL MARKET IN THE FIRST QUARTER OF 2016/17

After the oil price had temporarily dropped to the lowest level in many years during the first calendar quarter of the year, it started to increase again in the second calendar quarter (first quarter of the AT&S financial year), which also had a positive effect on the share price developments in the international financial markets. In contrast, the uncertainties about whether the United Kingdom would stay in the European Union slowed down the development. The result of the referendum in favour of leaving (Brexit) led to severe turbulence in all relevant international financial markets.

While the US lead index, the Dow Jones Industrial (DJI), recorded an increase by 1.4% in the first quarter of the AT&S financial year, Europe's stock benchmark, the Euro Stoxx 50, fell by 4.7% during the same period. Austria's lead index ATX exceeded 2,000 points again after briefly dropping below this mark at the end of June. However, it still closed the quarter with a loss of 7.7%. The broader-based ATX Prime lost 7.4%.

## AT&S AGAINST ATX PRIME AND TEC DAX



**PERFORMANCE AND LIQUIDITY OF THE AT&S SHARE** On the Vienna Stock Exchange the AT&S share started the first quarter of the financial year 2016/17 at a price of € 13.00 and reached its high of € 13.43 in early April. In the course of the quarter the share price declined, reaching a low of € 9.60 on the day after the Brexit referendum. During the last trading days of the quarter, the share price rose again and the share closed at € 10.79 on 30 June 2016, which corresponds to a 16.4% decline during the reporting period.

Traded at a daily average volume of 73,730 shares on the Vienna Stock Exchange, the AT&S share slightly exceeded the level of the previous year (73,428 units). In contrast, the average trading turnover declined from € 1,082,899 to € 838,892 due to the low share price.

In the first quarter, AT&S again carried out a comprehensive programme of road shows and conferences in the relevant European financial centres such as Frankfurt, London and Zurich. These activities were complemented by a number of talks with analysts, and institutional and private investors. Within the scope of these contacts, existing and potential investors were informed about the development at the new plants in Chongqing and the trends in the core business.

AT&S is currently covered by analysts of eight investment banks, whose ratings included three “buy” and five “hold” recommendations.

### KEY STOCK FIGURES FOR THE FIRST THREE MONTHS (IN €)

	30 June 2016	30 June 2015
Earnings per share	(0.35)	0.50
High	13.43	15.99
Low	9.60	12.99
Close	10.79	12.99

### AT&S SHARE

	Vienna Stock Exchange
Shares outstanding	38,850,000
Security ID number	969985
ISIN-Code	AT0000969985
Symbol	ATS
Reuters RIC	ATSV.VI
Bloomberg	ATS:AV
Indices	ATX, ATX GP, WBI, VÖNIX

### FINANCIAL CALENDAR

03 November 2016	Results for the first half-year 2016/17
31 January 2017	Results for the first three quarters 2016/17
09 May 2017	Annual results 2016/17
26 June 2017	Record date Annual General Meeting
06 July 2017	23 <sup>rd</sup> Annual General Meeting

### CONTACT INVESTOR RELATIONS

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# Group Interim Management Report

**BUSINESS DEVELOPMENTS AND SITUATION** As expected, AT&S started the financial year 2016/17 with lower revenue than in the comparative period of the previous year. Revenue declined by € 15.5 million or -8.0% from € 194.4 million to € 178.9 million. This decrease results from lower seasonal demand for printed circuit boards for mobile devices, which is usual in the first three months; however, demand is still at a similarly high level as in the last three months of the past financial year. IC substrates generated the first revenues. The Automotive, Industrial, Medical segment increased its revenue slightly. The activities of the business unit Advanced Packaging, which are included in the Others segment, recorded a slight decline. Negative currency developments had little influence on revenue. The share of products manufactured in Asia declined slightly from 80% in the previous year to 79% in the current financial year.

## Result key data

€ in millions (unless otherwise stated)

	Q1 2016/17	Q1 2015/16	Change in %
Revenue	178.9	194.4	(8.0%)
Operating result before interest, tax, depreciation and amortisation (EBITDA)	18.8	45.5	(58.6%)
EBITDA margin (%)	10.5%	23.4%	
EBITDA adjusted	38.1	45.2	(15.8%)
EBITDA margin adjusted (%)	21.9%	23.3%	
Operating result (EBIT)	(9.2)	23.8	(>100%)
EBIT margin (%)	(5.1%)	12.3%	
EBIT adjusted	19.1	25.7	(25.5%)
EBIT margin adjusted (%)	11.0%	13.2%	
Profit for the year	(13.6)	19.6	(>100%)
Earnings per share (€)	(0.35)	0.50	(>100%)
Additions to property, plant and equipment and intangible assets	81.1	59.9	35.2%
Average number of staff (incl. leased personnel)	9,165	8,390	9.2%

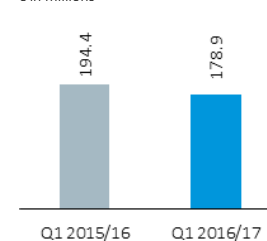
EBITDA declined by € 26.7 million or -58.6% from € 45.5 million to € 18.8 million in the first three months. The reduction results primarily from the start-up effects of the Chongqing project, which burdened EBITDA with € 19.3 million in the first three months. Adjusted for these start-up effects, EBIT would amount to € 38.1 million, which would be € 7.1 million or -15.8% below the high level of the previous year. This decline is a result of the decrease in revenue and increased price pressure.

The EBITDA margin was 10.5% in the first three months and thus -12.9 percentage points below the very high level of 23.4% in the previous year. Adjusted for the Chongqing project, the margin would amount to 21.9%, down -1.4 percentage points on the adjusted prior-year level. AT&S nearly maintained its relative profitability in the core business at the very high prior-year level despite of the seasonal slowdown.

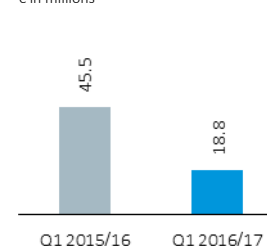
Depreciation and amortisation increased by € 6.3 million or 13.6% compared with the previous year, from € 21.7 million to € 28.0 million. This is due to the € 7.6 million increase in depreciation for the Chongqing project. In the core business, depreciation and amortisation rose by € 0.9 million. Changes in currency translation effects reduced depreciation and amortisation by € 2.2 million.

EBIT dropped by € 33.0 million from € 23.8 million to € -9.2 million. Adjusted for the Chongqing project, EBIT totalled € 19.1 million, and was thus € 6.6 million lower than in the adjusted previous year.

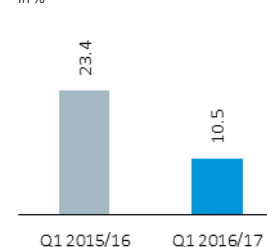
Development of revenue  
€ in millions

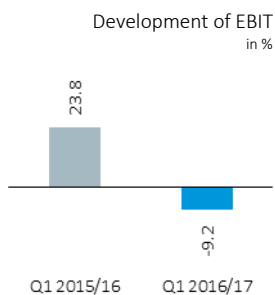


Development of EBITDA  
€ in millions



EBITDA margin  
in %

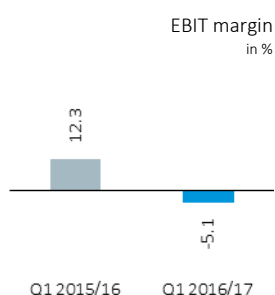




The EBIT margin amounted to -5.1% (previous year: 12.3%). The adjusted margin was 11.0%, thus -2.2 percentage points below the adjusted prior-year level of 13.2%.

Finance costs decreased significantly from € -0.2 million to € -5.7 million. Despite the 24.4% increase in gross debt due to optimisation measures carried out, gross interest expenses, at € 3.9 million, were only 8.9% higher than in the previous year, at € 3.6 million. Capitalised interest rose by € 0.6 million, from € 0.7 million to € 1.3 million. Currency translation effects had an impact of € 3.3 million on finance costs in the first three months, leading to additional expenses of € 5.8 million compared with the income of € 2.5 million in the previous year.

Based on earnings before tax, tax income of € 1.3 million was recorded (previous year: tax expenses of € 4.0 million), which resulted from the capitalisation of deferred taxes on current losses. At 8.4%, the Group's tax rate was significantly below the level of 16.9% in the previous year. However, as the amounts are low, these figures have little significance as small amounts can lead to substantial percentage deviations in a high-tax or low-tax country.



The profit for the period fell by € 33.2 million from € 19.6 million to a loss for the period of € -13.6 million due to the start-up effects of the Chongqing project and the significantly higher negative finance costs. Consequently, earnings per share decreased from € 0.50 to € -0.35.

**FINANCIAL POSITION** Total assets increased by € 143.7 million or 10.7% in the first three months, from € 1,344.7 million to € 1,488.4 million. The increase due to additions to assets for the new plant in Chongqing of € 60.5 million and technology upgrades at the other sites of € 20.5 million (the additions to assets led to € 66.8 million of cash CAPEX) was offset by an increase of € 6.3 million in depreciation and amortisation to a total of € 28.0 million. The increase in inventories by € 83.4 million to € 96.3 million primarily results from the ramp-up of the IC substrate production. The increase in receivables is in turn related to seasonal factors as the lower revenue resulting from the Chinese New Year's celebrations generally leads to lower receivables at the end of the year. The increase in trade and other payables resulted from a higher purchasing volume for the Chongqing project. Financial assets rose by € 35.5 million to € 123.3 million. Together with higher cash and cash equivalents of € 185.1 million (31 March 2016: € 171.9 million), AT&S has a total of € 308.4 million of cash and cash equivalents available or available in the short term. The scheduled repayment of the bond in November, the financing of the start-up phase as well as the necessary investments in the second substrate line and outstanding payments for investments in the two lines for substrate-like printed circuit boards are thus secured.

Equity decreased by € 15.4 million or -2.7% from € 568.9 million to € 553.5 million. The decline resulted from the loss for the period of € 13.6 million and negative currency differences of € 1.8 million from the translation of the net asset position of the subsidiaries as well as from the translation of long-term loans to subsidiaries. Due to the substantial increase in total assets, the resulting equity ratio, at 37.2%, was -5.1 percentage points down and thus significantly lower than at 31 March 2016.

Net debt rose by € 79.2 million or 30.1% from € 263.2 million to € 342.4 million. This increase was expected and resulted from the high investment activities and the increase in working capital, which can not be financed from the operating result.

The net gearing ratio, at 61.9%, was at a higher level than at 31 March 2016, at 46.3%. This results from the increase in net debt and from the slight decrease in equity due to the above-mentioned effects.

In the first three months, further optimisation measures were taken in the treasury area. In addition to the payout of € 100.0 million from the bilateral promissory note loan, which had been signed at the end of March



2016, with a term of 7 years, another bilateral promissory note loan of € 50.0 million, with a term of 5 years, was signed and paid out in May 2016. In addition, an OeKB equity financing transaction of € 75.0 million was concluded with a consortium of Austrian banks at the end of June 2016. Of this total, € 25.0 million can be drawn until 31 December 2017 and € 50.0 million until 31 March 2018. After a grace period, the repayments will be made from 30 September 2018 to 30 June 2026. The funds received will be used for the optimisation of the existing loan structure on the one hand; on the other hand, they enable AT&S to take advantage of the low interest level of the last years. Further optimisation measures are currently under review.

**BUSINESS DEVELOPMENT BY SEGMENTS** The AT&S Group breaks its operating activities down into three segments: Mobile Devices & Substrates, Automotive, Industrial, Medical and Others. For further information on the segments and the segment reporting please refer to the Annual Report 2015/16.

AT&S has successfully positioned itself as a high-end manufacturer in all three segments. The share of the segment Mobile Devices & Substrates in total external revenue declined from 59.6% to 54.6%. The share of the Automotive, Industrial, Medical segment in revenue was at 45.0% (previous year: 40.0%). The significance of the Others segment remained constant at 0.4%.

**MOBILE DEVICES & SUBSTRATES SEGMENT** Demand for high-end printed circuit boards for mobile devices was seasonally good in the first three months, while the comparative quarter of the previous year showed no seasonality. Therefore, revenue fell by € 17.8 million or -12.9%, from € 138.2 million to € 120.4 million. This includes the first revenues from IC substrates.

#### Mobile Devices & Substrates segment – overview

€ in millions (unless otherwise stated)

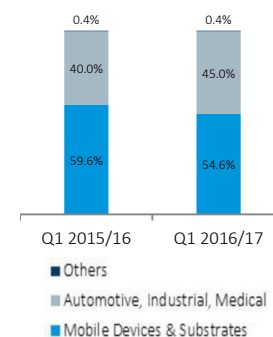
	Q1 2016/17	Q1 2015/16	Change in %
Segment revenue	120.4	138.2	(12.9%)
Revenue from external customers	97.7	115.9	(15.6%)
Operating result before interest, tax, depreciation and amortisation (EBITDA)	8.7	33.3	(73.8%)
EBITDA margin (%)	7.3%	24.1%	
Operating result (EBIT)	(15.4)	14.4	(>100%)
EBIT margin (%)	(12.8%)	10.5%	
Additions to property, plant and equipment and intangible assets	75.9	49.0	55.0%
Employees (incl. leased personnel), average	6,409	5,689	12.7%

EBITDA declined by € 24.6 million or -73.8% from € 33.3 million to € 8.7 million. The EBITDA margin was influenced by the aforementioned start-up effects of the Chongqing project. Adjusted for the share of the Mobile Devices & Substrates segment in the start-up effects, EBITDA amounts to € 26.4 million. This results in an adjusted EBITDA margin of 22.8%, which is slightly below the adjusted prior-year value of 24.2%.

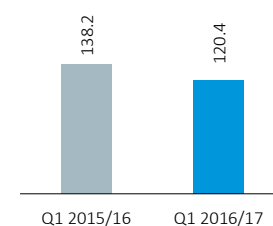
Depreciation and amortisation in the segment rose by € 5.3 million or 28.2% from € 18.8 million to € 24.1 million. The increase was primarily attributable to depreciation of the new IC substrate plant in Chongqing. As a result, the segment's EBIT amounted to € -15.4 million, which is € 29.8 million lower than in the previous year. The segment's EBIT margin was down -23.3 percentage points from 10.5% to -12.8%.

The Chongqing project resulted in additions to assets of € 60.5 million (previous year: € 26.1 million) in the segment in the first three months. The other additions were related to technology upgrades at the Shanghai

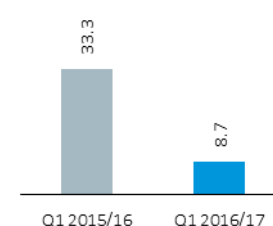
Revenue from external customers by segment in %



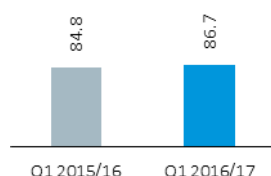
Mobile Devices & Substrates Development of revenue € in millions



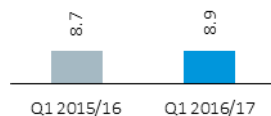
Mobile Devices & Substrates EBITDA Development € in millions



Automotive, Industrial,  
Medical  
Development of revenue  
€ in millions



Automotive, Industrial,  
Medical  
EBITDA Development  
€ in millions



site. The increase in the number of employees by 720 persons is primarily attributable to the establishment of the Chongqing plant.

**AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT** With revenue growth of € 1.9 million or 2.3%, this segment increased the prior-year value of € 84.8 million to € 86.7 million. The main driver was the continued strong demand from the Automotive sector, which reflects the trend towards more electronic components in vehicles, and the Medical sector. Demand in the Industrial sector was slightly below the level of the previous year.

#### Automotive, Industrial, Medical segment – overview

€ in millions (unless otherwise stated)

	Q1 2016/17	Q1 2015/16	Change in %
Segment revenue	86.7	84.8	2.3%
Revenue from external customers	80.4	77.8	3.3%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	8.9	8.7	1.6%
EBITDA margin (%)	10.2%	10.3%	
Operating result (EBIT)	5.4	6.2	(13.8%)
EBIT margin (%)	6.2%	7.3%	
Additions to property, plant and equipment and intangible assets	4.8	6.1	(21.4%)
Employees (incl. leased personnel), average	2,601	2,552	1.9%

The segment's EBITDA increased slightly by € 0.2 million, or 1.6% from € 8.7 million to € 8.9 million. The EBITDA margin maintained the level of the previous year with a decline by -0.1 percentage points from 10.3% to 10.2%. Adjusted for the share of the Automotive, Industrial, Medical segment in the start-up effects of the Chongqing project, EBITDA amounts to € 10.5 million and an adjusted EBITDA margin of 12.4% (previous year adjusted: 10.0%).

The segment's depreciation and amortisation rose from € 2.5 million to € 3.5 million, thus leading to a decline in EBIT by € 0.8 million or 13.8% to € 5.4 million compared with € 6.2 million in the comparative period of the previous year.

The additions to assets, at € 4.8 million, were below the prior-year value of € 6.1 million.

**OTHERS SEGMENT** The business unit Advanced Packaging, which is part of the Others segment, was unable to continue the development of the previous year and recorded revenue of € 3.8 million (previous year: € 6.0 million) down € 2.2 million or -36.9% compared with the previous year. As this business unit is still in the process of being established, business is largely project-related, which currently leads to more volatile revenue developments.

In line with the development of revenue, the segment's EBITDA and EBIT also declined. The costs of the general holding activities, which are included in the Others segment, exceeded the prior-year values due to one-off effects.

#### Others segment – overview

€ in millions (unless otherwise stated)	Q1 2016/17	Q1 2015/16	Change in %
Segment revenue	3.8	6.0	(36.9%)
Revenue from external customers	0.7	0.7	0.6%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	1.2	3.4	(63.8%)
EBITDA margin (%)	32.4%	56.5%	
Operating result (EBIT)	0.9	3.1	(70.8%)
EBIT margin (%)	23.6%	51.0%	
Additions to property, plant and equipment and intangible assets	0.3	4.8	(93.6%)
Employees (incl. leased personnel), average	155	149	4.1%

**SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD** No significant events occurred after the end of the interim reporting period.

**SIGNIFICANT RISKS, UNCERTAINTIES AND OPPORTUNITIES** There were no significant changes in the risk categories compared with those described in detail in section 6 “Risk and opportunities management” of the Group Management Report of the consolidated financial statements 2015/16.

With respect to opportunities and risks related to developments in the external environment for the full financial year 2016/17, it is still assumed that revenues in the printed circuit board industry will increase worldwide.

**OUTLOOK** Against the backdrop of slower growth in parts of the existing customer segments and because of growing competition, AT&S expects stronger seasonality again in the first and fourth quarters of the financial year 2016/17 and continued low visibility. Provided that the macroeconomic environment remains stable, the USD-EUR currency relation stays at a similar level as in the past financial year 2015/16 and demand is stable in the core business, the management expects an increase in revenue of 10-12% for the financial year 2016/17. Based on the expected start-up costs for the further ramp-up in Chongqing, the EBITDA margin should range between 18-20%, the EBITDA margin in the core business, however, at a similar level as in the financial year 2015/16. Higher depreciation and amortisation of an additional € 40 million p.a. for the Chongqing project will have a significant influence on EBIT.

Leoben-Hinterberg, 27 July 2016

Management Board

Andreas Gerstenmayer m.p.

Karl Asamer m.p.

Heinz Moitzi m.p.

# Interim Financial Report (IFRS)

## Consolidated Statement of Profit or Loss

€ in thousands	01 Apr – 30 Jun 2016	01 Apr – 30 Jun 2015
Revenue	178,867	194,392
Cost of sales	(169,441)	(152,605)
<b>Gross profit</b>	<b>9,426</b>	<b>41,787</b>
Distribution costs	(7,574)	(8,614)
General and administrative costs	(7,462)	(6,557)
Other operating result	(3,559)	(2,803)
<b>Operating result</b>	<b>(9,169)</b>	<b>23,813</b>
Finance income	845	3,297
Finance costs	(6,563)	(3,467)
<b>Finance costs – net</b>	<b>(5,718)</b>	<b>(170)</b>
<b>Profit before tax</b>	<b>(14,887)</b>	<b>23,643</b>
Income taxes	1,253	(3,993)
<b>Profit for the period</b>	<b>(13,634)</b>	<b>19,650</b>
Attributable to owners of the parent company	(13,634)	19,617
Attributable to non-controlling interests	–	33
Earnings per share attributable to equity holders of the parent company (in € per share):		
– basic	(0.35)	0.50
– diluted	(0.35)	0.50
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850

## Consolidated Statement of Comprehensive Income

€ in thousands	01 Apr – 30 Jun 2016	01 Apr – 30 Jun 2015
<b>Profit for the period</b>	<b>(13,634)</b>	<b>19,650</b>
Items to be reclassified:		
– Currency translation differences	(1,769)	(23,554)
– Gains from the fair value measurement of hedging instruments for cash flow hedges, net of tax	–	619
<b>Other comprehensive income for the period</b>	<b>(1,769)</b>	<b>(22,935)</b>
<b>Total comprehensive income for the period</b>	<b>(15,403)</b>	<b>(3,285)</b>
Attributable to owners of the parent company	(15,403)	(3,307)
Attributable to non-controlling interests	–	22



# Consolidated Statement of Financial Position

€ in thousands

30 Jun 2016

31 Mar 2016

## ASSETS

Property, plant and equipment	740,686	689,161
Intangible assets	101,145	103,736
Financial assets	96	96
Deferred tax assets	38,957	33,826
Other non-current assets	49,888	39,519
<b>Non-current assets</b>	<b>930,772</b>	<b>866,338</b>
Inventories	96,296	83,438
Trade and other receivables	152,646	134,687
Financial assets	123,250	87,817
Current income tax receivables	292	504
Cash and cash equivalents	185,097	171,866
<b>Current assets</b>	<b>557,581</b>	<b>478,312</b>
<b>Total assets</b>	<b>1,488,353</b>	<b>1,344,650</b>

## EQUITY

Share capital	141,846	141,846
Other reserves	71,919	73,688
Retained earnings	339,768	353,402
<b>Equity attributable to owners of the parent company</b>	<b>553,533</b>	<b>568,936</b>
<b>Total equity</b>	<b>553,533</b>	<b>568,936</b>

## LIABILITIES

Financial liabilities	521,177	361,558
Provisions for employee benefits	37,164	36,293
Other provisions	6,805	6,957
Deferred tax liabilities	9,198	8,844
Other liabilities	7,390	7,755
<b>Non-current liabilities</b>	<b>581,734</b>	<b>421,407</b>
Trade and other payables	212,604	180,257
Financial liabilities	129,638	161,413
Current income tax payables	5,894	7,557
Other provisions	4,950	5,080
<b>Current liabilities</b>	<b>353,086</b>	<b>354,307</b>
<b>Total liabilities</b>	<b>934,820</b>	<b>775,714</b>
<b>Total equity and liabilities</b>	<b>1,488,353</b>	<b>1,344,650</b>

# Consolidated Statement of Cash Flows

€ in thousands

01 Apr – 30 Jun 2016 01 Apr – 30 Jun 2015

<b>Operating result</b>	<b>(9,169)</b>	<b>23,813</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	28,000	21,705
Gains/losses from the sale of fixed assets	(26)	6
Non-cash expense/(income), net	(3,681)	2,492
Interest paid	(1,947)	(1,150)
Interest received	533	788
Income taxes paid	(5,145)	(2,926)
<b>Cash flow from operating activities before changes in working capital</b>	<b>8,565</b>	<b>44,728</b>
Inventories	(12,817)	1,576
Trade and other receivables	(27,509)	(13,967)
Trade and other payables	20,076	5,632
Other provisions	(113)	(282)
<b>Cash flow from operating activities</b>	<b>(11,798)</b>	<b>37,687</b>
Capital expenditure for property, plant and equipment and intangible assets	(66,847)	(40,372)
Proceeds from the sale of property, plant and equipment and intangible assets	533	41
Capital expenditure for financial assets	(60,796)	–
Proceeds from the sale of financial assets	25,583	–
<b>Cash flow from investing activities</b>	<b>(101,527)</b>	<b>(40,331)</b>
Proceeds from borrowings	163,162	3,671
Repayments of borrowings	(37,638)	(582)
Proceeds from government grants	147	231
<b>Cash flow from financing activities</b>	<b>125,671</b>	<b>3,320</b>
<b>Change in cash and cash equivalents</b>	<b>12,346</b>	<b>676</b>
Cash and cash equivalents at beginning of the year	171,866	273,919
Exchange gains/(losses) on cash and cash equivalents	885	(3,833)
<b>Cash and cash equivalents at end of the period</b>	<b>185,097</b>	<b>270,762</b>

# 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
<b>31 Mar 2015</b>	<b>141,846</b>	<b>150,774</b>	<b>311,642</b>	<b>604,262</b>	<b>96</b>	<b>604,358</b>
Profit for the period	–	–	19,617	19,617	33	19,650
Other comprehensive income for the period	–	(22,924)	–	(22,924)	(11)	(22,935)
<i>thereof currency translation differences</i>	–	(23,543)	–	(23,543)	(11)	(23,554)
<i>thereof change in hedging instruments for cash flow hedges, net of tax</i>	–	619	–	619	–	619
Total comprehensive income for the period	–	(22,924)	19,617	(3,307)	22	(3,285)
<b>30 Jun 2015</b>	<b>141,846</b>	<b>127,850</b>	<b>331,259</b>	<b>600,955</b>	<b>118</b>	<b>601,073</b>
<b>31 Mar 2016</b>	<b>141,846</b>	<b>73,688</b>	<b>353,402</b>	<b>568,936</b>	<b>–</b>	<b>568,936</b>
Profit for the period	–	–	(13,634)	(13,634)	–	(13,634)
Other comprehensive income for the period	–	(1,769)	–	(1,769)	–	(1,769)
<i>thereof currency translation differences</i>	–	(1,769)	–	(1,769)	–	(1,769)
Total comprehensive income for the period	–	(1,769)	(13,634)	(15,403)	–	(15,403)
<b>30 Jun 2016</b>	<b>141,846</b>	<b>71,919</b>	<b>339,768</b>	<b>553,533</b>	<b>–</b>	<b>553,533</b>

# Segment Reporting

€ in thousands	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015
Segment revenue	120,425	138,185	86,722	84,812	3,782	5,991	(32,062)	(34,596)	178,867	194,392
Internal revenue	(22,688)	(22,321)	(6,298)	(6,986)	(3,076)	(5,289)	32,062	34,596	–	–
External revenue	97,737	115,864	80,424	77,826	706	702	–	–	178,867	194,392
<b>Operating result before depreciation/amortisation</b>	<b>8,733</b>	<b>33,292</b>	<b>8,875</b>	<b>8,737</b>	<b>1,224</b>	<b>3,384</b>	<b>(1)</b>	<b>105</b>	<b>18,831</b>	<b>45,518</b>
Depreciation/amortisation	(24,146)	(18,849)	(3,522)	(2,529)	(332)	(327)	–	–	(28,000)	(21,705)
<b>Operating result</b>	<b>(15,413)</b>	<b>14,443</b>	<b>5,353</b>	<b>6,208</b>	<b>892</b>	<b>3,057</b>	<b>(1)</b>	<b>105</b>	<b>(9,169)</b>	<b>23,813</b>
Finance costs - net									(5,718)	(170)
<b>Profit before tax</b>									<b>(14,887)</b>	<b>23,643</b>
Income taxes									1,253	(3,993)
<b>Profit for the year</b>									<b>(13,634)</b>	<b>19,650</b>
Property, plant and equipment and intangible assets <sup>1)</sup>	744,153	696,578	94,083	92,695	3,595	3,624	–	–	841,831	792,897
Additions to property, plant and equipment and intangible assets	75,935	48,988	4,815	6,127	308	4,820	–	–	81,058	59,935

1) Previous year values as of 31 March 2016

## Information by geographic region

Revenues broken down by customer region, based on customer's headquarters:

€ in thousands	01 Apr – 30 Jun 2016	01 Apr – 30 Jun 2015
Austria	5,606	4,974
Germany	41,940	38,850
Other European countries	12,525	12,460
China	8,633	6,024
Other Asian countries	16,429	20,842
Americas	93,734	111,242
<b>Revenue</b>	<b>178,867</b>	<b>194,392</b>

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

€ in thousands	30 Jun 2016	31 Mar 2016
Austria	67,398	66,054
China	744,108	696,534
Others	30,325	30,309
<b>Property, plant and equipment and intangible assets</b>	<b>841,831</b>	<b>792,897</b>



# Notes to the Interim Financial Report

## GENERAL INFORMATION

**ACCOUNTING AND MEASUREMENT POLICIES** The interim report for the three months ended 30 June 2016 has been prepared in accordance with the standards (IFRS and IAS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB), taking IAS 34 into account, as adopted by the European Union.

The interim consolidated financial statements do not include all the information contained in the annual consolidated financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2016.

The interim consolidated statements ended 30 June 2016 are unaudited and have not been the subject of external audit review.

## NOTES TO THE STATEMENT OF PROFIT OR LOSS

**REVENUE** Group revenue in the three months of the current financial year decreased by -8.0% from € 194.4 million in the same period last year to € 178.9 million.

**GROSS PROFIT** The current gross profit of € 9.4 million was lower than the € 41.8 million achieved in the same period last year. This is a decrease of 77.4%. This unsatisfactory outcome results from start-up costs for the Chongqing project and a decline in revenue.

**OPERATING RESULT** On the basis of the decreased gross profit and higher start-up costs for the new plants in Chongqing, the consolidated operating result of AT&S has declined to € -9.2 million or -5.1% of revenue.

**FINANCE COSTS - NET** The finance costs of € 6.6 million were above the prior-year level due to foreign exchange losses. The financial income from the investment of free cash basically was € 0.8 million. As a consequence net finance costs decreased by € 5.5 million in comparison to the same period of the previous year and amounted to € -5.7 million. The net finance costs include gains from capitalised interest of € 1.3 million (previous year: € 0.7 million). Net interest expense on personnel-related liabilities of € 0.2 million is recognised in “finance costs – net” (previous year: € 0.2 million).

**INCOME TAXES** The change of the effective tax rate on the consolidated level compared with the same period of previous year mainly results from the variation of proportions of Group earnings contributed by individual companies with different tax rates.

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

**CURRENCY TRANSLATION DIFFERENCES** The decrease in the foreign currency translation reserves in the current financial year (€ -1.8 million) was the result of the changes in exchange rates of the Group's functional currencies, the Chinese yuan renminbi and the Hong Kong dollar against the Group's reporting currency, the euro.

	Closing rate			Average rate		
	30 Jun 2016	31 Mar 2016	Change in %	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015	Change in %
Chinese yuan renminbi	7.3893	7.3514	0.5%	7.3594	6.7608	8.9%
Hong Kong dollar	8.6464	8.8231	(2.0%)	8.7429	8.5424	2.3%
Indian rupee	75.2028	75.3466	(0.2%)	75.2868	69.8715	7.8%
Japanese yen	114.5700	127.8200	(10.4%)	122.0600	133.6295	(8.7%)
South Korean won	1,280.2400	1,297.7560	(1.3%)	1,299.5535	1,215.0576	7.0%
US dollar	1.1143	1.1378	(2.1%)	1.1267	1.1019	2.3%
Taiwan dollar	35.8454	36.5967	(2.1%)	36.3969	34.0364	6.9%

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

**ASSETS AND FINANCES** Net debt, at € 342.4 million, increased versus the € 263.2 million outstanding at 31 March 2016. The increase was primarily caused by investments in the new plants in Chongqing. Net working capital of € 88.4 million as at 31 March 2016 rose to € 99.6 million mainly due to increased receivables and inventories. The net gearing ratio, at 61.9%, was above the 46.3% at 31 March 2016.

### VALUATION HIERARCHIES FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Three valuation hierarchies have to be distinguished in the valuation of financial instruments measured at fair value.

- Level 1: fair values are determined on the basis of publicly quoted prices in active markets for identical financial instruments.
- Level 2: if no publicly quoted prices in active markets exist, then fair values are determined on the basis of valuation methods based to the greatest possible extent on market prices.
- Level 3: in this case, the models used to determine fair value are based on inputs not observable in the market.

The financial instruments valued at fair value at the end of the reporting period at the three valuation levels were as follows:

€ in thousands	Level 1	Level 2	Level 3	Total
<b>30 Jun 2016</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	631	–	–	631
Available-for-sale financial assets	–	96	–	96
<b>Financial liabilities</b>				
Derivative financial instruments	–	4,009	–	4,009

€ in thousands				
31 Mar 2016	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	631	–	–	631
Available-for-sale financial assets	–	96	–	96
<b>Financial liabilities</b>				
Derivative financial instruments	–	3,871	–	3,871

Bonds, export loans, government loans and other bank borrowings amounting to € 646.8 million (31 March 2016: € 519.1 million) are measured at amortised cost. The fair value of these liabilities was € 654.0 million (31 March 2016: € 526.0 million).

**OTHER FINANCIAL COMMITMENTS** At 30 June 2016 the Group had other financial commitments amounting to € 50.1 million, in connection with contractually binding investment commitments, the greater part of which related to the continuing construction of the new site in Chongqing and investments in the Shanghai and Leoben plants. As at 31 March 2016 other financial commitments stood at € 80.1 million.

**EQUITY** Consolidated equity decreased from € 568.9 million at 31 March 2016 to € 553.5 million. The consolidated loss for the period of € -13.6 million, together with negative impacts from currency translation differences of € -1.8 million, contributed to the consolidated total comprehensive income of € -15.4 million.

At the 20th Annual General Meeting on 3 July 2014 the Management Board was authorised until 2 July 2019 to increase the share capital of the Company, subject to the approval of the Supervisory Board, by up to € 21,367,500 by way of issuing up to 19,425,000 no-par value bearer shares, for contributions in cash or kind, in one or more tranches, including issue by means of an indirect share offering via banks in accordance with section 153 para 6 Austrian Stock Corporation Act (AktG). The Management Board was authorised, subject to the approval of the Supervisory Board, to determine the detailed terms and conditions of issue (in particular, issue price, nature of contributions in kind, rights related to shares, exclusion of subscription rights, etc.) (authorised capital). The Supervisory Board was authorised to approve changes in the Articles of Association required by the issue of shares out of authorised capital. The Annual General Meeting approved a resolution amending Section 4 (Nominal Capital) of the Articles of Association to reflect this change.

In addition, at the 20th Annual General Meeting of 3 July 2014 the resolution of the Annual General Meeting of 7 July 2010 authorising the issue of convertible bonds was rescinded and at the same time the Management Board was authorised until 2 July 2019, subject to the approval of the Supervisory Board, to issue convertible bearer bonds up to a maximum nominal value of € 150,000,000 in one or more tranches, and to grant the holders of the convertible bond subscription and/or conversion rights for up to 19,425,000 new no-par value bearer shares in the Company in accordance with the terms and conditions of the convertible bond to be determined by the Management Board. For this purpose, in accordance with section 159 para 2 item 1 AktG, the share capital of the Company was also conditionally increased by up to € 21,367,500 in the form of up to 19,425,000 new no-par value bearer shares. This capital increase will only take place to the extent that holders of convertible bonds exercise their conversion or subscription rights in accordance with the resolution of the Annual General Meeting of 3 July 2014. The Management Board was also authorised, subject to the approval of the Supervisory Board, to determine further details of the conditional capital increase (in particular, the amount of the issue and the rights related to shares).

With respect to the authorised share capital increase and/or the conditional capital increase, the following restrictions on the amounts of the increases are to be observed, as required under the resolutions passed at

the 20th Annual General Meeting of 3 July 2014: The total of (i) the number of new shares actually issued or potentially issuable out of conditional capital under the terms and conditions of the convertible bonds, and (ii) the number of shares issued out of authorised capital may not exceed 19,425,000 (definition of amount of authorisations).

**TREASURY SHARES** At the 21st Annual General Meeting of 9 July 2015 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire and retire the Company's own shares up to a maximum amount of 10% of the share capital at a lowest price that may be no more than 30% lower than the average unweighted closing price of the previous 10 trading days and at a highest price per share of a maximum of up to 30% above the average unweighted closing price of the previous 10 trading days. The Management Board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the Company without any further resolution of the Annual General Meeting. The Management Board was also again authorised – for a period of five years (i.e., until 8 July 2020), upon approval of the Supervisory Board – to sell or use the repurchased treasury shares or treasury shares already held by the Company otherwise than through the stock exchange or by means of public offerings, 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, or for any other legally permissible purpose.

On 30 June 2016, the Group held no treasury shares.

**NOTES TO THE STATEMENT OF CASH FLOWS** Cash flow from operating activities amounted to € -11.8 million compared with € 37.7 million in the same period last year. The decrease is mainly due to the losses in the profit of the period caused by the start-up costs for the Chongqing project and the increased net working capital.

The cash flow from investing activities of € -101.5 million is above the level of € -40.3 million reached in the same period last year. Thereof capital expenditure for property, plant and equipment and intangible assets accounts for € -66.8 million. This year's capital expenditures are predominantly in the new plants in Chongqing and technology upgrades in the other plants. Capital expenditure for financial assets amounts to € -60.8 million for investment and reinvestments of liquid funds.

Cash flow from financing activities amounted to € 125.7 million and is mainly attributable to the obtaining of two promissory note loans at an amount of € 150.0 million in April and May 2016.

The non-cash expense/income is as follows:

€ in thousands	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015
Changes in non-current provisions	703	523
Release of government grants	(283)	(293)
Other non-cash expense/(income), net	(4,101)	2,262
<b>Non-cash expense/(income), net</b>	<b>(3,681)</b>	<b>2,492</b>

## OTHER INFORMATION

**DIVIDENDS** The Annual General Meeting of 7 July 2016 resolved on a dividend payment of € 0.36 per share out of retained earnings as at 31 March 2016. The dividend distribution of € 14.0 million will take place on 28 July 2016.



**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 Management & Beteiligungs GmbH) are managing directors with the power of sole representation. The fees charged are as follows:

€ in thousands	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2015
AIC Androsch International Management Consulting GmbH	91	107
Dörflinger Management & Beteiligungs GmbH	3	2
<b>Total fees</b>	<b>94</b>	<b>109</b>

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

Leoben-Hinterberg, 27 July 2016

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 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 three months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Leoben-Hinterberg, 27 July 2016

The Management Board

Andreas Gerstenmayer m.p.  
Chief Executive Officer

Karl Asamer m.p.  
Chief Financial Officer

Heinz Moitzi m.p.  
Chief Operations Officer

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## PHOTOS/ILLUSTRATIONS

Andreas Jakwerth: page 24  
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Werbeagentur DMP: page 5

## 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.

We are working  
on the solutions!

