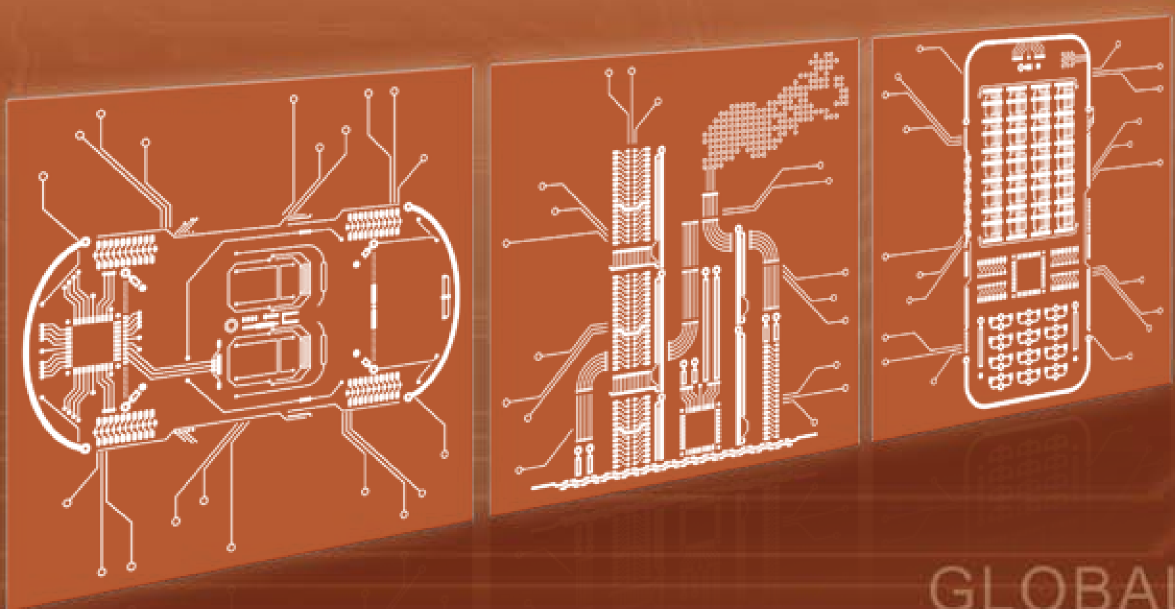
AT&S

Annual Report 2009/10



GLOBAL PLAYER

Key Figures

(if not otherwise stated, all figures in EUR 1,000)	IFRS 2009/10 before non-recurring items[1]	IFRS 2009/10 after non-recurring items[1]	IFRS 2008/09 before non-recurring items[2]	IFRS 2008/09 after non-recurring items[2]	IFRS 2007/08
CONSOLIDATED INCOME STATEMENT					
Revenues		372,184		449,881	485,744
thereof produced in Asia		67,1%		61,0%	52,8%
thereof produced in Europe		32,9%		39,0%	47,2%
EBITDA	54,082	34,480	70,778	52,377	79,809
EBITDA margin	14,5%	9,3%	15,7%	11,6%	16,4%
EBIT	10,971	(25,562)	26,582	(1,060)	42,115
EBIT margin	2,9%	(6,9%)	5,9%	(0,2%)	8,7%
Net income	(1,084)	(37,617)	24,755	(5,787)	41,290
ROS	(0,3%)	(10,1%)	5,5%	(1,3%)	8,5%
Shareholders' interest in net income	(739)	(37,271)	25,166	(5,376)	42,691
Cash earnings	42,372	22,771	69,362	48,060	80,386
CONSOLIDATED BALANCE SHEET					
Total assets		483,390		536,815	495,600
Equity		208,793		252,734	226,291
Equity attributable to equity holders of the parent company		208,304		252,240	225,761
Net debt		147,985		174,379	139,900
Net gearing		70,9%		69,1%	62,0%
Net working capital		71,906		99,424	82,657
Net working capital per revenues		19,3%		22,1%	17,0%
CONSOLIDATED CASH FLOW STATEMENT					
Net cash generated from operating activities (OCF)		47,003		38,733	61,828
CAPEX, net		19,505		58,802	102,882
GENERAL INFORMATION					
Payroll (incl. leased personnel), ultimo		5,875		5,610	6,417
Payroll (incl. leased personnel), average		5,616		6,319	6,273
KEY STOCK FIGURES					
Earnings per share (EUR)	(0.03)	(1.60)	1.08	(0.23)	1.83
Cash earnings per share (EUR)	1.82	0.98	2.97	2.06	3.44
Dividend per share (EUR)[3]		0.1		0.18	0.34
Dividend yield (year end close)[3]		1.2%		6.1%	3.3%
Market capitalisation, ultimo		192,411		68,802	239,989
Market capitalisation per equity		92.2%		27.2%	106.1%
Weighted average number of shares outstanding		23,322,588		23,322,588	23,384,651
KEY FINANCIAL FIGURES					
ROE[4]	(0.5%)	(16.3%)	10.5%	(2.3%)	19.1%
ROCE	1.9%	(7.5%)	5.5%	(1.7%)	10.4%
Equity ratio		43.2%		47.0%	45.6%

[1] Non-recurring items particularly cover restructuring at Leoben-Hinterberg plant.
[2] Non-recurring items particularly cover restructuring at Leoben-Hinterberg plant and writedowns at AT&S Korea.
[3] Proposal for the Annual General Meeting on 7 July 2010
[4] Calculation upon average equity

AT&S

Annual Report 2009/10

- *Europe's leading printed circuit board producer*
- *India's leading printed circuit board producer*
- *China's largest HDI printed circuit board plant*
- *Significantly outperforming the market since 1999*
- *A unique customer portfolio*
- *The leader in technology*

AT&S Austria Technologie &
Systemtechnik AG
Fabriksgasse 13
8700 Leoben
Austria

Highlights 2009/10

Restructuring and new strategic alignment of Leoben-Hinterberg plant a success
AT&S has migrated all of its volume production from its Austrian plant in Leoben-Hinterberg to Asia, reducing the number of staff by around 200 in the process. At the same time the Austrian plant was realigned to better meet the requirements of its European customers. This highly successful move more than doubled the plant's European sales in a market that had halved in size.

AT&S – technology leader in the printed circuit board industry
AT&S brought a series of promising new technologies to market in the financial year 2009/10. AT&S has already scored impressive successes with innovative technologies, including integration of electronic components inside printed circuit boards. Looking forward, the development pipeline is well stocked for the next few years.

Focus on high-end segment of mobile devices market bearing fruit
AT&S's Mobile Devices business accounts for about 60% of sales revenues. Its focus on high-tech solutions puts it securely on track for further growth. In these markets volume growth is expected to remain high, while the segment will continue to experience extremely rapid technological development. The decision to focus on this end of the market was taken in light of AT&S's structure and positioning, its wealth of experience in developing and industrialising innovative and complex technologies, and the potential the high-tech segment offers for differentiation from AT&S's competitors.

AT&S shrinks cost base significantly
Restructuring at Leoben-Hinterberg plant and other cost reduction measures substantially reduced the Group's cost base. This and the intensification of sales activities helped profitability make an impressive recovery following a first quarter of heavy losses. Signs of improvement began to emerge in the second quarter, when the Group again recorded positive results. The second half of 2009/10 was among the most profitable in AT&S's history.

Andreas Gerstenmayer succeeds Harald Sommerer as CEO
Andreas Gerstenmayer, born 18 February 1965, was appointed Chairman of the AT&S Management Board on 1 February 2010. He succeeds Harald Sommerer who left AT&S after more than 12 years with the Group.

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AT&S at a Glance

AT&S is the largest producer of PCBs in Europe and India. In China the Company operates the largest HDI printed circuit board works of the country.

AT&S is by far the largest producer of printed circuit boards (PCBs) in Europe and India, and also ranks among the top suppliers worldwide. The AT&S Group employs more than 5,500 people. Founded in 1987, it is based in Leoben, Austria. The Group was listed on the stock exchange in 1999 following a management buy-out in 1994. Its financial year runs from 1 April to 31 March.

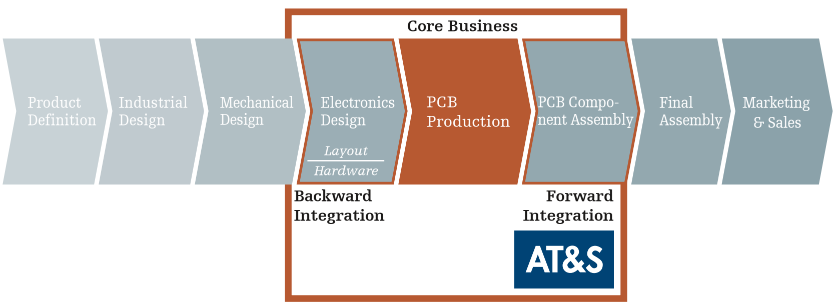
Printed circuit boards

Printed circuit boards are the nerve centres of many electronic devices, as they wire active and passive components. There are many varieties of PCBs, at a range of prices and to match differing technological requirements: single-sided, double-sided, multilayer, HDI (high density interconnection – multilayer PCBs with ultra-fine structures), flexible, rigid-flex, and semi-flexible.

Printed circuit board technologies have made extremely rapid progress in recent years. Mobile phones are an illustration of how fast things are moving. Handsets a decade ago were twice as large on average as they are today, and were only intended for telephoning. Modern phones are multimedia devices complete with GPS, camera and television functions. The trend towards miniaturisation and ever more complex components is central to the technical challenges facing PCB manufacturers today.

AT&S's place in the supply chain

Our core business is manufacturing printed circuit boards tailored to customer specifications. In order to offer its customers a wider range of products and services while at the same time strengthening its market position, AT&S also offers design services. Currently under development, AT&S's embedding technology will in future put the Group in a position to offer assembly and chip packaging services.



The printed circuit board market

Global PCB sales in 2009 amounted to some USD 41 billion (bn). Asia accounted for about 60% of the total, Japan for 17%, America for 14% and Europe for 9%. The world market is forecast to grow to USD 53bn by 2014. Asia will be the undisputed growth driver, while demand is expected to increase only slightly in Europe, Japan and the USA.

AT&S and the competition

The printed circuit board market is highly fragmented. There are currently around 2,000 manufacturers worldwide, with around 290 in Europe. In 1997 AT&S was the third-largest manufacturer in Europe, and by 2000 it was already the largest. Since then we have so far extended our lead that we are now larger than our closest four competitors put together. The trend towards market consolidation has been unmistakable for years, and it gathered momentum as the economic crisis took hold. Well-positioned companies such as AT&S have benefited.

AT&S was quick to recognise that mass production would migrate to Asia from Europe and America. In 1999 the Company acquired India's largest printed circuit board manufacturer, and significantly expanded its capacity in the years that followed. To keep up with growing customer demand a second plant is currently being built next to the existing one, to further increase our leadership in the Indian market. The first section of our new production facility in Shanghai was commissioned in 2002. Additional capacity has been added step by step, in response to customer needs. The Shanghai factory is now not only the largest in the AT&S Group but also the largest specialist HDI plant in China. AT&S is one of the world's leading producers in this segment; the main competitors are all located in Asia (Japan and Taiwan).

AT&S's positioning

AT&S has three sites in Austria (Leoben, Fehring and Klagenfurt) and three in Asia (Shanghai in China, Nanjangud in India, and Ansan in Korea). Each factory specialises in particular technologies.

The Austrian plants are geared to the European market, which is characterised by short production runs, tight production and delivery schedules and special applications – closeness to customers is vital. The site in India also focuses on serving the European market. It specialises in medium-sized batch production of double-sided and multilayer PCBs. The plant in Korea, acquired in 2006, manufactures flexible PCBs for the European market, as well as for customers of the Mobile Devices business. Shanghai – the largest factory in the AT&S Group – concentrates on mass-producing HDI products, but is also increasingly specialising in applications for the automotive and computer industries. The research units in Leoben-Hinterberg and Shanghai are AT&S Group's main technology drivers.

AT&S's key differentiators in the customers' eyes European and international customers value AT&S for more than just its technological strengths.

European customers attach especial importance to AT&S's:

- market leadership,
- value-for-money production capacity in Asia,
- proximity to its customers,
- financial stability and
- high quality.

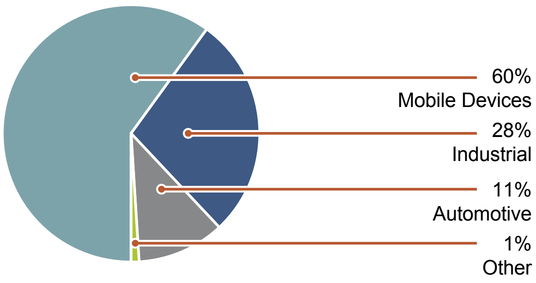
Global customers prize AT&S's:

- extensive experience of HDI technology,
- high-volume HDI production capacity,
- portfolio of long-standing, global reference customers as well as
- high standards at the Shanghai facility.

AT&S business segments

AT&S has three core printed circuit board businesses: Mobile Devices, Automotive and Industrial. Mobile Devices (PCBs for mobile telephones, digital cameras, portable music players, etc.) is our largest business, and contributes 60% of total revenue. As supplier to eight of the ten largest mobile phone manufacturers, AT&S has a unique position in this market. Automotive accounts for 11% of revenues; its customer base includes all the major European automotive component suppliers. Industrial contributes 28% of revenues; it is geared to the European market, and has over 500 customers.

Revenues by segment



Technology leadership

AT&S is one of the technology leaders in the printed circuit board market. One reason for this is our outstanding research and development effort. AT&S works with networks of customers, suppliers and research institutions to develop new generations of innovative technologies. AT&S can also draw on long years of in-depth mass production experience in industrial large series manufacture. It is this that has enabled it to establish itself as a partner to the world's largest and best-known manufacturers of electronic equipment.

Special features of our business

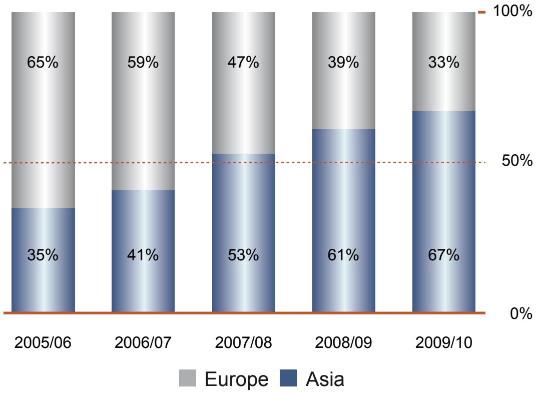
Mobile Devices is a highly seasonal business, and – because it contributes such a high proportion of AT&S's revenue – so is the Group as a whole. In the first and fourth quarters of the financial year capacity utilisation is generally lower than in the second and third, when it is very good. In a high fixed cost business like AT&S, low capacity utilisation puts pressure on margins.

Exchange rate differences between when the invoice is issued and the date of payment or valuation at the end of the quarter (whichever comes first) are reflected in other operating income or expense, which affects operating performance. Changes in exchange rates also affect total assets as shown in the balance sheet. Since a large proportion of AT&S's assets are located in Asia, movements in the relevant exchange rates can have a major impact on the Group's equity.

AT&S is one of the technology leaders in the PCB market. One reason for this is our outstanding research and development effort.

It is AT&S's strategic goal to become the world's most competitive supplier of interconnection solutions.

Revenues produced in Europe / Asia over the last years



Strategy

It is AT&S's strategic goal to become the world's most competitive supplier of interconnection solutions. For us this means being the most competitive in terms of quality, reliability, efficiency and service.

The AT&S strategy is geared towards innovation as well as organic, profitable and sustainable growth. In doing so, the Group aims to achieve undisputed leadership in the markets it serves.

AT&S share

AT&S was initially listed on the Neuer Markt of the Frankfurt Stock Exchange in July 1999, and then formed part of the TecDAX, which was launched after the dot.com bubble burst. After dropping out of the TecDAX in spring 2008, it was decided to switch to the home stock exchange in Vienna. AT&S has been quoted in the Vienna Stock Exchange Prime Market segment since 20 May 2008.

The free float comprises 50.8% of the shares, and 10.0% are held by AT&S, with 21.5% held by the Androsch Private Foundation and 17.7% by the Dörflinger Private Foundation. Hannes Androsch and Willi Dörflinger were two of the three initiators of the 1994 management buy-out.

Corporate governance

As a stock exchange listed company, AT&S is expressly committed to good corporate governance, and substantiates this commitment by subscribing to the Austrian Corporate Governance Code.

The members of the AT&S Management Board are as follows:

- Andreas Gerstenmayer, Chairman since February 2010
- Steen E. Hansen, Chief Financial Officer since April 2004, and Deputy Chairman since June 2005
- Heinz Moitzi, Chief Technical Officer since April 2005

Harald Sommerer, Chairman of the Management Board since July 2005 stood down on 31 January 2010.

The Supervisory Board has nine members, three of whom are employee representatives. The Chairman of the Supervisory Board is Hannes Androsch, and his Deputy Chairman is Willi Dörflinger.

Corporate social responsibility

For AT&S, sustainable business practice means using the available resources to deliver the best possible long-term results for stakeholders. We recognise that the "people, planet and profit" dimensions of performance need not conflict with each other. On the contrary, all three underpin the sustainability of a business. The AT&S integrated management system (IMS) attaches equal importance to quality, the environment and people.

Our Code of Business Ethics, which applies to all our staff throughout the world, sets out the rules that govern how we do business in an ethical and socially responsible manner.

AUTOMOTIVE

Letter to our Shareholders

Dear shareholders,

AT&S looks back over a challenging financial year 2009/10. The non-recurring costs of restructuring the Leoben-Hinterberg plant and negative operating results combined to produce considerable losses in the first quarter. However, thanks to the restructuring measures and other cost-saving initiatives, AT&S has significantly reduced its cost base. Results were back in the black in the second quarter, and the third quarter was one of the most profitable in the Company's history. The EBIT margin was also satisfactory in the fourth quarter, despite the effects of a less than optimal product mix, the decline in manufactured value at the Shanghai plant as a result of the Chinese New Year holiday, and sharp increases in raw material and energy costs.

Year on year revenues fell 17.3% to EUR 372.2m. Mobile Devices experienced the sharpest decline, with a drop of 23%. This was largely the result of the migration of volume production from Leoben-Hinterberg to Asia. Equipment in Austria (that it was not economical to relocate) was decommissioned, and not fully replaced in Asia, so that the AT&S Group as a whole now has lower capacities for volume production. This was a constraint on Mobile Devices' revenue-generating potential. Revenue in Industrial was stable, despite the harsh economic climate. This was the result of refocusing the Leoben-Hinterberg plant on high-tech small and medium batches primarily for the European market, and of winning market share in the region. Automotive was also hit by the economic crisis, but successful sales efforts combined with continuing market rationalisation meant that revenues held stable. Services' revenues are project-related, and the 72.6% drop to EUR 3.8m reflects the discontinuation of certain service activities.

Acceptable results of ordinary business activities

Non-recurring expenses of restructuring and cost saving measures amounting to EUR 36.5m depressed results for the financial year 2009/10 as a whole. Our ordinary business activities during the financial year, i.e., excluding one-time effects, produced the following results:

- Operating result: EUR 11.0m, for an EBIT margin of 2.9%
- EBITDA: EUR 54.1m, for an EBITDA margin of 14.5%
- Profit before tax: EUR 2.6m
- Consolidated net loss: EUR 1.1m
- Earnings per share: EUR -0.03

After a first quarter which brought EBIT of EUR -11.8m, a loss before tax of EUR 14.9m and a consolidated net loss of EUR 13.9m (excluding one-time effects in all cases), an ordinary operating profit for the year as a whole was not to be expected. An exceptional performance in the second half of the financial year 2009/10 – one of the strongest half-years in the Group's history – was however ultimately enough to deliver profit at the pre-tax level as well.

Restructuring and new strategic alignment of Leoben-Hinterberg site

For many years we have noted and commented on the migration of volume business from Europe to Asia. This trend rapidly gathered pace as the economic crisis began to bite. As recently as November 2008 we believed that downsizing the plant's large-volume capacity would be enough to return manufacturing to profit, and that at least some mass production of HDI printed circuit boards could be kept in Austria. However, the deteriorating global economic climate led customers to concentrate even more strongly on minimising purchasing prices. The resulting pressure on prices meant that with current cost levels volume production was no longer viable in Austria.

In response, volume production was transferred in its entirety from Leoben-Hinterberg to Asia, leaving the Leoben plant free to concentrate exclusively on manufacturing small and medium sized batches for the European market. Production capacity – measured in terms of PCB surface area – was cut from roughly 130,000 m^2 to 85,000 m^2. This reduction in capacity combined with other steps taken to increase efficiency in Austria also led to adjustments in staffing levels to reflect expected future requirements. The number of staff was cut by around 230.

Focus on core business and increasing efficiency

In addition to the changes at Leoben-Hinterberg, processes were streamlined and measures introduced to increase efficiency and reduce costs across the Group. Logistics activities in Nörvenich, Germany, were transferred, and consolidated with those in Leoben-Hinterberg. Nörvenich will continue to operate as a design, service and sales office. In addition, we discontinued our Foundry Services activities, due to the inadequate earnings prospects relative to the risks involved. ECAD, the Indian printed circuit board designer, was acquired by the Group in July 2005. The original idea was for it to give customers the benefits of its layer composition and track layout expertise early in the development process. This did not happen to the extent required, and effectively only design hours – which can be easily sourced elsewhere in the market – were being sold. AT&S ultimately sold the Company on 4 July 2009. The transaction had no material financial impact on the Group. Our design centre in Nörvenich will continue to work closely with customers on the development of innovative solutions.

In spring 2010 the decision was taken to relocate AT&S headquarters to Leoben-Hinterberg and close the Vienna office at the end of 2010. This move will reduce administration costs, and further optimise existing processes and structures. At 31 March 2010 about 50 people were employed at the Vienna headquarters.

Guidance

In the financial year 2010/11 we will invest a total of around EUR 80m in the future growth of AT&S Group. The main projects will be adding more capacity for volume production of HDI printed circuit boards in Shanghai (China), completing the second plant in Nanjangud (India) and developing new technologies and specific applications. As around two thirds of the investment will be made in the first half of the year the gearing ratio could rise to a level of 100% during the course of the year. Towards the end of the financial year the ratio should stabilise below the target level of 80%, provided exchange rates remain stable.

We are forecasting buoyant demand in the financial year 2010/11 and expecting revenues in the region of EUR 435m. The EBIT margin should exceed 7%; profitability will be much higher in the second half of the financial year, once additional capacity comes on line in Asia. Strong overall demand for electronic components at the start of the year led to a jump in material and energy costs. As a result, we have no choice but to adjust sales prices to better reflect the new cost base. At the same time we continue to focus on increasing the efficiency of existing processes and structures.

The effective rate of tax is expected to be around 25%.

As always at the end of a financial year, our thanks go to our customers, suppliers and other business partners, and to the collaborating research and development institutions, for their contribution to our excellent working relationships. A particular debt of gratitude is owed to all our staff for their hard work and commitment. And we thank you, our shareholders, for continuing to place your trust in us in these troubled times.

With best regards

Andreas Gerstenmayer
Chairman

Steen E. Hansen
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

Report of the Supervisory Board

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.

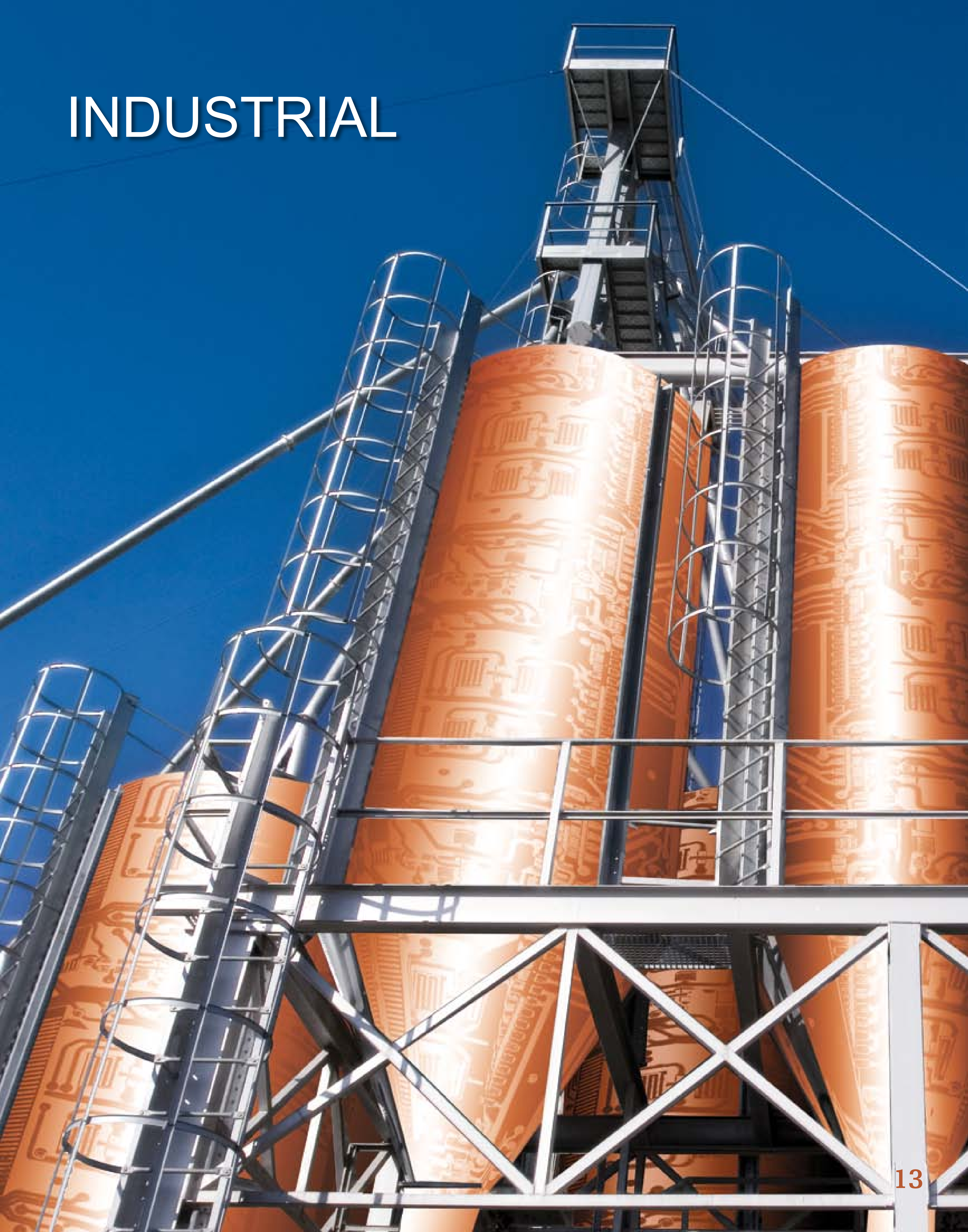
The Supervisory Board adopted the Management Board's recommendation for the application of profits: the retained earnings as at 31 March 2010 amounting to EUR 14,143,889.47 are to be distributed in payment of a dividend of EUR 0.10 per share, and the remaining amount is to be carried forward.

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

Hannes Androsch
Chairman of the Supervisory Board
Leoben-Hinterberg, 8 June 2010

INDUSTRIAL



Our Mission and Strategy for Future Success

The AT&S strategy is geared towards innovation as well as organic, profitable and sustainable growth.

AT&S's mission

We are dedicated to ensuring our customers' success, because it is a crucial factor in our own success.

Strategic goal

The strategic goal of AT&S is to become the world's most competitive supplier of interconnection solutions. For us, this means being the most competitive in terms of

- quality,
- reliability,
- efficiency and
- service.

Our strategy

AT&S Group strategy is geared towards innovation as well as organic, profitable and sustainable growth. We aim to achieve undisputed leadership in our target markets. The Group also aims to opening up additional market potential by consistently continuing and proactively designing technological trends.

This has important implications for our core businesses.

Automotive

The core competence of AT&S's Automotive business lies in a combination of HDI printed circuit board expertise and production know-how for the car manufacturing industry. Our goal is therefore to secure a share in the growing market for HDI printed circuit boards. Automotive will also be pushing specialised technologies for areas such as thermal management. Intensifying our sales activities in France, the UK and Italy, and exploiting the weaknesses of our long-established competitors will act as a springboard for stronger growth in Europe. We also aim to turn what is primarily a European business into a global market.

Industrial

In our traditional industrial business we are aiming to optimise our customer base and increase revenues and market share in the US market. In the computing sector we shall be concentrating on HDI printed circuit boards, but we are also looking to raise our standing as an all-round supplier by selectively providing also plated-through PCBs. We will also continue to expand our industrial computers business. In the medical sector AT&S consequently enlarges its portfolio to all fields of medical technology and also launches projects in the therapy and equipment segment to supplement our key activities in diagnosis and imaging techniques.

Mobile Devices

We will continue to market ourselves as a universal printed circuit board supplier to customers in the high-end segment on which we consequently focus on. In addition to mobile telephones (focus on smartphones), Mobile Devices also includes a range of expanding markets for applications such as games consoles, digital cameras and portable music players. AT&S is looking to profit from the growth in these sectors, and bolstering our position there will involve promoting new technologies such as the integration of components inside printed circuit boards.

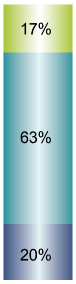
R&D

AT&S R&D in particular covers development of materials, processes, and applications. The general trend toward ongoing miniaturisation and integration of further functionalities is met – for instance – by AT&S's ECP® technology (Embedded Component Packaging) and solutions such as AT&S's 2.5D™ technology.

A further AT&S development project is NucleuS® bringing cost advantages and improvements in efficiency. The technology is used for volume production of individual printed circuit boards that makes optimal use of the production format and only connects them to their frames just before they are shipped out to assemblers for assembly.

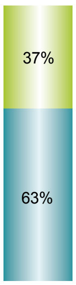
AT&S – a Global Player

Austrian Production Sites



Plant Leoben-Hinterberg

Founded: 1982
Production: HDI, special products, prototypes, express services
Target region: Europe
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007



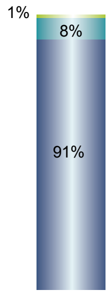
Plant Fehring

Founded: 1974
Production: double-sided, flexible and rigid-flex PCBs
Target region: Europe
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007

Plant Klagenfurt

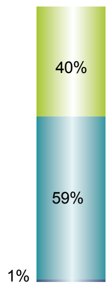
Acquired: 2003
Shareholding: 77.3%
Production: single-sided PCBs, thermal management
Target region: Europe
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007

Asian Production Sites



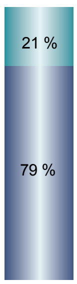
Plant Shanghai, China

Founded: 2002
Production: HDI mass production
Target region: Global
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007



Plant Nanjangud, India

Acquired: 1999
Shareholding: 100%
Production: double-sided and multilayer PCBs
Target region: Europe, India
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007



Plant Ansan, Korea

Acquired: 2006
Shareholding: 98.8%
Production: flexible PCBs
Target region: Korea, Europe
Certifications: ISO 9001:2008
ISO/TS 16949:2002
ISO 14001:2004
OHSAS 18001:2007

Automotive Industrial Mobile Devices

Sales Offices

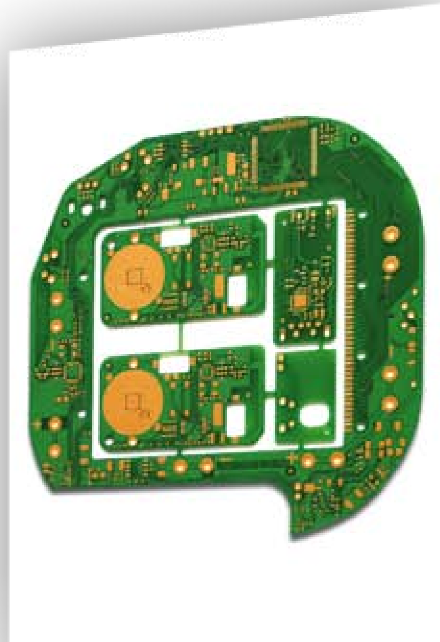
Australia
Austria
California/USA
China
Czech Republic
France
Germany
Hong Kong
Hungary
India
Ireland/UK
Japan
Malaysia
Singapore
South Korea
Spain

A Comprehensive Product Portfolio

AT&S has six production sites each specialising in a particular technology. This enables us to offer our customers a broad range of products, and to ensure efficient, high quality manufacturing. Technological and cost requirements play a major part in selecting the right printed circuit board.

Single-sided PCBs
Phenolic or epoxy resin materials for populating, in industrial and automotive applications.

Double-sided plated-through PCBs
Epoxy resin or special materials for high frequency applications. Used in all applications and industries in electronics.

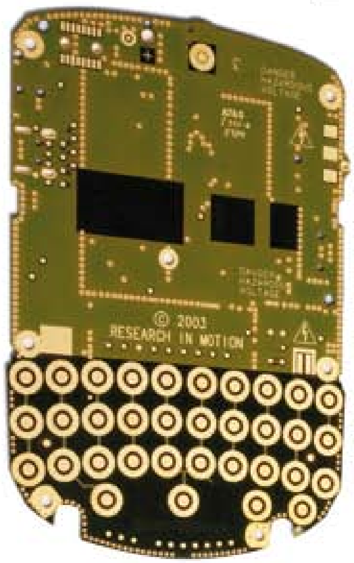


Insulated metallic substrate (IMS)
Printed circuit boards with enhanced cooling of components. Application in LED technology for the automotive sector and for lighting in buildings.

Multilayer PCBs (up to 22 layers)
Standard to high Tg materials, as well as special materials, for high frequency applications and all applications and industries in electronics.

Semi-flexible PCBs

Based on thin epoxy resin materials for flex-to-install applications. For one-time bending (radius 5 mm), mainly in automotive and industrial applications.

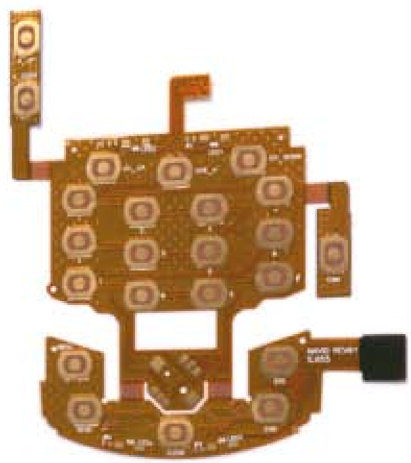


HDI microvias*

Laser-drilled circuit boards with up to 5 microvia build-up layers per printed circuit board side, or with stacked microvias throughout, over the whole thickness of the circuit board. Main applications in handheld devices and increasingly in consumer electronics.

Flexible PCBs

For static and dynamic bend/twist applications in all industry sectors, including space technology.

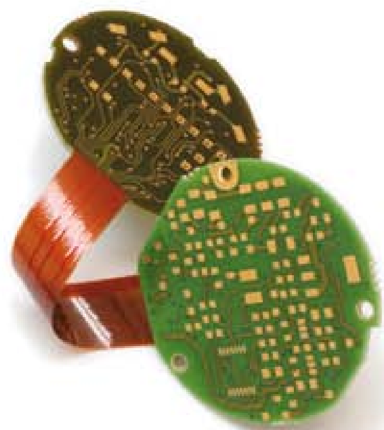


Embedded components

Integration of passive and active electronic components in the printed circuit board, to make even smaller applications practicable. PCB thickness is in the same range as with standard printed circuit boards.

Rigid-flex PCBs

Combine the advantages of rigid and flexible printed circuit boards, replacing cables and plug connections. This increases the reliability of applications and reduces the number of processes in assembly.



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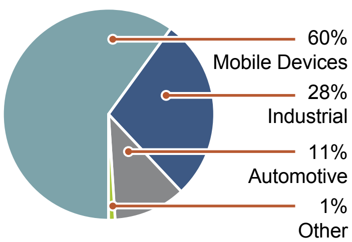
Sales & Marketing: Successful Customers, Successful AT&S

With plants in Europe and Asia and a service and sales network that spans four continents, AT&S has a truly global presence and is ideally positioned to respond rapidly and flexibly to its customers' requirements.



For us, the success of our customers is the key to long-term and lasting business relationships, which is why AT&S's first priority in all its activities is an uncompromising focus on customers' needs. One of the ways in which we can differentiate ourselves from our competitors is by working closely with our customers and providing ancillary services precisely tailored to their requirements. Our objectives are to ensure that product quality and supply performance are of the highest order, and that we provide an efficient service.

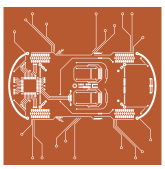
AT&S as global partner

With production facilities in Europe and Asia and a service and distribution network that spans four continents, AT&S has a truly global presence and is ideally positioned to respond rapidly and flexibly to its customers' requirements. We currently supply more than 500 customers in the automotive, industrial and mobile devices sectors.

Revenue by segment

Depending on the sector, our customers range from small development enterprises to famous global concerns.

Automotive



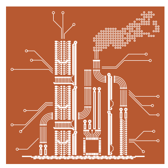
AT&S's broadly based product portfolio has helped it become one of the largest printed circuit board manufacturers for the European automobile market. In contrast to many of its competitors, AT&S has been able to produce profitably by focusing on technologically advanced products such as rigid-flex solutions, HDI products and high-current applications.

Our customers include the leading European automobile supply companies such as Continental and Hella. They set enormously high standards for supplier reliability and printed circuit board quality, and require certification at the highest levels. As a result of the economic crisis, a number of suppliers of printed circuit boards for the automotive sector were forced to declare insolvency, and our customers now attach special importance to the financial standing of their suppliers. AT&S's healthy financial position strengthens its reputation as a reliable long-term partner.

The electronics used in automobiles are becoming ever more powerful. This also means that the integrated circuitry is becoming more complex, which in turn increases the complexity of the printed circuit board. Meanwhile chips – in the automobile industry as well – have become so small and have so many input/output channels that they require an HDI printed circuit board in order to connect to other components.

While many established European automobile suppliers have so far focused exclusively on standard printed circuit boards, and many HDI producers do not have the necessary automotive certifications, AT&S can demonstrate a leading position both as a European automobile industry supplier and as a global HDI producer. We must continue to use this competitive advantage in the future, so as to make sure of additional growth in this sector.

Industrial

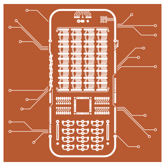


The Industrial segment includes industrial electronics, measurement and control technology, medicine, computing, aerospace, and white and brown goods. Its main markets are Europe (primarily Germany, Austria and Switzerland) and the USA. AT&S is also one of Europe's largest printed circuit board manufacturers in the industrial sector. In total, we supply around 500 customers, from small development undertakings to global giants.

In general the business consists of many small orders using the most diverse technologies and producing to a variety of specifications. Our experts cooperate closely with our customers' product developers – often also in the development phases – to achieve the optimal solutions for their applications. In the quick-turnaround business we must produce and supply within very tight deadlines. This is particularly important for product development, where delays caused by missing PCBs would lead to enormous costs.

AT&S's Austrian plants are well placed to meet these challenges. The Indian plant is another key element in the production network, as it enables us to supply industrial customers with competitively priced medium-sized batches of double-sided and multilayer printed circuit boards. As in the Automotive sector, chips for notebooks are becoming increasingly complex and powerful. For this reason, we are also stepping up our production of HDI printed circuit boards for laptops at our Shanghai plant.

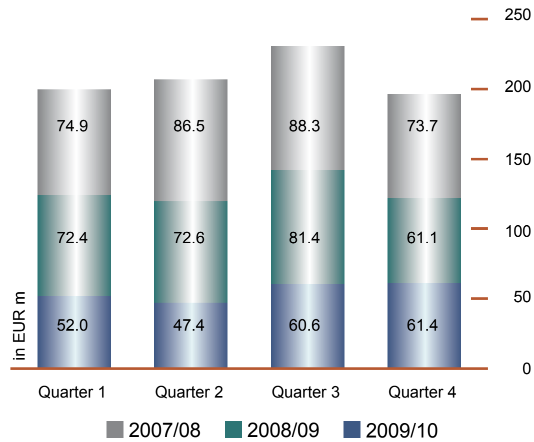
Mobile Devices



This market segment comprises PCBs for mobile phones, digital cameras, portable music and video players, gaming consoles, etc. In the Mobile Devices sector AT&S's customers are global players – our customers include eight of the world's ten largest mobile phone manufacturers. Although these concerns are usually serviced by several printed circuit board suppliers, the breadth of AT&S's customer portfolio is unique. We are increasingly focusing on the rapidly growing smartphone market, where complex HDI printed circuit boards with a large number of layers are needed. Producing in large quantities and without making concessions on quality are the key differentiators that set us apart from the competition.

The Mobile Devices business is a seasonal industry – in the first and fourth quarters of the financial year capacity utilisation is generally lower and product mixes are less profitable, while capacity utilisation in the second and third quarters is as a rule extremely good. The large share contributed by this business segment to AT&S's total revenues means that the Group's performance as a whole is also subject to seasonal fluctuations.

Seasonality within Mobile Devices business



The end products into which AT&S's PCBs are incorporated have shown a clear trend towards increased miniaturisation and more extensive capabilities in recent years. As a consequence, the technological requirements for the printed circuit boards used have also become more advanced, and with them the demands for capacity per PCB. In addition, mobile phone sales between 2000 and 2008 increased by an annual average of 24%, so that more than four billion devices were in use worldwide. In 2009 mobile phone sales slipped by around 7%. However the smartphone segment recorded a surge in growth of 19%. In response, AT&S is establishing additional capacities in Shanghai to be able to offer mass produced extremely complex printed circuit boards (HDI technology) in sufficient quantities and at competitive prices. The consistently high quality of our production is a significant factor in our success. In addition, we provide worldwide logistics services for our customers, including shipping and inventory management.

The Mobile Devices business is certainly one of the most technologically challenging and innovative sectors, and our research and development team is working intensively on novel concepts which will bolster AT&S's leading position.

AT&S has an outstanding reputation as a technology partner for the Automotive, Industrial and Mobile Devices sectors. Additional services round out the wide product portfolio.

Leading Edge Research and Development (R&D)

Permanent evolution of the technologies applied is one of the cornerstones of AT&S being one of the leading PCB suppliers within the high-end segment worldwide.

Since its foundation in 1987, AT&S has established itself as the largest printed circuit board manufacturer in Europe and India. We are also among the leading international suppliers of high-tech HDI microvia printed circuit boards worldwide, and are constantly extending our presence in this market.

One reason for this success is undoubtedly our ongoing development of the technologies in use, which has allowed us to achieve technological leadership in high-end printed circuit board manufacturing. Our research also focuses on potential new customer segments. Last financial year some 6% of revenues were invested in applied research and technology evaluation. Our goal for the future must be to further differentiate ourselves from our competitors. The importance of internal technology development to the Group is also demonstrated by the fact that in the past financial year – despite the economic difficulties – more was spent on research and development than ever before.

R&D structure

AT&S has a two-part innovation process: our technology headquarters in Leoben-Hinterberg is responsible for development of materials, processes and applications, and Shanghai carries out the systematic, ongoing development and optimisation of HDI technology.

Research network

AT&S's R&D activities frequently involve a number of our business partners. Customers generally inform us of their requirements and their ideas for future products, but we also devise new techniques based on future applications we foresee, such as the embedding of components inside printed circuit boards. In addition to our own resources, we use collaborative agreements with research institutions and suppliers wherever practicable and necessary. This network of expertise enables us to master the most complex challenges extremely effectively and efficiently.

R&D areas and selected research projects

Our R&D activities can be grouped into four general project areas.

High-end-HDI

AT&S is pursuing a number of approaches to further development of the high-tech HDI printed circuit board business. Further miniaturisation requires a special focus on finer track layouts. Parallel efforts involve the development of new production processes, which are necessary both for manufacturing the new products and replacing existing processes with newer, more cost-effective ones. For example, during the last financial year the first products were successfully produced using the innovative NucleuS® production technology, which offers the customer a completely novel production-optimised design process.

Made in Austria

This area includes a number of projects for the development and implementation of new production technologies to make printed circuit board production both more flexible and more effective. The aim is also to find ways for the Austrian plants to produce smaller volumes and more complex products more simply and more profitably.

- 2.5D™ technology research project

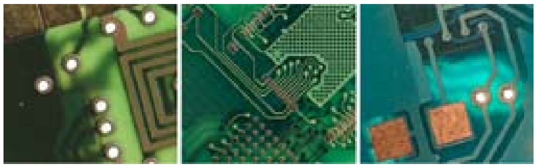
  This technology focuses on incorporating structural recesses (cavities) into and onto printed circuit boards. This facilitates deeper embedding of electronic components, and makes thinner PCBs possible. It also makes it possible to produce rigid-flex PCBs for flex-to-install applications.

  The enormous simplification of processes means that 2.5D™ technology offers the prospect of cost effective, flexible and high-value solutions in a wide range of applications.

- Thermal management research project
  In high-performance electronics, there is an increasing need for PCBs to discharge the thermal energy they generate. High-output assemblies give off heat, considerably reducing both their own performance and service life, and that of other components. Printed circuit boards need to be able to discharge up to several hundred watts of thermal output.

- Inkjet printing research project
  Unlike the standard screen printing currently in use in the high-tech segment, this process is extremely flexible and can be simply and efficiently adapted for smaller batch sizes with different designs. With this technology it is also relatively simple to affix additional functional layers.

ECP® technology



Embedded Component Packaging technology is used to integrate active and passive electronic components (such as resistors, capacitors and chips) on the inside of printed circuit boards. This combines two steps in the current value chain – production and population of the printed circuit boards. This not only reduces costs, but also has the advantages of saving space on the surface of the PCB and enormously increasing reliability as a result of the direct embedding.

- Hermes research project
  The Hermes project is being managed by AT&S and supported by the EU. We are working with ten other prominent companies from different stages of the value chain to develop an industry standard for volume production of printed circuit boards with embedded chips.

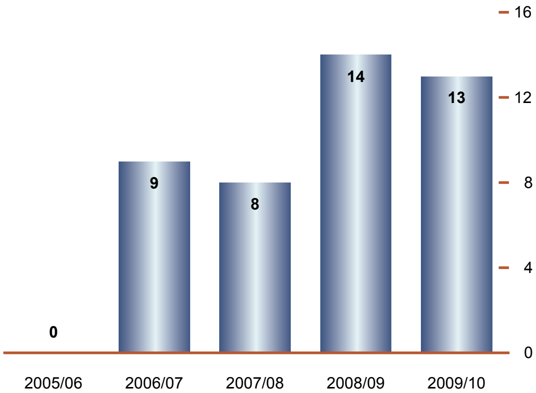
Photovoltaics

In the Photovoltaics project, the aim is to exploit synergies in the production processes for printed circuit boards and photovoltaic panels to create a novel technology product. We are focusing on the development and production of more energy-efficient, back-contacted photovoltaic panels. The goal is to reduce the cost of modules while simultaneously increasing their efficiency by industrialising an innovative technology.

Patent strategy

AT&S's increased focus on research and development has also led to extended legal safeguards for its core technologies. In the past financial year 13 new patent applications were filed, so that AT&S now has 53 patents and patents applied for. This continuing growth in the patent portfolio contributes to the Group's reputation as a technologically advanced supplier of printed circuit boards and provides longer-term evidence of its investment in development.

New patents applied for



The importance of internal technology development to the Group is also demonstrated by the fact that in the past financial year – despite the economic difficulties – more was spent on research and development than ever before.

Outstanding Performance in Supply Chain Management & Procurement

Top priority is given to supplier reliability and quality.

Supply chain management involves integrating all of the logistical requirements of suppliers, internal departments and customers in a single process. This includes activities such as capacity planning, resource planning, storage allocation, logistics and invoicing.

Supply chain management – a key success factor for AT&S

AT&S supplies around 15,000 different products each year. Reliability and quality of supply are vital to our customers. In an extremely volatile market such as the printed circuit board industry, where product diversity is high and order times short, just-in-time production (where goods or components are not ordered until they are needed, so as to keep inventories down) requires exceptional supply chain management. The goal is to constantly improve the balance between global demand and capacity, to reduce the total costs of final products as far as possible, and increasingly to offer customers one-stop shopping and vendor-managed inventory solutions. We handle logistics and inventory management for almost 500 different products at over 60 storage facilities around the world and ensure that stocks are maintained between specified minimum and maximum levels.

Global network of customers and suppliers

Close cooperation between the participants all along the value chain is a basic requirement for successful supply chain management. AT&S's global network comprises around 500 customers and 800 suppliers (including 35 key suppliers). On average, 300 shipments and 270 different parts numbers are dispatched every day – an increase of about 60% on last year.

Effective planning tools ensure customer loyalty and cost efficiencies

High-quality software applications are used to ensure reliable end-to-end management of all product and information flows between suppliers, internal Group processes and customers. Thanks to the combination of SAP's Advanced Planning and Optimising Tool (APO) and global availability controls, we have deployed an integrated planning system in all of our Austrian facilities. This enables us to match detailed production plans to production capacities and to check the feasibility of each individual order. As a result, the system generates considerable cost savings and also helps us to further improve the customer service rate. And this has boosted our reliability of supply from almost 90% to 93% over the last two years. In other words, just under 60,000 orders were supplied exactly on the delivery date specified and in the exact quantity ordered by the customer. If an order is missing only one item or is delivered past the deadline, this represents target achievement of 0%.

Supplier cooperation enhances competitiveness

Our suppliers' moves towards standardisation, improvements in efficiency, and a stronger emphasis on AT&S's technical and commercial requirements play a significant part in keeping the Group competitive. This requires strict selection and ongoing management of our supplier portfolio. Last year each supplier again concentrated primarily on value contribution. Besides resulting in highly competitive costs, this also highlights the supplier's market position and a commitment to promoting innovation with AT&S.

The squeeze on prices in the electronics industry, which AT&S is also feeling, is passed on to our suppliers. We expect our strategic suppliers to handle such pressure through increased productivity and efficiency – by improving internal mechanisms, for example – without sacrificing quality and innovation.

Key purchasing indicators

	2009/10	2008/09	2007/08
Electricity (GWh)	202.5	234.4	219.5
Laminates (million m²)	8.5	7.5	8.6
Copper foil (million m²)	5.5	5.3	5.2
Copper clippings (t)	1,598	1,733	1,872
Gold (kg)	885	896	880
Chemicals (t)	35,809	38,675	38,216
Cartons ('000)	6,046	5,684	5,116

MEDICAL

It's People That Make the Difference

AT&S increases the qualification of its more than 5800 employees by offering profound personnel development measures and advanced trainings – even on an international basis.

AT&S is a global business with production facilities in Europe and Asia, and sales offices on four continents. The key to success in the face of stiff competition is having skilled and motivated professionals throughout the organisation who understand our business, work hard, and are determined to perform under the most exacting market conditions. Customer focus, a constant readiness to respond to new challenges, a passion for delivering outstanding performance, and the quest for perfection in everything we do are essential factors for success.

Training and development – a vital ingredient for success

Training initiatives aimed at specific groups of employees were a major factor in seeing out the economic crisis. Despite our insistence on cutting back costs, we carried on our training programmes for high potentials and future executives because we appreciate that staff development is an essential investment in future success. We also continued our training of apprentices in Austria and a similar programme organised by the Indian government, both of which are laying the foundations for strong Group performance in the future.

Entry-level training for new recruits

New employees receive comprehensive basic training at all AT&S sites. Recruits learn about the overall production process for printed circuit boards, the Group's structure and administration, and our social values.

Encouraging the next generation – safeguarding future success

Supporting up-and-coming employees is essential if AT&S is to retain a sufficiently large base of suitably qualified staff. In Austria we currently have around 31 trainees in six different professions (mechatronics technician, chemistry laboratory technician, physics laboratory technician, mechanical engineering technician, electrical technician, production technician).

In India we are participating in a development programme specifically designed for industrial workers. Every year it prepares and certifies a large number of trainees for work in international industrial enterprises. As of 31 March 2010, the programme had 75 participants.

International training and development

It is vital that our high-potential managers around the globe develop the relevant skills for their work, and also grow as individuals by improving their leadership abilities. AT&S therefore decided to introduce a series of management training and development programmes. Several of these were completed last year. The results were excellent, and some of the participants moved directly to new, high-level positions within the Group.

Large number of leased personnel in China

In many countries leased staff are primarily employed to cover capacity peaks, but in China hiring employees with basic qualifications from external employment agencies is common practice.

Global presence requires close international cooperation

AT&S's global structure and international perspective require a constant exchange of skills and expertise and the close integration of different cultures in order to realise the Group's full potential. Annual meetings of our managers from all around the world are just one way of achieving this objective.

Broad-based career opportunities

Our in-house job advertisement system ensures that all vacancies to which the rules apply are initially published internally, and where the candidates are equally well qualified, we give prefer-

Staff number (incl. leased personnel)

(as of 31.3.)	2009/10	2008/09	+/-
Austria	1280	1439	-159
China	3380	3077	303
India	942	761	181
Korea	227	274	-47
Others	46	59	-13
	5875	**5610**	**265**

Leased personnel

(as of 31.3.)	2009/10	2008/09	+/-
Austria	44	51	-7
China	2623	2340	283
India	22	17	5
Korea	17	9	8
Others	0	0	0
	2706	**2417**	**289**

ence to our own staff over external applicants. Last year all of the positions advertised in India and Korea were filled internally. In Austria internal recruits were found for ten out of 13 posts, and for seven out of ten Group functions.

Our global presence offers staff a wide variety of international career opportunities. The targeted employment of international experts continues to be one of the most effective methods of encouraging qualitative improvements and quantitative expansion at the company's Asian sites. The ongoing transfer of skills and expertise to China and India, where capacities are being significantly expanded, is a major priority in this regard.

Professional mobility and assignments to different Group facilities are expressly encouraged and supported by our mobility policy.

International managers by country

	31 March 2010	31 March 2009
India	0	2
Korea	2	2
China	30	32
Others	5	6
	37	**42**

Staff restructuring and the impact of the economic crisis

The economic crisis during the last financial year meant that every plant, office and department was required to contribute to cost reductions and improvement of the Group's performance. Some organisational units were obliged to bridge month-long periods of under-capacity operation, and to save money in every conceivable way. Despite our best efforts, it was not possible to save all the jobs at each of our locations. At the end of the financial year 2009/10, AT&S employed 5875 people (2008/09: 5610), while the average figure for the year was 5616 (2008/09: 6319).

The Austrian plant in Leoben-Hinterberg saw a large number of redundancies, due to the relocation of volume production to Asia. At the same time strategic measures to refocus the facilities on meeting the requirements of the European market were also introduced. In addition, there were also groupwide initiatives to streamline processes, boost efficiency and reduce costs. Overall, this involved the loss of 229 jobs (47% women, 53% men).

In spring 2010 it was decided to relocate the Group's headquarters to Leoben-Hinterberg and to close the Vienna office with effect from 31 December 2010. The move is designed to further reduce administration costs and improve efficiency. Around 50 people were employed in Vienna as of 31 March 2010.

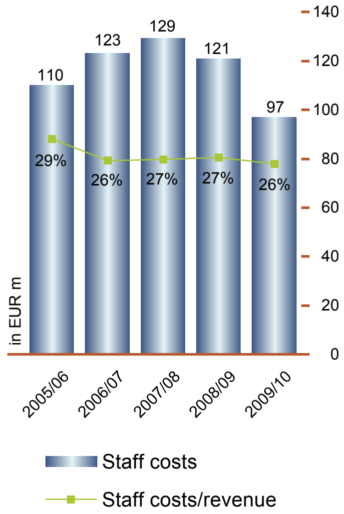
Employee inventions

Last year we intensified our efforts to position the company as a technology leader by strengthening our focus on expanding the Group's portfolio of intellectual property rights and patents. We also drew up a policy for employee inventions, which will be applied at all sites around the world. Employees who come up with ideas for innovations in the course of their work will receive appropriate compensation in line with international rules. As a result staff are assured of receiving their share of the long-term financial benefits of their inventions.

Staff number

(as of 31.3.)	2009/10	2008/09	+/-
White-collar	1264	1363	-99
Blue-collar & leased staff	4161	4040	121
Apprentices & trainees	450	207	243
	5875	**5610**	**265**

Personnel expenditure (excl. non-recurring expenses)



Protecting Stakeholder Value with Sustainable Management Policies

AT&S attaches equal importance to quality, the environment and people. By doing so it is stressed that the "people, planet and profit" dimensions of performance need not conflict with each other.

AT&S is an international electronics company with competitors around the world, especially in Asia. As a global corporate citizen AT&S is committed to combining an entrepreneurial approach with social and environmental responsibility.

At AT&S sustainable management means using the available resources to deliver the best possible long-term results for our stakeholders. We recognise that the "people, planet and profit" dimensions of performance need not conflict with each other. On the contrary, all three underpin the sustainability of a business.

Integrated management system

The AT&S integrated management system (IMS) attaches equal importance to quality, the environment and people. The system is based on the ISO 9001 and ISO/TS 16949 (quality management for automotive production) quality standards, the ISO 14001 environmental management standard and the OHSAS 18001 standard for occupational health and safety. Regular internal audits and reviews by independent auditors have confirmed that the management system meets the compliance requirements for the financial year 2009/10.

Health and safety at work

Employee health, safety and fitness are major priorities at AT&S. Keeping detailed records of all accidents, environmental and transport incidents, damages and near-accidents has helped to identify potential weaknesses and systematically minimise risks over the years. The OHSAS 18001 health and safety standard regulates our activities in these areas.

A number of programmes and measures aimed at raising awareness of safety issues have been developed and implemented both locally and globally. The 66% drop in the number of working days lost to accidents reflects the success of these initiatives. The number of accidents resulting in more than one lost working day dropped by 30% year on year. Reduced absence rates and steadily declining numbers of accidents result in a win-win situation for AT&S and its staff.

In response to the positive attitudes of our employees, an occupational health programme was also drawn up for the financial year 2009/10 and rolled out at our Austrian plants. The aim was to encourage and enhance staff performance and commitment. One of the larger projects focused on ergonomics in the workplace – it involved an analysis using the key indicator method, training, and developing and introducing appropriate exercises in cooperation with an external trainer. Other activities during the year included a skin monitoring initiative and a campaign that focused on preventing falls (including a "3S check" of factors that influence sensorimotor control, symmetry and stability).

Mutual Aid Response Scheme

In the financial year 2009/10 AT&S India joined forces with three other well-known companies in the Nanjangud industrial area to develop an action plan that will enable them to respond effectively to industrial accidents. Pooling equipment and rescue teams will ensure the best possible support in the event of an emergency. A joint manual was prepared to maximise the effectiveness of the scheme. It includes details of the partner companies and guidelines on storing chemicals, gases and oils.

Environmental protection

During the financial year 1996/97 AT&S became one of the first PCB manufacturers to introduce environmental management standards in compliance with ISO 14001. All of our sites are now certified to this standard. Our in-house standards go well beyond the statutory minimum requirements, so that the Group is often seen by certification bodies and authorities as a pioneer on environmental issues. For example, AT&S China was recognised as a Long-term Partnership Enterprise in Promoting Environmental Protection by the Shanghai Environmental Protection Bureau for its role in supporting a host of environmental education initiatives. But this does not mean we intend to rest on our laurels: we will continue to set ourselves new targets, introduce new measures and monitor compliance with them. We see environmental protection as a continuous improvement process.

Reducing resources and materials consumption and maximising resource efficiency are part of our management policy. As a result we are constantly looking to improve our environmental performance. We will continue to focus on reducing or improving specific consumption of resources, and a number of projects are being implemented to achieve this.

Reducing energy consumption in etching facilities
New insulation of etching equipment at the Leoben-Hinterberg plant reduced cooling requirements by 5 kW and heat consumption by 15 kW per facility.

Wastewater treatment
The expansion of the Nanjangud facility included installation of innovative wastewater purification equipment based on reverse osmosis. As a result, 80% of the water treated there can now be reused.

Etchant recycling
The copper recovery systems at the Nanjangud plant in India have been improved to include a recycling process for acid etchant – the first of its kind in the printed circuit board industry. The initiative earned AT&S India an Environment Management Systems award from Elcina-Dun & Bradstreet.

Recycling waste from PCB production
Disposal of waste from the manufacture of printed circuit boards at our two largest sites – Shanghai and Leoben-Hinterberg – is handled externally. Valuable metals such as copper, nickel and gold are separated from the board and recycled. Around 30% of a printed circuit board can be reused.

Reducing CO_2 emissions
Although the CO_2 emissions generated by printed circuit board production are relatively low, AT&S is also committed to playing its part in reducing greenhouse gases. A number of measures will be implemented at all of our plants during the financial year 2010/11 to provide detailed information on energy saving and raise employee awareness of the issue. We anticipate a 5% reduction in CO_2 emissions in the current financial year, and emissions will also be included as a key environmental performance indicator. As a result of our energy-saving initiatives we aim to cut emissions by around 7% per year.

Our exemplary environmental management system has also won plaudits from our customers: the Shanghai plant has won the title of Canon Green Partner, while Leoben, Fehring and Shanghai are all certified Sony Green Partners.

The AT&S Environmental Report provides full details of our environmental performance indicators and is available for download from our website at www.ats.net.

Social responsibility
Fulfilling its responsibilities as a corporate citizen is central to AT&S's way of thinking. This means going beyond simple compliance with minimum legal requirements for socially responsible behaviour. We aim to make a significant contribution to the welfare of people living in the catchment areas of our plants around the world by supporting health care and education projects.

Last year we supported the construction of a fully equipped medical centre and a kindergarten in India. In early 2010 we also funded a multimedia room for a Down syndrome competence centre in Leoben-Hinterberg, the only one of its kind in Europe. The new room meets all of the educational needs of children and young people with trisomy 21, and also enables parents to gain an insight into the latest discoveries in modern brain research. Our support for a range of social projects close to our plants has benefited countless people and organisations. But sustainability is not just an integral part of our corporate philosophy; it is also a guiding principle for every employee. For example, AT&S India staff donated one day's salary to help the victims of severe flooding in their region following heavy rainfall in September 2009. The employees' donation was matched by the Company.

Fulfilling its responsibilities as a corporate citizen is central to AT&S's way of thinking. This means going beyond simple compliance with minimum legal requirements for socially responsible behaviour.

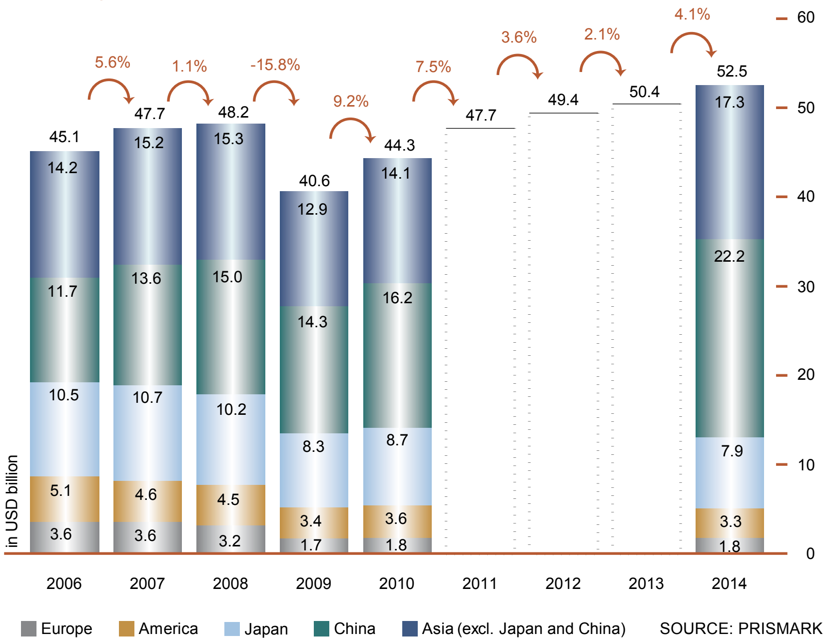
Market Environment – from Crisis to Boom

Over the next five years, i.e. until the end of 2014, volumes in the printed circuit board market are expected to reach USD 52.5bn per year, an annual growth rate (CAGR) of 5.3%.

The financial year 2009/10 was overshadowed by the impacts of the economic crisis. Compared with the previous year, global production of printed circuit boards dropped by 15.8% to USD 40.6bn. No region escaped the effects: production in Europe fell by 45.7%, in the USA by 23.5%, in Japan by 18.8%, and in Asia (excluding Japan) by 10.6%. Individual technologies also suffered considerable declines: hardest hit were single-sided and double-sided printed circuit boards, with a drop of 19.0%. Almost as badly affected were multilayers, which fell 16.9% and HDI printed circuit boards, which were down 15.1%. Flexible printed circuit boards escaped with the least damage, losing only 10.9%.

AT&S put the crisis to good use by repositioning itself in the marketplace, optimising its activities and driving vital research and development projects forward. For many of our weaker competitors, however, the collapse of the markets either spelt the death knell or forced them to massively downsize their businesses. This thoroughly healthy market rationalisation reduced the number of printed circuit board manufacturers around the world to about 2000.

Growth of printed circuit board market



There are only 289 printed circuit board manufacturers left in Europe, down from 307 a year ago. The number of small businesses with revenues of up to EUR 2m increased by 11 to 131, while there was a sharp decline in numbers of larger companies. There are now only three manufacturers with revenues exceeding EUR 50m, compared with seven a year ago, and 39 with sales of between EUR 10m and EUR 50m, down from 50 in the previous financial year. The five largest printed circuit board producers account for some 22% of total European production volumes. The 20 largest manufacturers have a 47% market share. Germany remained the largest European producer of printed circuit boards – the country's 72 manufacturers generated just under 42% of total European output.

Vigorous growth of 9.2% is predicted for 2010, and the improvement will also affect all regions. According to the analysts, Asia (not including Japan) will notch up the highest growth rate, with 11.5%, followed by the USA with 5.2% and Japan with 4.8%. The weakest growth rate is forecast for Europe – only 3.2%. From the point of view of technologies, flexible printed circuit boards are expected to show the strongest growth, with 11.9%. Production of multilayers will increase by 10%, and that of HDI printed circuit boards by 7.3%. For single and double-sided printed circuit boards, growth rates of 4.9% are expected.

Over the next five years, i.e. until the end of 2014, volumes in the printed circuit board market are expected to reach USD 52.5bn per year, an annual growth rate (CAGR) of 5.3%. This will be largely attributable to production in China, which is expected to grow by 9.3% yearly. Production levels in America, Europe and Japan are expected to remain constant. While sales of single-sided and double-sided printed circuit boards are expected to grow by an average of 2.7%, growth rates for all other technologies are expected to be substantially in excess of 5%.

Development of end markets

Automotive

According to VDA (the German Association of the Automotive Industry), world automobile production fell by around 13% in 2009. Production in Europe was down by about 22%, and in the USA by as much as 34%. Only China registered growth – an impressive 48%. Printed circuit board sales to the automotive sector in the last financial year slumped by more than 20%. For 2010, analysts are predicting a growth rate of more than 7%, and average annual growth until 2014 is expected to be nearly 6%.

Industrial

The Industrial market suffered massively in last year's economic climate; production of printed circuit boards collapsed by around 19% worldwide. For 2010, analysts are assuming strong growth in the region of 11%. In the industrial sector, the market for printed circuit boards is expected to increase in value by an average of 5% annually until at least 2014.

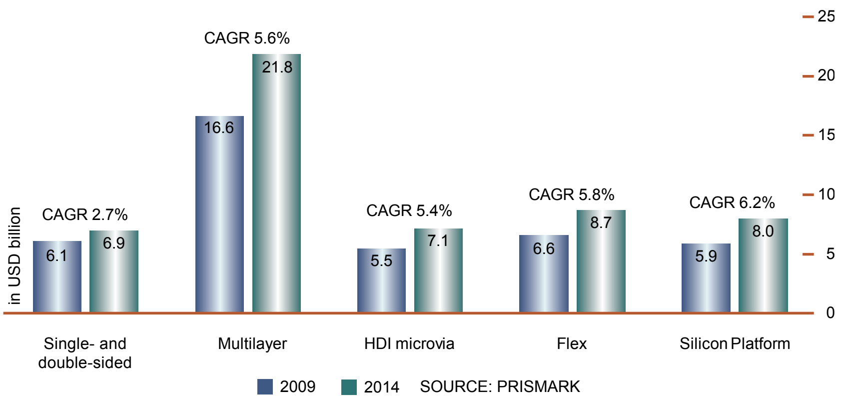
Mobile Devices

After years of at times tumultuous increases, sales of mobile telephones fell by around 7% in 2009. Only the smartphone segment continued its rapid growth, putting on a good 19%.

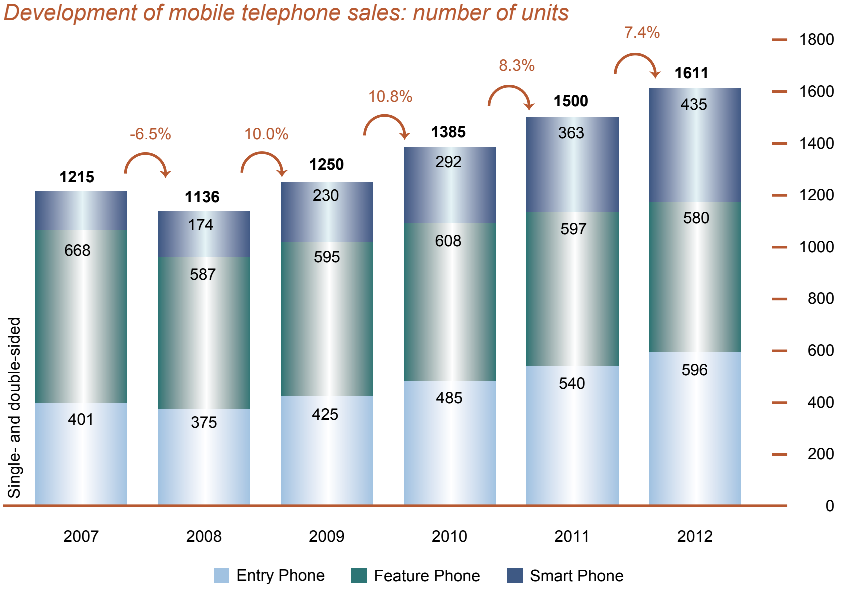
The market for mobile telephones can increasingly be divided into a low-cost segment and a high technology, high-end segment (e.g., smartphones). In the low-cost segment the aim is to reduce production costs as far as possible and to use printed circuit boards produced with the simplest and least expensive technologies. The high-end segment, in contrast, employs increasingly complex applications – the desire for ever thinner, smaller devices means that extremely rapid technological development can still be expected.

In crisis-ridden 2009, sales of other mobile devices fell by some 3%, but for 2010 analysts are forecasting growth of more than 7%.

Printed circuit board market by technology



Development of mobile telephone sales: number of units



Award-winning Investor Relations

IR at AT&S voted No. 2 in Austria by public acclaim

The goal we pursue in our investor relations activities is to provide all capital market participants with up-to-date corporate information – transparently and simultaneously. This is the one sure way to retain and extend the trust of shareholders and the financial community in the AT&S Group.

Because of the turbulent economic times and the restructuring measures necessary, the financial year 2009/10 was especially challenging. By communicating clearly, comprehensively and logically what we were doing and how our figures looked, we were successful in achieving an increase in investors' and analysts' trust. The proof of this is the very positive performance of AT&S's share price.

Direct contact with investors and analysts

At the start of the financial year there was very little interest on the part of investors in AT&S roadshows. Given the market environment, many of our existing and potential investors preferred to concentrate on highly capitalised companies, or raised the minimum threshold for permitted investments. AT&S was no longer a qualifying investment. During this time, making telephone contact with existing and also potential investors proved to be a useful strategy.

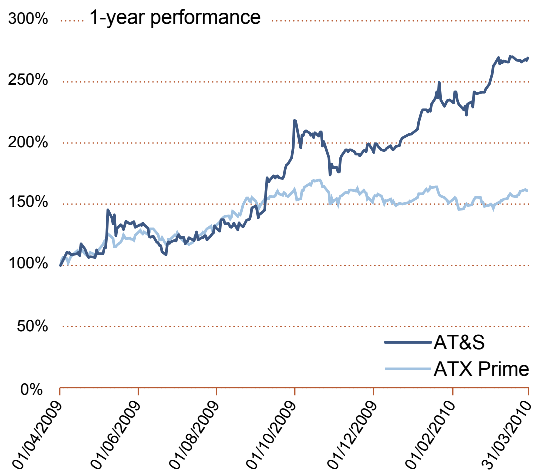
Stock market interest began to revive again in the autumn, and AT&S then made presentations at a number of investor roadshows. During the financial year 2009/10 AT&S was also represented at two important investor conferences, and used the opportunities for numerous one-on-one discussions.

The annual Capital Markets Day took place on 26 November 2009. The day began with a review of the events of the past 12 months. Other major topics included expected developments in the printed circuit board market, the overall AT&S Group strategy, and the strategies of the individual business segments. A review of the financial position and an overview of the latest technological achievements and projects, which are designed to further strengthen AT&S's position as a technology leader in its sector, brought the day to a close.

Share price

The market price of AT&S stock at the start of the financial year was EUR 3.05. After a sharp rise culminating in an intraday high of EUR 4.76 the price fell back significantly, first as a result of the announcement of the annual results for 2009/10, and then when the second set of restructuring measures for Leoben-Hinterberg was announced. Afterwards, investors' confidence returned, and the share price climbed to an intraday high of EUR 7.40 on 30 September 2009. Following the very rapid increase in share price in the second quarter of AT&S's financial year, the stock lost ground as compared with the ATX Prime in the following weeks. However the information made public during the Capital Markets Day on 26 November 2009 gave the market price a renewed boost. From then on we successfully intensified our investor relations activities, with positive effects on the share price, which continued to put on value. At the beginning of March the price broke through the EUR 8.00 barrier to close the financial year at EUR 8.25. The stock had climbed 270% in the course of the financial year 2009/10, while the ATX rose 161% over the same period.

AT&S against the ATX Prime



AT&S share performance overview

in EUR	2009/10	2008/09**	2007/08*
High	8.37	13.56	20.44
Low	2.99	2.60	9.00
Year end close (31 March)	8.25	2.95	10.29

* Listing on the Frankfurt Stock Exchange
** Figures reflect listing from 20 May 2008 on the Vienna Stock Exchange

The positive performance of its stock considerably improved AT&S's standing in the Vienna Stock Exchange's ATX watchlist over the course of the year. In terms of market capitalisation, AT&S improved its position from 29th at the outset to 25th, and in terms of trading volumes from 34th to 29th.

Dividends

AT&S continues to adhere to its long-standing, conservative dividend policy of distributing roughly 10% of the annual cash earnings to the shareholders. In line with this policy, at the Annual General Meeting on 7 July 2010 AT&S's Management Board will propose a dividend of EUR 0.10 per share for the financial year 2009/10.

Share buy-back programme

A resolution of the 14th Annual General Meeting of 3 July 2008 authorises the repurchase of up to 10% of the issued share capital within 30 months. At 31 March 2010 AT&S held 2,577,412 shares, representing 9.95% of the issued share capital. About 51% of the shares are in the free float.

In the financial year 2009/10 no further shares were repurchased under the stock repurchase programme.

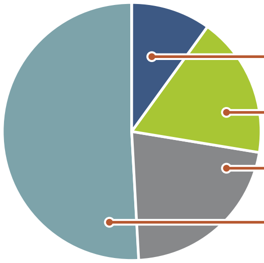
Research Coverage

In the year under review the number of analysts covering AT&S fell significantly. This is attributable to cost cutting, capacity reductions and/or restructuring in the banks, and AT&S's relatively low market capitalisation (seen in an international context).

The following analysts currently publish research reports on AT&S:

- Deutsche Bank:
  Uwe Schupp
- Erste Bank:
  Thomas Unger/Daniel Lion
- Landesbank Baden-Württemberg:
  Stephan Wittwer
- Raiffeisen Centrobank:
  Daniel Damaska

Shareholdings



Financial calendar

16th Annual General Meeting	7 July 2010
Quarter 1 2010/11	22 July 2010
Dividend payment day and ex-dividend date	28 July 2010
Quarter 2 2010/11	21 October 2010
Quarter 3 2010/11	25 January 2011
Annual results 2010/11	12 May 2011

Investor Relations

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Basic information AT&S share

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

Healthy Financing

The Management currently sees AT&S's financial position as very healthy. There are sufficient written and orally agreed lines of credit available.

Financing policy

Subject to any local regulations, AT&S adopts a centralised treasury approach to finances, with external borrowing predominantly carried out by AT&S AG. A detailed summary of the various sources of finance, including the respective maturities, is given in Note 17 in the Notes to Financial Statements (page 85ff).

Net debt

Cost-saving measures and the significantly lower capital investments reduced net debt by EUR 26.4m to EUR 148.0m in the financial year 2009/10. In the first half of the financial year, equity fell from EUR 252.7m to EUR 173.5m, and net gearing rose to 95.4%, principally as a result of the consolidated loss in the first quarter and adverse currency effects amounting to EUR 25.1m. In the second half AT&S's consolidated results improved considerably and currency movements were favourable. As a result, at 31 March 2010 equity totalled EUR 208.8m and net gearing stood at 70.9%.

Net debt 2009/10 and 2008/09

in EUR m	31 March 2010	31 March 2009
Current financial liabilities	70.5	98.5
+ Non-current financial liabilities	105.2	97.1
- Cash and cash equivalents	(13.4)	(7.0)
- Current financial assets	(14.2)	(14.0)
- Non-current financial assets	(0.1)	(0.1)
Net debt	**148.0**	**174.4**

Sources of finance

Total borrowings as at 31 March 2010 amounted to EUR 175.7m: 79% of borrowings with maturities of more than one year were at fixed interest rates, and 21% at variable rates (but hedged with interest rate swaps). Of the total debt, 99% was euro-denominated, and 1% denominated in other currencies. Outstanding loans of EUR 35.4m were subject to financial covenants; AT&S was in compliance with all of these. In the course of the financial year AT&S further improved the term profile of borrowings.

Financing maturities

in EUR m	< 1 year	1-2 years	2-3 years	3-4 years	Total
Bonds	3.7			79.7	**83.4**
Export loans	36.0				**36.0**
Loans for state authorities	0.2	0.2	0.1		**0.5**
Bank borrowings	29.2	9.3	6.2	9.3	**54.0**
Derivatives & other	1.4			0.4	**1.8**
Total	**70.5**	**9.5**	**6.3**	**89.4**	**175.7**

Bond

The EUR 80m bond issued in May 2008 matures on 27 May 2013. The coupon is fixed at 5.5% p.a. The bond (ISIN: AT0000A09S02) is listed on the Vienna Stock Exchange Third Market.

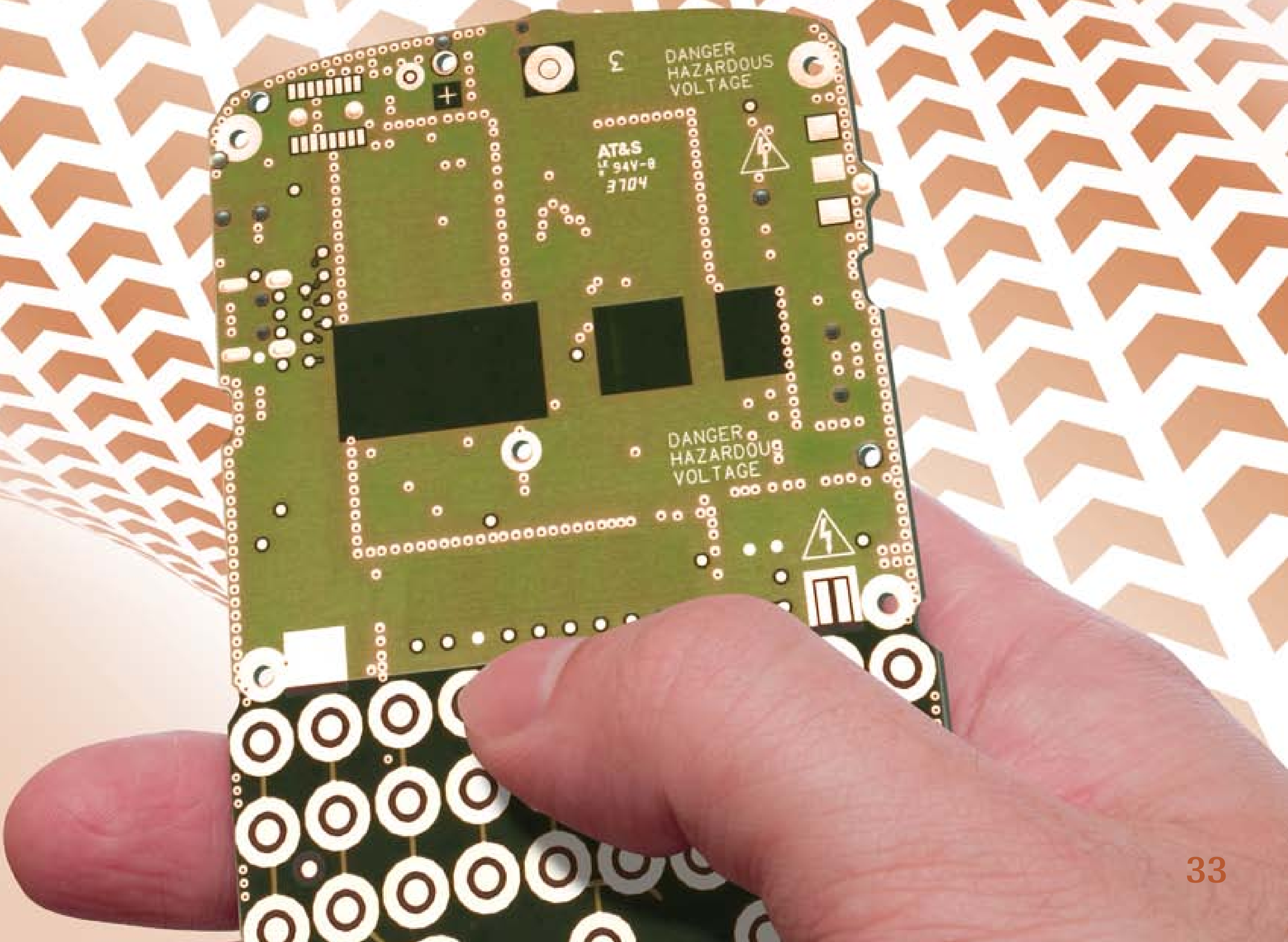
Export loans from the Oesterreichische Kontrollbank (OeKB)

OeKB finances exports of goods and services if these directly or indirectly benefit the Austrian balance of payments. The bank provides short-term revolving loan facilities for large companies up to a maximum of 15% of total export revenue.

Status and outlook

We currently see AT&S's financial position as very healthy: we have sufficient written and orally agreed lines of credit available. In the light of our customers' strongly growing needs for additional capacity, capital investments of some EUR 80m are planned. Assuming exchange rates remain unchanged, this could mean that the gearing ratio will rise to as much as 100%. We are expecting the additional capacity to generate considerable growth and a significant increase in cash flows, which in turn will have a positive effect on net gearing.

MOBILE DEVICES



Business Developments

Revenues fell sharply in the first quarter of the financial year 2009/10, owing to the challenging economic climate. However, demand rose rapidly starting in mid-August, and from September onwards, all plants were once again working at close to full capacity.

Profitability

Income statement

(in EUR m)	2009/10	as % of total revenues	2008/09	as % of total revenues	Change
Revenues	372.2	100.0%	449.9	100.0%	(17.3%)
Cost of sales	(327.3)	(87.9%)	(383.5)	(85.3%)	14.7%
Gross profit	44.9	12.1%	66.4	14.7%	(32.4%)
Selling costs	(18.8)	(5.1%)	(22.4)	(5.0%)	16.1%
General and administrative costs	(17.7)	(4.8%)	(21.2)	(4.7%)	16.5%
Other operating result	2.6	0.7%	3.9	0.9%	(32.0%)
Non-recurring items	(36.5)	(9.8%)	(27.6)	(6.1%)	(32.2%)
Operating result	(25.6)	(6.9%)	(1.1)	(0.2%)	(2,312.2%)
Financial result	(8.4)	(2.2%)	1.3	0.3%	(760.5%)
Profit before tax	(33.9)	(9.1%)	0.2	0.0%	(16,593.5%)
Income tax expense	(3.7)	(1.0%)	(6.0)	(1.3%)	38.3%
Profit for the year	**(37.6)**	**(10.1%)**	**(5.8)**	**(1.3%)**	**(550.0%)**
thereof minority interest	(0.3)	(0.1%)	(0.4)	(0.1%)	15.9%
thereof equity holders of the company	(37.3)	(10.0%)	(5.4)	(1.2%)	(593.3%)
Earnings per share (in EUR)	(1.6)		(0.2)		

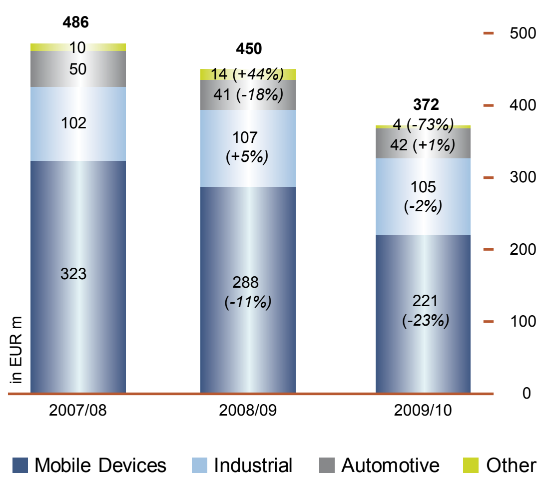
Revenues

Revenues fell sharply in the first quarter of the financial year 2009/10, owing to the challenging economic climate. However, demand rose rapidly starting in mid-August, and in September all sites were once again working at close to full capacity. Revenues reached around EUR 100m in both the third and fourth quarter.

Volume production was relocated from the Leoben-Hinterberg plant to Asia in summer 2009. This resulted in a reduction in volume production capacity, as the new capacity created in Asia was smaller than that which was decommissioned in Austria. Consequently Mobile Devices saw its contribution to total revenues fall from 64% in the financial year 2008/09 to 59% in 2009/10. The Leoben-Hinterberg plant is now fully focused on the requirements of the European market. Combined with successful sales activities, this new focus has helped to improve the revenue contribution of the Industrial business from 24% to 28%. The market rationalisation brought about by the economic crisis had a major impact on some of AT&S's best-known competitors, especially in the Automotive sector.

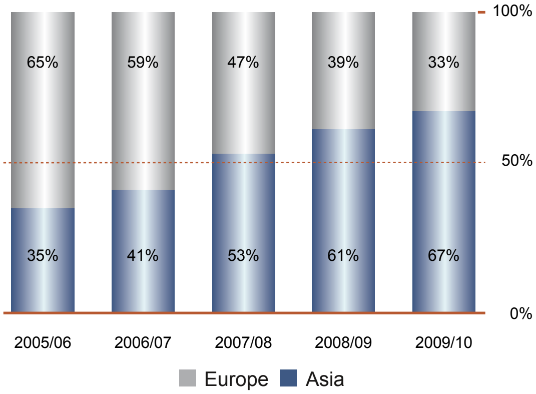
Despite the difficult operating conditions, AT&S's Automotive business posted a 2 percentage points year-on-year increase in revenue contribution to 11%.

Development of revenues



Our Asian facilities accounted for 67% of total revenues in the period under review, up from 61% a year earlier (before the relocation of volume production from Austria to Asia). Asia's contribution to revenue will continue to grow as the planned expansion in capacity there is implemented.

Revenues produced in Europe and Asia over the last years



The breakdown by countries shows that 47% of revenues were generated in Europe. The largest markets in the region were Germany (EUR 88.3m), Hungary (EUR 39.8m) and Austria (EUR 18.0m). Asia accounted for 34% of revenues, while the USA and Canada contributed 17% to the total. Around 2% was attributable to other countries.

Earnings

As with revenues, AT&S's profitability was severely impacted by the economic downturn. Capacity utilisation was extremely weak at all sites in the first quarter. In an industry like printed circuit board manufacturing where fixed costs are high, capacity under-utilisation puts significant pressure on margins. Minimising purchase prices was also a higher priority for our customers. This had a particularly harsh effect on earnings from volume production at Leoben-Hinterberg and operating results turned negative by EUR 11.8m. Since volume production at the Leoben-Hinterberg site was no longer economical, it was moved to Asia, and operations at the Austrian facility were realigned.

Expenses in the past financial year for the relocation of capacity and other cost reduction measures totalled EUR 36.5m. We began to see the effectiveness of these measures in the second quarter, when earnings again turned positive. The third quarter was one of the most profitable in the Group's history, thanks to the reduced cost base and strong capacity utilisation across all of our plants. The EBIT margin came out at 6.2% in spite of the less attractive product mix in the fourth quarter, the decline in manufactured value at the Shanghai plant as a result of the Chinese New Year holiday, and sharp increases in raw material and energy costs. In the preceding year the EBIT margin still stood at -1.5%.

Earnings excl. non-recurring items

in EUR m	2009/10	as % of total revenues
EBIT	(25.5)	(6.9%)
+ restructuring Leoben-Hinterberg/cost-cutting programme		
▪ impairments	16.9	
▪ other expenses	19.6	
EBIT excl. non-recurring items	11.0	2.9%
Financial result	(8.4)	
Profit before tax	2.6	0.7%
Income tax expense	(3.7)	
Profit for the year excl. one-time expenses	**(1.1)**	**(0.3%)**
Earnings per share (in EUR)	(0.03)	

Dividends

AT&S remains committed to its conservative dividend policy – the distribution of around 10% of cash earnings. In line with this policy, the Management Board will propose a dividend of EUR 0.10 at the Annual General Meeting on 7 July 2010.

The Management Board will propose a dividend of EUR 0.10 at the Annual General Meeting on 7 July 2010.

Although consolidated net income turned negative as a result of non-recurring expenses, the net cash inflow from operating activities improved by 21% on the previous year to EUR 47.0m.

Financial standing

Balance sheet (summary)

in EUR m	31 March 2010	Structure	31 March 2009	Structure	Change
Non-current assets	326.0	67.4%	365.2	68.0%	(10.7%)
Current assets	157.4	32.6%	171.6	32.0%	(8.3%)
TOTAL ASSETS	**483.4**		**536.8**		
Equity	208.8	43.2%	252.7	47.1%	(17.4%)
Non-current liabilities	135.6	28.1%	126.2	23.5%	7.5%
Current liabilities	139.0	28.8%	157.9	29.4%	(12.0%)
TOTAL EQUITY AND LIABILITIES	**483.4**		**536.8**		

Total assets amounted to EUR 483.4m at 31 March 2010, of which non-current assets accounted for 67.4%. The value of property, plant and equipment declined by EUR 41.3m during the period under review due to scheduled depreciation for the period and impairments connected with the restructuring of the Leoben-Hinterberg plant. The EUR 14.2m fall in current assets was mainly due to a reduction in inventories and receivables.

Equity at the balance sheet date totalled EUR 208.8m. This represented a year-on-year decrease of EUR 43.9m and was the result of significant non-recurring expenses and the dividend payment. The equity ratio remained strong at 43.2%, despite slipping by about 3.8 percentage points. In the financial year 2009/10 no further shares were repurchased under the share buy-back programme. As at 31 March 2010 AT&S held 2,577,412 treasury shares, or 9.95% of the issued share capital, with a total acquisition cost of EUR 46.6m.

Optimising the maturities of financial liabilities was a major priority during the financial year 2009/10. In consequence, long-term borrowings increased by EUR 9.5m at the balance sheet date, while short-term borrowings were reduced by EUR 19.0m. During the financial year 2009/10, total borrowings fell by EUR 9.5m, and net debt dropped by EUR 26.4m to EUR 148m. The resulting gearing ratio was 70.9% – virtually unchanged from the 69.1% recorded at the end of the previous financial year, despite the reduction in equity. More detailed information on the Group's sources of funds can be found under Financing in this report.

Cash flow

Although consolidated net income turned negative as a result of non-recurring expenses, the net cash generated from operating activities improved by 21% on the previous year to EUR 47.0m. This was chiefly attributable to the EUR 27.5m fall in net working capital.

Net capital expenditure for property, plant and equipment, and in particular for investments in maintenance, fell sharply by 66.8% to EUR 19.5m. As a result capital expenditure amounted to 5.2% of revenues.

Net cash generated from financing activities came to EUR 22.8m in the financial year 2009/10. Financial liabilities had risen by EUR 20.7m in the preceding financial year, but in the financial year 2009/10 liabilities were reduced by a total of EUR 19.5m.

Looking Forward to Growth

Markets growing again
Analysts are forecasting annual growth of about 9% for the printed circuit board industry in 2010. Asian markets are tipped to return the steepest rise, with increases in output of about 11.5%, and growth in demand of around 14.4%. European markets are forecast to remain stable.

Capacity expansion in Shanghai
AT&S's Mobile Devices business specialises in the high-end segment of the market, i.e., technologically advanced smartphones. According to the analysts, sales of these types of handset will grow by an average of 20% p.a. over the next few years. We are also noting increased demand for highly complex printed circuit boards for use in other mobile devices (digital cameras, games consoles, mobile music players), automotive applications and notebooks. In addition to greater volumes of the already popular HDI printed circuit boards, the demand is for increasingly complex PCBs with greater numbers of layers. Overall, this points towards snowballing demand for HDI capacities. We have therefore decided to install additional capacity for HDI printed circuit boards at our Shanghai plant, which specialises in volume production of this technology. Around EUR 55m will be invested in China in the financial year 2009/10.

New plant in India
In the year under review we registered a large jump in demand for medium series runs of double-sided and multi-layered printed circuit boards. In response we have accelerated work on completing the second plant in Nanjangud. Around EUR 10m has been earmarked for investment during the current financial year, and production is scheduled to begin in autumn 2010.

Strategic realignment for Leoben-Hinterberg
With completion of the transfer of volume production from Leoben-Hinterberg to Asia in the financial year 2009/10, the focus of activities in the current financial year will shift to realigning the Austrian plant to meet European demand (smaller volumes, prototypes, special products) and building up the site's role as AT&S's technology centre. As demand for printed circuit boards produced in India currently outstrips our capacity there by a considerable margin, during the first half of 2010/11 orders will temporarily be produced by Leoben-Hinterberg. This will mean lower available capacity for high-margin European business – the product mix will be less favourable, and profitability will be down in the first six months of the financial year. With the ramp-up of the second plant, India will take back the outsourced orders, ensuring high capacity utilisation from the start.

Technology leader
AT&S see itself as a technology leader for the printed circuit board industry, a position that it will continue to strengthen and extend in future. To maintain its lead, around EUR 10m will be invested in new technologies in the financial year 2010/11. A further EUR 5m will be spent on maintenance of existing plant and machinery.

Investment in profitable growth
In the financial year 2010/11 a total of about EUR 80m will be invested in growing the AT&S Group, with around two thirds of this amount scheduled for the first half of the financial year. This could see the gearing ratio rise as high as 100% during the year – assuming exchange rates remain unchanged. The additional capacity is expected to generate a healthy increase in revenues, to roughly EUR 435m in the current financial year, with an EBIT margin of over 7%. The unfavourable product mix at Leoben-Hinterberg will continue to depress Group profitability during the first half of the financial year 2010/11. Since the tax credits generated by the construction of the Shanghai plant were exhausted in 2009, AT&S Group can expect the effective tax rate to be in the region of 25%.

Guidance FY 2010/11

Revenues:	*ca. EUR 435m*
EBIT margin:	*> 7%*
Effective tax rate:	*ca. 25%*
CAPEX:	*ca. EUR 80m*

Corporate Governance Report

Table of Contents

GLOBAL PLAYER

Principles & Corporate Governance Declaration

AT&S Austria Technologie & Systemtechnik AG (AT&S) declares its voluntary adherence to the Austrian Code of Corporate Governance (ÖCGK) in the version of January 2010.

Code of Corporate Governance

In Austria the Corporate Governance Code drawn up by the Working Group for Corporate Governance under the guidance of the Special Government Authorities Responsible for the Capital Market has been in force since 1 October 2002. Since then it has been reviewed annually and where necessary amended, most recently with effect from 1 January 2010. The Code contains all the rules essential to good corporate governance, divided into the following categories:

- L Rules (legal requirement): rules referring to mandatory legal requirements
- C Rules (comply or explain): rules from which any deviation must be explained and reasons stated
- R Rules (recommendation): rules in the nature of recommendations, where non-compliance requires neither disclosure nor explanation.

The German version of the ÖCGK currently in force can be downloaded from the Working Group's website, www.corporategovernance.at. An English translation and interpretations of the Code prepared by the Working Group are also available on the website.

AT&S has for many years followed a strategy designed to further long-term, sustainable growth in the Group's value. Since May 2008 AT&S's stock has been listed on the Vienna Stock Exchange, and since that date the Company has explicitly committed itself to the Austrian Code of Corporate Governance (ÖCGK). An undertaking to comply with the ÖCGK is also a requirement for Austrian companies looking to be listed on the Vienna Exchange's Prime Market. Management in accordance with the principles of good corporate governance involves open discussion between the Management and Supervisory Boards, and within these bodies.

With the following, AT&S complies as of 31 March 2010 with all the required provisions of the ÖCGK in the version of January 2010:

C Rules 27 – 28a and all other passages referring to them

These Rules were revised in the most recent amended version of the ÖCGK in December 2009. Andreas Gerstenmayer was appointed Chairman of the Management Board of AT&S in the middle of December; given the closeness in time of the appointment to the revision of the rules, the new provisions were not incorporated into the contract of appointment signed by Mr Gerstenmayer in January 2010.

Bodies of a Stock Company (Aktiengesellschaft)

The Management Board is responsible for managing the affairs of the company so as to further the wellbeing of the company and the interests of shareholders, the employees and the general public. Members of the Management Board are appointed by the Supervisory Board.

The Supervisory Board is responsible for overseeing the management of the company and must meet at least once a quarter. Members of the Supervisory Board are appointed by the General Meeting. In addition, the employee representatives are entitled to delegate a Supervisory Board member from their midst for every two Supervisory Board members elected by the General Meeting.

The General Meeting is the primary forum for shareholders to exercise their participatory decision-making rights as provided under statute and the company's articles of incorporation.

AT&S AG Management Board

The Management Board is collectively responsible for the management of the Company. Without prejudice to their collective responsibility, each member of the Management Board is responsible for specific areas of the business. Management Board members must keep each other informed of all important business events and transactions. Fundamental issues of business policy and major decisions require the joint decision of all the members of the Management Board. If the decisions are not unanimous, the Chairman of the Supervisory Board must be informed without delay. The Supervisory Board must also be informed of all proposed decisions with far-reaching consequences.

The rules and procedures of AT&S's Management Board require the Board to meet at least once a month. In the past financial year there were a total of 30 Board meetings. Written minutes of all Board meetings and decisions must be taken.

At 31 March 2010 the members of the Management Board were Andreas Gerstenmayer (Chairman) Steen Ejlskov Hansen (Deputy Chairman and CFO) and Heinz Moitzi (CTO).

Harald Sommerer resigned from the Management Board with effect from 31 January 2010.

Andreas Gerstenmayer – Chairman
From 1 February 2010, appointed until 31 January 2013
Andreas Gerstenmayer, born on 18 February 1965, is a German national and a graduate in mechanical engineering from University of Applied Sciences Rosenheim. He joined the Siemens Group in Germany in 1990, beginning his career in the lighting technology department. Subsequently, he held various managerial positions in the Siemens Group. In 2003 he became Managing Director of Siemens Transportation Systems GmbH Austria and CEO of the Suspension Systems Business Unit Graz (World Headquarters). Since 1 January 2009 Andreas Gerstenmayer has been principal shareholder in FOCUSON Business Consulting GmbH. On taking up his appointment as Chairman of the AT&S Management Board he ceased to be involved in day-to-day consulting operations. Andreas Gerstenmayer holds no appointments on the Supervisory Boards of other stock exchange listed companies.

His specific managerial responsibilities are for sales and marketing, human resources, investor relations / public relations / internal communications, and business development and strategy. As Chairman of the Management Board he is responsible for implementing the decisions and resolutions of the Management Board, the Supervisory Board and the shareholders' General Meeting, and for seeing that they are carried out.

Steen Ejlskov Hansen – Chief Financial Officer
From 1 April 2004, appointed until 31 March 2014
Steen Hansen, born on 28 Oktober 1958, is a Danish citizen. He studied in Copenhagen and South Africa, where he graduated with a business degree from the University of South Africa. Between 1979 and 1994 he worked for The East Asiatic Company, where he exercised a wide range of management responsibilities in Scandinavia, Australia, Great Britain and Germany. He was Finance Director with Rasmussen & Schlötz GmbH in Germany from 1994 to 1996, before moving to the ACO Group as CFO in 1999. Between 1999 and 2003 Steen Hansen was Managing Director of Roto Frank AG.

Since 8 June 2005 he has also been Deputy Chairman of the Management Board. His specific managerial responsibilities are for finance and accounting, management controlling, internal audit, legal and insurance, IT and organisation, supply chain management, and procurement.

Heinz Moitzi – Chief Technical Officer
From 1 April 2005, appointed until 31 March 2013
Heinz Moitzi, born on 5 July 1956, learned electrical installation between 1971 and 1975 with Stadtwerke Judenburg (municipal utilities). From 1976 to 1981 he attended the higher technical college of electrical engineering (HTBL), where he completed his adult education certificate. In 1981 he worked as a measurement engineer at the Leoben University of Mining and Metallurgy. Heinz Moitzi has been working at AT&S since 1981, first as head of mechanics and electroplating, then as production and plant manager at Leoben-Hinterberg. He was project manager and COO at AT&S Shanghai from 2001 to 2004. After his return he became Vice President of Production.

Heinz Moitzi's specific managerial responsibilities are for production, research & development, quality, the environment, safety, maintenance, supply, and waste disposal.

Andreas Gerstenmayer
CEO and Chairman

Steen E. Hansen
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

AT&S AG Supervisory Board

Name	Date of birth	Date of first appointment	End of current appointment
Hannes Androsch	18.04.1938	30.09.1995*	16. oHV 2010
Willibald Dörflinger	20.05.1950	05.07.2005	16. oHV 2010
Erich Schwarzbichler	09.06.1947	30.09.1995*	**
Gerhard Pichler	30.05.1948	02.07.2009	20. oHV 2014
Georg Riedl	30.10.1959	28.05.1999	17. oHV 2011
Karl Fink	22.08.1945	05.07.2005	16. oHV 2010
Albert Hochleitner	04.07.1940	05.07.2005	16. oHV 2010
Wolfgang Fleck	15.06.1962	03.09.2008***	
Johann Fuchs	16.12.1959	20.11.1996***	
Markus Schumy	14.08.1970	04.10.2001***	****
Günther Wölfler	21.10.1960	10.06.2009***	

* AT&S was originally a private limited company (GmbH). The shareholders' meeting of 23 June 1995 passed a resolution changing the Company into a stock company (AG), and appointed Hannes Androsch and Erich Schwarzbichler to the Supervisory Board. The AG was registered in the Register of Companies on 30 September 1995.

** Erich Schwarzbichler resigned his appointment as a member of AT&S's Supervisory Board at the Annual General Meeting on 2 July 2009. In consideration of the criterion for independence established by the Supervisory Board that specifies that no member of the Supervisory Board may be a member of that body for more than 15 years, he wished to resign his appointment already in 2009 to make way for a new external financial expert.

*** Delegated by the Works Council; date of first appointment corresponds to date of first participation in a Supervisory Board meeting.

**** Markus Schumy left the Supervisory Board. From the meeting on 10 June 2009 Günther Wölfler was delegeted as successor,

The Supervisory Board is responsible for decisions that involve subjects of fundamental importance or the strategic direction of the Company.

In the financial year 2009/10 the Supervisory Board met four times, with the Management Board participating. In these meetings the Management Board provided the Supervisory Board with full reports on the state of the AT&S Group's affairs. Strategic projects, long-term strategy and measures to cope with the economic crisis were discussed and decided on, together with structural and personnel changes. Additionally and outside Supervisory Board meetings, the Management Board and the Chairman of the Supervisory Board were engaged in ongoing discussions on the Group's strategic focus and the progress of its business activities.

Structure

Hannes Androsch is Chairman of the Supervisory Board. With a doctorate in economics, he is a non-practising certified accountant and tax adviser. From 1970 to 1981 he was Austrian Federal Minister of Finance, and between 1976 and 1981 also served as Vice Chancellor. From July 1981 until 1988 he was Managing Director of Creditanstalt-Bankverein (now part of UniCredit Group). In 1994 he and Willibald Dörflinger and Helmut Zoidl joined in the management buy-out of AT&S. Hannes Androsch has interests in a number of well-known Austrian businesses.

Hannes Androsch's other Supervisory Board appointments in stock exchange listed companies are with bwin.com Interactive Entertainment AG, where he is chairman, and with HTI High Tech Industries AG.

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

Willibald Dörflinger's other Supervisory Board appointments in stock exchange listed companies are with HTI High Tech Industries AG and HWA AG.

Erich Schwarzbichler was a member of AT&S's Supervisory Board until 2 July 2009. In1970 he gained his doctorate in law. From 1971 he worked for a major international firm of accountants and auditors. In 1980 he joined Österreichische Länderbank (subsequently Bank Austria, and now UniCredit). Between 1988 and 2007 he was responsible for mergers & acquisitions, risk management, and project, investment and corporate financing as Director of Lending at Bank Austria (now UniCredit). Since July 2007 he has been living on private income.

Gerhard Pichler has been a member of AT&S's Supervisory Board since 2 July 2009. He studied business administration at Vienna University of Economics and Business. He is a certified accountant and tax adviser. From 1986 he was general manager of CONSULTATIO Wirtschaftsprüfungsgesellschaft m.b.H., and since 1995 has been partner and Managing Director.

Karl Fink graduated in 1971 from the University of World Trade in Vienna in business studies (Diplomkaufmann). From 1971 to 1975 he worked for Marubeni Corporation in international commodities trading, before moving to Wiener Städtische Wechselseitige Versicherungsanstalt in Vienna. Between 1979 and 1987 he was Chairman of the Management Board of Interrisk – Internationale Versicherungs-Aktiengesellschaft. In 1987 he became a member of the Management Board of Wiener Städtische Allgemeine Versicherungs AG and in July 2004 Deputy Managing Director. In October 2007 he was appointed Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Karl Fink's active career as a member of the Management Board of Vienna Insurance Group came to an end on 30 September 2009.

Karl Fink's other Supervisory Board appointment in a stock exchange listed company is with Wienerberger AG.

Albert Hochleitner completed his studies in engineering physics at Vienna University of Technology in 1965. In the same year he joined the Siemens Group's low voltage works in Vienna. In 1984 he was appointed Chairman of the Management Board of Uher AG. In 1988 he moved to Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Würzburg. In October 1992 he was appointed to the Management Board of Siemens AG Austria, becoming Chairman in February 1994. In 2005 he moved to the Supervisory Board of Siemens AG Austria.

Georg Riedl acquired his doctorate in law in 1984 from the University of Vienna. In 1991 he set up in independent practice as Riedl & Ringhofer. He specialises in business, commercial, corporate and tax law, mergers and acquisitions, and contract law.

Georg Riedl's other Supervisory Board appointments in stock exchange listed companies are with bwin.com Interactive Entertainment AG and Porr Allgemeine Baugesellschaft – A. Porr AG.

Employees' participation in Supervisory Boards and their committees is mandated by law, and forms part of the Austrian corporate governance system. Employee representatives are entitled to delegate a Supervisory Board member from their midst for every two Supervisory Board members elected by the General Meeting. If the number of shareholders' representatives is odd, the number of employee representatives is rounded up. This one-third representation applies also to all Supervisory Board committees, with the exception of meetings and votes concerning the relationship between the company and its Management Board members. Resolutions appointing or dismissing a Management Board member and the granting of stock options in the company are also excepted.

Wolfgang Fleck, Johann Fuchs and Günther Wölfler (from 10 June 2009, as successor to Markus Schumy) were delegated to the Supervisory Board by the Works Council.

Independence of Supervisory Board Members

The ÖCGK provides for the majority of Supervisory Board members representing the shareholders to be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria to be used in determining the independence of its members.

Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the Company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The following criteria are applied in determining the independence of Supervisory Board members:

- The Supervisory Board member was in the past five years neither a member of the Management Board nor a senior manager of the Company or one of its subsidiaries.

- The Supervisory Board member neither had during the last financial year nor currently has a business relationship with the Company or any of its subsidiaries of material significance to that member. This applies also to business relationships between AT&S Group and enterprises in which the Supervisory Board member has a significant economic interest.

- The Supervisory Board member was during the last three years neither a statutory auditor of the Company, nor a person with an interest in the audit firm, nor an employee of any such firm.

- The Supervisory Board member is not a member of a management board of another company where a member of AT&S's Management Board is a member of that company's supervisory board.

- The Supervisory Board member has not been a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with entrepreneurial interests in the Company, or who represent the interests of such shareholders.

- The Supervisory Board member is not a close family relative (direct descendant, spouse, lifetime partner, parent, uncle, aunt, sibling, nephew or niece) of a Management Board member or of any person in a position described in the foregoing points.

In the Supervisory Board meeting of 16 December 2008, all Supervisory Board members representing shareholders declared whether for the purposes of these provisions they were independent. In the light of the consultancy agreement between AIC Androsch International Management Consulting GmbH and AT&S (see also below, under Agreements requiring approval) Hannes Androsch declared himself as not independent. Willibald Dörflinger was Chairman of the AT&S Management Board until 30 June 2005, and for this reason also declared himself as not independent. All the other members of the Supervisory Board elected by the General Meeting declared themselves as independent.

C Rule 54 provides that for companies with a free float in excess of 50%, at least two Supervisory Board members who are independent should also not be shareholders with interests in excess of 10%, or representatives of such interests. Messrs Fink and Hochleitner satisfy this requirement.

Contracts and agreements requiring approval

In connection with various acquisitions and projects, AT&S Group has received consultancy services from AIC Androsch International Management Consulting GmbH, which is headed by the Chairman of AT&S's Supervisory Board. In the financial year 2009/10 fees for such services amounted to EUR 365,000.

Committees

In the interests of enhancing the effectiveness of its supervisory activities and its dealings with complex technical details, the Supervisory Board has also established two committees to deal with specialised issues and report to the Supervisory Board on those matters.

Audit Committee

This committee is composed of the following members:

- Gerhard Pichler (Chairman and financial expert)
- Georg Riedl
- Wolfgang Fleck

The Audit Committee concerns itself with monitoring the accounting process and the work of the statutory auditor, with monitoring and reviewing the statutory auditor's independence, with reviewing and preparing the conclusions on the annual financial statements, and with reviewing the proposed distribution of profits, the management report and with effect from the financial year 2009/10 the corporate governance report. The Committee is responsible for reporting on the results of its reviews to the Supervisory Board.

The Audit Committee also does the preparatory work for the Supervisory Board on all issues in connection with the audit of the consolidated financial statements and consolidated management report and the consolidation accounting process.

It also prepares a proposal for the selection of the auditor for the financial statements and reports on this matter to the Supervisory Board.

The Audit Committee is also responsible for monitoring the effectiveness of the Group-wide internal control system and where appropriate the Company's internal audit and risk management systems.

In the financial year 2009/10 the Audit Committee met twice. Its activities concentrated on the preparation and review of the annual financial statements and the consolidated financial statements for the year ending 31 March 2009, on the planning and preparation of the annual and consolidated financial statements for the financial year 2009/10, and on risk management activities, the internal control system and internal audit. The Chairman of the Audit Committee as a committee member is also involved in the quarterly reporting process and reports on that issue to the Audit Committee.

Nomination and Remuneration Committee

This committee is composed of the following members:

- Hannes Androsch (Chairman)
- Karl Fink
- Albert Hochleitner
- Wolfgang Fleck
- Johann Fuchs

The Nomination and Remuneration Committee submits proposals to the Supervisory Board for appointments to fill vacancies arising on the Management Board. It concerns itself with issues of succession planning, with the remuneration of Management Board members and the details of their contracts of appointment. The Nomination and Remuneration Committee is authorised to make decisions in cases of urgency. As former Chairmen of Management Boards and Managing Directors, all Supervisory Board members representing shareholders have specialised knowledge and experience of remuneration policies.

In the past financial year, the Nomination and Remuneration Committee met once, in order to initiate the necessary measures to appoint a successor to Harald Sommerer, as retiring Chairman of the Management Board.

Remuneration Report

The following report presents the remuneration of members of AT&S's Management and Supervisory Boards. It should be read in conjunction with the explanations in the notes to the annual and consolidated financial statements 2009/10.

Management Board remuneration

Total remuneration of Management Board members

	Financial year 2009/10			Financial year 2008/09		
(in EUR 1,000)	Fixed	Variable*	**Total**	Fixed	Variable	**Total**
Andreas Gerstenmayer	58	–	**58**	n.a.	n.a.	**n.a.**
Harald Sommerer	457	423	**880**	457	–	**457**
Steen E. Hansen	365	–	**365**	366	–	**366**
Heinz Moitzi	314	–	**314**	316	–	**316**
			1,617			**1,139**

* The variable remuneration of the Management Board consisted of contractual termination payments and indemnification for other entitlements in connection with the premature termination of the Management Board appointment.

The stock options held by members of the Management Board were as follows:

	Options allotted as of 1 April				
	2006	2007	2008	2009	**Total**
Harald Sommerer	40,000	40,000	40,000	40,000	**160,000**
Steen E. Hansen	30,000	30,000	30,000	30,000	**120,000**
Heinz Moitzi	30,000	30,000	30,000	30,000	**120,000**
Exercise price (EUR)	17.99	22.57	15.67	3.86	

The current option-based remuneration of the Management Board is based on the AT&S Stock Option Scheme 2009–2012, which runs from 1 April 2009 until 1 April 2012. The options granted can be exercised in tranches: up to 20% after two years, up to 30% after three years, and up to 50% after four years following allotment. Stock options may be exercised in whole or in part after completion of the vesting period, although not during a restricted period. Allotted options not exercised within five years of the date of grant expire without compensation.

Until the financial year 2009/10, the variable remuneration of the Management Board not consisting of stock options and of all employees whose remuneration included variable elements depended on the achievement of two performance measures defined in the budget: economic value added (EVA) and return on capital employed (ROCE). The maximum bonus payable was 200%.

Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG) if their appointments are terminated. In the event of premature termination of a Management Board member's appointment for reasonable cause or where the function disappears for legal reasons, remuneration is payable until the end of the appointment contract. Where a Management Board member resigns the appointment or is removed from office for severe breach of duty, and in case of death, payment of salary ceases at the end of the relevant month.

Management Board pension entitlements are defined-benefit or defined-contribution plans agreed individually. Messrs Hansen and Moitzi's pension entitlement is 1.2% of final salary for each eligible year of service, with a maximum of 40%. For Andreas Gerstenmayer a contribution of 10% of monthly gross salary is paid into a pension fund.

Retirement of Harald Sommerer from the Management Board

As of 31 January 2010 Harald Sommerer's Management Board appointment was ended by mutual agreement. In accordance with the provisions of the Stock Options Scheme, all stock options allotted to him at that point became exercisable forthwith, and may be exercised until 31 January 2011. Any options not exercised by that date expire without further compensation. Harald Sommerer received the contractually agreed termination benefits of four-twelfths of annual remuneration, together with lump-sum indemnification of other entitlements under the Management Board agreement, amounting to EUR 280,000 gross in total. His pension entitlement is vested, and it is inflation-proofed until payable under the terms of the agreement.

Supervisory Board remuneration

Total remuneration and personal services by members of the Supervisory Board:

(in EUR 1,000)	Financial year ended 31 March 2010			Financial year ended 31 March 2009		
	Fixed	Variable	Total	Fixed	Variable	Total
Hannes Androsch	16	–	16	18	–	18
Willibald Dörflinger	9	–	9	9	–	9
Erich Schwarzbichler	2	–	2	11	–	11
Gerhard Pichler	9	–	9	n.a.	n.a.	n.a.
Georg Riedl	11	–	11	11	–	11
Albert Hochleitner	11	–	11	10	–	10
Karl Fink	10	–	10	11	–	11
	68	–	68	70	–	70

The employee representatives receive no remuneration for their work on the Supervisory Board.

The Chairman of the Supervisory Board receives fixed remuneration of EUR 11,000 per financial year, the other elected members EUR 7,300. Chairmanship of a Committee is remunerated with a fixed amount of EUR 3,000 per financial year, membership of a Committee with EUR 2,000. The variable element of Supervisory Board remuneration consists of attendance fees and a bonus based on AT&S achieving the level of EVA established in the budget. The attendance fee is generally EUR 400 per Supervisory Board meeting. In addition, the Chairman of the Supervisory Board receives an EVA-based bonus of EUR 10,000 per financial year if the budgeted level is fully achieved, other members of the Board EUR 5,000. Members of the Supervisory Board do not receive stock options in the Company.

Directors and officers liability insurance (D&O)

The D&O insurance at AT&S covers all past, present and future members of the managing and supervisory bodies of the Company and its subsidiaries. The insurance covers court and all other costs of defence against unwarranted claims, together with the satisfaction of warranted claims for pure financial loss arising from breaches of duty by the insured in their managerial or supervisory activities. The insurance is valid worldwide. The annual premium is paid by AT&S.

Directors' Holdings & Dealings

(in EUR 1,000)	Shares: Holdings 31 March 2009	Shares: Change	Shares: Holdings 31 March 2010	Shares: % capital	Options under Stock Option Scheme: Holdings 31 March 2009	Options: Change	Options: Holdings 31 March 2010	Options: Average strike price (EUR)
Steen Hansen	2,000	0	2,000	0.01%	120,000	0	120,000	15.02
Heinz Moitzi	1,672	0	1,672	0.01%	120,000	0	120,000	15.02
Hannes Androsch	445,853	0	445,853	1.72%				
Androsch Private Foundation	5,570,666	0	5,570,666	21.51%				
Dörflinger Private Foundation	4,574,688	0	4,574,688	17.66%				
Gerhard Pichler [1]			19,118	0.07%				
Georg Riedl	9,290	0	9,290	0.04%				
Johann Fuchs	4	500	504	0.00%				
Directors retiring during FY 2009/10	171,878	n.a.	n.a.	n.a.	160,000	0	160,000	15.02
Total directors' holdings and dealings	**10,776,051**	0	**10,623,791**	**41.02%**	**400,000**	**0**	**400,000**	
Own shares [2) 3)]	2,577,412	0	2,577,412	9.95%				
Other shares in issue	12,546,537		12,698,797	49.03%				
Total	**25,900,000**		**25,900,000**	**100.00%**	**400,000**		**400,000**	

[1] At 31 March 2009 not yet a member of AT&S AG Supervisory Board.
[2] The nominal value of treasury stock at 31 March 2010 was EUR 2,835,153.
[3] Treasury stock can be utilised for the purpose of meeting obligations under employee participation and stock options schemes, and for possible acquisitions.

Other Codes of Conduct

AT&S code of business ethics and conduct

In addition to the ÖCGK, AT&S has established its own code of business ethics and conduct, which describes how AT&S conducts its business in an ethical and socially responsible way. The guidelines apply to all AT&S's activities worldwide, and all AT&S employees without exception are expected to abide by the Code in the exercise of their business and professional activities and their daily work. Stricter or more detailed guidelines may be established for specific regions, countries or functions, but they must be consistent with this corporate policy. It is a core feature of the code that AT&S tolerates no discrimination on the grounds, e.g., of race, religion, political affiliation or gender in appointments, remuneration or promotion – it is personal performance that counts. For this reason AT&S has established no general provisions for the advancement of women in Management and Supervisory Boards and senior management positions.

AT&S Compliance Code

We attach great importance to equal treatment of all investors and provision of comprehensive information. The Group has adopted a Compliance Code ("Extended Group Guidelines on the Prevention of Misuse of Insider Information") which implements the provisions of the Issuers Compliance Regulation of the Austrian Financial Market Authority. Compliance is monitored on an ongoing basis by the compliance officer.

The Management Board

Andreas Gerstenmayer m.p. Steen Ejlskov Hansen m.p. Heinz Moitzi m.p.

Consolidated Financial Statements as of 31 March 2010

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Consolidated Income Statement

(in EUR 1,000)	Note	Financial year ended 31 March 2010	2009
Revenues	1	372,184	449,881
Cost of sales	2	(327,301)	(383,528)
Gross Profit		44,883	66,353
Selling costs	2	(18,819)	(22,427)
General and administrative costs	2	(17,739)	(21,236)
Other operating result	4	2,646	3,892
Non-recurring items	5	(36,533)	(27,642)
Operating result		(25,562)	(1,060)
Financial income	6	2,956	15,795
Financial expense	6	(11,313)	(14,530)
Financial result		(8,357)	1,265
Profit before tax		(33,919)	205
Income tax expense	7	(3,698)	(5,992)
Profit/(loss) for the year		**(37,617)**	**(5,787)**
thereof equity holders of the parent company		(37,271)	(5,376)
thereof minority interests		(346)	(411)
Earnings per share for profit attributable to equity holders of the parent company (in EUR per share):	25		
- basic		(1.60)	(0.23)
- diluted		(1.59)	(0.23)

Consolidated Statement of Comprehensive Income

(in EUR 1,000)	Financial year ended 31 March 2010	2009
Profit/(loss) for the year	**(37,617)**	**(5,787)**
Currency translation differences	(1,841)	40,292
Fair value gains/(losses) of available-for-sale financial assets, net of tax	19	(17)
Fair value gains/(losses) of cash flow hedges, net of tax	(299)	–
Other comprehensive income for the year	**(2,121)**	**40,275**
Total comprehensive income for the year	**(39,738)**	**34,488**
thereof equity holders of the parent company	(39,392)	34,891
thereof minority interests	(346)	(403)

Consolidated Balance Sheet

(in EUR 1,000)	Note	31 March 2010	31 March 2009
ASSETS			
Non-current assets			
Property, plant and equipment	8	308,527	349,853
Intangible assets	9	2,037	2,238
Financial assets	13	99	122
Overfunded retirement benefits	18	620	46
Deferred tax assets	7	11,124	9,962
Other non-current assets	10	3,622	3,066
		326,029	365,287
Current assets			
Inventories	11	38,700	46,998
Trade and other receivables	12	90,976	101,013
Financial assets	13	14,214	14,013
Non-current assets held for sale	14	–	2,151
Current income tax receivables		117	322
Cash and cash equivalents	15	13,354	7,031
		157,361	171,528
Total assets		**483,390**	**536,815**
EQUITY			
Share capital	23	45,680	45,680
Other reserves	24	(1,560)	561
Retained earnings		164,184	205,999
Equity attributable to equity holders of the parent company		208,304	252,240
Minority interests		489	494
Total equity		**208,793**	**252,734**
LIABILITIES			
Non-current liabilities			
Financial liabilities	17	105,197	97,060
Provisions for employee benefits	18	11,369	9,751
Other provisions	19	12,769	7,322
Deferred tax liabilities	7	4,664	9,845
Other liabilities	16	1,618	2,172
		135,617	126,150
Current liabilities			
Trade and other payables	16	60,436	53,022
Financial liabilities	17	70,455	98,485
Current income tax payables		2,611	3,449
Other provisions	19	5,478	2,975
		138,980	157,931
Total liabilities		**274,597**	**284,081**
Total equity and liabilities		**483,390**	**536,815**

Consolidated Cash Flow Statement

(in EUR 1,000)	Financial year ended 31 March 2010	2009
Cash flows from operating activities		
Profit/(loss) of the year	(37,617)	(5,787)
Adjustments to reconcile profit for the year to cash generated from operations:		
Depreciation, amortisation and impairment less reversal of impairment of fixed assets and assets held for sale	60,042	53,436
Changes in non-current provisions	5,447	6,528
Income tax expense	3,698	5,992
Financial expense/(income)	8,357	(1,265)
(Gains)/losses from the sale of fixed assets	391	88
Release from government grants	(1,695)	(1,105)
Other non-cash expense/(income), net	(1,012)	1,303
Changes in working capital:		
- Inventories	8,361	8,210
- Trade and other receivables	10,149	(4,357)
- Trade and other payables	5,652	(18,459)
- Other provisions	2,255	1,251
Cash generated from operations	64,028	45,835
Interest paid	(7,453)	(5,243)
Interest and dividends received	728	966
Income tax paid	(10,300)	(2,825)
Net cash generated from operating activities	**47,003**	**38,733**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(19,742)	(59,058)
Proceeds from sale of property, plant and equipment and intangible assets	237	256
Disposal of subsidiaries, net of cash disposed	174	–
Purchases of financial assets	(2,329)	(3)
Proceeds from sale of financial assets	3,406	3,085
Net cash used in investing activities	**(18,254)**	**(55,720)**
Cash flows from financing activities		
Proceeds from borrowings	44,183	118,546
Repayments of borrowings	(63,675)	(97,888)
Proceeds from government grants	899	1,645
Dividends paid	(4,198)	(7,930)
Net cash generated from financing activities	**(22,791)**	**14,373**
Net decrease in cash and cash equivalents	**5,958**	**(2,614)**
Cash and cash equivalents at beginning of the year	7,031	9,364
Exchange gains/(losses) on cash and cash equivalents	365	281
Cash and cash equivalents at end of the year	**13,354**	**7,031**

Consolidated Statement of Changes in Equity

(in EUR 1,000)	Share capital	Other reserves	Retained earnings	Equity attributable to equity holders of the parent company	Minority interests	Total equity
31 March 2008	**45,658**	**(39,714)**	**219,817**	**225,761**	**530**	**226,291**
Total comprehensive income for the year	–	40,275	(5,376)	**34,899**	(403)	**34,496**
Stock option plan:						
- Value of employee services	22	–	–	**22**	–	**22**
Dividend relating to 2008/09	–	–	(7,930)	**(7,930)**	–	**(7,930)**
Minority interests through reclassifications of losses attributable to minority interests	–	–	(512)	**(512)**	367	**(145)**
31 March 2009	**45,680**	**561**	**205,999**	**252,240**	**494**	**252,734**
Total comprehensive income for the year	–	(2,121)	**(37,271)**	**(39,392)**	(346)	**(39,738)**
Dividend relating to 2009/10	–	–	(4,198)	**(4,198)**	–	**(4,198)**
Minority interests through reclassifications of losses attributable to minority interests	–	–	(346)	**(346)**	346	**–**
Changes in consolidated Group	–	–	–	**–**	(5)	**(5)**
31 March 2010	45,680	(1,560)	164,184	208,304	489	208,793

Notes to Consolidated Financial Statements

I. General Information

A. General

AT&S Austria Technologie & Systemtechnik Aktiengesellschaft (hereinafter referred to as "the Company", and with its subsidiaries referred to as "the Group") is incorporated in Austria. The Company is headquartered in Austria, Fabriksgasse 13, A-8700 Leoben-Hinterberg.

The Group manufactures and sells printed circuit boards and provides related services primarily to the telecommunication, automotive and electronics industries. The products are distributed in the European and Asian market directly to original equipment manufacturers (OEM) as well as to contract electronic manufacturers (CEM).

Since 20 May 2008 the Company has been listed in the Prime Market segment of the Vienna, Austria, Stock Exchange and, after a period of double listing on the previous Stock Exchange in Frankfurt am Main, has been traded exclusively at the Vienna Stock Exchange since 15 September 2008. Prior to the change in Stock Exchange, the Company had been listed in the Prime Standard segment of the Frankfurt Stock Exchange, Germany, since 16 July 1999.

According to § 245a of the Austrian Commercial Code (UGB) the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS and IAS) and interpretations (IFRIC and SIC) as adopted by the European Union (EU), set by the International Accounting Standards Board (IASB).

B. Summary of significant accounting policies

The consolidated financial statements have been prepared under the historical cost principle, except for securities and derivative financial instruments, which are measured at their fair values.

a. Consolidation principles

The balance sheet date for all consolidated companies is 31 March 2010 with the following exception: Due to the legal situation in China the reporting year of AT&S (China) Company Limited corresponds to the calendar year (31 December 2009), its consolidation was performed on the basis of the interim financial statements as of 31 March 2010.

The consolidated financial statements have been approved for issue by the Board of Directors on 10 May 2010. The separate financial statements of the Company, which are included in the consolidation after reconciliation to the applicable accounting policies, will be presented for approval to the Supervisory Board on 8 June 2010. The separate financial statements of the Company can be modified by the Supervisory Board and – in case of presentation to the Annual General Meeting – by the Company's equity holders. This could also affect the presentation of the consolidated financial statements.

Subsidiaries

In addition to the Company itself, the consolidated financial statements comprise the following fully consolidated subsidiaries as of that date the Company had the power to govern the financial and operating policies of the subsidiary, regularly accompanied by a voting interest of more than 50%:

- AT&S India Private Limited, India (hereinafter referred to as AT&S India, share 100%),
- AT&S Verwaltungs GmbH & Co KG, Germany (share 100%),
- AT&S Deutschland GmbH, Germany (share 100%),
- C2C Technologie für Leiterplatten GmbH, Austria (share 100%),
- AT&S (China) Company Limited, China (hereinafter referred to as AT&S China, share 100%),
- DCC - Development Circuits & Components GmbH, Austria (share 100%),
- AT & S Klagenfurt Leiterplatten GmbH, Austria (share 77.32%),
- AT&S Asia Pacific Limited, Hong Kong (hereinafter referred to as AT&S Asia Pacific, share 100%),
- AT&S Japan K.K., Japan (share 100%),
- AT&S Korea Co., Ltd., South Korea (hereinafter referred to as AT&S Korea, share 98.76%),
- AT&S Americas LLC, USA (hereinafter referred to as AT&S Americas, share 100%).

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of transaction, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Changes in consolidated Group

AT&S ECAD Technologies Private Limited, India, and its subsidiary AT&S ECAD Technologies Inc., USA were deconsolidated as of the beginning of June 2009.

Consolidation policies

All significant intercompany accounts and transactions have been eliminated so that the consolidated financial statements present the accounting information of the Group as if it were one single company.

Investments in subsidiaries are consolidated in accordance with IAS 27 "Consolidated and Separate Financial Statements", Intercompany accounts receivable and payable as well as expenses and income are eliminated. Unless immaterial, intercompany results in non-current assets and inventories are eliminated. Uniform accounting and valuation methods are applied to all consolidated subsidiaries.

The Group considers transactions with minorities as transactions with equity holders of the Group. When minority interests are acquired, the difference between the purchase price and the attributable share of net assets acquired in the subsidiary is deducted from equity. Gains or losses on the sale of minorities are also recognised in equity. When sales are made to minorities, the difference between the purchase price and the attributable share in net assets of the subsidiary sold is also recognised in equity.

b. Segment reporting

An operating segment is a component of an entity that engages in business activities and whose operating results are reviewed regularly by the entity's chief operating decision maker. Business activities involve earning revenue and incurring expenses, and these may also relate to business transactions with other operating segments of the entity. Discrete financial information is available for the individual operating segments.

According to the internal reporting by regional production sites, a distinction has to be made between the two operating segments, Europe and Asia. The Europe operating segment includes the activities of the production sites in Austria, and the Asia operating segment the activities of the production sites in China, India and South Korea. The operating segments also include the distribution activities attributable to the respective production sites.

c. Foreign currencies

The Group's presentation currency is the euro (EUR). The functional currency of the foreign subsidiaries is the respective local currency.

Foreign subsidiaries

With the exception of equity positions (historical exchange rate), the balance sheets of AT&S India, AT&S China, AT&S Asia Pacific, AT&S Japan K.K., AT&S Korea and AT&S Americas are translated at the exchange rates on the balance sheet date. The income statements are translated at the average exchange rates of the reporting period. Translation adjustments are recognised in equity and not taken through profit or loss.

Foreign currency transactions

In the financial statements of each of the Group's entities foreign currency items are translated at the exchange rates prevailing on the day of the transaction. Monetary items are translated at the respective exchange rate ruling at the balance sheet date; non-monetary items which were recognised according to the historical cost principle are carried at the rate of their initial recognition. Translation adjustments from monetary items, with the exception of "securities available for sale", are taken through profit or loss. Translation differences from "securities available for sale" are recognised directly in equity and not in the income statement.

d. Revenue recognition

Net sales

Net sales are recognised, net of sales taxes and discounts, according to the applicable Incoterms, when the title passes to the customer. Costs associated with product shipment and handling are classified as selling costs.

Interest income

Interest income is recognised on a pro rata temporis basis, taking into account the effective interest rate of the asset.

e. Income taxes

The income tax burden is based on the profit before income tax and accounts for deferred taxes. The Group provides for income taxes using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date.

Temporary differences arise from the measurement of specific assets and liabilities, as well as tax loss carryforwards and amortisations of goodwill.

Deferred taxes on not yet realised profits/losses of available-for-sale securities and on profits/losses from cash flow hedging instruments that are recognised in equity are also recognised in equity. In accordance with IFRS, deferred tax assets on loss carryforwards have to be recognised to the extent that it is probable that they will be utilised against future taxable profits.

Deferred taxes arising on temporary differences relating to participating interests in subsidiaries are recognised unless the temporary differences will not reverse in the foreseeable future.

f. Property, plant and equipment

Items of property, plant and equipment are measured at historical cost. Expenditure directly attributable to the acquisition and subsequent expenditure are capitalised, repairs and maintenance costs, however, are expensed as incurred. Borrowing costs directly attributable to the construction of an asset are expensed in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition or production costs of this asset. In these consolidated financial statements, no such borrowing costs have been capitalised.

From the time of their availability for use, the assets are depreciated on a straightline basis over their expected useful lives. Depreciation is charged on a pro rata temporis basis. Land is not subject to depreciation.

The depreciation method is uniform for the Group and based on the following useful lives:

Plants and buildings	15-50 years
Machinery and technical equipment	5-15 years
Tools, fixtures, furniture and office equipment	3-10 years

Depreciation periods and methods are reviewed annually at the end of the financial year.

Expected costs for dismantling and removing assets are capitalised as part of acquisition costs and accounted for by a provision, provided that there is a legal or factual obligation against third parties and that a reasonable estimate can be made.

According to IAS 17 “Leases”, leased assets for which the Group bears substantially all the risks and rewards of ownership are capitalised at their fair value or the lower present value of the minimum lease payments. Depreciation is effected over the useful life of the asset. If at the beginning of the lease it is not sufficiently certain that the title will pass to the lessee, the leased asset will be depreciated over the shorter of the two periods, the lease term or useful life. Financial obligations resulting from future lease payments are discounted and carried as liability. Current lease payments are split into repayment and financing costs.

Leased assets under all other lease agreements are classified as operating leases and attributed to the lessor. Lease payments are recognised as an expense.

Profits or losses resulting from the closure or retirement of non-current assets, which arise from the difference between the recoverable and the carrying amounts, are credited or charged to the income statement.

g. Intangible assets

Patents, trademarks and licenses

Expenditures on acquired patents, trademarks and licenses are capitalised at cost, including incidental acquisition expenses, and amortised on a straight-line basis over their useful lives, generally between 4 and 10 years. Amortisation terms and methods are reviewed annually at the end of the financial year.

Goodwill

Goodwill, which represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition, is included in intangible assets.

Research and development costs

Research costs are expensed as incurred and charged to cost of sales. Development expenditure is also expensed as incurred. An intangible asset arising from development shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

No capitalised development costs have been considered in these consolidated financial statements.

h. Impairment losses and reversals of impairment losses of property, plant and equipment, intangible assets and non-current assets held for sale

The Group regularly reviews the carrying amounts of its property, plant and equipment and intangible assets for possible impairment. If the recoverable amount of an asset is below its carrying amount, an impairment loss amounting to the difference is recognised. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use corresponds to the estimated future cash flows expected from the continued use of the asset and its disposal at the end of its useful life.

Goodwill is tested annually for impairment. If events during the financial year or changes in circumstances indicate that goodwill might be impaired, an impairment test will be carried out immediately. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Non-current assets are classified as held for sale and measured at the lower of their carrying amounts or fair values less costs to sell, if their carrying amount will be recovered by sale rather than by continuing use in the business.

If the reason for the impairment recognised in the past no longer exists, with the exception of goodwill, a reversal of impairment up to amortised cost is made.

i. Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less variable costs necessary to make the sale. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense.

j. Trade and other receivables

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

k. Financial assets

The purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. The fair values recognised in the balance sheet generally correspond to market prices of financial assets. Except for financial assets "at fair value through profit or loss" they are recognised initially including transaction costs.

Financial assets are divided into categories explained below. The classification depends on the respective purpose of the financial asset and is reviewed annually.

Financial assets at fair value through profit or loss

Financial instruments acquired primarily for the purpose of earning a profit from short-term fluctuations of prices or trader margins are classified as financial assets at fair value through profit or loss. At the time of their acquisition they are stated at cost, excluding transaction costs, in subsequent periods at their respective fair values. Realised and unrealised profits and losses are credited or charged to the income statement under “Financial result”. This relates primarily to securities held for trading. Derivative financial instruments also fall into this category, unless hedge accounting is applied (refer to l. Derivative financial instruments).

Securities held to maturity

Securities held to maturity are recognised at amortised cost using the effective interest rate method. Any impairment is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. In the balance sheet the respective assets are recognised under the item “trade and other receivables”.

Financial assets available for sale

Financial assets available for sale, on the one hand, relate to securities available for sale. Securities available for sale are instruments which management intends to sell as a reaction to or due to expected liquidity requirements or expected changes in interest rates, exchange rates or share prices. Their classification as non-current or current assets depends on the expected time to be held.

At the time of acquisition they are stated at cost, including transaction costs, in subsequent periods at their respective fair values. Unrealised profits and losses, net of tax, are recognised in equity and not taken through profit or loss until they are sold or considered as impaired.

Interest income and dividends from securities available for sale are included in the income statement under “Financial result”.

When a security available for sale is sold, the accumulated unrealised profit or loss recognised in equity is included in “Financial result” in the reporting period.

When a security available for sale is considered impaired, the accumulated unrealised loss recognised in equity is charged to the income statement under “Financial result”. An asset is impaired, if there are indications that the fair value is below its carrying amount. In particular, this is the case, if the decrease in fair value is of such extent that the acquisition cost is unlikely to be recovered in the foreseeable future. Recoverability is reviewed annually at the balance sheet date.

Furthermore, those financial assets are recognised under available-for-sale financial assets that have not been allocated to any of the other categories described. If the current fair value for listed equity instruments cannot be determined reliably, these financial assets will be measured at cost. Impairment losses, if any, are recognised in the income statement, and the respective impairment losses shall not be reversed.

l. Derivative financial instruments

The Group enters into derivative financial instruments to hedge against foreign currency fluctuations related to transactions in foreign currencies – in particular the US dollar. These instruments mainly include forward contracts, foreign currency options and foreign exchange swap contracts and are entered into in order to protect the Group against exchange rate fluctuations – by fixing future exchange rates for foreign currency assets and liabilities.

Further the Group manages its interest rate risk by using interest rate swaps.

Value fluctuations of the hedged positions are compensated by corresponding value fluctuations of the derivatives. The Group does not hold any financial instruments for speculative purposes.

The first-time recognition at the conclusion of the contract and the subsequent measurement of derivative financial instruments is made at their fair values. “Hedge accounting” in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”, according to which changes in fair values of hedging instruments are recognised in equity, is applied when there is an effective hedging relationship pursuant to IAS 39 for cash flow hedging instruments. When “hedge accounting” in equity is not applicable, unrealised gains/losses from derivative financial instruments are recognised in the income statement in the financial result.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash, time deposits, deposits held at call with banks and short-term, highly liquid investments with an original maturity of up to three months or less (commercial papers and money market funds).

n. Minority interests

Minority interests include the following:

- 22.68% in AT & S Klagenfurt Leiterplatten GmbH,
- 1.24% in AT&S Korea.

Losses from minority interests can exceed the share in equity of these companies attributable to these interests. The exceeding amount and any additional losses attributable to minority interests are offset against the majority interest in total equity, with the exception of the amount for which the minorities have a binding obligation to compensate for the losses.

o. Provisions

Provisions are recognised, if the Group has a legal or constructive obligation to third parties, which is based on past events, if it is probable that an outflow of resources will be required to settle this obligation and if the amount can be estimated reliably. The provisions are remeasured at each balance sheet date and adjusted accordingly.

Non-current provisions are reported at the discounted amount to be paid at each balance sheet date, if the interest effect resulting from the discounting is material.

p. Employee benefits

Retirement benefit obligations

The Group operates various defined contribution and defined benefit pension schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an earmarked entity (fund). These contributions are charged to personnel expenses. No provision has to be set up, as there are no additional obligations beyond the fixed amounts.

For members of the Management Board and certain executive employees the Group has a defined benefit plan, under which the pension obligations are valued by qualified and independent actuaries at each balance sheet date. The Group's obligation is to fulfil the benefits committed to current and former members of the Board and executive employees as well as their dependents. The pension obligation calculated according to the projected unit credit method is reduced by the plan assets of the fund in case of a funded pension scheme. The present value of the pension liability is determined on the basis of years of service, expected compensations and pension adjustments.

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

Personnel expenses reported in the respective financial year are based on expected values and include the acquired claims, the interest expense, the actuarial gains or losses using the corridor method as well as the investment results of the assets provided for coverage.

At each balance sheet date, due to the change in actuarial assumptions (turnover rate, current market interest rate of blue chip fixed-income corporate bonds, compensation level and actual returns on plan assets) adjustments in value result, referred to as actuarial gains or losses. These actuarial results are reported in accordance with IAS 19 "Employee Benefits" using the corridor method. Actuarial gains or losses exceeding the corridor (10% of the present value of the obligation or the fair value of plan assets) are charged or credited to income over the expected average remaining working lives of the employees covered by the plan; those not exceeding the corridor are not recognised.

Termination benefits

Provisions for termination benefits have to be paid primarily on termination of employment by the employer or on the retirement of an employee according to labour regulations. At each balance sheet date the liabilities are remeasured by qualified and independent actuaries.

For employees who joined Austrian companies up to and including 2002 direct obligations of the company exist, which account for the major part of the Group's termination benefit obligations. In accordance with IAS 19 these liabilities are calculated using the projected unit credit method, taking into consideration the corridor method and represent termination benefit obligations not covered by plan assets. Actuarial gains or losses exceeding the corridor are charged or credited to income over the expected average remaining working lives of the employees covered by the plan. For employees who joined as of 1 January 2003 the termination benefit obligation is fulfilled by regular contributions to a staff provision fund ("Mitarbeitervorsorgekasse"). These contributions are included in personnel expenses. The Group has no further payment obligations once the contributions have been paid.

For employees of the companies in India obligations for termination benefits are covered by life insurances. Furthermore, termination benefit obligations exist for employees in South Korea.

Staff costs recognised in the respective financial year are based on expected values and include entitlements acquired, interest expense and the actuarial results using the corridor method.

Other employee benefits

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

Anniversary bonuses are special lump-sum payments stipulated in the Collective Agreement which are dependent on compensation and years of service. Eligibility is determined by a certain uninterrupted number of service years. The respective liability is calculated in accordance with the projected unit credit method based on the same parameters used for termination benefits, however, without taking into consideration the corridor method. Staff costs recognised in the respective financial year include entitlements acquired, interest expense and the actuarial results. At each balance sheet date the liabilities are remeasured by qualified and independent actuaries.

q. Share-based payments

The Group operates a stock option plan which is settled by the issue of treasury shares, as well as a stock option plan which is settled alternatively in cash or in treasury shares. These stock option plans are accounted for in accordance with IFRS 2 "Share-based Payment".

The fair value of the work performed by employees in return for the stock options granted to them is recognised as expense. The Group accounts for a corresponding increase in equity, if the work performed is compensated by the issue of treasury shares. Reference is made to Note 23 "Share capital". The Group accounts for an increase in liability, if it is settled alternatively in cash or in treasury shares. Reference is made to Note 16 "Trade and other payables".

r. Liabilities

At their initial recognition liabilities are measured at fair value less transaction cost and in subsequent periods at amortised cost using the effective interest rate method. Foreign currency liabilities are translated at the middle exchange rate prevailing at the balance sheet date.

s. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to assets are included in liabilities as deferred government grants; they are credited to the income statement on a straight-line basis over the expected lives of the related assets. Government grants relating to costs and property, plant and equipment are recognised in the income statement in the other operating result.

t. Contingent liabilities, contingent assets and other financial obligations

Contingent liabilities are not recognised in the balance sheet, but disclosed in the notes to the financial statements. They are not disclosed, if an outflow of resources with economic benefit is unlikely.

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

u. New accounting regulations

The IFRS already mandatory at the balance sheet date were adopted in the preparation of the consolidated financial statements. At the last balance sheet date, the IASB had already issued amendments to existing standards as well as new standards and interpretations, which are mandatory as of 2009/10. These regulations also have to be applied in the EU and relate to the following standards:

- IFRS 8 "Operating segments" replaces IAS 14 "Segment reporting" (application of the "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes)
- IFRIC 13 "Customer loyalty programmes"
- IFRIC 14 "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction"
- IFRS 1 "First time adoption of IFRS" and IAS 27 "Consolidated and separate financial statements" (Amendment: recognition of the carrying amounts of investments in subsidiaries in the separate IFRS financial statements of the parent company)
- IAS 1 "Presentation of financial statements" and "IAS 1 (2007)" replace the existing IAS 1
- IFRS 2 "Share-based payment" (Amendment: vesting conditions and cancellations)
- IAS 23 "Borrowing costs" (Amendment: mandatory capitalisation of borrowing costs for a qualifying asset)
- IAS 32 "Financial instruments: Presentation" and IAS 1 "Presentation of financial statements" (Amendment: Puttable financial instruments and obligations arising on liquidation)

Furthermore, under the annual improvements project of the IASB, a total of 20 standards were amended in May 2008, which were also adopted by the EU, but were not yet mandatory in the financial year 2008/09. These include the following amendments:

- IFRS 5 "Non-current assets held for sale and discontinued operations" and consequential amendment to IFRS 1 "First-time adoption of International Financial Reporting Standards" (Amendment: Plan to sell shares in a subsidiary that results in loss of control)
- IAS 23 "Borrowing costs" (Amendment: Components of borrowing costs)
- IAS 16 "Property, plant and equipment" (Amendment: Sale of assets held for rental and recoverable amount)
- IAS 19 "Employee benefits" (Amendment: Contingent liabilities)
- IAS 20 "Accounting for government grants and disclosure of government assistance" (Amendment: Accounting for below-market rate government loans)
- IAS 27 "Consolidated and separate financial statements" (Amendment: Measurement of subsidiaries held for sale in the separate financial statements of the parent company)
- IAS 28 "Investments in associates" (Amendment: Prohibition of reversal of impairment and goodwill as well as disclosures on investments in associates and joint ventures)
- IAS 29 "Financial reporting in hyperinflationary economies" (Amendment: Description of the measurement basis in financial statements)
- IAS 36 "Impairment of assets" (Amendment: Disclosures in the notes on the determination of the recoverable amount based on the fair value less cost to sell)
- IAS 38 "Intangible assets" (Amendment: Advertising and sales promotion as well as amortization method to be used)
- IAS 39 "Financial instruments: Recognition and Measurement" (Amendments: Reclassification of financial instruments, adjustment of the effective interest rate as well as hedging relationship and segment reporting)
- IAS 40 "Investment property" (Amendments: Property that is under construction or development for future use as investment property and the fair value cannot be measured reliably)
- IAS 41 "Agriculture" (Amendments: Calculation of the fair value and market interest rate in the discounting of future cash flows)

The amendments are mandatory for accounting periods beginning on or after 1 January 2009, with the exception of the amendment of IFRS 5 and IFRS 1 (mandatory for accounting periods beginning on or after 1 July 2009). Therefore, the Group applies these new regulations as of the financial year 2009/10, and will apply the amendments of IFRS 5 and IFRS 1 as of the financial year 2010/11.

The following amendments to standards under the IASB's annual improvements project of May 2008 relate to changes in wording or editing, which have no or only insignificant effects on accounting. The Group applies these amendments and new regulations as of the financial year 2009/10:

- IFRS 7 "Financial instruments: Disclosures" (Amendment: Presentation of the financial result)
- IAS 8 "Accounting policies, changes in accounting estimates and errors" (Amendment: guidelines)
- IAS 10 "Events after the reporting period" (Amendment: Dividends approved after the balance sheet date, but before the financial statements were authorized for publication)
- IAS 18 "Revenue" (Amendment: Cost of floating a loan)
- IAS 20 "Accounting for government grants and disclosure of government assistance"
(Amendment: Adjustment of terminology)
- IAS 29 "Financial reporting in hyperinflationary economies" (Amendment: Adjustment of terminology)
- IAS 34 "Interim financial reporting"
(Amendment: Earnings per share)

- IAS 40 "Investment property" (Amendment: Adjustment of terminology)
- IAS 41 "Agriculture" (Amendment: Adjustment of terminology; modification of an example)

The amendments of the regulations to be applied as of the financial year 2009/10 did not have a material impact on the financial position and financial performance of the Group.

Particularly affected by the amendments is the presentation of the financial statements, which was adjusted according to the amended regulations of IAS 1 "Presentation of financial statements" and IFRS 8 "Operating segments". In particular, the components of other comprehensive income, which previously was broken down in the consolidated statement of changes in equity, is now presented in the additional consolidated statement of comprehensive income. Furthermore, the amended regulations of IAS 1 require the separate disclosure of tax effects and the transfer made to the profit for the year relating to each component of other comprehensive income.

The first-time application of IFRS 8 "Operating segments" did not result in a change in segments, since the previously used primary segment reporting format was already based on the internal reporting.

The amendments of IFRS 7 "Financial instruments: Disclosures" require additional disclosures of financial instruments measured at fair value according to measurement hierarchies, additional disclosures on the liquidity risk and on net results of each category of financial instruments. The exemption to disclose prior year figures is used.

All other new regulations which are mandatory for the first time in the financial year 2009/10 had no or no significant impact on the consolidated financial statements.

The IASB issued additional standards and amendments to standards and interpretations that are not yet mandatory in the financial year 2009/10. The following standards and interpretations had been adopted by the EU by the time the consolidated financial statements were prepared and published in the official journal:

- IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate financial statements" (Amendments: Recognition of costs of a business combination, option full goodwill method; clarifications on step-by-step acquisition and other revision)

The amendments are mandatory for reporting periods beginning on or after 1 July 2009. Therefore, the Group will apply these new regulations as of the financial year 2010/11.

A number of additional amendments to standards, as well as new and amended interpretations were published and adopted by the European Union. The effects of these regulations on the consolidated financial statements are not material and therefore not presented in detail.

Furthermore, amendments to standards, new standards and new and amended interpretations were published, but at the time the consolidated financial statements were prepared had not yet been adopted by the European Union. The effects of these regulations on the consolidated financial statements of the Company are not material and therefore not presented in detail.

C. Critical accounting estimates and assumptions

The Group uses estimates and assumptions to determine the reported amounts of assets, liabilities, net sales and expenses, as well as the disclosure of commitments and contingent assets and liabilities. All estimates and assumptions are reviewed on a regular basis and are based on past experiences and additional factors, including expectations regarding future events that seem reasonable under given circumstances. In the future actual results may differ from these estimates, Management believes that the estimates are reasonable.

Projected benefit obligations

The present value of non-current employee benefits depends on various factors that are based on actuarial assumptions (refer to I.B.p. "Employee benefits"). On 31 March 2010 a reduction of the discount rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 5.0% to 4.5% would affect the projected retirement and termination benefit obligations as follows:

(in EUR 1,000)	Retirement benefits	Termination benefits
Increase of present value of obligation	777	636

An increase in the interest rate (actuarial parameter) for the Austrian subsidiaries by 0.5% from 5.0% to 5.5% would have the following effects on the present value of retirement and termination benefits entitlements at 31 March 2010:

(in EUR 1,000)	Retirement benefits	Termination benefits
Reduction present value of obligation	690	578

Reference is made to Note 18 "Provisions for employee benefits".

Measurement of deferred taxes

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. A future change in tax rates would also have an impact on the deferred tax assets recognised at the balance sheet date. Moreover, a different interpretation of tax laws by fiscal authorities could also lead to a change in income tax liabilities.

Deferred tax assets in the amount of EUR 39.0 million were not recognised for tax loss carry-forwards in the Group. The major part of these non-capitalised tax loss carryforwards may be carried forward for an unlimited period of time. If they were subsequently expected to be realised, these deferred tax assets would have to be recognised. Reference is made to Note 7 "Income taxes".

Other estimates and assumptions

Further estimates relate to impairments of non-current assets, the measurement of derivative financial instruments, the restructuring of the Leoben-Hinterberg plant, allowances for doubtful accounts and measurements of inventory, Reference is made to Note 4 "Other operating result", Note 5 "Non-recurring items", Note 8 "Property, plant and equipment" and Note 19 "Other provisions".

II. Risk Report

Financial risks

Risk management of financial risks is carried out by a central treasury department (Group Treasury) under policies approved by the Management Board. Responsibilities, authorisations and limits are governed by internal guidelines. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operative units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

The risk management of financial risks is incorporated in the group-wide risk management and thus part of the timely risk reporting to executive employees, Management and Supervisory Board.

Liquidity risk

At the balance sheet date, the Group has liquidity reserves in the amount of EUR 87.3 million, EUR 27.5 million of which is accounted for by cash (equivalents) and securities held for trading and available-for-sale securities, and EUR 59.8 million by available unused credit facilities. Thus, the liquidity reserves increased by EUR 20.4 million year-on-year. In the past financial year, the secured credit lines in particular were raised from EUR 143.0 million to EUR 167.7 million, and thus the unused committed credit lines amount to EUR 37.3 million.

The Company is authorized, subject to the approval of the Supervisory Board, to issue up to 11,300,000 new shares from authorized capital, as well as convertible bonds in a total nominal amount of up to TEUR 100,000, and to sell treasury shares (at the balance sheet date the Group holds 2,577,412 treasury shares). With respect to a detailed explanation of the options regarding capital measures, reference is made to Note 23 “Share capital”.

The Group has a clearly positive operating cash flow. The net cash flow from operating activities for the financial year 2009/10 amounts to EUR 47.0 million (2008/09: EUR 38.7 million). In the past financial year, the free cash flow (balance of net cash generated from operating activities and investing activities) was also positive.

With regard to liquidity risks, reference is also made to the detailed disclosures in Note 17 “Financial liabilities”.

Market risks

Detailed information on market risks and derivative financial instruments is contained in Note I.B.l. “Summary of significant accounting policies: Derivative financial instruments” and in Note 20 “Derivative financial instruments”. The Group uses derivative financial instruments, such as forward contracts, options and swaps, exclusively for hedging purposes.

Interest rate risk

Minor interest rate risks on the assets side of the balance sheet relate to investments in securities. Most of the other liquid resources are invested short-term and all securities are available for sale, Reference is made to Note 13 “Financial assets” and Note 15 “Cash and cash equivalents”.

On the liabilities side, 79% of the borrowings are subject to fixed interest rates, taking into account interest rate hedging instruments, and most of the remaining variable interest rate loans (21%) have maturities of less than one year. Reference is made to Note 17 “Financial liabilities”.

Currency risk

Transaction, translation and economic risk are constantly monitored to guard against currency risk. Transaction risk is mostly internally managed by closing positions (netting), in some cases derivative financial instruments are used to hedge open positions.

Due to its Asian subsidiaries the Group is exposed to local currency risks. As a result of legal restrictions and the illiquidity of the currencies in question, local hedging transaction are possible only to a limited extent. Wherever required, the risk is transferred to Europe and hedged there.

Evaluation of Market Risks by VAR and sensitivity analyses

The Group applies the value at risk concept (VAR) to quantify the interest rate and currency risks. VAR is a measure for the market price risk and shows the highest possible loss that can occur over a certain period of time, taking into account the correlations between different risk elements.

In addition, by a socalled GAP analysis the potential loss resulting from a 1% change in price (currency rate or interest rate) with regard to the foreign currency or interest net position is determined. Correlations between different risk elements are not accounted for in this analysis.

If the interest rates at the balance sheet date had been 100 basis points higher (or lower, respectively), based on the financing structure at the balance sheet date the annual result of the Group would have been EUR 0.3 million (2008/09: EUR 0.5 million) lower (or higher, respectively), provided all other variables had remained constant. This would have mainly been due to higher (or lower, respectively) interest expenses for variable interest financial liabilities. Further components of equity would not be directly affected. The impact of this interest rate sensitivity analysis is based on the assumption that the interest rates would deviate during the entire financial year by 100 basis points.

If the exchange rate of the euro against all other currencies had risen (or fallen, respectively) by 1% at the balance sheet date, the annual result of the Group would have been EUR 0.5 million (2008/09: EUR 0.6 million) lower (or higher, respectively), provided all other variables had remained constant. This would have mainly been due to the measurement of trade receivables denominated in US dollars and derivative financial instruments at fair value. Further components of equity would not be directly affected in the sense of this exchange rate sensitivity analysis.

If the exchange rate of the US dollar against all other currencies had risen (or fallen, respectively) by 1% at the balance sheet date, the annual result of the Group would have been EUR 2.0 million (2008/09: EUR 1.7 million) higher (or lower, respectively), provided all other variables had remained constant. This would have mainly been due to the measurement of trade receivables denominated in US dollars, as well as trade payables and derivative financial instruments at fair value. Further components of equity would not be directly affected in the sense of this exchange rate sensitivity analysis.

In the exchange rate sensitivity analysis the respective impact on the result is calculated on the basis of foreign currency net positions at the balance sheet date and the development of net cash flows expected according to budget for the next 12 months, taking into account derivative financial instruments. Thus, the disclosures of the effect on the consolidated profit for the year also include the effects on the result of the net cash flows for the next 12 months. Funding within the Group between group companies and exchange rate related differences from the translation of financial statements into the group currency are not accounted for.

Credit risk

In the context of its strong growth in the past few years, the Group has established strong and long-term relations with key customers, resulting in a certain concentration on the customer side. In order to guard against this potential risk, the Group encourages the further diversification in the customer, industry and product mix and, apart from the Mobile Devices segment, increasingly focuses on the areas Industrial and Automotive. In order to further increase the existing customer portfolio, the focus is on the acquisition of new customers and on the development of the distribution network to better correspond to market requirements. The anticipation and occurrence of the elimination of weak competitors in the manufacture of printed circuit boards in Europe even in the crisis provides the Group with opportunities to gain new customers in addition to market shares. With plants in Europe and Asia and a service and distribution network spanning four continents, the Group is able to react to customer demands as well as to current customer developments in a swift and flexible manner.

In the financial year 2009/10, a significant portion of the Group's revenue was accounted for indirectly by two multinational groups operating in the mobile devices segment. The receivables from these customers as of 31 March 2010 account for only 2% of total trade receivables (31 March 2009: 35%). As the Group primarily supplies to contract electronic manufacturers (CEM) of indirect customers, the receivables relate to a fairly large number of customers. So the highest portion of receivables of a direct contract partner amounts to 17% of total trade receivables.

The monitoring of the credit risk is generally based on regular credit assessments and on taking out credit insurances for customers in the Group.

Reference is further made to the detailed disclosures in Note 12 "Trade and other receivables".

Technology risks

In the high-technology segment of HDI-Microvia printed circuit boards, the Group is one of the leading suppliers worldwide and is continuously strengthening this position. In order to prevent a possible displacement from the leading edge of technology, the Group places great emphasis on innovation and thus an intensive research and development. In the past, economically difficult financial year, the Group invested even more in research and development than in the previous years. In addition to a number of advancements in the high-technology segment of HDI printed circuit boards, numerous projects are pursued to develop and implement new production technologies in order to make the manufacture of printed circuit board more flexible and effective. Apart from that, research was also conducted with regard to new customer segments and new products, for instance in the area of photovoltaic. The research and development activities of the Group are often conducted by drawing on external partners. In addition to the consideration of customer requirements and ideas, cooperations are entered into on a project basis with research institutions, suppliers or other technology companies. The research project Hermes in the area of Embedded Component Packaging Technology has to be noted in this context. Due to the active research and development work, the Group is able to identify technological developments early, make an impact and swiftly ensure the marketability of the products.

Capital risk management

The objectives of the Group with respect to capital management, on the one hand, include securing the going concern in order to be able to provide the equity holders with dividends and the other stakeholders with appropriate services, and on the other hand, maintaining an appropriate capital structure in order to optimise capital costs. To that end, the Group, as required, adjusts the dividend payments to equity holders, makes capital repayments to equity holders (redemption of treasury shares), issues new shares or changes its portfolio of assets.

As is customary in the industry, the Group monitors its capital based on net gearing, calculated from the ratio of net financial liabilities to equity. Net financial liabilities are calculated from financial liabilities less cash and cash equivalents as well as financial assets. The individual amounts for calculating the net financial liabilities and equity have to be taken directly from the consolidated balance sheet.

Unchanged on the prior year, basically the Group pursues the strategy of maintaining a net gearing of up to 80% in order to be able to borrow at reasonable cost, Net gearing as of 31 March 2010 amounted to 71% (31 March 2009: 69%).

Risk management system

In the risk catalogue defined at the group level, the company-wide risk and opportunity management system contains additional risk categories, which most notably relate to strategic risks, market and supply risks, environmental risks and operating as well as organizational risks. The risk catalogue, which represents a guideline for the corporate segments in the identification of risks, is dynamically adjusted to the changing situation of the Group. Main objective of the group-wide risk and opportunity management is the optimization of the overall risk position, while at the same time making use of opportunities arising. Regular reporting is made to the Executive and Supervisory Board of the Group.

III. Segment Reporting

The segment information is presented in the following according to the internal reporting by regional production locations in Europe and Asia. Thus, the segment reporting is consistent with the previously primary segment reporting format of geographic segmentation.

Transfers and transactions between the segments are performed under market conditions, as they would be applied to transactions with independent third parties.

Financial year 2009/10:

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	264,247	107,937	–	372,184
Intercompany sales	20	141,895	(141,915)	–
Total revenues	264,267	249,832	(141,915)	372,184
Non-recurring items	(36,533)	–	–	(36,533)
Segment result/Operating result	(42,405)	22,445	(5,602)	(25,562)
Financial result				(8,357)
Profit before income tax				(33,919)
Income tax expense				(3,698)
Profit/(loss) for the year				**(37,617)**
Total assets	111,611	374,069	(2,290)	483,390
Liabilities	69,758	46,265	158,574	274,597
Capital expenditures	2,255	19,050	(559)	20,746
Depreciation/amortisation of property, plant and equipment and intangible assets	22,069	36,638	1,335	60,042

With regard to significant effects on the segment result, reference is made to Note 5 “Non-recurring items”.

Financial year 2008/09:

(in EUR 1,000)	Europe	Asia	Not allocated and consolidation	Group
External sales	335,299	114,582	–	449,881
Intercompany sales	–	159,938	(159,938)	–
Total revenues	335,299	274,520	(159,938)	449,881
Non-recurring items	(21,996)	(5,646)	–	(27,642)
Segment result/Operating result	(28,645)	42,844	(15,259)	(1,060)
Financial result				1,265
Profit before income tax				205
Income tax expense				(5,992)
Profit for the year				**(5,787)**
Total assets	134,333	391,862	10,620	536,815
Liabilities	60,253	34,199	189,629	284,081
Capital expenditures	9,191	39,375	725	49,291
Depreciation/amortisation of property, plant and equipment and intangible assets	13,563	38,747	1,126	53,436

With regard to significant effects on the segment result, reference is made to Note 5 “Non-recurring items”.

Additional information

As additional information on segment reporting, a presentation is given to which industries and to which consumer countries the revenue is attributable.

Revenue broken down by industries is as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Mobile Devices	221,346	287,538
Industrial	105,153	107,001
Automotive	41,841	41,298
Other	3,844	14,044
	372,184	**449,881**

The other segment mainly relates to the service segment (design, assembly and trading).

Revenue broken down by country is as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Austria	17,983	20,038
Germany	88,315	92,169
Hungary	39,752	52,149
Other EU	29,917	34,113
Asia	125,432	175,060
Canada, USA	64,809	70,476
Other	5,976	5,876
	372,184	**449,881**

IV. Notes to the Consolidated Income Statement

1. Revenue

(in EUR 1,000)	Financial year 2009/10	Financial year 2008/09
Main revenue	371,950	449,666
Incidental revenue	234	215
	372,184	**449,881**

2. Types of expenses

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

(in EUR 1,000)	Financial year 2009/10	Financial year 2008/09
Cost of materials	144,594	172,571
Personnel expenses	84,715	105,839
Depreciation/amortisation	43,011	44,192
Energy	22,126	21,813
Purchased services incl. leased personnel	21,902	24,489
Maintenance (incl. spare parts)	18,879	22,072
Transportation costs	6,891	7,689
Change in inventories	5,094	7,395
Rental and leasing expenses	4,861	6,221
Other	11,786	14,910
	363,859	**427,191**

In the financial years 2009/10 and 2008/09, the item "other" mainly relates to insurance expenses, legal and consulting fees, IT service costs as well as travel expenses.

3. Research and development costs

The Group incurred research and development costs in the amount of TEUR 20,681 and TEUR 8,590 in the financial years 2009/10 and 2008/09, respectively. The above amounts represent only costs which can be directly allocated and which are recognised as expenses in cost of sales. In addition to the expansion of related activities, the increase over the prior year is mainly due to a more detailed and thus more comprehensive separate recognition of development activities.

4. Other operating result

(in EUR 1,000)	Financial year 2009/10	Financial year 2008/09
Income from the reversal of government grants	758	843
Government grants for costs*)	1,844	992
Expenses/income from foreign exchange differences	(104)	1,639
Losses from the sale of non-current assets	(391)	(89)
Impairments/reversals of impairments of property, plant and equipment**)	(95)	1
Start-up losses***)	(295)	(380)
Miscellaneous other income	929	886
	2,646	**3,892**

*) The government grants for costs relate to export compensations as well as research and development awards.

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

***) The start-up losses in 2009/10 and 2008/09 are due to the construction of the second plant in India.

In the financial years 2009/10 und 2008/09, the item "miscellaneous other income" mainly relates to subsequent incoming receivables and the derecognition of other liabilities written off.

5. Non-recurring items

Non-recurring items include the following:

(in EUR 1,000)	Financial year 2009/10	Financial year 2008/09
Impairments of goodwill	–	(5,426)
Impairments of other intangible assets	(193)	(108)
Impairments of property, plant and equipment	(16,738)	(3,706)
Losses from the disposal of assets	–	(13)
Personnel expenses	(11,852)	(8,866)
Net costs arising from other contractual obligations	(7,750)	(9,605)
Income from the reversal of provisions for restructuring	–	82
	(36,533)	**(27,642)**

Impairments of goodwill

Impairments of goodwill in the previous financial year 2008/09 relate to the write-off of the goodwill of AT&S Korea. Reference is made to Note 9 “Intangible assets”.

Restructuring Leoben-Hinterberg

In connection with the restructurings of the production location in Leoben-Hinterberg, Austria, non-recurring expenses in the amount of TEUR 33,255 and TEUR 20,971 arose for the financial years 2009/10 and 2008/09, respectively. The related expense items are as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Impairments of intangible assets	(193)	(12)
Impairments of property, plant and equipment	(16,738)	(3,582)
Personnel expenses	(8,574)	(7,788)
Net costs arising from other contractual obligations	(7,750)	(9,589)
	(33,255)	**(20,971)**

The restructuring of the Leoben-Hinterberg location in the financial year 2009/10 results from comprehensive measures to increase the efficiency of the Austrian plants, which were decided at the end of the first quarter of the financial year. The volume production of the Leoben-Hinterberg location was completely shifted to Shanghai and the production capacities were adjusted according to the current and future utilization of the plant. In particular, production machines no longer required were written down, with some machines being transferred to Asian production sites. Personnel expenses result from an agreed social plan. Net costs from other contractual obligations mainly relate to already incurred and, most notably, future vacancy costs for additional unused building spaces based on the non-cancellable property lease obligations, as well as other contractual obligations to be recognised as expenses. Reference is also made to Note 8 “Property, plant and equipment”, Note 9 “Intangible assets” and Note 19 “Other provisions”.

The restructuring of the Leoben-Hinterberg location in the previous financial year 2008/09 included the adjustment of production capacities to the expected utilization of the plant from the perspective at the time. The impairments of property, plant and equipment related to the production machines that were no longer required. Personnel expenses resulted from the social plan agreed in the financial year 2008/09. Net costs from other contractual obligations mainly related to vacancy costs based on the non-cancellable property lease obligations, as well as other contractual obligations to be recognised in the income statement. Reference is made also to Note 8 “Property, plant and equipment”, Note 9 “Intangible assets” and Note 19 “Other provisions”.

Other non-recurring expenses

Other non-recurring personnel expenses in the amount of TEUR 3,278 and TEUR 1,078 in the financial years 2009/10 and 2008/09, respectively, result from cost cutting programs carried out across the Group and the related reduction in the number of staff, particularly in the area of overhead costs. In the previous financial year 2008/09, non-current assets were also affected by the cost cutting program. Reference is made to Note 8 “Property, plant and equipment” and Note 9 “Intangible assets”.

6. Financial result

(in EUR 1,000)	Financial year 2009/10	2008/09
Interest income from financial assets at fair value and available-for-sale securities	600	706
Other interest income	128	260
Gains from the sale of cash equivalents	3	8
Realised gains from derivative financial instruments, net	1,056	–
Gains from the measurement of derivative financial instruments at fair value, net	1,111	–
Gains from foreign exchange differences, net	–	14,764
Other financial income	58	57
Financial income	**2,956**	**15,795**
Interest expense on borrowings	(7,960)	(8,764)
Interest expense from finance leases	–	(76)
Realised income from derivative financial instruments, net	–	2,755
Losses from the measurement of derivative financial instruments at fair value, net	–	(8,029)
Foreign exchange losses, net	(3,243)	–
Other financial expenses	(110)	(416)
Financial expenses	**(11,313)**	**(14,530)**
Financial result	**(8,357)**	**1,265**

7. Income taxes

The income tax expense is broken down as follows:

(in EUR 1,000)	Financial year 2009/10	2008/09
Current income taxes	9,798	3,367
Deferred taxes	(6,100)	2,625
Total tax expense	**3,698**	**5,992**

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

(in EUR 1,000)	Financial year 2009/10	2008/09
Expected tax expense at standard Austrian rate	(5,064)	51
Effect of different tax rates in foreign countries	(824)	(11,527)
Non-creditable foreign withholding taxes	2,989	4,292
Effect of change in previously unrecognised tax losses and temporary differences	8,031	16,475
Effect of the change in tax rate	(1,107)	(1,268)
Effect of permanent differences	(435)	(1,821)
Effect of taxes from prior periods	114	(235)
Other tax effects, net	(6)	25
Total tax expense	**3,698**	**5,992**

Deferred tax assets and liabilities consist of the following:

(in EUR 1,000)	31 March 2010	31 March 2009
Deferred Tax Assets		
Tax loss carryforwards including taxable goodwill	2,342	3,459
Non-current assets	6,565	5,625
Inventories	1,168	1,264
Trade receivables	137	129
Retirement, termination benefit and other employee benefit obligations	731	972
Other non-current liabilities	906	48
Temporary differences arising from shares in subsidiaries	–	1,705
Losses not yet realised from cash flow hedging instruments, recognised in equity	100	–
Other	227	12
Deferred tax assets	**12,176**	**13,214**
Deferred Tax Liabilities		
Non-current assets	(703)	(2,662)
Unrealised gains from securities available for sale, recognised in equity and not taken through profit or loss	(19)	(8)
Provisions for termination benefits	–	(692)
Foreign currency valuation	–	(2,364)
Temporary differences arising from shares in subsidiaries	(4,490)	(4,589)
Other taxable temporary differences	–	(2,725)
Other	(504)	(57)
Deferred tax liabilities	**(5,716)**	**(13,097)**
Deferred tax assets, net	**6,460**	**117**

Deferred tax assets and liabilities are netted, if a legally enforceable right exists to set off the actual tax credits against the actual tax liabilities and if they are levied by the same tax authority. The offset amounts are as follows:

(in EUR 1,000)	31 March 2010	31 March 2009
Deferred tax assets:		
- non-current	8,237	7,876
- current	2,887	2,086
	11,124	**9,962**
Deferred tax liabilities:		
- non-current	(904)	(6,740)
- current	(3,760)	(3,105)
	(4,664)	**(9,845)**
Deferred tax assets, net	**6,460**	**117**

At 31 March 2010 the Group has tax loss carryforwards and taxable goodwill amounting to a total of TEUR 168,645 (at 31 March 2009 TEUR 135,308). For loss carryforwards amounting to TEUR 159,080 (at 31 March 2009 TEUR 120,673) thereof no deferred tax assets were recognised in the amount of TEUR 39,019 (at 31 March 2009 TEUR 29,588), since it is unlikely that they could be realised in the foreseeable future. TEUR 6,104 (at 31 March 2009 TEUR 9,519 of which accounts for the measurement of treasury shares, which would result in the need to recognise deferred taxes in consolidated equity, not affecting net income.

Deferred taxes (net) changed as follows:

(in EUR 1,000)	Financial year 2009/10	Financial year 2008/09
Carrying amount at the beginning of the financial year	117	2,111
Currency translation differences	153	622
Income/(expense) recognised in the income statement	6,100	(2,625)
Income taxes recognised in equity	90	9
Carrying amount at the end of the financial year	**6,460**	**117**

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

	Financial year					
	2009/10			2008/09		
(in EUR 1,000)	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes	Income/ (expense) before taxes	Tax income/ (expense)	Income/ (expense) after taxes
Currency translation differences	(1,841)	–	(1,841)	40,292	–	40,292
Fair value gains/(losses) of available-for-sale financial assets	29	(10)	19	(26)	9	(17)
Fair value gains/(losses) of cash flow hedges	(399)	100	(299)	–	–	–
Other comprehensive income	**(2,211)**	**90**	**(2,121)**	**40,266**	**9**	**40,275**

V. Notes to the Consolidated Balance Sheet

8. Property, plant and equipment

(in EUR 1,000)	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Net carrying amount 31 March 2009	51,651	276,910	5,708	15,584	349,853
Changes in the consolidated group	–	–	6	–	6
Exchange differences	(4)	(3,737)	29	(58)	(3,770)
Additions	883	4,425	515	14,261	20,084
Disposals	–	(604)	(24)	–	(628)
Transfers	4,448	16,252	410	(18,959)	2,151
Impairment	(91)	(16,169)	(573)	–	(16,833)
Depreciation, current	(2,834)	(37,734)	(1,768)	–	(42,336)
Net carrying amount 31 March 2010	**54,053**	**239,343**	**4,303**	**10,828**	**308,527**
At 31 March 2010					
Gross carrying amount	71,042	573,515	20,416	10,828	675,801
Accumulated depreciation	(16,989)	(334,172)	(16,113)	–	(367,274)
Net carrying amount	**54,053**	**239,343**	**4,303**	**10,828**	**308,527**

(in EUR 1,000)	Land, plants and buildings	Machinery and technical equipment	Tools, fixtures, furniture and office equipment	Prepayments and construction in progress	Total
Net carrying amount 31 March 2008	45,002	225,630	5,685	21,433	297,750
Exchange differences	8,097	38,970	320	3,552	50,939
Additions	1,247	13,184	2,233	32,011	48,675
Disposals	(3)	(238)	(93)	–	(334)
Transfers	–	41,355	57	(41,412)	–
Impairment	–	(3,264)	(442)	–	(3,706)
Reversals of impairment	–	1	–	–	1
Depreciation, current	(2,692)	(38,728)	(2,052)	–	(43,472)
Net carrying amount 31 March 2009	**51,651**	**276,910**	**5,708**	**15,584**	**349,853**
At 31 March 2009					
Gross carrying amount	61,261	591,115	21,607	15,584	689,567
Accumulated depreciation	(9,610)	(314,205)	(15,899)	–	(339,714)
Net carrying amount	**51,651**	**276,910**	**5,708**	**15,584**	**349,853**

The value of the land included in land, plants and buildings amounts to TEUR 1,513 (TEUR 1,280 as at 31 March 2009).

Depreciation of the current financial year is recognised in cost of sales, selling costs, and general and administrative costs.

Transfers

The balance of transfers in the amount of TEUR 2,151 in the financial year 2009/10 relates to the reclassification of the non-current asset held for sale as of 31 March 2009. Reference is made to Note 14 “Non-current assets held for sale”.

Impairment

For some property, plant and equipment, which fulfilled the criteria for impairment, an impairment to their recoverable amount had to be recognised. The impairments in the financial year 2009/10 in the amount of TEUR 16,833 and the impairment in the financial year 2008/09 in the amount of TEUR 3,706 relate almost exclusively to restructuring and cost saving measures. The determination of this amount was based on available estimates for the sale of these assets under market conditions and arm’s length transactions. Reference is made to Note 5 “Non-recurring items” and Note 4 “Other operating result”.

Collateralisation

In connection with the collateralisation of various financing agreements property, plant and equipment in the amount of TEUR 0 (TEUR 1,772 at 31 March 2009) was mortgaged.

9. Intangible assets

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	Other intangible assets	Total
Net carrying amount 31 March 2009	2,136	–	102	2,238
Changes in consolidated group	4	–	–	4
Exchange differences	5	–	–	5
Additions	663	–	–	663
Disposals	–	–	–	–
Transfers	102	–	(102)	–
Impairment	(193)	–	–	(193)
Amortisation, current	(680)	–	–	(680)
Net carrying amount 31 March 2010	**2,037**	**–**	**–**	**2,037**
At 31 March 2010				
Gross carrying amount	13,180	6,046	–	19,226
Accumulated amortisation	(11,143)	(6,046)	–	(17,189)
Net carrying amount	**2,037**	**–**	**–**	**2,037**

(in EUR 1,000)	Industrial property and similar rights and assets, and licenses in such rights and assets	Goodwill	Other intangible assets	Total
Net carrying amount 31 March 2008	2,331	5,910	106	8,347
Exchange differences	29	(484)	–	(455)
Additions	617	–	–	617
Disposals	(11)	–	–	(11)
Impairment	(108)	(5,426)	–	(5,534)
Amortisation, current	(722)	–	(4)	(726)
Net carrying amount 31 March 2009	**2,136**	**–**	**102**	**2,238**
At 31 March 2009				
Gross carrying amount	12,786	5,052	131	17,969
Accumulated amortisation	(10.650)	(5.052)	(29)	(15.731)
Net carrying amount	**2.136**	**–**	**102**	**2.238**

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

Impairments
The impairments in the financial year 2009/10 in the amount of TEUR 193 exclusively relate to restructuring and cost cutting measures. The determination of intangible assets is based on available estimates for the sale of these assets under market and arm's length conditions. Reference is made to Note 5 "Non-recurring items".

In the previous financial year 2008/09, the impairment test of AT&S Korea resulted in an impairment of total goodwill in the amount of TEUR 5,426. For the purpose of impairment testing, goodwill had been allocated to the cash generating unit AT&S Korea and to the Asia segment. The value in use was derived from future cash flows, which are based on a detailed budgeting adopted by the management. A detailed planning period of seven years was used for the determination of the value in use of AT&S Korea.

Other impairments in the financial year 2008/09 in the amount of TEUR 108 exclusively related to restructuring and cost saving measures.

10. Other non-current assets

	31 March	
(in EUR 1,000)	2010	2009
Prepayments	1,805	1,887
Deposits made	1,817	1,128
Other non-current receivables	–	51
Carrying amount	**3,622**	**3,066**

The prepayments relate to long-term rent prepayments for the factory premises in China.

11. Inventories

	31 March	
(in EUR 1,000)	2010	2009
Raw materials and supplies	15,915	18,207
Work in progress	10,064	8,963
Finished goods	12,721	19,828
Carrying amount	**38,700**	**46,998**

The balance of write-downs of inventories recognised as expense amounts to TEUR 6,521 as of 31 March 2010 (TEUR 8,979 as of 31 March 2009).

In connection with various financing agreements, inventories in the amount of TEUR 87 (TEUR 0 at 31 March 2009) serve as collateral. Reference is made to Note 17 "Financial liabilities".

12. Trade and other receivables

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

	31 March	
(in EUR 1,000)	2010	2009
Trade receivables	70,703	86,001
VAT receivables	12,013	6,803
Energy tax refunds	4,407	3,511
Prepayments	2,398	2,327
Other receivables from authorities	1,277	138
Deposits	423	1,014
Insurance reimbursements	44	1,573
Other receivables	714	625
Impairments	(1,003)	(979)
	90,976	**101,013**

Other receivables mainly include prepaid expenses and deferred charges.

In connection with various financing agreements trade receivables amounting to TEUR 36,000 (TEUR 36,000 at 31 March 2009) serve as collateral. Reference is made to Note 17 "Financial liabilities".

The carrying amounts of trade and other receivables approximately correspond to their respective fair values.

Maturity of receivables
All receivables at 31 March 2010 and 31 March 2009 have remaining maturities of less than one year.

Factoring
At the balance sheet date 31 March 2010 receivables in the amount of TEUR 7,511 (TEUR 6,072 at 31 March 2009) had been transferred to a bank under a genuine factoring arrangement and derecognised.

Development of periods overdue and write-downs

At 31 March 2010 (in EUR 1,000)	Carrying amount	thereof: not impaired and not overdue or insured, resp,	thereof: not impaired and not insured and overdue for the following periods			
			less than 3 months	between 3 and 6 months	between 6 and 12 months	more than 12 months
Trade and other receivables	90,976	86,353	4,300	169	32	122

Zum 31. März 2009: (in EUR 1,000)	Carrying amount	thereof: not impaired and not o verdue or i nsured, resp,	thereof: not impaired and not insured and overdue for the following periods			
			less than 3 months	between 3 and 6 months	between 6 and 12 months	more than 12 months
Trade and other receivables	101,013	92,555	7,868	263	240	87

There were no indications at the balance sheet date that trade and other receivables which are neither impaired nor overdue would not be paid.

Impairment of trade and other receivables changed as follows:

(in EUR 1,000)	Financial year 2009/10	2008/09
Impairment at the beginning of the financial year	979	908
Utilisation	(159)	(81)
Reversal	(10)	(141)
Addition	101	358
Currency translation differences	92	(65)
Impairment at the end of the financial year	**1,003**	**979**

13. Financial assets

The carrying amounts of financial assets are as follows:

(in EUR 1,000)	31 March 2010	thereof non-current	thereof current
Financial assets at fair value through profit or loss	14,153	–	14,153
Available-for-sale financial assets	160	99	61
	14,313	**99**	**14,214**

(in EUR 1,000)	31 March 2009	thereof non-current	thereof current
Financial assets at fair value through profit or loss	13,987	–	13,987
Available-for-sale financial assets	148	122	26
	14,135	**122**	**14,013**

Financial assets at fair value through profit or loss

The fair values of the financial assets at fair value through profit or loss correspond to their carrying amounts and are as follows:

	31 March	
(in EUR 1,000)	2010	2009
Bonds	13,986	13,448
Derivative financial instruments*)	167	539
	14,153	**13,987**

*) Reference is made to Note 20 "Derivative financial instruments".

All bonds held are denominated in euro.

Securities held to maturity

	31 March	
(in EUR 1,000)	2010	2009
Acquisition cost	1,000	1,000
Impairment	(1,000)	(1,000)
Carrying amount	–	–

Securities held to maturity are convertible bonds issued by Adcon Telemetry AG, Klosterneuburg. Due to ongoing insolvency proceedings relating to Adcon Telemetry AG, these convertible bonds were fully written off. The securities held to maturity are denominated in euro.

Available-for-sale financial assets

	31 March	
(in EUR 1,000)	2010	2009
Available-for-sale securities, at fair value	157	123
Other available-for-sale financial assets	3	25
Carrying amount	**160**	**148**

Available-for-sale securities, at fair value developed as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Carrying amount at the beginning of the financial year	123	171
Disposals	(1)	(19)
Unrealised gains/(losses) from the current period, recognised in equity	29	(26)
Currency translation differences	6	(3)
Carrying amount at the end of the financial year	**157**	**123**

All available-for-sale securities are denominated in euro.

Other financial assets available for sale relate to investments and are measured at acquisition cost.

14. Non-current assets held for sale

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Carrying amount at the beginning of the financial year	–	2,151
Impairment	–	–
Carrying amount at the end of the financial year	–	**2,151**

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The sale has to be highly probable and expected to be effected within one year.

In the financial year 2008/09, non-current assets held for sale related to the property and corporate building of AT&S Verwaltungs GmbH & Co KG, Germany. Ultimately, the sale negotiations did not lead to a concrete result in the financial year 2009/10, and due to the general economic situation it cannot be assumed that the sale will be effected within one year. Therefore, a transfer to property, plant and equipment as non-current asset was made in the financial year 2009/10. Reference is made to Note 8 "Property, plant and equipment".

15. Cash and cash equivalents

(in EUR 1,000)	31 March 2010	31 March 2009
Bank balances and cash on hand	12,574	4,250
Time deposits	771	2,304
Restricted cash	9	477
Carrying amount	**13,354**	**7,031**

At 31 March 2010 restricted cash relates to AT&S India (at 31 March 2009 to AT&S India and AT&S China).

The reported carrying amounts correspond to the respective fair values.

16. Trade and other payables

		Remaining maturity		
(in EUR 1,000)	31 March 2010	Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	41,896	41,896	–	–
Government grants	787	146	641	–
Liabilities to fiscal authorities and otherpublic taxing bodies	1,862	1,862	–	–
Social security payables	1,505	1,505	–	–
Liabilities from unconsumed vacations	3,394	3,394	–	–
Liabilities to employees	8,708	8,520	188	–
Other liabilities	3,902	3,113	789	–
Carrying amount	**62,054**	**60,436**	**1,618**	**–**

		Remaining maturity		
(in EUR 1,000)	31 March 2009	Less than 1 year	Between 1 and 5 years	More than 5 years
Trade payables	32,826	32,826	–	–
Government grants	1,582	197	1,239	146
Liabilities to fiscal authorities and otherpublic taxing bodies	2,610	2,610	–	–
Social security payables	1,789	1,789	–	–
Liabilities from unconsumed vacations	4,117	4,117	–	–
Liabilities to employees	7,987	7,987	–	–
Other liabilities	4,283	3,496	787	–
Carrying amount	**55,194**	**53,022**	**2,026**	**146**

The carrying amounts of the reported liabilities approximate the respective fair values.

Government grants

Government grants mainly relate to grants for property, plant and equipment and are released to income according to the useful life of the related property, plant and equipment. The original terms to be fulfilled had already expired at the last balance sheet date.

Furthermore, the Group has received grants for project costs for several research projects, which are recognised in income on a pro rata basis according to the costs incurred and the grant ratio, or the accrual amount is included in the liabilities, respectively.

Liabilities from stock options

At the Supervisory Board Meeting held on 8 November 2004 a stock option plan (2005-2008) was approved, which allows the Company to grant stock options to the Management Board and executive employees, which can be settled in cash or by issuing equity instruments.

Each of these options entitles the holder to the right to either:

- purchase a share (equity-settled share-based payment transactions) or
- be settled in cash (cash-settled share-based payment transactions) at the remaining amount between exercise price and the closing rate of AT&S shares at the stock exchange with the main quotation of AT&S shares respectively at the date the option is exercised by the beneficiary.

The stock options may be granted between 1 April 2005 and 1 April 2008.

The exercise price is determined at the respective date of grant, representing the average AT&S share price over a period of six months prior to the date of grant plus 10%. The exercise price corresponds at least to the nominal value of a share of the Company.

Granted options vest gradually with 20% of the options after two years, 30% of the options after three years and 50% of the options after four years. Options not exercised can be exercised after the expiration of the subsequent waiting period. Options not exercised within five years after grant date forfeit without compensation.

In the 1st meeting of the nomination and compensation committee of the Supervisory Board on 17 March 2009 an additional stock option plan was approved, after it had been submitted for examination in the 55th Supervisory Board Meeting on 16 December 2008. This stock option plan 2009-2012 for the grant of stock options to be settled either in cash or equity instruments to members of the Management Board, managing directors and executive employees is consistent with the stock option plan 2005-2008. Each of these options entitles to either acquire shares or a cash settlement can be demanded, a mark-up of 10% is added to the average price of six months and the granted stock options may be exercised at staggered intervals, with 20% of the granted stock options exercisable after two years, 30% after three years and 50% after four years. Non-exercised stock options may be exercised after the subsequent waiting period has expired.

The stock options may be granted in the period between 1 April 2009 and 1 April 2012.

The stock options may be exercised in full or in part after completion of the vesting period, not however during a restricted period.

The following table summarises information about all stock options granted until 31 March 2010.

	Date of grant			
	1 April 2009	1 April 2008	1 April 2007	1 April 2006
Exercise price (in EUR)	3.86	15.67	22.57	17.99
31 March 2008	–	–	129,000	128,000
Number of options granted	–	137,000	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	–	–	–
Number of options expired	–	–	–	–
31 March 2009	–	137,000	129,000	128,000
Number of options granted	138,000	–	–	–
Number of options forfeited	–	–	–	–
Number of options exercised	–	–	–	–
Number of options expired	3,000	5,000	5,000	4,000
31 March 2010	**135,000**	**132,000**	**124,000**	**124,000**
Remaining contract period of stock options	4 years	3 years	2 years	1 year
Fair value of granted stock options at the balance sheet date (in EUR 1,000)				
31 March 2009	–	–	–	–
31 March 2010	638	61	8	4

In contrast to the stated contract terms, the stock options of Dr. Harald Sommerer vest at the retirement date on 31 January 2010 and are exercisable until 31 January 2011 at the latest.

Reference is made to Note 29 “Related party transactions”.

These stock options are measured at fair value at the respective balance sheet date, using the Monte Carlo method and based on model assumptions and valuation parameters stated below. These may differ from the values realised on the market for all stock options granted as of 1 April 2006, 1 April 2007, 1 April 2008 and 1 April 2009:

Risk-free interest rate	1.03-2.24%
Volatility	49.91-51.28%
Dividend per share	0.0
Weighted average terms of granted stock options	3.6 years

Volatility is calculated on the daily share prices from 1 October 2006 and 1 April 2009, respectively until the balance sheet date.

The fair value of the stock options granted is recognised as expense over their term. The related accrual item is included in the liabilities to employees.

Other liabilities

Other liabilities mainly include accrued legal, audit and consulting fees, debtors with credit balances, pension obligations and other accruals, as well as retained deposits.

17. Financial liabilities

(in EUR 1,000)	31 March 2010	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	83,418	3,713	79,705	–	5.5
Export loans	36,000	36,000	–	–	1.3
Loans from state authorities:				–	
- Public authorities	430	177	253	–	2.0-2.5
Other bank borrowings	54,019	29,179	24,840	–	1.2-6.0
Derivative financial instruments*)	1,785	1,386	399	–	
Carrying amount	**175,652**	**70,455**	**105,197**	**–**	

(in EUR 1,000)	31 March 2009	Remaining maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Interest rate in %
Bonds	83,374	3,764	79,610	–	5.5
Export loans	36,000	36,000	–	–	3.0
Loans from state authorities:					
- European Recovery Program	128	128	–	–	1.5
- Public authorities	340	29	311	–	2.0-2.5
Other bank borrowings	72,834	55,695	17,139	–	1.2-3.85
Derivative financial instruments*)	2,869	2,869	–	–	
Carrying amount	**195,545**	**98,485**	**97,060**	**–**	

*) Reference is made to Note 20 “Derivative financial instruments”.

The bonds with a total nominal value of EUR 80 million were placed by the Company on the Third Market of the Vienna Stock Exchange on 27 May 2008 with a maturity of five years. The bond is divided into amounts of EUR 50,000 and is exempt from the prospectus requirement pursuant to § 3 (1) 9 KMG (Austrian Capital Market Act). The annual fixed interest in the amount of 5.50% of the nominal value is payable subsequently on 27 May of each year. The bondholders do no have an ordinary cancellation right. An extraordinary cancellation right has been agreed in case of the following events occurring at the Company or one of its main subsidiaries:

- Cessation of payments or announcement of insolvency or over-indebtedness,
- Bankruptcy or other insolvency proceedings (exception: court settlement) or liquidation,
- Significant deterioration of the financial position and performance due to the discontinuation of the major part of operations, sale of major parts of assets or non-arm’s length transactions with related parties
- Change of control as stipulated in the Austrian Takeover Act, if this significantly affects the ability to meet the bond obligations.

Other bank borrowings mainly relate to the financing of the plants in China, South Korea and India, in addition to the current liquidity needs. For the plant in South Korea and the expansion in India, long-term financing was raised in the financial year 2009/10, which has to be repaid in semi-annual instalments until 31 March 2014. The variable interest was fully hedged by an interest rate swap. The main contract terms are as follows:

- Maintaining the 98.76% investment in AT&S Korea and the 100% investment in AT&S India,
- No encumbrances on the investments.

In particular for the expansion of the plant in China once funds were raised (on the basis of a G4 guarantee of the Republic of Austria), which have to be repaid according to the repayment schedule in semi-annual instalments until 31 March 2011. Interest for the residual term is mainly fixed and in part variable. The main contract terms are as follows:

- maintain the 100% share in AT&S China,
- existence of the G4 guarantee,
- not assume encumbrances with regard to the investments.

The contractually agreed (undiscounted) interest and redemption payments of the financial liabilities at 31 March 2010 are as follows in the next financial years:

(in EUR 1,000)	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2010/11					
Redemption	–	36,000	177	29,179	1,386
Fixed interest	4,461	–	9	564	–
Variable interest	–	–	–	849	–
2011/12					
Redemption	–	–	162	9,340	–
Fixed interest	4,461	–	3	650	–
Variable interest	–	–	–	–	–
2012/13					
Redemption	–	–	91	6,200	–
Fixed interest	4,461	–	2	423	–
Variable interest	–	–	–	–	–
2013/14					
Redemption	80,000	–	–	9,300	–
Fixed interest	697	–	–	212	–
Variable interest	–	–	–	–	–

No significant deviations from the agreed interest and capital payments are expected regarding term or amount.

At the prior-year balance sheet date 31 March 2009 the contractually agreed (undiscounted) interest and redemption payments of the financial liabilities were as follows for the next financial years:

(in EUR 1,000)	Bonds	Export loans	Loans from state authorities	Other bank borrowings	Derivative financial instruments
2009/10					
Redemption	–	36,000	157	55,695	2,869
Fixed interest	4,461	–	8	1,065	–
Variable interest	–	–	–	157	–
2010/11					
Redemption	–	–	177	14,000	–
Fixed interest	4,461	–	6	479	–
Variable interest	–	–	–	–	–
2011/12					
Redemption	–	–	94	3,139	–
Fixed interest	4,461	–	2	13	–
Variable interest	–	–	–	–	–
2012/13					
Redemption	–	–	40	–	–
Fixed interest	4,461	–	1	–	–
Variable interest	–	–	–	–	–
2013/14					
Redemption	80,000	–	–	–	–
Fixed interest	697	–	–	–	–
Variable interest	–	–	–	–	–

The bonds, export loans, loans from state authorities and bank borrowings in part carry interest rates that differ from market interest rates. For this reason differences between their fair values and carrying amounts can arise.

	Carrying amounts 31 March		Estimated fair values 31 March	
(in EUR 1,000)	2010	2009	2010	2009
Bonds	83,418	83,374	89,029	77,932
Export loans	36,000	36,000	36,000	36,000
Loans from state authorities	430	468	433	469
Other bank borrowings	54,019	72,834	55,789	71,138
Derivative financial instruments	1,785	2,869	1,785	2,869
	175,652	**195,545**	**183,036**	**188,408**

The determination of the fair values is based on the current effective interest rates on loans and bonds with similar maturities that would be available to the Group.

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

	31 March	
(in EUR 1,000)	2010	2009
Euro	174,473	193,712
Korean won	–	1,474
US dollar	399	27
Japanese yen	–	271
Chinese renminbi yuan	366	–
Indian rupee	414	61
	175,652	**195,545**

Bank borrowings are secured as follows:

- By property, plant and equipment amounting to TEUR 0 (at 31 March 2009: TEUR 1,772). Reference is made to Note 8 “Property, plant and equipment”;
- By inventories and trade receivables amounting to TEUR 36,087 (at 31 March 2009: TEUR 36,000). Reference is made to Note 11 “Inventories” and Note 12 “Trade and other receivables”;
- By assignment of rights from the hedge against political risk for the location in China amounting to TEUR 14,000 at 31 March 2010 (at 31 March 2009: TEUR 35,500), as well as for the site in South Korea amounting to TEUR 3,139 (at 31 March 2009: TEUR 3,139).

Lines of credit of financing liabilities at 31 March 2010 are as follows:

(in EUR 1,000)	Credit lines	Used
Export credit lines - committed	36,000	36,000
Other credit lines - committed	167,693	130,366
Credit lines - uncommitted	30,000	7,500
	233,693	**173,866**

Leases

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

	31 March	
(in EUR 1,000)	2010	2009
Not later than 1 year	3,078	3,541
Between 1 and 5 years	7,796	10,090
Later than 5 years	11,236	16,510
Total minimum lease payments	**22,110**	**30,141**

The Group entered into various operating lease agreements for the rental of office space, properties and production facilities, as well as factory and office equipment and technical equipment.

The obligations from operating leases are affected by a sale and lease back transaction concluded in the financial year 2006/07 for the properties and buildings in Leoben-Hinterberg and Fehring, Austria, with non-cancellable lease period until December 2021. The stated amounts also include TEUR 10,016 attributable to minimum lease payments from the operating lease for no longer used building spaces in Leoben-Hinterberg, which has already been included in the balance sheet as other provisions. Reference is made to Note 19 "Other provisions".

The payments recognised as expense for non-cancellable lease and rental expenses are as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Leasing and rental expenses	3,359	4,023

18. Provisions for employee benefits

The provisions for employee benefits relate to pension, termination and other employee benefits.

Defined Contribution Plans

The majority of the Group's employees in Austria and part of its employees in India are covered by defined contribution plans that have been transferred to a pension fund. For employees in Austria, the pension plans were supplemented by death and endowment insurance in the financial year 2009/10. Employer contributions are determined on the basis of a certain percentage of current salary and the Company's profit for the year. Contributions under these plans amounted to TEUR 147 in the financial year 2009/10 and to TEUR 450 in the financial year 2008/09.

Defined Benefit Plans

The Group operates non-contributory defined benefit plans for the board members and other executive employees. The board members' and other executive employees' plans are funded and unfunded.

Retirement benefits of board members and executive employees are based on their salaries and years of service.

Funded termination benefits

The employees in India are entitled to termination benefits upon retirement or, under certain circumstances, upon leaving the company, the amount of which depends on years of service and compensation level. The termination benefits range between half of a monthly salary per year of service and a fixed maximum. The obligations are covered by a life insurance.

Unfunded termination benefits

Employees in Austria, Korea and China are entitled to receive termination benefits, which are based upon years of service and compensation levels and are generally payable upon retirement and, under certain circumstances, upon leaving the company. In Austria the termination benefits range from 2 to 12 months of final monthly salary depending on years of service, in Korea and China a fixed amount is paid depending also on years of service.

For employees who joined on or after 1 January 2003, regular contributions are paid to a staff provision fund ("Mitarbeitervorsorgekasse") without any further obligations on part of the Group. The contributions for the financial year 2009/10 amounted to TEUR 239 and for the financial year 2008/09 to TEUR 358.

Other benefit obligations

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

These benefits are calculated similarly to the method used for termination benefits, based on the same parameters, however, without taking the corridor method into consideration.

Expenses for (defined benefit) retirement, termination and other employee benefits consist of the following:

	Retirement benefits		Termination benefits		Other employee benefits	
	Financial year		Financial year		Financial year	
(in EUR 1,000)	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Current service cost	191	188	1,115	1,267	706	259
Interest expense	466	433	555	626	113	96
Past service cost	–	195	–	–	–	–
Settlements	–	–	3,069	–	–	–
Expected return on plan assets	(291)	(395)	(13)	(13)	–	–
Actuarial losses/(gains)	101	32	182	159	(23)	(129)
Total expenses	**467**	**453**	**4,908**	**2,039**	**796**	**226**

Expenses for retirement, termination and other employee benefits are recognised in cost of sales, selling costs and general and administrative costs. The settlements in the financial year 2009/10 are included in the non-recurring items.

Amounts accrued in the *balance sheet* are:

	31 March	
(in EUR 1,000)	2010	2009
(Overfunded) retirement benefits	**(620)**	**(46)**
Underfunded retirement benefits	1,021	953
Underfunded termination benefits	8,233	6,554
Other employee benefits	2,115	2,244
Provisions for employee benefits	**11,369**	**9,751**
Accrued retirement, termination and other employee benefits, net	10,749	9,705

Retirement benefits and termination benefits in the balance sheet are as follows:

	Retirement benefits		Termination benefits	
	31 March		31 March	
(in EUR 1,000)	2010	2009	2010	2009
Present value of funded obligations	8,662	8,381	437	392
Fair value of plan assets	(8,480)	(6,769)	(194)	(184)
Funded status funded obligations	182	1,612	243	208
Present value of unfunded obligations	968	900	9,085	10,653
Unrealised actuarial gains/(losses)	(749)	(1,605)	(1,095)	(4,307)
Provisions/(receivables) in the balance sheet, net	401	907	8,233	6,554
thereof receivables (overfunded benefits)	(620)	(46)	–	–
thereof provisions (underfunded benefits)	1,021	953	8,233	6,554

The present value of projected retirement benefit obligations, the movement in plan assets and funded status are as follows:

	Funded retirement benefits		Unfunded retirement benefits	
	Financial year		Financial year	
(in EUR 1,000)	2009/10	2008/09	2009/10	2008/09
Present value of retirement benefit obligation				
Present value at beginning of year	8,381	7,811	900	825
Current service cost	191	188	–	–
Interest expense	419	390	47	43
Actuarial losses/(gains)	(174)	142	21	32
Benefits paid	(155)	(150)	–	–
Present value at end of year	**8,662**	**8,381**	**968**	**900**
Fair value of plan assets				
Fair value at beginning of year	6,769	8,042		
Contributions to plan assets	973	–		
Expected return on plan assets	291	395		
Actuarial gains/(losses)	602	(1,518)		
Benefits paid	(155)	(150)		
Fair value at end of year	**8,480**	**6,769**		
Funded status funded retirement benefits	**182**	**1,612**		

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

	31 March	
(in %)	2010	2009
Debt securities	31%	47%
Equity securities	38%	24%
Real estate	7%	4%
Cash and cash equivalents	24%	25%
	100 %	**100 %**

The aggregate movement in funded and unfunded termination benefits is as follows:

	Funded retirement benefits		Unfunded retirement benefits	
	Financial year		Financial year	
(in EUR 1,000)	2009/10	2008/09	2009/10	2008/09
Present value of termination benefit obligation				
Present value at beginning of year	392	383	10,653	11,948
Exchange differences	(22)	–	–	–
Changes in consolidated group	41	(25)	81	(64)
Current service cost	30	37	1,085	1,230
Interest cost	29	29	526	598
Actuarial losses/(gains)	(11)	(18)	(3,019)	298
Settlements	–	–	3,069	–
Benefits paid	(22)	(14)	(3,310)	(3,357)
Present value at end of year	**437**	**392**	**9,085**	**10,653**
Fair value of plan assets				
Fair value at beginning of year	184	160		
Changes in consolidated group	(15)	–		
Exchange differences	18	(11)		
Contributions to plan assets	16	34		
Expected return on plan assets	13	13		
Actuarial gains/(losses)	–	2		
Benefits paid	(22)	(14)		
Fair value at end of year	**194**	**184**		
Funded status funded termination benefits	**243**	**208**		

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

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Present value at beginning of year	2,244	1,969
Exchange differences	(24)	174
Service cost	706	259
Interest expense	113	96
Actuarial losses/(gains)	(23)	(129)
Benefits paid	(901)	(125)
Present value at end of year	**2,115**	**2,244**

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

	Retirement benefits		Termination benefits		Other employee benefits (anniversary bonuses)	
	31 March		31 March		31 March	
	2010	2009	2010	2009	2010	2009
Discount rate	5%	5.25%	5-8.25%	5.25-8%	2-5%	4-5.25%
Expected return on plan assets	5.55%	4.44%	8%	8%	–	–
Expected rate of compensation increase	2.25%	2.50%	3-7%	3.25-10%	3-10%	3.25-10%
Expected rate of pension increase	2%	2.25%	–	–	–	–
Retirement age (women/men)	58-65	58-65	Individual according to 2003 pension reform	Individual according to 2003 pension reform	–	–

19. Other provisions

(in EUR 1,000)	Total	Warranty	Closure Augsburg plant	Restructuring Leoben	Sundry
Carrying amount 31 March 2009	10,297	1,265	39	8,533	460
Utilisation	(2,048)	(535)	(39)	(1,015)	(459)
Reversal	(79)	(78)	–	–	(1)
Addition	9,762	248	–	6,072	3,442
Interest effect	67	–	–	67	–
Exchange differences	248	1	–	–	247
Carrying amount 31 March 2010	**18,247**	**901**	**–**	**13,657**	**3,689**

	31 March	
(in EUR 1,000)	2010	2009
thereof non-current	12,769	7,322
thereof current	5,478	2,975
Carrying amount	**18,247**	**10,297**

Warranty provision

The provision for warranties relates to the costs for expected complaints about products still under warranty. The accrued amount is the best estimate of these costs based on past experience and actual facts, which due to the uncertainty as to amount and timing are not yet recognised as liabilities.

Provision for the restructuring Leoben-Hinterberg

This provision for costs from contractual obligations relates to future vacancy costs for no longer used building space based on the non-cancellable property lease obligations. The provision was recognised in the amount of the present value of the expenses expected to be incurred largely in the long term. For an overall presentation of the restructurings of the Leoben-Hinterberg location, reference is made to Note 5 “Non-recurring items”.

Sundry other provisions

Sundry other provisions relate to provisions for other short-term onerous contracts.

20. Derivative financial instruments

The derivative financial instruments mainly relate to forward currency contracts, currency swaps and interest rate swaps. Hedged items are primarily trade receivables and payables, as well as payments in connection with loans.

The carrying amounts of the Group’s derivative financial instruments correspond to their fair values. The fair value corresponds to the amount that would be incurred or earned, if the transaction was settled at the balance sheet date.

The fair values of the derivative financial instruments are as follows:

	31 March 2010		31 March 2009	
(in EUR 1,000)	Assets	Liabilities	Assets	Liabilities
Forward contracts at fair value	–	254	131	–
Currency swaps at fair value	167	1,132	372	2,869
Currency options at fair value	–	–	3	–
Interest rate swaps at fair value	–	399	33	–
Total fair values	**167**	**1,785**	**539**	**2,869**
Net of current portion:				
Forward contracts at fair value	–	254	131	–
Currency swaps at fair value	167	1,132	372	2,869
Currency options at fair value	–	–	3	–
Interest rate swaps at fair value	–	–	33	–
Current portion	**167**	**1,386**	**539**	**2,869**
Non-current portion	**–**	**399**	**–**	**–**

The nominal amounts and the fair values of derivative financial instruments relating to hedges against exchange rate fluctuations are as follows at balance sheet date, presented by currency:

	31 March 2010		31 March 2009	
Currency	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)
US-Dollar	35,301	(1,219)	67,158	(2,363)

The nominal amounts and the fair values of derivative financial instruments relating to hedges against interest rate fluctuations are as follows at balance sheet date, presented by currency:

	31 March 2010		31 March 2009	
Currency	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)	Nominal amount (in 1,000 local currency)	Fair value (in EUR 1,000)
Euro	23,600	(399)	10,000	33

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

	31 March	
(in months)	2010	2009
Forward contracts	4	10
Currency swaps	7	10
Currency options	–	3
Interest rate swaps	48	15

At 31 March 2010, the fixed interest rate for interest rate swaps is 2.34%, the variable interest rate is based on the 6-month EURIBOR.

21. Additional disclosures on financial instruments

Carrying amounts and amounts stated by measurement category

The carrying amounts and amounts stated of financial instruments included in several balance sheet items by measurement category are as follows at the balance sheet date:

(in EUR 1,000) 31 March 2010	Fair values through profit or loss	Fair values in equity	Amortised cost	Carrying amounts
Assets				
Non-current assets				
Financial assets	–	97	2	99
Current assets				
Trade and other receivables	–	–	70,845	70,845
Financial assets	14,153	61	–	14,214
Cash and cash equivalents	–	–	13,354	13,354
Liabilities				
Non-current liabilities				
Financial liabilities	–	–	105,197	105,197
Current liabilities				
Trade and other payables	–	–	50,235	50,235
Financial liabilities	1,785	–	68,670	70,455

(in EUR 1,000) 31 March 2009	Fair values through profit or loss	Fair values in equity	Amortised cost	Carrying amounts
Assets				
Non-current assets				
Financial assets	–	97	25	122
Current assets				
Trade and other receivables	–	–	87,358	87,358
Financial assets	13,987	26	–	14,013
Cash and cash equivalents	–	–	7,031	7,031
Liabilities				
Non-current liabilities				
Financial liabilities	–	–	97,060	97,060
Current liabilities				
Trade and other payables	–	–	40,813	40,813
Financial liabilities	2,869	–	95,616	98,485

Valuation hierarchies of 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: The fair values are determined based on quoted market prices in an active market for identical financial instruments.
- Level 2: If there are no quoted market prices in an active market, fair value is established by using a valuation technique that makes maximum use of market inputs.
- Level 3: In this case, valuation methods to establish the fair value are also based on non-market data.

The allocation of financial instruments measured at fair value to the three measurement hierarchies are as follows at the balance sheet date:

(in EUR 1,000) 31 March 2010	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	13,986	–	–	13,986
Derivative financial instruments	–	167	–	167
Financial assets available for sale	157	–	3	160
Financial liabilities				
Derivative financial instruments	–	1,785	–	1,785

Net results relating to financial instruments by measurement category

Net gains and net losses relating to financial assets and liabilities by measurement category are as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
Loans and receivables	(538)	869
Financial assets at fair value through profit or loss	3,305	(4,515)
Financial assets available for sale	1	4
Financial liabilities at amortised cost	(11,203)	5,925
	(8,435)	**2,283**

The net results relating to financial instruments include dividend income, interest income and expenses, foreign exchange gains and losses, realised income and losses on the disposal and sale, as well as income and expenses recognised in the income statement from the measurement of financial instruments.

TEUR -7,766 net expense (2008/09: TEUR 1,682 net income) of the total net result from financial instruments is included in the financial result, and TEUR -669 (2008/09: TEUR 601 net income) in the operating result.

22. Contingent liabilities and other financial commitments

Regarding non-cancellable leasing and rental agreements, reference is made to Note 17 “Financial liabilities”. At 31 March 2010 the Group has other financial commitments amounting to TEUR 25,774 (TEUR 6,264 at 31 March 2009) in connection with contractually binding investment projects. Furthermore, at the balance sheet date the Group has contingent liabilities to customs authorities and from bank guarantees in the amount of TEUR 9 (TEUR 2 at 31 March 2009). Other guarantees or contingencies relating to the ordinary business operations do not exist at the balance sheet date.

23. Share capital

	Outstanding shares (in 1,000 shares)	Ordinary shares (in EUR 1,000)	Share premium (in EUR 1,000)	Stock options (in EUR 1,000)	Treasury shares, net of tax (in EUR 1,000)	Share capital (in EUR 1,000)
31 March 2008	**23,323**	**28,490**	**63,294**	**226**	**(46,352)**	**45,658**
Stock option plans:						
Value of services rendered	–	–	–	22	–	**22**
Change in stock options	–	–	248	(248)	–	–
31 March 2009	**23,323**	**28,490**	**63,542**	**–**	**(46,352)**	**45,680**
Stock option plans:						
Value of services rendered	–	–	–	–	–	–
Change in stock options	–	–	–	–	–	–
31 March 2010	**23,323**	**28,490**	**63,542**	**–**	**(46,352)**	**45,680**

Ordinary Shares

At 31 March 2010 the share capital in the amount of TEUR 28,490 is made up of 25,900,000 no-par value shares with a notional value of EUR 1.1 per share.

Outstanding shares

The number of shares issued amounts to 25,900,000. At the balance sheet date 31 March 2010 2,577,412 treasury shares were held by the Group, 23,322,588 shares were outstanding.

Authorised share capital

By a resolution passed at the 11th Annual General Meeting on 5 July 2005 the Management Board was authorised to increase the share capital by a nominal amount of up to TEUR 12,430 until 4 July 2010, if required, in several tranches upon approval by the Supervisory Board by issuing up to 11,300,000 no-par value bearer shares paid for in cash or contribution in kind, partially or entirely excluding the existing shareholders' subscription rights, and to set the detailed issue conditions in agreement with the Supervisory Board. The Supervisory Board is authorised to adopt changes to the articles of association that are due to the issuance of shares from the authorised capital.

Convertible bonds

A resolution passed at the 11th Annual General Meeting on 5 July 2005 authorised the Management Board upon approval by the Supervisory Board to issue convertible bonds in accordance with § 174 (2) AktG (Austrian Stock Corporation Act) at a maximum nominal value of TEUR 100,000 (in several tranches) until 4 July 2010, to set the issue conditions and the conversion method and to exclude the existing shareholders' subscription rights.

Conditional capital increase

A resolution was passed at the 11th Annual General Meeting on 5 July 2005 to perform a conditional capital increase in accordance with § 160 (2) AktG (Austrian Stock Corporation Act) and to grant stock options and conversion rights to creditors of convertible bonds by a nominal amount of TEUR 12,430 by issuing up to 11,300,000 new common bearer shares. Furthermore, the Management Board was authorised to set the further details of the conditional capital increase. The Supervisory Board is authorised to adopt changes (due to the issuance of shares from the conditional capital increase) to the articles of association. The new issued shares resulting from the conditional capital increase are fully entitled to dividends for the financial year in which they were issued.

Treasury shares

Most recently, at the 14th Annual General Meeting on 3 July 2008, the Management Board in accordance with § 65 (1) 8 AktG (Austrian Stock Corporation Act) was authorised to acquire treasury shares of up to 10% of the share capital within 30 months as of the date the resolution was passed (the purchase price per no-par value share to be acquired shall not be below EUR 1.10 and shall not exceed EUR 110) and to retract the treasury shares acquired without an additional shareholders' resolution, or to use them for the Group's stock option plan. The Supervisory Board is authorised to pass amendments to the articles of association, which result from the issue of shares from authorised capital.

Since 15 May 2006, the Group has purchased a total of 2,632,432 treasury shares at the prevailing market price amounting to a total of TEUR 47,484. In the financial year 2009/10 shares were neither sold nor used for servicing the Company's stock option plan. At 31 March 2010 the Group still holds 2,577,412 treasury shares (unchanged to prior year) (9.95% of the share capital) with a total purchase price of TEUR 46,577.

At the 14th Annual General Meeting on 3 July 2008 the Management Board in accordance with § 65 (1b) AktG was authorised, for a period of five years as of the date the resolution was passed, i.e. up to and including 3 July 2013, upon approval by the Supervisory Board, to sell the purchased treasury shares also in a different way than via the stock exchange or by public offer, in particular to service convertible bonds as consideration for the acquisition of subsidiaries, investments, companies or businesses and in doing so – if required – exclude the existing shareholders' subscription rights in accordance with §§ 169 to 179 AktG; this authorisation can be exercised in its entirety or in several parts.

Dividend per share

In the financial year 2009/10 a dividend of EUR 0.18 was paid per share (in the financial year 2008/09 EUR 0.34).

Stock option plans settled by equity instruments

At the Supervisory Board Meeting held on 15 June 2000 a stock option plan 2000-2004 was approved, which allows the Company to grant stock options settled by equity instruments to the Management Board and executive employees. The stock options were granted over the period between 1 August 2000 and 1 April 2004. Granted options vested gradually, with 20% of the options after two years, 30% after three years, and 50% after four years. Options could only be exercised within a period of three months, beginning 1 July of the respective financial year. Thus, the deadline for exercising the options under the stock option plan 2000-2004 already ended in the past financial year 2008/09.

24. Other reserves

The transfer amounts of the other comprehensive income realised in the profit for the year and the movement in other reserves are as follows:

(in EUR 1,000)	Currency translation differences	Financial assets available for sale	Hedging instruments for cash flow hedges	Other reserves
Carrying amount as of 31 March 2008	**(39,755)**	**41**	**–**	**(39,714)**
Balance of unrealised changes before transfer, after taxes	40,292	(17)	–	40,275
Carrying amount as of 31 March 2009	**537**	**24**	**–**	**561**
Balance of unrealised changes before transfer, after taxes	(2,060)	19	(299)	(2,340)
Transfer of realised changes recognised in the profit for the year, after taxes	219	–	–	219
Carrying amount as of 31 March 2010	**(1,304)**	**43**	**(299)**	**(1,560)**

With regard to the presentation of income taxes attributable to the individual components of the other comprehensive income, including transfer amounts, reference is made to Note 7 " Income taxes".

VI. Other Disclosures

25. Earnings per share

Earnings per share is calculated in accordance with IAS 33 "Earnings Per Share".

Weighted average of outstanding shares

The number of shares issued is 25,900,000, At 31 March 2010 2,577,412 treasury shares were held, which were deducted in the calculation of earnings per share.

The weighted average number of outstanding shares for the basic earnings per share calculation amounted to 23.3 million in the financial year 2009/10 and to 23.3 million in the financial year 2008/09.

The weighted average number of outstanding shares for the diluted earnings per share calculation amounted to 23.4 million in the financial year 2009/10 and to 23.3 million in the financial year 2008/09.

The following table shows the composition of the diluted weighted average number of outstanding shares in the respective periods:

	Financial year	
(in 1,000)	2009/10	2008/09
Weighted average number of shares outstanding - basic	23,323	23,323
Diluting effect of options	71	–
Weighted average number of shares outstanding - diluted	**23,394**	**23,323**

Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of outstanding ordinary shares of the same period.

	Financial year	
	2009/10	2008/09
Profit for the year (in EUR 1,000)	(37,271)	(5,376)
Weighted average number of outstanding shares - basic (in 1,000)	23,323	23,323
Basic earnings per share (in EUR)	**(1.60)**	**(0.23)**

Diluted earnings per share

Diluted earnings per share are calculated by dividing the profit for the period attributed to the equity holders of the Company by the weighted average number of outstanding shares including the number of potentially outstanding ordinary shares of the respective period. Potentially outstanding ordinary shares comprise the additional shares to be issued for exercisable options and are included in diluted earnings per share under the assumption that these shares are diluted.

	Financial year	
	2009/10	2008/09
Profit for the year (in EUR 1,000)	(37,271)	(5,376)
Weighted average number of outstanding shares - diluted (in 1,000)	23,394	23,323
Diluted earnings per share (in EUR)	**(1.59)**	**(0.23)**

According to IAS 33 the treasury shares which are held to fulfil the stock option plan do not dilute the outstanding shares.

26. Proposal on profit distribution

According to the provisions of the Austrian Stock Corporation Act ("Aktiengesetz") the local financial statements of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft as of 31 March 2010 prepared under Austrian GAAP serve as the basis for the distribution of dividends. These financial statements reported retained earnings amounting to TEUR 14,144 at 31 March 2010 (TEUR 45,615 at 31 March 2009).

The distribution is subject to the approval of the General Meeting. The Management Board proposes to the General Meeting to distribute a dividend of EUR 0.10 per outstanding share from the retained earnings of TEUR 14,144, and to carry forward the remaining balance.

27. Disposals

Disposal of AT&S ECAD

AT&S ECAD Technologies Private Limited, India, and its subsidiary AT&S ECAD Technologies Inc., USA, were sold by contract of 20 April 2009 and deconsolidated as of the beginning of June 2009, when control passed to the purchaser. The sale and deconsolidation have had no material effects on the Group.

28. Material events after the balance sheet date

At the beginning of May 2010, the Management Board decided to make further adjustments in the administrative structure, after already having implemented group-wide cost cutting programs and the related reduction of staff. It is planned to partly combine international and regional structures and thus gain synergies. To that end, the decision was made to close down the Vienna location, where until now key group functions are performed in terms of headquarters, by the end of the calendar year 2010 and to transfer individual functions to other locations of the Company. As of this management decision, the function of headquarters is assigned to the domicile of the Company and production location Leoben-Hinterberg.

29. Related party transactions

In connection with various projects the Group received services from consulting companies, which are held by the chairman of the Supervisory Board (AIC Androsch International Management Consulting GmbH, Vienna) as well as by Supervisory Board member (Dörflinger Management und Beteiligungs GmbH, Vienna) respectively. The fees charged are as follows:

	Financial year	
(in EUR 1,000)	2009/10	2008/09
AIC Androsch International Management Consulting GmbH	365	366
Dörflinger Management & Beteiligungs GmbH	10	9
	375	**375**

Furthermore, certain manufacturing processes of AT&S Korea have been outsourced. Parts of these external manufacturing services were carried out by persons affiliated with minority shareholders, totalling TEUR 7 in the financial year 2009/10 (TEUR 432 in the financial year 2008/09). The outstanding liabilities as of 31 March 2010 amounted to TEUR 0 (31 March 2009: TEUR 25).

Members of the Management Board and the Supervisory Board

In the financial year 2009/10 and until the date of issuance of these consolidated financial statements the following persons served on the *Management Board:*

- Andreas Gerstenmayer (Chairman, since 1 February 2010)
- Harald Sommerer (Chairman, until 31 January 2010)
- Steen Ejlskov Hansen
- Heinz Moitzi

In the financial year 2009/10 the following persons were elected members of the *Supervisory Board:*

- Hannes Androsch (Chairman)
- Willibald Dörflinger (Deputy Chairman)
- Erich Schwarzbichler (until 2 July 2009)
- Gerhard Pichler (since 2 July 2009)
- Georg Riedl
- Albert Hochleitner
- Karl Fink

Delegated by the Works Council:

- Johann Fuchs
- Wolfgang Fleck
- Günther Wölfler (since 3 June 2009)
- Markus Schumy (until 31 March 2009)

The number of granted stock options and personnel expenses from stock options granted are as follows:

	Number of granted stock options 31 March		Personnel expenses Financial year (in EUR 1,000)	
	2010	2009	2009/10	2008/09
Harald Sommerer	160,000	160,000	178	10
Steen Ejlskov Hansen	120,000	120,000	61	8
Heinz Moitzi	120,000	120,000	61	16
Total Management Board	400,000	400,000	300	34
Total other executive employees	115,000	112,500	69	7
	515,000	**512,500**	**369**	**41**

Reference is made to Note 16 “Trade and other payables”.

The stock options of Mr. Harald Sommerer vested at the retirement date on 31 January 2010 and are exercisable until 31 January 2011 at the latest.

Total remuneration paid to the members of the Management Board and to executive employees:

	Financial year 2009/10			Financial year 2008/09		
(in EUR 1,000)	fixed	variabel*)	total	fixed	variabel	total
Andreas Gerstenmayer	58	–	58	–	–	–
Harald Sommerer	365	–	365	366	–	366
Steen Ejlskov Hansen	314	–	314	316	–	316
Heinz Moitzi	457	423	880	457	–	457
Executive employees	2,917	–	2,917	2,907	–	2,907
			4,534			**4,046**

*) The variable remuneration of the Management Board relate to the contractual termination benefits and settlements of other entitlements in connection with the premature termination of the management contract.

Expenses for termination benefits and retirement benefits for members of the Management Board and executive employees are as follows:

	Termination benefits Financial year		Retirement benefits Financial year	
(in EUR 1,000)	2009/10	2008/09	2009/10	2008/09
Management Board and executive employees	423	109	473	476

Total remuneration and services rendered personally by members of the Supervisory Board:

	Financial year 2009/10			Financial year 2008/09		
(in EUR 1,000)	fixed	variabel	total	fixed	variabel	total
Hannes Androsch	16	–	16	18	–	18
Willibald Dörflinger	9	–	9	9	–	9
Erich Schwarzbichler	2	–	2	11	–	11
Georg Riedl	11	–	11	11	–	11
Albert Hochleitner	11	–	11	10	–	10
Karl Fink	10	–	10	11	–	11
Gerhard Pichler	9	–	9	–	–	–
	68	**–**	**68**	**70**	**–**	**70**

Shareholdings of members of the Management Board and the Supervisory Board as of 31 March 2010:

	Shares	Options	Total shares and options	% capital
Management Board members	3,672	240,000	243,672	0.95
Supervisory Board members:				
Hannes Androsch	445,853	–	445,853	1.72
Other members of the Supervisory Board	28,912	–	28,912	0.11
Total Supervisory Board members	474,765	–	474,765	1.83
Private foundations:				
Dörflinger Privatstiftung	4,574,688	–	4,574,688	17.66
Androsch Privatstiftung	5,570,666	–	5,570,666	21.51
Total private foundations	10,145,354	–	10,145,354	39.17
	10,623,791	**240,000**	**10,863,791**	**41.95**

30. Expenses for the group auditor

The expenses of the financial year for the group auditor are as follows:

(in EUR 1,000)	Financial year 2009/10
Audit of consolidated and separate financial statements	133
Other assurance services	13
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Other services	14
	172

This item does not include expenses for other network members of the group auditor for the audit of financial statements of subsidiaries.

31. Number of staff

Average number of staff in the financial year:

	Financial year	
	2009/10	2008/09
Waged workers	4,345	4,931
Salaried employees	1,271	1,388
	5,616	**6,319**

The calculation of the number of staff includes an average of 2,486 temporary workers for the financial year 2009/10 and an average of 2,734 for the financial year 2008/09.

Leoben-Hinterberg, 10 May 2010

The Management Board

Andreas Gerstenmayer m.p. | Steen Ejlskov Hansen m.p. | Heinz Moitzi m.p.

Group Management Report 2009/10

1. Company profile

AT&S is one of the market leaders in the industry worldwide and the largest manufacturers of printed circuit boards in Europe and India. In addition to simple printed circuit boards, AT&S in particular offers highly complex electronic connecting elements, which as a result of the growing need for miniaturization on part of the customers account for a great portion of the product portfolio of AT&S. In this context, the HDI-Microvia technology is of particular importance, which is used mainly in mobile end devices such as mobile phones or PDAs.

Over time, mobile phones developed into multimedia devices with GPS, camera, TV and other supplementary functions. Thus, the mobile devices industry, apart from mobile phones, also includes digital cameras, music and video players, etc. Increasing demand for technologically complex components is also observed in the industrial segment, which in particular comprises industrial electronics, measurement and control technology, medical technology and aviation. Usually, in this area many small orders involving different technologies and specifications have to be processed. The complexity of printed circuit boards also rises in the automotive segment due to the ever more efficient electronics used in automobiles, driven by the component manufacturers and the increased number of input/output channels required. Therefore, in addition to standard printed circuit boards, the HDI technology is used increasingly.

From manufacturing plants in Europe and Asia as well as a distribution network spanning four continents, AT&S supplies internationally operating corporations. At the same time, AT&S also serves the demand from smaller companies and produces prototypes and small series. With its current production capacities, AT&S is able to service the volume production existing mainly in Asia, as well as the European niche business.

AT&S is also technologically one of the leading printed circuit board manufacturers. The excellent performance in the area of research and development is an important prerequisite for that. AT&S is working in networks of customers, suppliers and research institutions on the latest innovative techniques. In addition, the Company has profound long-term experience in the area of industrial large series production. The ongoing optimization of the business processes is one of the major core elements of the corporate strategy.

AT&S manufactures a broad range of printed circuit boards: single-sided, double-sided, multi-layer, HDI (High Density Interconnection, a multi-layer printed circuit board with extremely fine structures), flexible, rigid-flexible and semi-flexible. The service spectrum includes various technologies for the treatment of printed circuit boards using various base materials.

In addition to the development and manufacture of printed circuit boards for large and small series as well as prototypes, AT&S as comprehensive solution provider offers its customers in particular design services. Until the past financial year the offer had been complemented by the area of assembling services, and until the previous financial year 2008/09 by the area of trading (trade in printed circuit board of third-party manufacturers), with the respective activities being terminated due to too low profit prospects in relation to the related risks.

2. Business development and climate

The financial year 2009/10 of the AT&S Group was significantly affected by the effects of the economic crisis. The global printed circuit board production has declined by 15.8% to USD 40.6 billion year-on-year. Due to the high share of sales of the mobile devices segment, the overall business of the AT&S Group is subject to seasonality, as a result of which the first and fourth quarter are usually characterized by a low utilization, and the second and third quarter of the financial year by a very good utilization.

The first quarter of the past financial year 2009/10 initially saw a sales decline of EUR 32.0 million or 27.7% over the comparison period of the previous financial year, and even compared to the already very weak fourth quarter of the previous financial year of EUR 15.3 million or 15.5%. At the beginning of June, the aggravated economic situation and the renewed intensified price pressure led to the decision to shift the volume production of the Leoben-Hinterberg location completely to Asia in order to sustain revenue. In the future, the Leoben-Hinterberg plant – as is already the case with the two other Austrian locations, Fehring and Klagenfurt – will exclusively manufacture small series and special short-term orders. Despite the difficult market environment, the quarterly revenue could be raised by 6% in the second quarter, and by an additional 15% in the third quarter. Revenue in the fourth quarter was down only less than 2% on the strong third quarter and already above the comparison period of the previous financial year. In this respect, the development of revenue during the year shows a clear upward trend.

For the entire financial year 2009/10, due to the overall economic situation and the global developments on the printed circuit board market over the previous year, revenue of the AT&S Group declined significantly year-on-year. The decline in revenue from EUR 449.9 million by EUR 77.7 million to EUR 372.2 million corresponds to a change of -17.3%.

From a geographical or segment perspective, the decline in production over the previous year was particularly significant in Europe. As a result of the general price pressure and the industry trend, the production capacities of AT&S were expanded in the past years and volume orders in the area of mobile devices were increasingly shifted to China. This development is necessary in order to be able to continue to produce competitively at the highest quality on the international markets. Thus, in the financial year 2009/10, 67% (in the previous year 61%) of revenue was already produced in Asia.

Mobile devices with revenues of EUR 221.3 million and a share in sales of 59 % (previous year 64%) is still by far the largest business segment of the AT&S Group. As expected, according to the strategy of AT&S to focus on the more profitable high-end segment, declines in revenue resulted particularly from customers focusing on the low-cost segment. Despite already noticeable gains in market shares in the high-technology area, the share in sales of mobile devices declined over the previous year.

The industrial segment, with a share in sales of almost 30%, is gaining ever more importance. With EUR 105.2 million, the prior-year sales figure could almost be reached. In the third largest business segment, automotive, the global automobile crisis was already felt in the previous year, and thus in the financial year 2009/10 prior-year sales could even be exceeded. The project-related sales in the service business declined sharply due to the termination of various activities in this area.

With regard to the breakdown of revenue by country, the long-term trend of shifting the industry to Asia is noticeable. Due to changes in the customer structure in the course of the financial year, however, revenue generated from manufacturers in Canada and the USA in particular gained further importance. Through the distribution company AT&S Americas, which was set up two years ago, the market can now be serviced close to the customer. Within Europe, shifts were also noticeable, with the share in sales to customers in Central Europe rising again.

After the measures taken in the previous financial year, the focus of the Austrian production plants on the European niche business of small series and special short-term orders made another restructuring program necessary at the Leoben-Hinterberg location. The entire volume production of HDI printed circuit boards was shifted to China. Apart from the related non-recurring expenses, the restructuring measures also had a negative impact on the current production result.

The gross profit margin declined particularly due to the lower utilization of the production capacities in the AT&S Group and the related high prorated fixed costs year-on-year from 14.7% to 12.1%, and the gross profit declined from EUR 66.4 million to EUR 44.9 million. The decline in the gross profit margin is mainly due to the lower utilization in the first quarter of the plants in Austria and in Asia. As a result of the restructuring measures, the capacity utilization could be improved, and thus the gross profit margin in both the third and fourth quarter is above the respective prior-year figure.

Based on the lower gross result, the operating result is also affected by non-recurring expenses in the amount of EUR 36.5 million from the restructuring of the Leoben-Hinterberg location as well as group-wide measures to increase efficiency and cut costs, and shows a clearly negative value. The operating result adjusted for the non-recurring items is positive at EUR 11.0 million in the financial year 2009/10, compared to the adjusted prior-year figure of EUR 26.6 million. Consequently, the adjusted EBIT margin is 2.9% and thus 3 percentage points down on the prior-year figure calculated in the same way.

Looking at the segment results, a significant decline can be noticed year-on-year in Europe and, most notably, in Asia, with the Europe segment in particular having been affected in both years by restructuring expenses and the Asia segment in the previous year by a write-down of goodwill. The adjusted segment EBIT (operating result before non-recurring expenses) relevant for measuring the performance, decreased for Asia by EUR 26.1 million to EUR 22.4 million and increased slightly for Europe by EUR 0.8 million to EUR -5.9 million.

At the balance sheet date 31 March 2010, consolidated equity amounts to EUR 208.8 million and was down on the previous year by EUR 43.9 million due to the negative result for the year and the dividend payments. During the year, at mid-year, consolidated equity amounted to EUR 173.5 million, since up to then a significantly negative adjusted operating result was reported and the equity was reduced by EUR 25.1 million due to currency revaluations recognized directly in equity. The equity ratio at the balance sheet date of 43.2% represents a decline of around 3.8 percentage points year-on-year and continues to show a strong equity position.

In the financial year 2009/10, the net gearing of the AT&S Group declined by EUR 26.4 million to EUR 148.0 million. In particular, a clearly positive operating cash flow could be generated, and the free cash flow also shows a clearly positive value due to the high operating cash flow and the comparably low investments. Thus, despite the low equity, the gearing ratio is 70.9% and roughly corresponds to the prior-year figure of 69.1%. Regarding the financing structure, long-term debt increased in the financial year 2009/10. For details on the calculation method of the ratios and additional explanations, reference is made to the notes to the consolidated financial statements, Note "II. Risk report".

Under the investing activities of AT&S, additions to property, plant and equipment and intangible assets totalled EUR 20.7 million in the financial year 2009/10. The investments primarily relate to the expansion in China and the construction of a second plant in India, but also equipment for new technologies and innovation projects in the Austrian plants.

On an annual average, AT&S had 5,616 employees in the financial year 2009/10 and thus 703 persons less than on the prior-year average (2008/09: 6,319). As a result of the economic crisis, the entire Group, and thus each plant, had to make corresponding capacity adjustments also in the area of personnel in the past financial year. Whereas in China and India the fluctuation of employees was mainly sufficient to adjust the headcount to the reduced utilization level, and in China primarily leased workers are employed in the production, a social plan was agreed for the Leoben-Hinterberg location, and that of the previous year extended, which, apart from termination benefits and hardship payments, also included the establishment of a work foundation to finance the further training of laid-off staff. The Leoben-Hinterberg location was particularly affected by the relocation of the volume production to Asia.

Well trained and motivated staff is a key factor in keeping up with international competition. Therefore, AT&S pays special attention to training and education programs which are designed to promote intercultural skills in addition to professional competencies. Even in the crisis, the systematic training of selected groups of employees was a key success factor. In order to promote young talent, apprentices are trained in six different fields of specialization in Austria, and in India AT&S is heavily involved in a training program for industrial workers.

A transparent and performance-oriented compensation system promotes the entrepreneurial thinking and acting of staff. Up to and including the financial year 2009/10, the bonus system has been based on the key ratios "economic value added" and ROCE. Currently, the bonus system is being adapted to changed criteria.

Sustained management and economical use of available resources are of the highest priority for AT&S. AT&S combines the three factors quality – environment – human being in an integrated management system. This uniform body of regulations is based on the international quality standard ISO 9001, ISO/TS 16949 (quality management of the automotive industry), the environmental standard ISO 14001, as well as on the standard OHSAS 18001 for the area of safety and health. Regular internal audits and inspections by independent third parties confirm the compliance with the management system for the financial year 2009/10. The plant in Korea has also been included and audited in accordance with OHSAS 18001 and ISO/TS 16949, so that now all AT&S locations worldwide are certified.

Of particular concern are the safety, health and performance of AT&S staff. Related activities conducted worldwide are in line with the safety and health management system OHSAS 18001. The success of the numerous programs shows in the reduction of sick days by 66% over the previous year.

With regard to environmental protection, it has to be noted that AT&S as one of the first printed circuit board manufacturers implemented the environmental management according to ISO 14001 already in the financial year 1996/97. Since AT&S takes environmental protection measures far beyond the statutory minimum requirements, AT&S is even regarded as a pioneer in environmental matters by certification authorities. So, for instance, AT&S China received the "Long-term Partnership Enterprise in Promoting Environmental Protection" award from the Shanghai Environmental Protection Bureau, and AT&S India received the Elcina-Dun&Bradstreet award in the category "Environment Management Systems".

The reduction or optimization of the resources and materials used is part of the AT&S management policy. Current projects involve the reduction of the energy demand for etching plants, improvements in the wastewater treatment and recycling of etching solutions and of printed circuit board scrap. The main raw materials used in the financial year 2009/10 included approx. 880 kg of gold, 1,600 tons of copper and 23 million pieces of laminates. The total energy demand, including oil and gas consumption, amounted to around 332 million kWh in the financial year 2009/10.

Regarding material events after the balance sheet date, reference is made to the disclosures in the notes to the consolidated financial statements, Note VI.28 "Material events after the balance sheet date".

3. Subsidiaries and representative offices

- In order to meet the growing capacity demands and the shift of mass production in the highest technology segment, additional capacities were created at the wholly owned subsidiary AT&S (China) Company Limited already in the previous year and the third expansion stage was put into operation. Thus, in the entire financial year 2009/10 increased capacities were available in Shanghai and, furthermore, additional machines were installed to optimize the overall utilization and eliminate shortages. At the end of the financial year, it was decided to invest in an additional production line.
- Despite the overall situation and the special challenges in the

past financial year, a stabilization is noticeable at the AT&S Korea location. After the successfully implemented measures of the previous years to improve the performance, the focus was shifted to optimizing the customer and cost structure in the financial year 2009/10. Due to the improved cost basis and financing structure, the plant result could be improved significantly over the previous year. The ongoing improvement of the customer structure shall ultimately result in the desired sustained revenue.
- At AT&S India, the second production plant is being established. At the beginning of the financial year 2009/10, at first the building with infrastructure and individual production units were completed to improve the performance of the existing plant. Due to the increased demand, the complete expansion of the second plant has been implemented since the end of the financial year, with the production planned to start in the autumn of 2010 and full operations expected to commence by the end of the financial year 2010/11.

4. Capital share structure and disclosures on shareholder rights

As of 31 March 2010, the share capital of AT&S amounts to EUR 28,490,000 and is made up of 25,900,000 no-par value shares with a notional value of EUR 1.10 per share. The voting right at the annual general meeting is exercised according to no-par value shares, with one par-value share entitling to one vote. All shares are bearer shares.

Significant shareholdings in the group parent AT&S AG are as follows at the balance sheet date:

	Shares	% Capital	% Voting rights
Dörflinger Privatstiftung: Franz-Josefs-Kai 5 A-1010 Vienna	4,574,688	17.66%	19.61%
Androsch Privatstiftung: Franz-Josefs-Kai 5 A-1010 Vienna	5,570,666	21.51%	23.89%

At the balance sheet date, 2,577,412 treasury shares are held. The authorization last granted on 3 July 2008 to the Management Board to repurchase up to 10% of the share capital of AT&S AG on the market within 30 months is thus valid until 2 January 2011. The treasury shares may be used to service the stock option plan of the Company or they may also be sold.

Until 4 July 2010, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 12,430,000 through the issue of up to 11,300,000 no-par value bearer shares, partially or entirely excluding the subscription rights of existing shareholders.

Until 4 July 2010, the Management Board is authorized, with the approval of the Supervisory Board, to issue convertible bonds of up to EUR 100,000,000, excluding the subscription rights of existing shareholders, if required. To grant subscription or exchange rights to the creditors of the convertible bond, the Management Board is authorized to increase the share capital by up to EUR 12,430,000 through the issue of up to 11,300,000 new bearer shares.

For further details, reference is made to the disclosures in the notes to the consolidated financial statements, Note V.23. "Share capital".

5. Research and development

Within AT&S, the research and development (R&D) area is the driving force in the identification of new technological connection solutions. On the one hand, this includes the optimization of current processes and materials up to their implementation in production and, on the other hand, innovative technologies to revolutionize the manufacture of printed circuit boards are also identified and developed internally.

AT&S has a two-step innovation process. In the research facilities of the also technological headquarters Leoben-Hinterberg, the developments in the areas of materials, processes and applications are conducted to the point where the basic feasibility of the technology is reached. This area of activity thus includes applied research and technology evaluation. Subsequently, it is up to the local department for technology development and implementation in the plants to advance the processes and products through experimental development and to integrate new processes in the existing production process, so that quantities suitable for mass production can be produced.

In order to maintain its position among the global technology leaders also in the future, AT&S is cooperating with numerous external partners. On the one hand, requirements and ideas for future products are communicated by customers, and on the other hand, AT&S derives new technologies from future applications, such as for instance the embedded component packaging technology (ECP® technology). In addition to the own resources, cooperations are also entered into with research institutions or suppliers, if required.

The research activities in the financial year 2009/10 can be grouped into four project packages:

In the area “high-end HDI”, AT&S pursues a number of advancement projects, such as finer conductor track geometries for further miniaturization or the development of new production processes to manufacture new products, as well as to replace existing processes by more cost-effective alternatives.

“Made in Austria” relates to a variety of projects to make the printed circuit board manufacture more flexible and effective, and thus also be able to competitively produce smaller volumes and more complex products in the Austrian plants. For instance, massive process simplifications can be achieved through the 2.5DTM technology. The thermal management research project has the objective to discharge thermal energies from the printed circuit board also through the printed circuit board, in order to increase the performance and life span of the printed circuit board itself and of the components. Furthermore, potential applications of ink-jet printing as opposed to the current standard screen printing are researched.

The “embedded component packaging technology” is designed to embed the active and passive electronic components into the interior of the printed circuit board. Among other things, under the Hermes research project, headed by AT&S and funded by the EU, an industry standard for the embedding of chips into the interior of the printed circuit board that is suitable for series production is worked upon in cooperation with ten other prominent companies from various stages of the value added chain.

In the project package “photovoltaics”, synergies of processes to manufacture printed circuit boards and the manufacture of photovoltaic panels are used to produce a technologically new product. In doing so, AT&S focuses on the development and production of energy-efficient, back-contacted photovoltaic panels.

Total expenses for research & development amounted to EUR 20.7 million in the financial year 2009/10.

6. Material risks, uncertainties and opportunities

The risks, uncertainties and opportunities of AT&S are basically characterized by the global developments on the printed circuit board market. The material risks and uncertainties the AT&S Group specifically is faced with are explained in the notes to the consolidated financial statements under “II. Risk report”.

Regarding market and technology, it can be noted that the mobile phone market which is of great importance for AT&S, has to be divided increasingly into a low-cost segment and a high-technology high-end segment (e.g. for smart phones). In the entire mobile devices business, AT&S intends to consistently focus on the high-end segment and position itself as universal supplier of printed circuit boards for these customers. The market segment for smart phones itself was able to grow in the past crisis year. In addition to mobile phones, the mobile devices segment also includes a growing market for additional applications, such as game consoles, digital cameras and portable music players. In the entire mobile devices segment, after the crisis year 2009, analysts expect a growth of more than 7% for the following year.

After the slowdown in the past year, a strong growth of around 11% is expected also in the industrial market for the next financial year. The decline in sales of AT&S in this area in the past financial year turned out to be relatively small, due in part to the strong positioning in Europe. As a result of the market adjustment of printed circuit board manufacturers, AT&S is by far the largest supplier of printed circuit boards in Europe. Moreover, additional opportunities are seen in the industrial computer business and the medical segment.

In the automotive business, it is intended to generate additional growth in Europe through increased distribution activities. Furthermore, the challenge and opportunity exists to raise the now primarily European business to a global level.

The strong capitalization, the technological top position and the positioning of AT&S through the combination of locations in Austria and Asia are considered an advantage over competitors. The European market can be serviced by swift production and short delivery terms of the Austrian plants as well as low-cost production capacities in Asia. For the global market, the Group has long years of experience in the HDI technology, and the plant in Shanghai is not only the largest plant of the AT&S Group, but actually the largest plant in China specializing in HDI technology.

Regarding the use of financial instruments and the explanation of the financial risk management, reference is also made to the risk report in the notes to the consolidated financial statements. With regard to currency risks, the impact on the operating result of AT&S was reduced by the fact that, in addition to the dependence of sales on the US dollar, the production capacities now have also been established largely in the extended US dollar area. Apart from the effects on the financial result, currency fluctuations of the functional currencies in the Group against the reporting currency euro are recognized mainly in equity. Due to planned investments, the net gearing is expected to temporarily exceed the designated maximum value of 80% in the financial year 2010/11, with the target value of 80% expected to be reached again by the end of the financial year due to expected higher net cash inflows from operating activities.

7. Internal control system and risk management relating to accounting

AT&S has adopted a code of ethics and conduct which sets out how AT&S conducts its businesses in an ethical and socially responsible manner. These guidelines apply to all activities worldwide, with each employee being responsible to comply with this code without exception in the performance of his profession and the daily work. For certain regions, countries and functions, even stricter and more detailed regulations may apply.

The accounting-related internal control and risk management system is an integral part of the group-wide risk management system. According to the framework concept of COSO (The Committee of Sponsoring Organization of the Treadway Commission), under the concept of company-wide risk management, the risk management proper as well as the internal control system (ICS) are subsumed. The main criteria of the risk management, the internal control system and the internal audit in the AT&S Group are specified in a company-wide risk management and audit manual. Reference is also made to the disclosures in the notes to the consolidated financial statements under "II. Risk report".

In terms of organizational structure, a staff unit has been established directly with the Management Board, which coordinates or directs the risk management and internal control system across the Group, as well as the activities of the internal audit. According to the rules of procedure for the Management Board, the staff unit reports to the Chief Financial Officer (CFO). Special areas of responsibilities of the Supervisory Board's audit committee also include monitoring the effectiveness of the internal control system, the internal audit and the risk management system, as well as monitoring the accounting process. In addition to including the audit committee in the accounting process in the quarterly reporting, regular reporting is made to the audit committee on risk management and activities of the internal audit (risk and audit report). The audit committee in turn reports to the other members of the Supervisory Board.

The executives of AT&S as risk responsibles are responsible for identifying, analyzing, controlling and monitoring risks in their respective area. In addition, the local management of the plants is responsible for the implementation of the risk management process in their areas of responsibility. Risk management coordinators in the group companies assist the group function in the collection and transmission of risk information. In terms of an efficient organization according to the company size, the organizational servicing of the internal control system is designed accordingly.

Based on business processes documented in the management manual, the related risks are described and assessed by the process responsibles for each main and sub-process. In the risk assessment, basically all potentially negative factors that jeopardize the achievement of the objectives of an organization or a process have to be documented by the process owner. The control objectives for the financial reporting are derived from existing risks and allocated to the categories existence (only actually existing and approved business transactions are processed), occurrence/period accrual (representation of business transactions in the correct period or timely processing), completeness (business transactions, assets and liabilities are recognized completely), valuation (business transactions were calculated using appropriate measurement methods or correctly), rights & obligations (The company has economic ownership of assets and liabilities are actual obligations of the company), presentation & disclosure (disclosure in the financial statements and other reports), correctness of business transactions/data and access restriction (access to IT systems is restricted to process responsibles).

The documentation of the internal controls (business processes, risks, control measures and responsibles) is made principally in the form of control matrices, which are archived in a central management database. The accounting-related internal control system includes principles, procedures and measures to ensure the compliance of group accounting in terms of the control objectives described with financial reporting.

The processes of accounting and group accounting are documented in separate process instructions. Basis for the group reporting are the respective local accounts, which are transformed into a group-wide uniform reporting. The individual pre-accounting processes are as far as possible uniformly designed across the Group and are presented in a standardized documentation format. In addition to the group reporting, various local regulations have to be considered accordingly, resulting in additional requirements on the accounting processes.

The principles of group accounting and reporting are set out in the group-wide “Group Accounting Manual”. This manual regulates the significant accounting and reporting requirements across the Group in a uniform manner. In addition to the basic presentations on the accounting of individual business transactions and measurement guidelines based on IFRS, options applied uniformly across the Group are dealt with in particular. As for scheduling, a timetable is set up for the entire internal and external reporting which, apart from report deadlines, also includes the planned dates for the meetings of the Supervisory Board and audit committee, as well as press conferences.

At AT&S, the processes for group accounting and the preparation of the group management report are controlled by the Group Accounting/Group Finance department, which reports to the CFO. Laws, accounting standards and other announcements are continuously analyzed regarding the relevance and impact on the consolidated financial statements and other reporting requirements.

The collection, current entry and accounting of the business transactions is performed in the manufacturing group companies mainly through a uniform and central software solution of SAP. The individual business transactions and measurements can be entered in accordance with the group-uniform IFRS, as well as in accordance with local accounting regulations, in order to comply with these different requirements. At individual subsidiaries, in particular due to the size, other software solutions are applied, which also comply with the group reporting requirements and local regulations. The central reporting software Oracle Enterprise Performance Management System is used for consolidation and group reporting. Automatic interfaces have been established for the transition of accounting data from the primary system to the group reporting software.

The internal financial reporting is made on a monthly basis, with the financial information of the subsidiaries being reviewed and analyzed at the group level by the Group Accounting department. The monthly budget/actual variance with corresponding comments on the plant results as well as the group result is reported internally to the executives of the Group and to the members of the Supervisory Board. At the end of the quarter, detailed reporting packages with all relevant accounting data on income statement, balance sheet, cash flow statement and the disclosures in the notes are submitted. These reporting packages form the basis for the external quarterly interim reporting and the annual reporting of the AT&S Group in accordance with IFRS.

The annual preparation of the budget is made by the Group Controlling department, which also reports to the Chief Financial Officer. Based on the quarterly results and current planning information, quarterly forecasts are drawn up during the year for the remaining financial year. The forecasts with comments on the budget comparison and presentations on the impact of opportunities and risks up to the end of the financial year are reported to the Supervisory Board. In addition to regular reporting, multiple-year planning, project-related financial information or calculations on investment projects are prepared and submitted to the Supervisory Board.

Monitoring the entire internal control system, and thus also with regard to the accounting system and financial reporting, is performed by the process-independent staff unit internal audit, which reports to the Chief Financial Officer. The scope of activities of the internal audit includes all functions and companies of the AT&S Group. Awarding audit contracts and dealing with the audit results are the responsibilities of the Management Board as a whole. The audit contracts are awarded by approval of the at least annually prepared audit plan or as a special assignment awarded by the Management Board. The audit plan and the results of the internal audits are reported to the audit committee of the Company.

8. Outlook

Analyses assume that in the financial year 2010 global sales of the printed circuit board industry will rise by around 9%, measured in US dollar, in the course of which the market in Asia will probably grow the most in terms of production as well as demand, and business in Europe is expected to remain stable. According to analysts' forecasts, sales figures of telephones in the high-end segment are even expected to grow by an average of 20%. A strong increase is also expected for the demand for highly complex printed circuit boards for other products in the mobile devices segment and in the industrial and automotive segments.

In order to be able to meet the expected growth in the business segments of AT&S, the production capabilities in the AT&S Group are expanded and so investments of around EUR 80 million are planned for the financial year 2010/11. In China, around EUR 55 million is invested in the expansion of capabilities for volume production of HDI printed circuit boards. In India, planned investments required for the completion of the second plant amount to around EUR 10 million until the autumn of 2010. In order to strengthen the Leoben-Hinterberg location as technology centre of AT&S and for innovations at the Austrian locations, another EUR 10 million has been earmarked.

With the additional capacities, management expects revenues of around EUR 435 million for the financial year 2010/11, and thus an increase of around 17% over the past year. The profitability in the first half-year will still be affected by the capacity expansion. Furthermore, due to the great demand, some orders designated for the plant in India will temporarily, until the completion of the plant, still be manufactured in Leoben-Hinterberg. For the entire financial year 2010/11, an EBIT margin of more than 7% is expected.

Leoben-Hinterberg, 10 May 2010

The Management Board

Andreas Gerstenmayer m.p. | Steen Ejlskov Hansen m.p. | Heinz Moitzi m.p.

Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Leoben-Hinterberg, 10 May 2010

The Management Board

Andreas Gerstenmayer
Chairman

Steen Ejlskov Hansen
Chief Financial Officer

Heinz Moitzi
Chief Technical Officer

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AT&S Austria Technologie & Systemtechnik Aktiengesellschaft, Leoben-Hinterberg, for the financial year from 1 April 2009 to 31 March 2010. These consolidated financial statements comprise the consolidated balance sheet as at 31 March 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year ending 31 March 2010, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and with the legal provisions applicable in Austria. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 March 2010 and of its financial performance and its cash flows for the financial year from 1 April 2009 to 31 March 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and whether the other disclosures in the management report for the Group do not give rise to a misstatement of the Group's financial position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB are appropriate.

Vienna, 10 May 2010

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed:
Aslan Milla
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Glossary

2.5D™ technology	New technology developed by AT&S that incorporates structural cavities into and onto printed circuit boards. It can also be used to produce rigid-flex printed circuit boards for flex-to-install applications
ATX Prime	A Vienna Stock Exchange capital-weighted index comprising all securities traded in the Prime Market segment. It is a broadly-based index for all stocks that meet the minimum capitalisation requirements and satisfy the stricter disclosure and reporting obligations
CAPEX	Capital expenditure
Cash earnings	Shareholders' interest in net income, plus depreciation, amortisation and impairment, less reversal of impairment of non-current assets and assets held for sale
Corporate Governance Code	A set of rules for the responsible management and control of business enterprises. Companies voluntarily undertake to comply with the principles of the Code.
Corporate social responsibility (CSR)	The contribution of a business enterprise to sustainable development, over and above the statutory requirements. CSR should promote responsible corporate behaviour in business activities – with respect to the environment, relationships with staff (the workplace), and with other stakeholders and interest groups.
Customer service rate	Number of deliveries shipped on time and meeting customer quantity requirements, as a percentage of total deliveries
EBIT	Earnings before interest and tax, operating profit
EBIT margin	EBIT as a percentage of total revenues
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA margin	EBITDA as a percentage of total revenues
ECP® technology	Embedded component packaging technology developed by AT&S in order to embed active and/or passive components inside PCBs ® registered trade mark AT 255868
Embedding	Integrating active and passive electronic components inside printed circuit boards
EPS	Earnings per share
EVA	Economic value added
Financial covenants	With financing (loans and advances), the undertaking not to exceed certain financial ratios
Flex-to-install	Printed circuit boards that can be bent for the purposes of installation (e.g. in a housing)
Foundry Services	Trading in the printed circuit boards of partner companies. These activities were discontinued at the end of the 2008/09 financial year due to the inadequate earnings potential relative to the risks involved.
Global player	Globally active business enterprise
GPS	Global positioning system (global navigation satellite system)
HDI printed circuit boards	Printed circuit boards with structures smaller than 100 micrometers (0.1 mm) – high density interconnection
Hedging	Financial transactions providing protection against risks such as exchange rate fluctuations
High-end segment	Technologically demanding market segment: attractive to AT&S, as a technology leader
IFRS	International Financial Reporting Standards
ISIN	Alpha-numerical securities identification number (international securities identification number)
ISO	International Organization for Standardization
ISO 14001	Environmental management standard
ISO 9001	Quality management standard
ISO/TS 16949	Technical interpretation of ISO 2000 reflecting the requirements of international automotive manufacturers
Just-in-time production	Production synchronised with demand

Mobile Devices	AT&S business segment that includes mobile telephones, PDAs, portable music players and digital cameras
Multilayer	Multilayer printed circuit boards
Net CAPEX	Capital expenditure net of receipts from the disposal of property, plant and equipment and intangible assets
Net debt	Financial liabilities less cash and cash equivalents and financial assets
Net gearing	Net debt / equity
NucleuS®	Technology for series production of individual printed circuit boards that makes optimal use of the production format. The printed circuit boards are only connected to their frames immediately before being shipped to subcontract assemblers for population. ® registered trade mark AT 255767
OHSAS 18001	Occupational Health and Safety Assessment Series
One-stop shopping	Enabling customers to source multiple solutions from one location
ÖCGK	Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex)
PCB	Printed circuit board
PDA	Small, portable computer (personal digital assistant)
Prime Market	Stocks admitted to trading on the Vienna Stock Exchange on the Official Market or the Semi-Official Market and subject to additional, more stringent requirements
R&D	Research and development
Return on equity (ROE)	Shareholders' interest in net income + (shareholders' equity at the begin of the financial year + shareholders' equity at the end of the financial year) / 2
ROCE	Return on capital employed: a measure of how effectively and profitably a company uses its capital (EBIT – taxes on income) / (net debt + shareholders interests in equity of parent company)
Sale and lease back	Special form of leasing: an enterprise sells property or a movable asset to a leasing company and leases it back for use in the business
SAP	One of the world's largest software producers (systems analysis and program development)
Smartphone	Combines the advantages of a mobile telephone with those of a PDA
Stock options	Options to purchase shares
TecDAX	Specialised Frankfurt Stock Exchange stock index of medium-sized companies in technology sectors: 30 stocks from the Prime Standard segment of the Regulated Market
Trading	see "Foundry Services"
VDA	German Association of the Automotive Industry (Deutscher Verband der Automobilindustrie)
VdL	German Printed Circuit Board Association (Deutscher Verband der Leiterplattenindustrie)
Vendor managed ventory	AT&S assumes responsibility for the logistics and storage for products and ensures that agreed maximum and minimum inventory levels are maintained

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