First choice for advanced applications

AT&S

Quarterly Financial Report 01
2014/15

Key figures

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Unit	Q1 2014/15	Q1 2013/14
Revenue	€ in thousands	141,310	142,541
thereof produced in Asia	%	75%	74%
thereof produced in Europe	%	25%	26%
EBITDA	€ in thousands	29,131	28,112
EBITDA margin	%	20.6%	19.7%
EBIT	€ in thousands	13,324	10,440
EBIT margin	%	9.4%	7.3%
Profit for the period	€ in thousands	7,579	6,612
attributable to owners of the parent company	€ in thousands	7,569	6,606
Cash earnings	€ in thousands	23,377	24,278

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		30 Jun 2014	31 Mar 2014
Total assets	€ in thousands	971,864	916,059
Total equity	€ in thousands	402,609	390,680
Equity attributable to owners of the parent company	€ in thousands	402,594	390,682
Net debt	€ in thousands	132,481	110,874
Net gearing	%	32.9%	28.4%
Net working capital	€ in thousands	88,247	91,722
Net working capital per revenues	%	15.6%	15.6%
Equity ratio	%	41.4%	42.7%

CONSOLIDATED STATEMENT OF CASH FLOWS		Q1 2014/15	Q1 2013/14
Net cash generated from operating activities (OCF)	€ in thousands	24,907	27,523
CAPEX, net	€ in thousands	42,937	10,863

GENERAL INFORMATION		30 Jun 2014	31 Mar 2014
Employees (incl. leased personnel), end of reporting period	–	7,291	7,129
Employees (incl. leased personnel), average	–	7,189	7,027

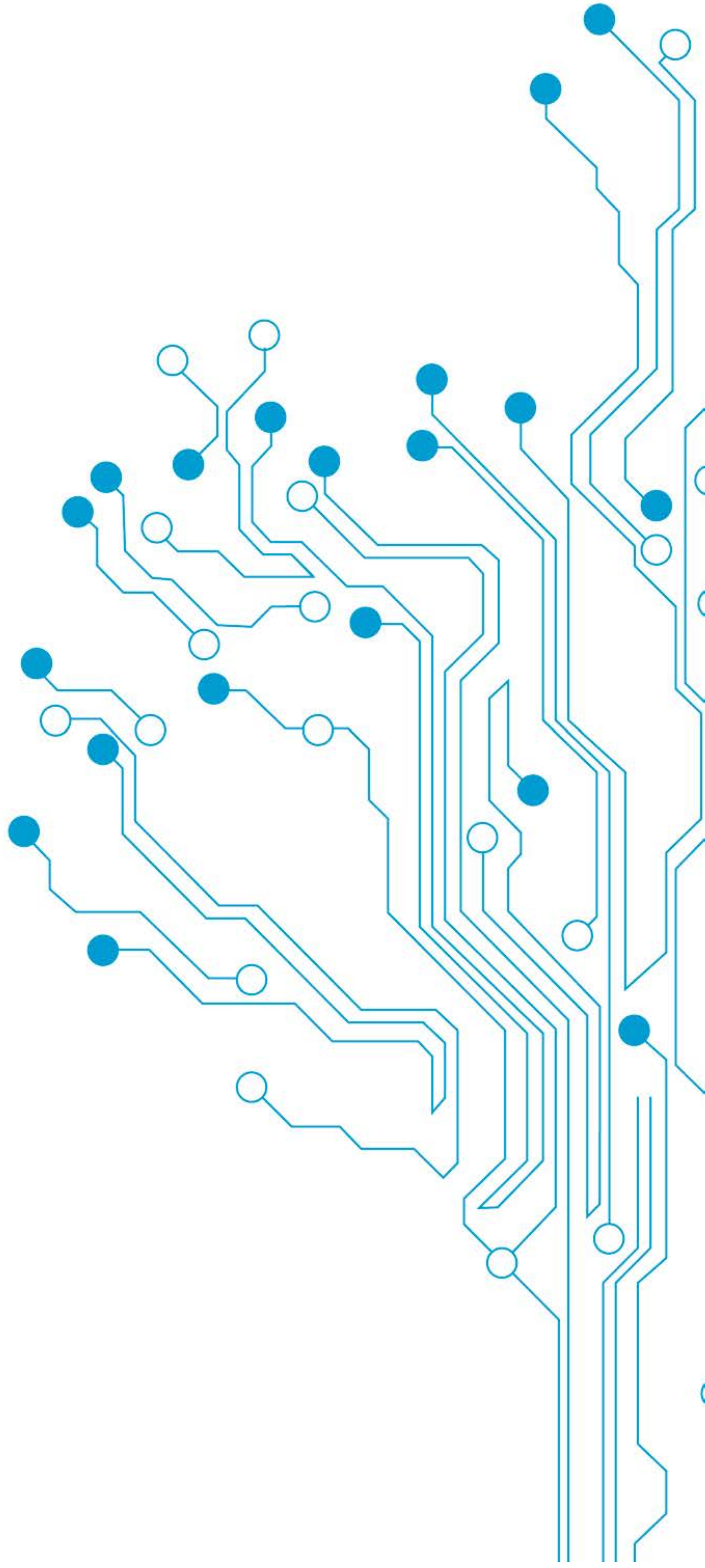
KEY STOCK FIGURES		Q1 2014/15	Q1 2013/14
Weighted average number of shares outstanding	–	38,850,000	23,322,588
Earnings per average number of shares outstanding [1]	€	0.19	0.28
Cash earnings per average number of shares [1]	€	0.60	1.04
Market capitalisation, end of reporting period	€ in thousands	380,730	150,197
Market capitalisation per equity [2]	%	94.6%	49.0%

KEY FINANCIAL FIGURES		Q1 2014/15	Q1 2013/14
ROE (Return on equity) [3]	%	7.6%	11.6%
ROCE (Return on capital employed) [3]	%	7.9%	9.5%
ROS (Return on sales)	%	5.4%	4.6%

[1] 2014/15: Lower result substantially due to issue of new shares.
[2] Equity attributable to owners of the parent company.
[3] Calculated on the basis of average values.

Highlights

- AT&S Group's revenue for the first quarter 2014/15 reached € 141.3 million, at almost the same level as the same period a year earlier
- EBITDA increased by 3.6% to € 29.1 million
- Consolidated net income rose by 14.6% to € 7.6 million
- AT&S is well on track with its Chongqing implementation plan



Statement of the Management Board

Dear shareholders,

Like last year, the new financial year has got off to a successful start. We reported further increases in profitability in the first quarter of 2014/15, while holding revenue at a constant level. This was largely made possible by increased revenue in the automotive, industrial and medical technology segments. At this point we would like to emphasise that we were able to make up for a decline in demand - which was considerable in the case of certain customers. Capacity utilisation was strong and reaffirmed AT&S's strong standing on the market. We expect this positive performance to continue, particularly in light of the traditionally strong demand for mobile end user devices in the second half of the current financial year.

RESULTS FOR FIRST QUARTER OF THE FINANCIAL YEAR 2014/15 The AT&S Group generated revenue of € 141.3 million in the first three months of the financial year 2014/15, which was in line with the previous year's total (Q1 2013/14: € 142.5 million). Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to € 29.1 million, a 3.6% improvement on the same period a year earlier. Consolidated net income for the first quarter rose by 14.6% to € 7.6 million.

Key indicators for the first three months of the financial year 2014/15 are as follows:

- Revenue: € 141.3 million
- Gross profit: € 28.5 million
  for a margin of 20.2%
- EBITDA: € 29.1 million
  for a margin of 20.6%
- Operating result: € 13.3 million
  for a margin of 9.4%
- Profit before tax: € 10.7 million
  for a margin of 7.5%
- Profit for the period: € 7.6 million
  for a margin of 5.4%
- Earnings per share: € 0.19
- No. of shares outstanding (average)*: 38,850
  * Thousands of shares

FINANCING The maturities of the total financial liabilities of € 396.1 million were as follows:

Less than 1 year:	€ 48.3 million
1–5 years:	€ 304.2 million
More than 5 years:	€ 43.6 million

MOBILE DEVICES PERFORMING WELL Mobile Devices' sales reached € 68.0 million, down by around 9% on the previous year's total (Q1 2013/14: € 74.5 million). Comparatively low volumes resulted from different time periods for the ramp-up of new projects. While the same period of 2013/14 was characterised by the introduction of the BB10 platform, this year reflects normal seasonal patterns with new product ramp-ups taking effect a quarter later. However, in our view current revenue is encouraging and we are already in a highly attractive position after the first quarter in a long-term comparison.

INDUSTRIAL & AUTOMOTIVE GROWTH CONTINUES Industrial & Automotive's sales for the first quarter of 2014/15 reached € 72.6 million, an increase of around 9% on the comparative period (Q1 2013/14: € 66.4 million). Increased use of innovative electronics in cars has led to a rising demand for high-value printed circuit boards. The growth in industrial applications remains steady, primarily due to positive demand for applications used in machine-to-machine (M2M) communication, industrial automation and LEDs.

CHONGQING Development of the Chongqing plant with a strategic focus on the new integrated circuit (IC) substrates business is progressing according to plan. The installation and qualification process has been launched for production equipment and machinery. Thanks to its Chongqing facility, AT&S is among the first companies to enter high-volume IC substrate production in China.

With best regards

Andreas Gerstenmayer	Karl Asamer	Heinz Moitzi
Chairman of the Board	Member of the Board	Member of the Board

Corporate governance information

20TH ANNUAL GENERAL MEETING At the Ordinary General Meeting of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft the resolution to pay a dividend of € 0.20 per participating no-par value share for the business year 2013/14 has been resolved. The dividend will be paid on 24 July 2014. Ex-Day is also 24 July 2014.

In the course of the Annual General Meeting the members of the Management and Supervisory Board have been granted discharge for the business year 2013/14.

In accordance with the proposal of the Management and Supervisory Boards, the total remuneration of the Supervisory Board for the financial year 2013/14 was fixed at € 283,450. This amount will be paid out in the financial year 2014/15 in respect of the previous financial year.

PwC Wirtschaftsprüfung GmbH, Vienna, has been elected as the auditor and group auditor for the business year 2014/15.

Furthermore, in the course of the Annual General Meeting Mr. Gerhard Pichler has been re-elected to the Supervisory Board of the Company.

The Management Board has been authorised to increase, until 2 July 2019 and with the consent of the Supervisory Board, the nominal capital of the Company by up to € 21,367,500, by issuing up to 19,425,000 new individual no-par-value bearer shares in exchange for cash payment or contribution in kind, in one or several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to section 153 para 6 Stock Corporation Act. The Management Board was authorised to determine the details of the issue terms (including without limitation issue price, nature of the contribution in kind, contents of share rights, exclusion of pre-emptive rights) with the consent of the Supervisory Board (authorised capital). The Supervisory Board was authorised to resolve amendments to the Articles of Association resulting from the issue of shares from authorised capital. The General Meeting has also resolved to amend the Articles of Association in Section 4 (Nominal Capital) in accordance with this resolution.

In addition, the authorisation of the Management Board to issue convertible bonds, granted by a resolution in the General Meeting of 7 July 2010, was revoked and the Management Board was authorised to issue until 2 July 2019 and with the consent of the Supervisory Board, once or repeatedly, convertible bonds in bearer form in a total nominal of up to € 150,000,000 and to grant the holders of convertible bonds rights of conversion and/or subscription of up to 19,425,000 new no-par-value bearer shares of the Company in accordance with the terms and conditions for the convertible bonds to be defined by the Management Board. The fulfilment of the conversion and/or subscription rights can be effected through conditional capital, authorised capital, out of treasury shares or by way of delivery from third parties or a combination thereof.

Further, the Management Board was authorised to determine with the consent of the Supervisory Board and under consideration of the regulations under stock corporation law the emission and configuration features, the bond terms of the convertible bonds (in particular the interest rate, issue price, maturity and denomination, dilution protection provisions, conversion period, conversion rights and obligations, conversion ratio and conversion price).

The price of the convertible bonds shall be calculated under consideration of calculation methods customary in the market.

The issuing price of the shares issued upon conversion (exercise of the conversion and/or subscription right) and the conversion and/or subscription ratio shall be determined with regard to market standard calculation and the stock market price of the shares of the company (basis of the calculation of the issuing price); the issuing price must not be below the pro-rata amount of the share capital.

The statutory subscription right may also be granted in such way that the convertible bonds are underwritten by a bank or a banking syndicate with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board shall be authorised to exclude the shareholders subscription rights to convertible bonds in whole or in part.

The convertible bonds can also be issued by a direct or indirect wholly-owned subsidiary of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft; in this event, the Management Board shall be authorised, with the consent of the Supervisory Board, to assume a guarantee for the company for the convertible bonds and to grant the holders of the convertible bonds conversion rights to bearer shares of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft.

Furthermore, the nominal capital of the Company was conditionally increased pursuant to section 159 para 2 item 1 Stock Corporation Act by an amount of up to € 21,367,500 by the issue of up to 19,425,000 new no-par-value bearer shares. The conditional increase of the nominal capital will only be executed to the extent that holders of the convertible bonds issued based on the authorisation by the General Meeting on 3 July 2014 exercise the subscription or exchange right for shares in the Company granted to them.

The Management Board was also authorised to determine further details concerning the execution of the conditional increase of capital upon approval of the Supervisory Board (including, without limitation, issue price, contents of share rights). As to the issue price of the convertible bonds and the conversion and/or subscription ratio, see already above.

The newly issued shares shall participate in the profits in the same way as the shares traded at the stock exchange at the time of issuance.

The Supervisory Board was authorised to resolve on amendments to the Articles of Association which result from the issuance of the shares from the conditional capital. The same shall apply in case the authorisation to issue convertible bonds has not been exercised by the expiration of the period of authorisation and in case the conditional capital has not been utilised by the expiration of the periods in accordance with the terms and conditions for convertible bonds.

Section 4 (Nominal Capital) of the Articles of Association was amended to reflect this resolution.

The above powers are subject to the following limits and restrictions as to amounts: the total of (i) the number of new shares actually issued or potentially issuable out of conditional capital under the terms and conditions of the convertible bonds, and (ii) the number of shares issued out of authorised capital may not exceed 19,425,000, (the maximum number authorised).

SUPERVISORY BOARD As already disclosed under “20th Annual General Meeting”, the Annual General Meeting resolved to re-elect Gerhard Pichler to the Company’s Supervisory Board. The appointment runs until the end of the Annual General Meeting responsible for approving the financial statements for the financial year 2018/19, i.e., in principle until the end of the 25th Annual General Meeting, which takes place in 2019.

Georg Riedl reported in the first quarter of the financial year 2014/15 that with effect from 6 June 2014 he was elected to the Supervisory Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, a company listed on the Vienna Stock Exchange. Supervisory board or similar positions held by Mr. Riedl in listed companies are now:

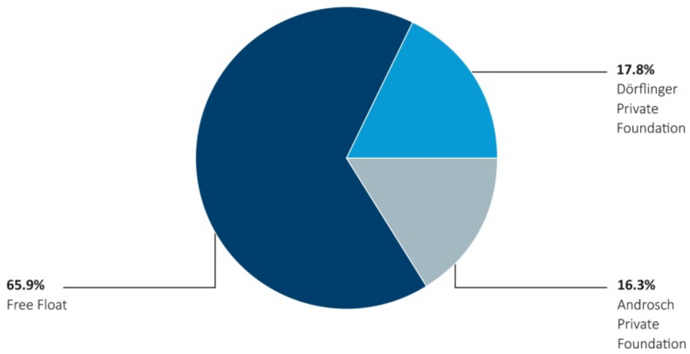
- bwin.party digital entertainment plc
- VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

DIRECTORS’ DEALINGS Andreas Gerstenmayer, Chairman of the Management Board of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, on 25 June 2014 bought 10,000 shares in the Company for € 9.749 per share. Since that date, Andreas Gerstenmayer holds a total of 10,000 shares in the Company, which represents roughly 0.03% of the 38,850,000 shares in issue.

The relevant directors’ dealings notifications can be viewed and downloaded in the FMA Directors’ Dealings Database, at www.fma.gv.at/de/unternehmen/emittenten/directors-dealings/directors-dealings-datenbank.html.

AT&S stock

SHAREHOLDINGS



AT&S AGAINST THE ATX-PRIME

SHARE PRICE IN THE FIRST THREE MONTHS OF 2014/15

Over the past three months, the performance of AT&S stock was mainly a reflection of the following factors:

- Positive trading environment for high-end printed circuit board industry
- Good capacity utilisation at all plants
- Increased coverage and access to new investor groups

The price of AT&S stock rose over the first three months to close at € 9.80, resulting in a market capitalisation of approximately € 381 million at the end of the period.

As of 30 June 2014 the AT&S share was being followed by eight analyst houses, of which seven rated the share “buy” and one rated it “hold”.

The Management Board started the financial year with an intensive roadshow programme to inform the capital market of the latest developments in the Group’s core business, and of the risks and opportunities associated with its entry to the IC substrates business. The investor relations effort started in Amsterdam before moving on to Frankfurt and Vienna. The Asian Capital Markets Day in Shanghai was very well received. At the event, around 30 institutional investors from Asia and Europe were given the chance to find out more about the latest developments and production techniques at AT&S. May brought another investors day at Hinterberg. Organised in cooperation with the Vienna Stock Exchange, the event was fully booked. In early June the Management Board took part in the 21st Austria Initiative in New York where it met selected funds managers.

KEY STOCK FIGURES FOR THE FIRST THREE MONTHS (€)

	30 Jun 2014	30 Jun 2013
Earnings per share	0.19	0.28
High	9.95	7.14
Low	7.84	6.15
Close	9.80	6.44

AT&S SHARE

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

FINANCIAL CALENDER

28 October 2014	Publication of results for second quarter 2014/15
27 January 2015	Publication of results for third quarter 2014/15
07 May 2015	Publication of annual results 2014/15

CONTACT INVESTOR RELATIONS

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Interim Financial Report (IFRS)

Consolidated Statement of Profit or Loss

€ in thousands	01 April - 30 June 2014	01 April - 30 June 2013
Revenue	141,310	142,541
Cost of sales	(112,766)	(115,781)
Gross Profit	**28,544**	**26,760**
Distribution costs	(7,137)	(7,390)
General and administrative costs	(6,862)	(5,155)
Other operating result	(1,221)	(771)
Non-recurring items	–	(3,004)
Operating result	**13,324**	**10,440**
Finance income	825	44
Finance costs	(3,490)	(3,385)
Finance costs - net	(2,665)	(3,341)
Profit before tax	10,659	7,099
Income taxes	(3,080)	(487)
Profit for the period	**7,579**	**6,612**
Attributable to owners of the parent company	7,569	6,606
Attributable to non-controlling interests	10	6
Earnings per share attributable to equity holders of the parent company (in € per share):		
- basic	0.19	0.28
- diluted	0.19	0.28
Weighted average number of shares outstanding - basic (in thousands)	38,850	23,323
Weighted average number of shares outstanding - diluted (in thousands)	38,850	23,339

Consolidated Statement of Comprehensive Income

€ in thousands	01 April - 30 June 2014	01 April - 30 June 2013
Profit for the period	**7,579**	**6,612**
Items to be reclassified:		
Currency translation differences	5,649	(4,762)
Gains/(losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(1,299)	33
Other comprehensive income for the period	**4,350**	**(4,729)**
Total comprehensive income for the period	**11,929**	**1,883**
Attributable to owners of the parent company	11,912	1,879
Attributable to non-controlling interests	17	4

Consolidated Statement of Financial Position

	30 June	31 March
€ in thousands	2014	2014
ASSETS		
Non-current assets		
Property, plant and equipment	461,809	435,103
Intangible assets	12,930	9,145
Financial assets	96	96
Deferred tax assets	26,552	25,538
Other non-current assets	18,962	13,976
	520,349	483,858
Current assets		
Inventories	65,091	59,434
Trade and other receivables	122,098	110,999
Financial assets	822	836
Current income tax receivables	808	799
Cash and cash equivalents	262,696	260,133
	451,515	432,201
Total assets	**971,864**	**916,059**
EQUITY		
Share capital	141,846	141,846
Other reserves	3,046	(1,297)
Retained earnings	257,702	250,133
Equity attributable to owners of the parent company	402,594	390,682
Non-controlling interests	15	(2)
Total equity	**402,609**	**390,680**
LIABILITIES		
Non-current liabilities		
Financial liabilities	347,763	325,863
Provisions for employee benefits	25,430	24,755
Other provisions	9,550	9,736
Deferred tax liabilities	6,966	6,738
Other liabilities	3,312	3,244
	393,021	370,336
Current liabilities		
Trade and other payables	121,275	101,908
Financial liabilities	48,333	46,076
Current income tax payables	3,520	3,986
Other provisions	3,106	3,073
	176,234	155,043
Total liabilities	**569,255**	**525,379**
Total equity and liabilities	**971,864**	**916,059**

Consolidated Statement of Cash Flows

€ in thousands	01 April - 30 June 2014	2013
Cash flows from operating activities		
Profit for the period	7,579	6,612
Adjustments to reconcile profit for the period to cash generated from operating activities:		
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	15,807	17,672
Changes in non-current provisions	406	307
Income taxes	3,080	486
Finance costs/income	2,665	3,341
Gains/losses from the sale of fixed assets	(24)	23
Release from government grants	(336)	(103)
Other non-cash expense/(income), net	303	391
Changes in working capital:		
- Inventories	(5,197)	(7,979)
- Trade and other receivables	(15,324)	807
- Trade and other payables	19,412	9,286
- Other provisions	21	2,928
Cash generated from operating activities	28,392	33,771
Interest paid	(704)	(5,524)
Interest and dividends received	796	39
Income taxes paid	(3,577)	(763)
Net cash generated from operating activities	**24,907**	**27,523**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(42,975)	(10,902)
Proceeds from the sale of property, plant and equipment and intangible assets	38	38
Capital expenditure for financial assets	–	(114)
Proceeds from the sale of financial assets	–	2
Net cash used in investing activities	**(42,937)**	**(10,976)**
Cash flows from financing activities		
Changes in other financial liabilities	19,729	1,866
Proceeds from government grants	222	103
Net cash generated from financing activities	**19,951**	**1,969**
Net increase in cash and cash equivalents	**1,921**	**18,516**
Cash and cash equivalents at beginning of the year	260,133	80,226
Exchange gains/(losses) on cash and cash equivalents	642	(363)
Cash and cash equivalents at end of the period	**262,696**	**98,379**

Consolidated Statement of Changes in Equity

€ in thousands	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
31 March 2013 [1]	**45,914**	**42,351**	**216,630**	**304,895**	**(51)**	**304,844**
Profit for the period	–	–	6,606	6,606	6	6,612
Other comprehensive income for the period	–	(4,727)	–	(4,727)	(2)	(4,729)
thereof currency translation differences	–	*(4,760)*	–	*(4,760)*	*(2)*	*(4,762)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*33*	–	*33*	–	*33*
Total comprehensive income for the period	–	(4,727)	6,606	1,879	4	1,883
30 June 2013	**45,914**	**37,624**	**223,236**	**306,774**	**(47)**	**306,727**
31 March 2014	**141,846**	**(1,297)**	**250,133**	**390,682**	**(2)**	**390,680**
Profit for the period	–	–	7,569	7,569	10	7,579
Other comprehensive income for the period	–	4,343	–	4,343	7	4,350
thereof currency translation differences	–	5,642	–	5,642	7	5,649
thereof change in hedging instruments for cash flow hedges, net of tax	–	(1,299)	–	(1,299)	–	(1,299)
Total comprehensive income for the period	–	4,343	7,569	11,912	17	11,929
30 June 2014	**141,846**	**3,046**	**257,702**	**402,594**	**15**	**402,609**

[1] Adjusted taking into account IAS 19 revised

Segment Reporting

01 April - 30 June 2014

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	86,846	74,890	1,970	(22,396)	141,310
Intersegment revenue	(18,808)	(2,262)	(1,326)	22,396	–
Revenue from external customers	68,038	72,628	644	–	141,310
Operating result	**8,123**	**6,367**	**(1,189)**	**23**	**13,324**
Finance costs - net					(2,665)
Profit before tax					10,659
Income taxes					(3,080)
Profit for the period					**7,579**
Property, plant and equipment and intangible assets	416,675	47,827	10,237	–	474,739
Investments	39,801	1,489	598	–	41,888
Depreciation/amortisation	13,389	2,016	402	–	15,807
Non-recurring items	–	–	–	–	–

01 April - 30 June 2013

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	87,434	66,772	1,910	(13,575)	142,541
Intersegment revenue	(12,947)	(414)	(214)	13,575	–
Revenue from external customers	74,487	66,358	1,696	–	142,541
Operating result	**9,688**	**366**	**384**	**2**	**10,440**
Finance costs - net					(3,341)
Profit before tax					7,099
Income taxes					(487)
Profit for the period					**6,612**
Property, plant and equipment and intangible assets *)	386,319	47,888	10,041	–	444,248
Investments	10,895	1,540	58	–	12,493
Depreciation/amortisation	15,289	2,115	268	–	17,672
Non-recurring items	–	3,004	–	–	3,004

*) Value as of 31 March 2014

Information by geographic region

Revenues broken down by customer region, based on ship-to-region:

€ in thousands	01 April - 30 June 2014	2013
Austria	5,920	4,829
Germany	34,416	32,183
Other European countries	21,697	18,326
Asia	74,227	58,489
Americas	5,050	28,714
	141,310	**142,541**

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

€ in thousands	30 Jun 2014	31 Mar 2014
Austria	33,488	33,473
China	416,637	386,279
Others	24,614	24,496
	474,739	**444,248**

Notes to the Interim Financial Report

GENERAL

ACCOUNTING AND MEASUREMENT POLICIES The interim report for the quarter ended 30 June 2014 has been prepared in accordance with the standards (IFRS and IAS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB), taking IAS 34 into account, as adopted by the European Union.

The consolidated interim financial statements do not include all the information contained in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2014.

Following AT&S's entry into IC substrate manufacturing and allocation of the new business to the Mobile Devices Business Unit, that unit has been renamed as the Mobile Devices & Substrates Business Unit. Both mobile applications and substrates have an appropriate organisational structure, but the management reporting continues to be for the Mobile Devices & Substrates segment as a whole.

The consolidated interim statements for the three months ended 30 June 2014 are unaudited and have not been the subject of external audit review.

NOTES TO THE STATEMENT OF PROFIT OR LOSS

REVENUE Sales in the first quarter of the current financial year of € 141.3 million were almost exactly the same as the € 142.5 million achieved in the same period last year.

The Mobile Devices & Substrates Business Unit was largely able to make up for the marked decline in Blackberry business. Sales to external customers of € 68.0 million were 9% down on the same period last year. The first quarter of the last financial year was very heavily influenced by the introduction of the new BB10 platform. This year, Mobile Devices reflects normal seasonal patterns with new product ramp-ups taking effect a quarter later. The external sales of € 72.6 million by the Industrial & Automotive Business Unit were up by 9%. The increasing innovative use of electronics in vehicles resulted in this segment in stronger demand in this quarter as well. Industrial applications, in particular innovations in machine to machine communication, automation and LEDs also generate a steady demand for AT&S printed circuit boards. In medical technology, the growth in therapeutic applications resulted in increased sales.

Broken down by customer regions, we again recorded increasing sales particularly in our Asian markets, but also in Europe. Only deliveries in America were lower.

The geographic distribution of production volumes – 75% in Asia and 25% in Europe – showed a slight shift towards Asia in comparison with the same period last year, when the split was 74% to 26%.

GROSS PROFIT The gross profit for the first quarter of the current financial year of € 28.5 million was slightly higher than the € 26.8 million achieved in the same period last year. This highly satisfactory outcome is attributable to good capacity utilisation and to the unrelenting pursuit of increased efficiency.

From the segment perspective, Industrial & Automotive increased its last year's gross margin from 16% to 18%, while Mobile Devices & Substrates maintained its gross margin at the same level of 18%.

OPERATING RESULT On the basis of the highly satisfactory gross profit, the consolidated operating result of € 13.3 million or 9.4% was also highly satisfactory.

FINANCE COSTS - NET Financial expenses of € 3.5 million were at the same level as last year. The investment of liquid funds produced financial income of € 0.8 million, so that the net finance cost of € 2.7 million was € 0.6 million lower than in the same period last year.

INCOME TAXES The change – as compared with the same period last year – in the effective rate of tax on a consolidated basis is principally a consequence of the varying proportions of Group earnings contributed by individual companies with different tax rates and subject to different tax regulations.

Income taxes are also significantly affected by the measurement of deferred taxation: for a large part of the tax loss carryforwards arising, no deferred tax assets have been recognised, since the likelihood of their being realisable in the foreseeable future is low.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

CURRENCY TRANSLATION DIFFERENCES The increase in the foreign currency translation reserve in the first quarter of the current financial year (€ 5.6 million) was the result of the changes in exchange rates of the Group's functional currencies, the Chinese renminbi, the Hong Kong dollar, the US dollar and the Indian rupee against the Group reporting currency, the euro.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS AND FINANCES Net debt of € 132.5 million was higher than the € 110.9 million outstanding at 31 March 2014. Net current assets of € 91.7 million as at 31 March 2014 fell to € 88.2 million. The net gearing ratio of 33% was slightly higher than the 28% at 31 March 2014, but sill far lower than the target long-term ratio of 80%.

VALUATION HIERARCHIES FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE Three valuation hierarchies have to be distinguished in the valuation of financial instruments measured at fair value.

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

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

€ in thousands 30 June 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Bonds	822	–	–	822
Available-for-sale financial assets	–	96	–	96
Financial liabilities				
Derivative financial instruments	–	2,153	–	2,153

€ in thousands 31 March 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Bonds	836	–	–	836
Available-for-sale financial assets	–	96	–	96
Financial liabilities				
Derivative financial instruments	–	420	–	420

Bonds, export loans, government loans and other bank borrowings amounting to € 393.9 million (31 March 2014: € 371,5 million) are measured at amortised cost. The fair value of these liabilities was € 397.5 million (31 March 2014: € 377.6 million).

OTHER FINANCIAL COMMITMENTS At 30 June 2014 the Group had other financial commitments amounting to € 65.8 million, in connection with contractually binding investment commitments, the greater part of which related to the continuing construction of the new factory in Chongqing and investments in the Shanghai and Leoben plants. As at 31 March 2014 other financial commitments stood at € 59.5 million.

SHARE CAPITAL Consolidated equity increased from € 390.7 million at 31 March 2014 to € 402.6 million. There were positive exchange differences to add to the consolidated profit of € 7.6 million for the period, so that consolidated total comprehensive income came out at € 11.9 million.

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

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

With respect to the authorised share capital increase and/or the conditional capital increase, the following restrictions on the amounts of the increases are to be observed, as required under the resolutions of the Annual General Meeting of 3 July 2014: The total of (i) the number of new shares actually issued or potentially issuable out of conditional capital under the terms and conditions of the convertible bonds, and (ii) the number of shares issued out of authorised capital may not exceed 19,425,000.

TREASURY SHARES In the 19th Annual General Meeting of 4 July 2013 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire and retire the Company's own shares up to a maximum amount of 10% of the share capital. The Management Board was also again authorised – for a period of five years (i.e., until 3 July 2018) and subject to the approval of the Supervisory Board – to dispose of treasury shares otherwise than through the stock exchange or by means of public offerings, and in particular for the purpose of enabling the exercise of employee stock options or the conversion of convertible bonds, or as consideration for the acquisition of businesses or other assets, or for any other legally permissible purpose.

On 30 June 2014, the Group held no treasury shares.

NOTES TO THE STATEMENT OF CASH FLOWS Net cash inflows generated by operating activities amounted to € 24.9 million, as compared with € 27.5 million in the same period last year.

The net cash used in investing activities amounted to € 42.9 million, significantly higher than the € 11.0 million outflow in the same period last year. The current financial year's investments are predominantly in the new factory in Chongqing, together with replacement investments for the Shanghai plant.

Cash inflows from financing activities amounted to € 20.0 million.

OTHER INFORMATION

DIVIDENDS After the end of the first quarter of the current financial year, the Annual General Meeting of 3 July 2014 resolved on a dividend of € 0.20 per share out of retained earnings as at 31 March 2014.

RELATED PARTY TRANSACTIONS In connection with various projects, in the first quarter of the current financial year consultancy fees were payable as follows: € 98,000 to AIC Androsch International Management Consulting GmbH, € 3,000 to Dörflinger Management & Beteiligungs GmbH, and € 3,000 to Frotz Riedl Rechtsanwälte. As at 30 June 2014 the Group had obligations of € 9,000 to AIC Androsch International Management Consulting GmbH.

Leoben-Hinterberg, 24 July 2014

Management Board

Andreas Gerstenmayer m.p.
Karl Asamer m.p.
Heinz Moitzi m.p.

Group Interim Management Report

BUSINESS DEVELOPMENTS AND PERFORMANCE

As with the last financial year, the first quarter of 2014/15 got off to a successful start. Automotive, Industrial and Medical Technology reported higher sales, and Mobile Devices was largely able to make up for a sharp drop in demand from one particular customer.

All AT&S plants reported good capacity utilisation in the first quarter of the current financial year.

MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events after the end of the interim reporting period.

SIGNIFICANT RISKS, UNCERTAINTIES AND OPPORTUNITIES

There were no material differences in the categories of risk exposure in the course of the first quarter of the financial year 2014/15 compared with those described in detail in section 5, "Risk and opportunities management", of the Group Management Report of the 2013/14 consolidated financial statements.

AT&S's liquidity is excellent. The issue of a five-year € 100 million bond in November 2011, the provision of a long-term loan by Oesterreichische Kontrollbank in April 2012, and the issue of a € 158 million promissory loan note in January 2014 mean that ample long-term funds are available. Sufficient short-term credit facilities are also available to cover working capital requirements. In addition to this, on the basis of the authorisation conferred in the Annual General Meeting of 3 July 2014, the Management Board, with the agreement of the Supervisory Board, also has the option of issuing up to 19,425,000 new shares out of authorised capital and issuing convertible bonds up to a nominal value of € 150 million. All opportunities to optimise the financing of the investment in Chongqing are under constant review.

In the first quarter of the current financial year there was a significant positive cash flow from operating activities. On the basis of expected continuing net cash inflows from operating activities and the extensive financing options, enough liquidity is available to cover all currently planned investments.

For more information on the use of financial instruments, please refer to note 20 in the notes to the consolidated annual financial statements for the financial year 2013/14. Changes in the exchange rates of functional currencies against the reporting currency, the euro, are mainly recognised directly in equity without affecting profit or loss.

Net gearing of 33% at 30 June 2014 was at a slightly higher level than at the end of the financial year 2013/14. Favourable exchange translation differences caused by the weakness of the euro against the Chinese renminbi, the Hong Kong dollar, the US dollar and the Indian rupee led to an increase in equity.

With respect to the opportunities and risks related to developments in the external environment for the financial year 2014/15 as a whole, the assumption is still that total sales of the printed circuit board industry worldwide will increase.

OUTLOOK

On the basis of the typically strong demand in the industry in the second half of the calendar year – particularly in the mobile end user devices segment – we are assuming that, provided the macroeconomic environment remains stable, business development will continue to be satisfactory.

Leoben-Hinterberg, 24 July 2014

Management Board

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