



**More than  
AT&S**

# Key figures

	Unit	Q1 2016/17	Q1 2017/18	Change in %
<b>EARNINGS DATA AND GENERAL INFORMATION</b>				
Revenue	€ in millions	178.9	199.6	11.6%
thereof produced in Asia	%	79%	81%	–
thereof produced in Europe	%	21%	19%	–
Cost of sales	€ in millions	169.4	186.0	9.8%
Gross profit	€ in millions	9.4	13.7	44.8%
Gross profit margin	%	5.3%	6.8%	–
EBITDA	€ in millions	18.8	29.7	57.5%
EBITDA margin	%	10.5%	14.9%	–
EBIT	€ in millions	(9.2)	(3.4)	62.8%
EBIT margin	%	(5.1%)	(1.7%)	–
Profit/(loss) for the period	€ in millions	(13.6)	(11.2)	17.6%
Profit/(loss) for the period attributable to owners of the parent company	€ in millions	(13.6)	(11.2)	17.6%
ROE (Return on equity) <sup>1)</sup>	%	(9.7%)	(8.8%)	–
ROCE (Return on capital employed) <sup>1)</sup>	%	(3.7%)	(3.8%)	–
ROS (Return on sales)	%	(7.6%)	(5.6%)	–
Cashflow from operating activities (OCF)	€ in millions	(11.8)	(49.3)	(>100%)
Net CAPEX	€ in millions	66.3	69.7	5.1%
Employees (incl. leased personnel), end of reporting period	–	9,222	9,978	8.2%
Employees (incl. leased personnel), average	–	9,165	9,901	8.0%
<b>BALANCE SHEET DATA</b>				
		31 Mar 2017	30 Jun 2017	
Total assets	€ in millions	1,436.7	1,303.8	(9.2%)
Total equity	€ in millions	540.1	485.2	(10.2%)
Equity attributable to owners of the parent company	€ in millions	540.1	485.2	(10.2%)
Equity ratio	%	37.6%	37.2%	–
Net debt	€ in millions	380.5	496.7	30.5%
Net gearing	%	70.5%	102.4%	–
Net working capital	€ in millions	24.4	90.4	>100%
Net working capital per revenue	%	3.0%	11.3%	–
<b>STOCK EXCHANGE DATA</b>				
		Q1 2016/17	Q1 2017/18	
Shares outstanding, end of reporting period	–	38,850,000	38,850,000	–
Weighted average number of shares outstanding	–	38,850,000	38,850,000	–
Earnings per shares outstanding end of reporting period	€	(0.35)	(0.29)	17.6%
Earnings per average number of shares outstanding	€	(0.35)	(0.29)	17.6%
Market capitalisation, end of reporting period	€ in millions	419.2	382.3	(8.8%)
Market capitalisation per equity <sup>2)</sup>	%	75.7% <sup>3)</sup>	78.8%	–

<sup>1)</sup> Calculated on the basis of average values.

<sup>2)</sup> Equity attributable to owners of the parent company.

<sup>3)</sup> Calculated on the basis of the Equity as of 30 June 2016.

# Summary

- Stable demand and good capacity utilisation.
- Efficiency and productivity measures show positive impact on profitability.
- Revenue up 11.6% to € 199.6 million.
- EBITDA rose to € 29.7 million vs. € 18.8 million in Q1 2016/17.
- EBITDA margin increased to 14.9%, vs. 10.5% in the comparative quarter.
- Loss for the period improved to € -11.2 million compared with € -13.6 million in the same quarter of the previous year.
- Loss per share declined from € -0.35 to € -0,29.
- Net investments in tangible and intangible assets in the first three months: € 69.7 million.
- Net debt increased from € 380.5 million to € 496.7 million; net gearing ratio amounted to 102.4%.
- Upgrade to the next technology generation (mSAP for mobile applications) completed successfully and on schedule, serial production launched in July, increasingly good capacity utilisation in the coming months expected.
- Status Chongqing plant 1 for IC substrates:  
Significant progress in overcoming the technical challenges. Therefore, focus on continuing the measures to enhance efficiency and productivity. Persisting significant price pressure.
- Decision regarding the further expansion of the Chongqing plants:  
Due to the current technology evaluation, AT&S has decided not to start the expansion of the IC substrate plant in the current financial year yet. For plant 2, the plan for further expansion is currently being evaluated. The investment volume of roughly € 160-200 million planned for 2017/18 is secured with existing financing instruments.



# Corporate Governance information

**23<sup>RD</sup> ORDINARY ANNUAL GENERAL MEETING** At the 23<sup>rd</sup> Ordinary Annual General Meeting of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft (AT&S) on 6 July 2017, held after the end of the reporting period on 30 June 2017, a dividend of € 0.10 per participating no-par value share was adopted for the financial year 2016/17. Ex-dividend day was 25 July 2017 and dividend payment day is 27 July 2017.

At the Annual General Meeting, the members of the Management Board and the Supervisory Board were granted discharge for the financial year 2016/17.

Pursuant to the proposal of the Management Board and the Supervisory Board, the remuneration of the Supervisory Board for the financial year 2016/17 was set at a total of € 322,360. This remuneration will be paid out in the financial year 2017/18 for the preceding financial year 2016/17.

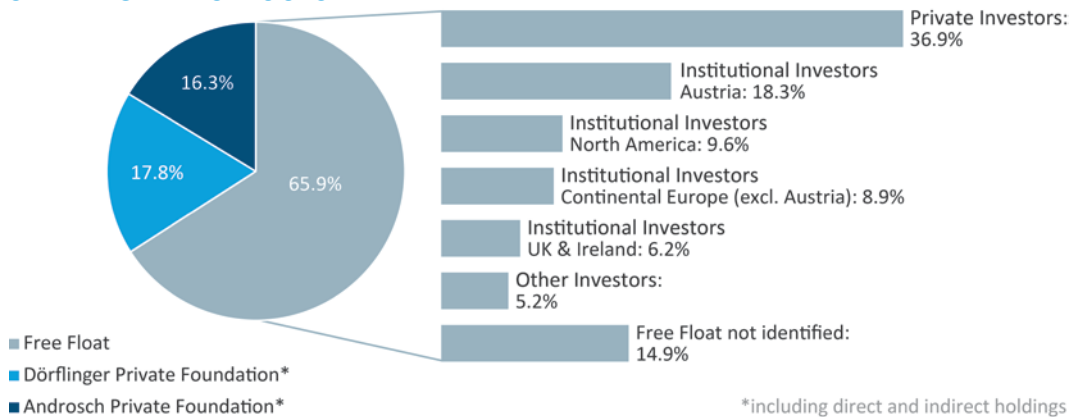
PwC Wirtschaftsprüfung GmbH, Vienna, was appointed auditor and group auditor for the financial year 2017/18.

In addition, the authorisation of the Management Board to acquire treasury shares pursuant to Section 65 (1) No 8 AktG (Austrian Stock Corporation Act) and to withdraw shares, granted by a resolution passed at the 21<sup>st</sup> Annual General Meeting on 9 July 2015 regarding agenda item 9, and the authorisation of the Supervisory Board to make amendments to the articles of association which result from the withdrawal of shares were revoked; at the same time, the Management Board was authorised to acquire a) in accordance with Section 65 (1) No 8 AktG within 30 months from the day of the resolution of the Annual General Meeting b) treasury shares of the company of up to 10% of the company's share capital c) at a lowest price that may be no more than 30% lower than the average unweighted closing price of the previous ten trading days and at a highest price per share of a maximum of 30% above the average unweighted closing price of the previous ten trading days. This authorisation also includes the acquisition of shares by the company's subsidiaries (Section 66 AktG). The acquisition may be carried out via the stock exchange by means of a public offering or in any other legal way and for any legal purpose. The Management Board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the company without any further resolution of the Annual General Meeting. The Supervisory Board is authorised to adopt amendments to the articles of association which result from the withdrawal of shares.

Finally, the authorisation granted by a resolution passed at the 21<sup>st</sup> Annual General Meeting on 9 July 2015 regarding agenda item 10 on the sale of treasury share was revoked; at the same time, the Management Board was authorised, in accordance with Section 65 (1b) AktG, for a period of five years from the date the resolution was passed, hence up to and including 5 July 2022, upon approval from the Supervisory Board and without any further resolution of the Annual General Meeting, to sell the repurchased treasury shares in a way other than via the stock exchange or by public offer, or to use in particular treasury shares a) for issuance to employees, executive employees and/or members of the Management Board/management of the company or of an affiliated company, including the servicing of stock transfer programmes, especially stock options, long-term incentive plans and other participation programmes, b) to serve any issued convertible bonds, c) as a consideration for the acquisition of entities, investments or other assets, and d) for any other legal purpose, and by doing so, to exclude the general purchase option of shareholders (subscription right exclusion). The authorisation may be exercised in full, in part and also in several tranches and may serve multiple purposes.

# AT&S share

## SHAREHOLDER STRUCTURE

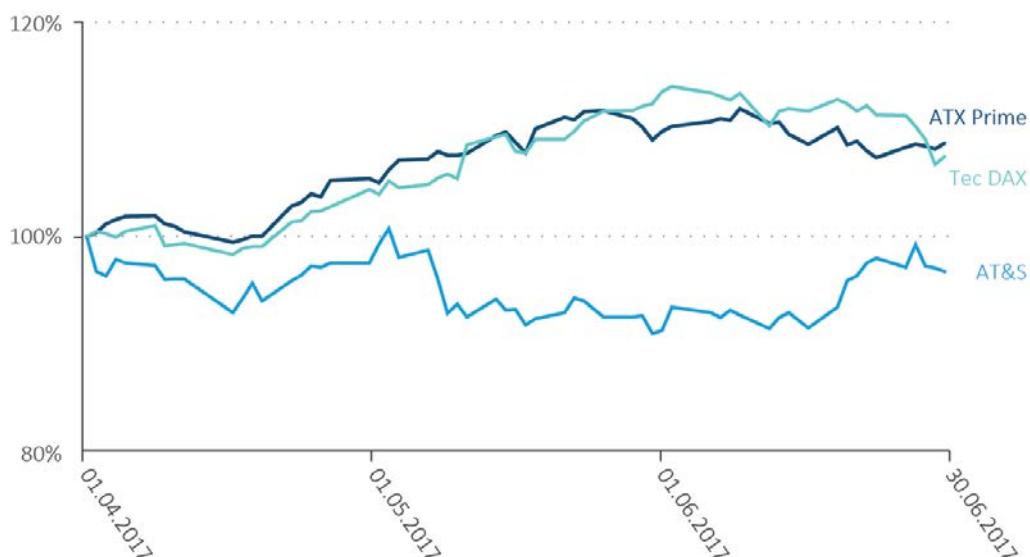


## DEVELOPMENTS IN THE CAPITAL MARKET IN THE FIRST THREE MONTHS OF 2017/18

The sentiment in the international financial markets was primarily supported by the positive economic data and expectations in the reporting period. It was also considered a sign of a more robust economic situation when the US Federal Reserve raised the interest rate in mid-June as had been widely expected. A positive impetus was also provided by elections in important European countries. Contrary to previous forecasts, the euro gained strongly against the US dollar and rose significantly above USD 1.10.

In the USA, the Dow Jones Industrial once again reached an all-time high in the first quarter of the AT&S financial year; its performance during this period resulted in an increase by 3.3%. In contrast, Europe's stock benchmark, the Euro Stoxx 50, recorded a decline by -1.7%. The Austrian lead index ATX and the broader-based ATX Prime continued their upward trend in the past quarter. The ATX gained 9.8% and exceeded the 3,000-point mark for the first time since 2011; the ATX Prime rose by 9.4%.

## AT&S AGAINST ATX PRIME AND TEC DAX



**PERFORMANCE AND LIQUIDITY OF THE AT&S SHARE** In the three months of the reporting period, the price of the AT&S share on the Vienna Stock Exchange ranged between € 9.16 and € 10.30. The high was already reached on the first trading day of the new AT&S financial year. In the further course of the quarter, the price of the AT&S share levelled out around the € 10.00 mark. The closing price of € 9.84 at 30 June 2017 results in a performance of -4.4% in the first three months of the AT&S financial year (closing price on 31 March 2017: € 10.29).

The daily volume of AT&S shares traded on the Vienna Stock Exchange in the first three months of the financial year amounted to an average of 54,705 shares per day, which corresponds to a decline by roughly a quarter compared with the previous year (previous year: 73,730 shares; single count). The lower share price is reflected in a significant drop in the average daily trading turnover, which, at € 528,875 was substantially lower than the prior-year value of € 838,892 (single count).

In the first quarter of the financial year 2017/18, AT&S capital market communication focused on intensifying contact with existing investors. Special importance was attached to the developments at the new plants in Chongqing. In addition, AT&S provided information on the developments in the core business as well as the future positioning of AT&S in the electronics value chain.

At the time of the publication of this quarterly report, all recommendations given by analysts of the six investment banks covering the AT&S share were either “hold” or “neutral”.

### KEY SHARE FIGURES FOR THE FIRST THREE MONTHS

€	30 Jun 2017	30 Jun 2016
Earnings per share	(0.29)	(0.35)
High	10.30	13.43
Low	9.16	9.60
Close	9.84	10.79

### AT&S SHARE – VIENNA STOCK EXCHANGE

Shares outstanding	38,850,000
Security ID number	922230
ISIN-Code	AT0000969985
Symbol	ATS
Thomson Reuters	ATSV.VI
Bloomberg	ATS:AV
Indices	ATX Prime, ATX GP, WBI, VÖNIX

### FINANCIAL CALENDAR

03 November 2017	Results for the first half-year 2017/18
31 January 2018	Results for the first three quarters 2017/18
08 May 2018	Annual results 2017/18
25 June 2018	Record date Annual General Meeting
05 July 2018	24 <sup>th</sup> Annual General Meeting

### CONTACT INVESTOR RELATIONS

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# Group Interim Management Report

**BUSINESS DEVELOPMENTS AND SITUATION** AT&S had a very good start to the new financial year 2017/18. Revenue rose by € 20.7 million or 11.6% from € 178.9 million to € 199.6 million. This increase was mainly the result of higher revenue from IC substrates. Demand for printed circuit boards for mobile devices was higher than in the previous year and could be met despite the conversion of our plant in Shanghai and the resulting reduction of capacities. The Automotive, Industrial, Medical segment increased its revenue in all areas. The business unit Advanced Packaging, which is part of the Others segment, recorded a project-related decline. Positive currency developments had little influence on revenue. The portion of revenue from products made in Asia rose from 79% in the previous year to 81% in the current financial year.

## Result key data

€ in millions (unless otherwise stated)

	Q1 2017/18	Q1 2016/17	Change in %
Revenue	199.6	178.9	11.6%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	29.7	18.8	57.5%
EBITDA margin (%)	14.9%	10.5%	
Operating result (EBIT)	(3.4)	(9.2)	62.8%
EBIT margin (%)	(1.7%)	(5.1%)	
Profit/(loss) for the period	(11.2)	(13.6)	17.6%
Earnings per share (€)	(0.29)	(0.35)	17.6%
Additions to property, plant and equipment and intangible assets	43.9	81.1	(45.9%)
Average number of staff (incl. leased personnel)	9,901	9,165	8.0%

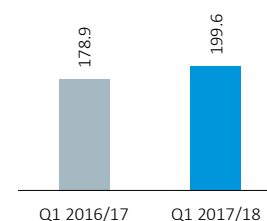
EBITDA improved by € 10.9 million or 57.5% from € 18.8 million to € 29.7 million. The increase primarily results from the measures to improve efficiency and productivity, which have been successfully implemented, especially at the plants in Chongqing. In addition, positive exchange rate effects led to an improvement in earnings and to an overcompensation of the increases in raw material prices. In the current financial year, no adjustments will be made to any results as the Chongqing project was also included in the comparative period of the previous year and the figures are therefore comparable.

The EBITDA margin amounted to 14.9% in the first three months, up 4.4 percentage points on the prior-year level of 10.5%.

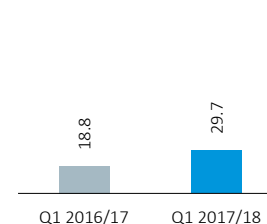
Depreciation and amortisation rose by € 5.1 million or 18.2% on the prior-year period from € 28.0 million to € 33.1 million. This is due to an increase in depreciation and amortisation by € 6.0 million for the plants in Chongqing.

EBIT improved by € 5.8 million from € -9.2 million to € -3.4 million. Due to the higher depreciation and amortisation, EBIT improved to a significantly lesser extent than EBITDA. The EBIT margin amounted to -1.7% (previous year : -5.1%).

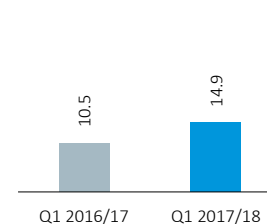
Development of revenue  
€ in millions

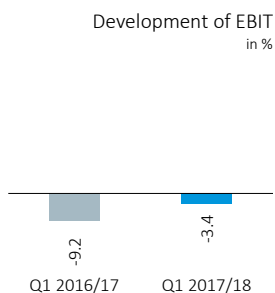


Development of EBITDA  
€ in millions



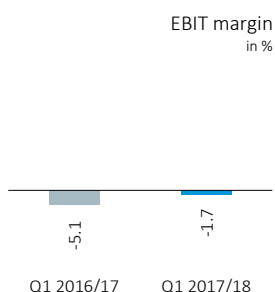
EBITDA margin  
in %





Finance costs – net improved significantly from € -5.7 million to € -2.2 million. Despite higher average gross debt, gross interest expenses, at € 3.7 million, were 5.1% below the prior-year level of € 3.9 million due to the discontinuation of the high-interest bond. Capitalised interest decreased by € 1.3 million from € 1.3 million to € 0.0 million. Interest income amounted to € 0.1 million and was € 0.4 million lower than in the previous year, at € 0.5 million. Apart from lower average cash and cash equivalents, this decline also resulted from the highly negative interest environment for investments in the EUR area. Exchange rate effects improved finance costs by € 2.0 million in the first three months of the financial year (previous year: expense of € 3.3 million).

Tax expenses amounted to € 5.6 million in the first three months (previous year: tax income of € 1.3 million). This increase was attributable to the fact that, in comparison with the interim financial statements of the previous year, deferred taxes of AT&S (Chongqing) Company Limited were no longer capitalised and that the reduced tax rate at AT&S (China) Company Limited is no longer applied since 31 December 2016 (efforts are currently made to return to the favoured tax scheme).



Despite the increase in tax expense, the loss for the period improved by € 2.4 million from € -13.6 million to € -11.2 million due to the better operating result and the significantly better finance costs – net. This led to an improvement of earnings per share from € -0.35 to € -0.29.

**FINANCIAL POSITION** Total assets decreased by € 132.9 million or -9.3% from € 1,436.7 million to € 1,303.8 million. The increase due to additions to assets for the new plants in Chongqing amounting to € 15.7 million and technology upgrades at the other sites amounting to € 22.6 million (the additions to assets led to cash CAPEX of € 69.7 million) was offset by depreciation and amortisation totalling € 33.1 million. Moreover, exchange rate effects reduced fixed assets by € 25.4 million. The increase in inventories from € 108.8 million to € 124.5 million is primarily attributable to the seasonal inventory build-up in the Mobile Devices & Substrates segment. The increase in receivables results from higher revenue and the temporary expiry of optimisation measures.

Due to the seasonal build-up of net working capital and the expiry of different optimisation measures, cash and cash equivalents dropped to € 55.9 million (31 March 2017: € 203.5 million). In addition to financial assets of € 5.7 million, AT&S has unused credit lines of € 235.4 million at its disposal as a financial reserve.

Equity declined by € 54.9 million or -10.2% from € 540.1 million to € 485.2 million. This decrease was the result of the loss for the period of € 11.2 million and negative currency differences of € 43.6 million from the translation of net asset positions of subsidiaries as well as from the translation of long-term loans to subsidiaries. Based on the lower equity and the lower total assets, the equity ratio amounted to 37.2%, down 0.4 percentage points on the value of 31 March 2017.

Net debt rose by € 116.2 million or 30.5% from € 380.5 million to € 496.7 million. This increase resulted from high investment activities and the increase in net working capital, which cannot be financed from the operating result.

The net gearing ratio, at 102.4%, was higher than at 31 March 2017, at 70.5%. This increase results from higher net debt and from the reduction of equity due to the above-mentioned effects.



**BUSINESS DEVELOPMENT BY SEGMENTS** The AT&S Group breaks its operating activities down into three segments: Mobile Devices & Substrates (MS), Automotive, Industrial, Medical (AIM), and Others (OT). For further information on the segments and segment reporting please refer to the Annual Report 2016/17.

AT&S has successfully positioned itself as a high-end manufacturer in all three segments. The share of the Mobile Devices & Substrates segment in total external revenue rose from 54.6% to 56.9%. The share of the Automotive, Industrial, Medical segment declined to 42.6% (previous year: 45.0%) despite an increase in absolute terms. The significance of the Others segment remained constant at 0.5%.

**MOBILE DEVICES & SUBSTRATES SEGMENT** Demand for high-end printed circuit boards for mobile devices was good in the first three months and led to increases in revenue – despite a reduction of capacity due to the partial conversion of the plant in Shanghai. The segment also benefited from substantially higher revenue from IC substrates, which were generated after a successful ramp-up of the first line; the second line was at the end of the start-up phase. Revenue rose by € 16.9 million or 14.0%, from € 120.4 million to € 137.3 million due to the operational effects and slightly positive exchange rate effects.

#### Mobile Devices & Substrates segment – overview

€ in millions (unless otherwise stated)

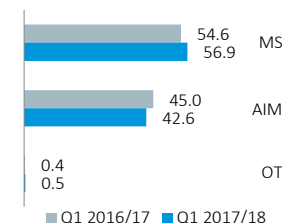
	Q1 2017/18	Q1 2016/17	Change in %
Segment revenue	137.3	120.4	14.0%
Revenue from external customers	113.6	97.7	16.2%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	20.9	8.7	>100%
EBITDA margin (%)	15.2%	7.3%	
Operating result (EBIT)	(7.8)	(15.4)	49.7%
EBIT margin (%)	(5.6%)	(12.8%)	
Additions to property, plant and equipment and intangible assets	39.2	75.9	(48.4%)
Employees (incl. leased personnel), average	7,054	6,409	10.1%

EBITDA improved by € 12.2 million or 139.3% from € 8.7 million to € 20.9 million and was predominantly influenced by positive developments in the Chongqing project and positive exchange rate effects. This resulted in an EBITDA margin of 15.2%, which significantly exceeded the prior-year value of 7.3%.

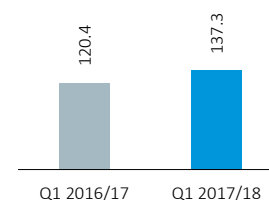
The segment's depreciation and amortisation rose by € 4.6 million or 19.1% from € 24.1 million to € 28.7 million. The increase was primarily attributable to depreciation of the second plant in Chongqing. EBIT of € -7.8 million is € 7.7 million higher than the prior-year value of € -15.4 million. The resulting EBIT margin amounts to -5.6% (previous year: -12.8%).

At the Chongqing site, additions to assets of € 15.7 million were recorded in the first three months (previous year: € 60.5 million). The other additions were related to technology upgrades at the site in Shanghai. The increase in the number of employees by 645 persons is primarily attributable to the establishment of the Chongqing plant.

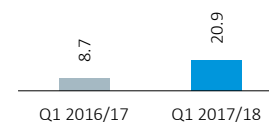
Revenue from external customers by segment in %



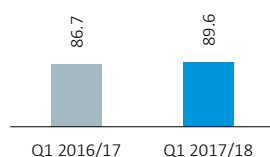
Mobile Devices & Substrates Development of revenue € in millions



Mobile Devices & Substrates EBITDA Development € in millions



Automotive, Industrial,  
Medical  
Development of revenue  
€ in millions



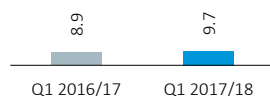
**AUTOMOTIVE, INDUSTRIAL, MEDICAL SEGMENT** With revenue growth of € 2.9 million or 3.3%, this segment increased the prior-year figure of € 86.7 million to € 89.6 million. The increase in revenue resulted from all three business segments and reflects the trend towards more electronic components. Lower demand in the Mobile Devices & Substrates segment and the Others segment were thus overcompensated.

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

€ in millions (unless otherwise stated)

	Q1 2017/18	Q1 2016/17	Change in %
Segment revenue	89.6	86.7	3.3%
Revenue from external customers	85.0	80.4	5.7%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	9.7	8.9	9.6%
EBITDA margin (%)	10.9%	10.2%	
Operating result (EBIT)	5.7	5.4	5.8%
EBIT margin (%)	6.3%	6.2%	
Additions to property, plant and equipment and intangible assets	3.6	4.8	(25.9%)
Employees (incl. leased personnel), average	2,689	2,601	3.4%

Automotive, Industrial,  
Medical  
EBITDA Development  
€ in millions



The segment recorded an increase in EBITDA by € 0.8 million or 9.6% from € 8.9 million to € 9.7 million. The EBITDA margin rose by 0.7 percentage points from 10.2% to 10.9%, thus slightly exceeding the prior-year level. Negative exchange rate effects and raw material price increases had a negative influence on earnings. These negative effects were compensated for by an improved mix and appropriate countermeasures.

The segment's depreciation and amortisation increased by € 0.6 million or 17.1% from € 3.5 million to € 4.1 million. EBIT rose by € 0.3 million or 5.8% from € 5.4 million to € 5.7 million.

Additions to assets, at € 3.6 million, were below the level of € 4.8 million in the previous year.

**OTHERS SEGMENT** The business unit Advanced Packaging, which is part of the Others segment, recorded a decrease in revenue by € 1.2 million or -30.6% to € 2.6 million (previous year: € 3.8 million). Since the business unit is still in the process of being established, business is to a great extent project-driven. As a result, revenue developments are currently more volatile.

In line with the development of revenue, EBITDA and EBIT of the business unit Advanced Packaging also decreased. The costs of general holding activities, which are included in the Others segment, slightly exceeded the level of the previous year due to one-off effects.

#### Others segment – overview

€ in millions (unless otherwise stated)

	Q1 2017/18	Q1 2016/17	Change in %
Segment revenue	2.6	3.8	(30.6%)
Revenue from external customers	1.0	0.7	45.2%
Operating result before interest, tax, depreciation and amortisation (EBITDA)	(1.0)	1.2	(>100%)
EBITDA margin (%)	(37.8%)	32.4%	
Operating result (EBIT)	(1.3)	0.9	(>100%)
EBIT margin (%)	(50.7%)	23.6%	
Additions to property, plant and equipment and intangible assets	1.1	0.3	>100%
Employees (incl. leased personnel), average	159	155	2.5%

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

**SIGNIFICANT RISKS, UNCERTAINTIES AND OPPORTUNITIES** In the Group Management Report of the consolidated financial statements 2016/17 the relevant risk categories are explained in detail under section 6 “Risk and opportunities management”, which still apply at the reporting date. As described in this chapter, incorrect assessments of technological developments, changes in demand and negative price developments can have severe adverse effects on the intrinsic value of investments. This may have an impact, in particular, on the entry into the substrate business, but also on all current AT&S business activities in general.

**OUTLOOK** Decision regarding the further expansion of the plants in Chongqing:

AT&S has made significant progress in overcoming the technical challenges. For the time being, plant 1 will supply semiconductor customers with IC substrates for servers and computing applications (desktop, notebooks) with these two production lines. At the beginning of 2018, AT&S expects the gradual introduction of the product generation originally designed for this plant. The first products are currently undergoing qualification. Based on the current technology evaluation, AT&S has decided not to start the expansion in the current financial year. The start of the next technology generation in the core business (mSAP for mobile devices) at the plant in Shanghai and Chongqing plant 2 was successful. Serial production was launched in July. A further expansion plan for plant 2 in Chongqing is currently under evaluation. AT&S thus expects CAPEX for the financial year 2017/18 to range between € 160-200 million, which will essentially consist of the remaining investments in the first phase in Chongqing, the investments in the next technology generation in the core business, mSAP, at the plants in Shanghai and Chongqing, plant 2, as well as in maintenance and the usual technology upgrades at other existing sites. The investment volume of roughly € 160-200 million planned for 2017/18 is secured with the existing financing structure.

Provided that the macroeconomic environment remains stable and the USD/EUR currency relation stays at a similar level as in the past financial year, AT&S expects an increase in revenue of 10-16% for the financial year 2017/18. The EBITDA margin should range between 16-18% based on the market developments for IC substrates and the launch of the next technology generation (mSAP). Higher depreciation for predominantly new production lines of roughly € 25.0 million in the financial year 2017/18 will have an influence on EBIT.

Leoben-Hinterberg, 26 July 2017

The Management Board

Andreas Gerstenmayer m.p.

Monika Stoisser-Göhring m.p.

Heinz Moitzi m.p.

# Interim Financial Report (IFRS)

## Consolidated Statement of Profit or Loss

€ in thousands	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
Revenue	199,636	178,867
Cost of sales	(185,985)	(169,441)
<b>Gross profit</b>	<b>13,651</b>	<b>9,426</b>
Distribution costs	(8,342)	(7,574)
General and administrative costs	(9,336)	(7,462)
Other operating income	1,185	1,119
Other operating costs	(566)	(4,678)
Other operating result	619	(3,559)
<b>Operating result</b>	<b>(3,408)</b>	<b>(9,169)</b>
Finance income	2,165	845
Finance costs	(4,382)	(6,563)
<b>Finance costs – net</b>	<b>(2,217)</b>	<b>(5,718)</b>
<b>Loss before tax</b>	<b>(5,625)</b>	<b>(14,887)</b>
Income taxes	(5,604)	1,253
<b>Loss for the period</b>	<b>(11,229)</b>	<b>(13,634)</b>
Attributable to owners of the parent company	(11,229)	(13,634)
Attributable to non-controlling interests	–	–
Earnings per share attributable to equity holders of the parent company (in € per share):		
– basic	(0.29)	(0.35)
– diluted	(0.29)	(0.35)
Weighted average number of shares outstanding – basic (in thousands)	38,850	38,850
Weighted average number of shares outstanding – diluted (in thousands)	38,850	38,850

## Consolidated Statement of Comprehensive Income

€ in thousands	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
<b>Loss for the period</b>	<b>(11,229)</b>	<b>(13,634)</b>
Items to be reclassified:		
– Currency translation differences	(43,637)	(1,769)
– Gains from the fair value measurement of available-for-sale financial assets, net of tax	15	–
<b>Other comprehensive income for the period</b>	<b>(43,622)</b>	<b>(1,769)</b>
<b>Total comprehensive income for the period</b>	<b>(54,851)</b>	<b>(15,403)</b>
Attributable to owners of the parent company	(54,851)	(15,403)

# Consolidated Statement of Financial Position

€ in thousands

30 Jun 2017

31 Mar 2017

## ASSETS

Property, plant and equipment	808,314	833,095
Intangible assets	86,155	91,655
Financial assets	193	173
Deferred tax assets	38,561	38,659
Other non-current assets	60,787	65,781
<b>Non-current assets</b>	<b>994,010</b>	<b>1,029,363</b>
Inventories	124,523	108,844
Trade and other receivables	121,849	85,796
Financial assets	5,714	8,660
Current income tax receivables	1,871	546
Cash and cash equivalents	55,880	203,485
<b>Current assets</b>	<b>309,837</b>	<b>407,331</b>
<b>Total assets</b>	<b>1,303,847</b>	<b>1,436,694</b>

## EQUITY

Share capital	141,846	141,846
Other reserves	38,107	81,729
Retained earnings	305,290	316,519
<b>Equity attributable to owners of the parent company</b>	<b>485,243</b>	<b>540,094</b>
<b>Total equity</b>	<b>485,243</b>	<b>540,094</b>

## LIABILITIES

Financial liabilities	512,845	519,830
Provisions for employee benefits	34,642	34,282
Other provisions	44	47
Deferred tax liabilities	4,858	4,700
Other liabilities	11,237	10,990
<b>Non-current liabilities</b>	<b>563,626</b>	<b>569,849</b>
Trade and other payables	184,240	230,845
Financial liabilities	45,677	73,037
Current income tax payables	14,381	15,572
Other provisions	10,680	7,297
<b>Current liabilities</b>	<b>254,978</b>	<b>326,751</b>
<b>Total liabilities</b>	<b>818,604</b>	<b>896,600</b>
<b>Total equity and liabilities</b>	<b>1,303,847</b>	<b>1,436,694</b>

# Consolidated Statement of Cash Flows

€ in thousands

01 Apr - 30 Jun 2017 01 Apr - 30 Jun 2016

<b>Operating result</b>	<b>(3,408)</b>	<b>(9,169)</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	33,059	28,000
Gains/losses from the sale of fixed assets	(25)	(26)
Changes in non-current provisions	852	703
Non-cash expense/(income), net	(808)	(4,384)
Interest paid	(3,445)	(1,947)
Interest received	66	533
Income taxes paid	(8,771)	(5,145)
<b>Cash flow from operating activities before changes in working capital</b>	<b>17,520</b>	<b>8,565</b>
Inventories	(20,491)	(12,817)
Trade and other receivables	(38,567)	(27,509)
Trade and other payables	(11,593)	20,076
Other provisions	3,838	(113)
<b>Cash flow from operating activities</b>	<b>(49,293)</b>	<b>(11,798)</b>
Capital expenditure for property, plant and equipment and intangible assets	(69,696)	(66,847)
Proceeds from the sale of property, plant and equipment and intangible assets	8	533
Capital expenditure for financial assets	(509)	(60,796)
Proceeds from the sale of financial assets	3,231	25,583
<b>Cash flow from investing activities</b>	<b>(66,966)</b>	<b>(101,527)</b>
Proceeds from borrowings	2,026	163,162
Repayments of borrowings	(28,565)	(37,638)
Proceeds from government grants	1,457	147
<b>Cash flow from financing activities</b>	<b>(25,082)</b>	<b>125,671</b>
<b>Change in cash and cash equivalents</b>	<b>(141,341)</b>	<b>12,346</b>
Cash and cash equivalents at beginning of the year	203,485	171,866
Exchange gains/(losses) on cash and cash equivalents	(6,264)	885
<b>Cash and cash equivalents at end of the period</b>	<b>55,880</b>	<b>185,097</b>

# Consolidated Statement of Changes in Equity

€ in thousands	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
<b>31 Mar 2016</b>	<b>141,846</b>	<b>73,688</b>	<b>353,402</b>	<b>568,936</b>	–	<b>568,936</b>
Loss for the period	–	–	(13,634)	(13,634)	–	(13,634)
Other comprehensive income for the period	–	(1,769)	–	(1,769)	–	(1,769)
<i>thereof currency translation differences</i>	–	(1,769)	–	(1,769)	–	(1,769)
Total comprehensive income for the period	–	(1,769)	(13,634)	(15,403)	–	(15,403)
<b>30 Jun 2016</b>	<b>141,846</b>	<b>71,919</b>	<b>339,768</b>	<b>553,533</b>	–	<b>553,533</b>
<b>31 Mar 2017</b>	<b>141,846</b>	<b>81,729</b>	<b>316,519</b>	<b>540,094</b>	–	<b>540,094</b>
Loss for the period	–	–	(11,229)	(11,229)	–	(11,229)
Other comprehensive income for the period	–	(43,622)	–	(43,622)	–	(43,622)
<i>thereof currency translation differences</i>	–	(43,637)	–	(43,637)	–	(43,637)
<i>thereof change in available-for-sale financial assets, net of tax</i>	–	15	–	15	–	15
Total comprehensive income for the period	–	(43,622)	(11,229)	(54,851)	–	(54,851)
<b>30 Jun 2017</b>	<b>141,846</b>	<b>38,107</b>	<b>305,290</b>	<b>485,243</b>	–	<b>485,243</b>

# Segment Reporting

€ in thousands	Mobile Devices & Substrates		Automotive, Industrial, Medical		Others		Elimination/ Consolidation		Group	
	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
Segment revenue	137,322	120,425	89,598	86,722	2,625	3,782	(29,909)	(32,062)	199,636	178,867
Internal revenue	(23,728)	(22,688)	(4,581)	(6,298)	(1,600)	(3,076)	29,909	32,062	–	–
External revenue	113,594	97,737	85,017	80,424	1,025	706	–	–	199,636	178,867
<b>Operating result before depreciation/amortisation</b>	<b>20,900</b>	<b>8,733</b>	<b>9,726</b>	<b>8,875</b>	<b>(993)</b>	<b>1,224</b>	<b>18</b>	<b>(1)</b>	<b>29,651</b>	<b>18,831</b>
Depreciation/amortisation incl. appreciation	(28,653)	(24,146)	(4,068)	(3,522)	(338)	(332)	–	–	(33,059)	(28,000)
<b>Operating result</b>	<b>(7,753)</b>	<b>(15,413)</b>	<b>5,658</b>	<b>5,353</b>	<b>(1,331)</b>	<b>892</b>	<b>18</b>	<b>(1)</b>	<b>(3,408)</b>	<b>(9,169)</b>
Finance costs - net									(2,217)	(5,718)
<b>Profit/(loss) before tax</b>									<b>(5,625)</b>	<b>(14,887)</b>
Income taxes									(5,604)	1,253
<b>Profit/(loss) for the period</b>									<b>(11,229)</b>	<b>(13,634)</b>
Property, plant and equipment and intangible assets <sup>1)</sup>	794,166	822,490	96,314	98,933	3,989	3,327	–	–	894,469	924,750
Additions to property, plant and equipment and intangible assets	39,168	75,935	3,569	4,815	1,143	308	–	–	43,880	81,058

1) Previous year values as of 31 March 2017

## Information by geographic region

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

€ in thousands	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
Austria	5,189	5,606
Germany	45,844	41,940
Other European countries	13,959	12,525
China	9,086	8,633
Other Asian countries	15,343	16,429
Americas	110,215	93,734
<b>Revenue</b>	<b>199,636</b>	<b>178,867</b>

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

€ in thousands	30 Jun 2017	31 Mar 2017
Austria	69,270	69,039
China	794,108	822,422
Others	31,091	33,289
<b>Property, plant and equipment and intangible assets</b>	<b>894,469</b>	<b>924,750</b>



# Notes to the Interim Financial Report

## GENERAL INFORMATION

**ACCOUNTING AND MEASUREMENT POLICIES** The interim report for the three months ended 30 June 2017 has been prepared in accordance with the standards (IFRS and IAS) and interpretations (IFRIC and SIC) of the International Accounting Standards Board (IASB), taking IAS 34 into account, as adopted by the European Union.

The interim consolidated financial statements do not include all the information contained in the annual consolidated financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2017.

The interim consolidated statements ended 30 June 2017 are unaudited and have not been the subject of external audit review.

## NOTES TO THE STATEMENT OF PROFIT OR LOSS

**REVENUE** Group revenue in the first three months of the current financial year increased by 11.6% from € 178.9 million in the same period last year to € 199.6 million.

**GROSS PROFIT** The current gross profit of € 13.7 million was 44.8% higher than the € 9.4 million achieved in the same period last year. Due to the start of the production the costs of plant Chongqing 2 are included in the costs of goods sold. In the previous year, costs in an amount of € 4.7 million were presented as start-up costs in the other expenses.

**OPERATING RESULT** On the basis of the increased gross profit the consolidated operating result of AT&S increased to € -3.4 million or -1.7% of revenue. Higher administration and distribution costs, which are mainly due to an adjustment of variable remuneration components to the expected target achievement level had a negative effect. The increase of the other result is caused by the changed presentation of the start up costs compared with the previous year.

**FINANCE COSTS - NET** The finance costs of € 4.4 million were below the prior-year level due to omitted foreign exchange loss. The financial income from the investment of free cash and foreign exchange gains basically was € 2.2 million. As a consequence, net finance costs decreased by € 3.5 million in comparison to the same period of the previous year and amounted to € -2.2 million. The net finance costs include € 0.0 million from capitalised interest (previous year: € 1.3 million). Net interest expense on personnel-related liabilities of € 0.2 million is recognised in “finance costs – net” (previous year: € 0.2 million).

**INCOME TAXES** The change of the effective tax rate on the consolidated level compared with the same period of the previous year mainly results from losses of AT&S (Chongqing) Company Limited for which, based on current estimates, no deferred taxes have been capitalised as they are not expected to be realised within the provided statutory period. Furthermore, it was affected by the discontinuation of the reduced tax rate at AT&S (China) Company Limited on 31 December 2016 (efforts to a return to the favoured tax scheme started).

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

**CURRENCY TRANSLATION DIFFERENCES** The negative deviation in the foreign currency translation reserves in the current financial year by € -43.6 million was the result of the change in the exchange rate of the Chinese yuan renminbi and the US-dollar against the Group's reporting currency, the euro.

	Closing rate			Average rate		
	30 Jun 2017	31 Mar 2017	Change in %	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016	Change in %
Chinese yuan renminbi	7.7247	7.3693	4.8%	7.5824	7.3594	3.0%
Hong Kong dollar	8.8999	8.2997	7.2%	8.6108	8.7429	(1.5%)
Indian rupee	73.6830	69.3504	6.2%	71.4333	75.2868	(5.1%)
Japanese yen	127.7200	119.4300	6.9%	123.3275	122.0600	1.0%
South Korean won	1,302.4392	1,195.4117	9.0%	1,249.0950	1,299.5535	(3.9%)
Taiwan dollar	34.6491	32.4490	6.8%	33.4846	36.3969	(8.0%)
US dollar	1.1403	1.0681	6.8%	1.1059	1.1267	(1.8%)

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ASSETS AND FINANCES

Net debt, at € 496.7 million, increased versus the € 380.5 million outstanding at 31 March 2017. The increase was primarily caused by investments in the new plants in Chongqing and technological upgrades in other plants. Furthermore the net working capital of € 24.4 million as at 31 March 2017 rose to € 90.4 million mainly due to increased receivables and inventories. The net gearing ratio, at 102.4%, was above the 70.5% at 31 March 2017.

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

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

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

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

€ in thousands	Level 1	Level 2	Level 3	Total
30 Jun 2017				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	606	–	–	606
Available-for-sale financial assets	–	193	–	193
<b>Financial liabilities</b>				
Derivative financial instruments	–	2,589	–	2,589

€ in thousands				
31 Mar 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
– Bonds	606	–	–	606
Available-for-sale financial assets	–	173	–	173
<b>Financial liabilities</b>				
Derivative financial instruments	–	2,773	–	2,773

Export loans, government loans and other bank borrowings amounting to € 555.9 million (31 March 2017: € 590.1 million) are measured at amortised cost. The fair value of these liabilities was € 563.6 million (31 March 2017: € 595.3 million).

**OTHER FINANCIAL COMMITMENTS** At 30 June 2017 the Group had other financial commitments amounting to € 24.8 million in connection with contractually binding investment commitments, the greater part of which related to the continuing construction of the new site in Chongqing and investments in the Shanghai and Leoben plants. As at 31 March 2017 other financial commitments stood at € 57.9 million.

**EQUITY** Consolidated equity decreased from € 540.1 million at 31 March 2017 to € 485.2 million due to the consolidated loss for the period of € -11.2 million and negative impacts from currency translation differences of € -43.6 million.

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

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

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

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

**TREASURY SHARES** At the 23<sup>rd</sup> Annual General Meeting of 6 July 2017 the Management Board was again authorised for a period of 30 months from the date of the resolution to acquire and retire the Company's own shares up to a maximum amount of 10% of the share capital at a lowest price that may be no more than 30% lower than the average unweighted closing price of the previous 10 trading days and at a highest price per share of a maximum of up to 30% above the average unweighted closing price of the previous 10 trading days. The Management Board was also authorised to withdraw repurchased treasury shares as well as treasury shares already held by the Company without any further resolution of the Annual General Meeting. The Management Board was also again authorised – for a period of five years (i.e., until 5 July 2022), upon approval of the Supervisory Board – to sell or use the repurchased treasury shares or treasury shares already held by the Company otherwise than through the stock exchange or by means of public offerings, and in particular for the purpose of enabling the exercise of employee stock options or the conversion of convertible bonds, or as consideration for the acquisition of businesses or other assets, or for any other legally permissible purpose.

On 30 June 2017, the Group held no treasury shares.

**NOTES TO THE STATEMENT OF CASH FLOWS** Cash flow from operating activities amounted to € -49.3 million compared with € -11.8 million in the same period last year. The decrease is mainly due to the increased net working capital.

The cash flow from investing activities of € -67.0 million is below the level of € -101.5 million reached in the same period last year. Thereof capital expenditure for property, plant and equipment and intangible assets accounts for € 69.7 million. This year's capital expenditures are predominantly in the new plants in Chongqing and technology upgrades in the other plants. Capital expenditure for financial assets amounts to € 0.5 million, and proceeds from the sale of financial assets amount to € 3.2 million for investment and reinvestments of liquid funds. At 30 June 2017, payables for capex amount to € 38,9 million, which will become payable in the coming period.

Cash flow from financing activities amounted to € -25.1 million and is mainly attributable to the repayment of financial liabilities.

The non-cash expense/income is as follows:

€ in thousands	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
Release of government grants	(794)	(283)
Other non-cash expense/(income), net	(13)	(4,101)
<b>Non-cash expense/(income), net</b>	<b>(808)</b>	<b>(4,384)</b>

## OTHER INFORMATION

**DIVIDENDS** The Annual General Meeting of 6 July 2017 resolved on a dividend payment of € 0.10 per share. The dividend distribution of € 3.89 million takes place on 27 July 2017.

**RELATED PARTY TRANSACTIONS** In connection with various projects, the Group received consulting services from companies where Supervisory Board chairman Mr. Androsch (AIC Androsch International Management Consulting GmbH) and Supervisory Board deputy chairman Mr. Dörflinger (Dörflinger Management & Beteiligungs GmbH) are managing directors with the power of sole representation. The fees charged are as follows:

€ in thousands	01 Apr - 30 Jun 2017	01 Apr - 30 Jun 2016
AIC Androsch International Management Consulting GmbH	91	91
Dörflinger Management & Beteiligungs GmbH	–	3
<b>Total fees</b>	<b>91</b>	<b>94</b>

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

Leoben-Hinterberg, 26 July 2017

The Management Board

Andreas Gerstenmayer m.p.

Monika Stoisser-Göhring m.p.

Heinz Moitzi m.p.

# Statement of all Legal Representatives

We confirm to the best of our knowledge that the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group interim management report gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Leoben-Hinterberg, 26 July 2017

The Management Board

Andreas Gerstenmayer m.p.  
Chief Executive Officer

Monika Stoisser-Göhring m.p.  
Chief Financial Officer

Heinz Moitzi m.p.  
Chief Operations Officer

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This report contains forward-looking statements which were made on the basis of the information available at the time of publication. These can be identified by the use of such expressions as “expects”, “plans”, “anticipates”, “intends”, “could”, “will”, “aim” and “estimation” or other similar words. These statements are based on current expectations and assumptions. Such statements are by their very nature subject to known and unknown risks and uncertainties. As a result, actual developments may vary significantly from the forward-looking statements made in this report. Recipients of this report are expressly cautioned not to place undue reliance on such statements. Neither AT&S nor any other entity accept any responsibility for the correctness and completeness of the forward-looking statements contained in this report. AT&S undertakes no obligation to update or revise any forward-looking statements, whether as a result of changed assumptions or expectations, new information or future events.

Percentages and individual items presented in this report are rounded which may result in rounding differences.

Formulations attributable to people are to be understood as gender-neutral.

This report in no way represents an invitation or recommendation to buy or sell shares in AT&S.

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No responsibility accepted for errors or omissions.

