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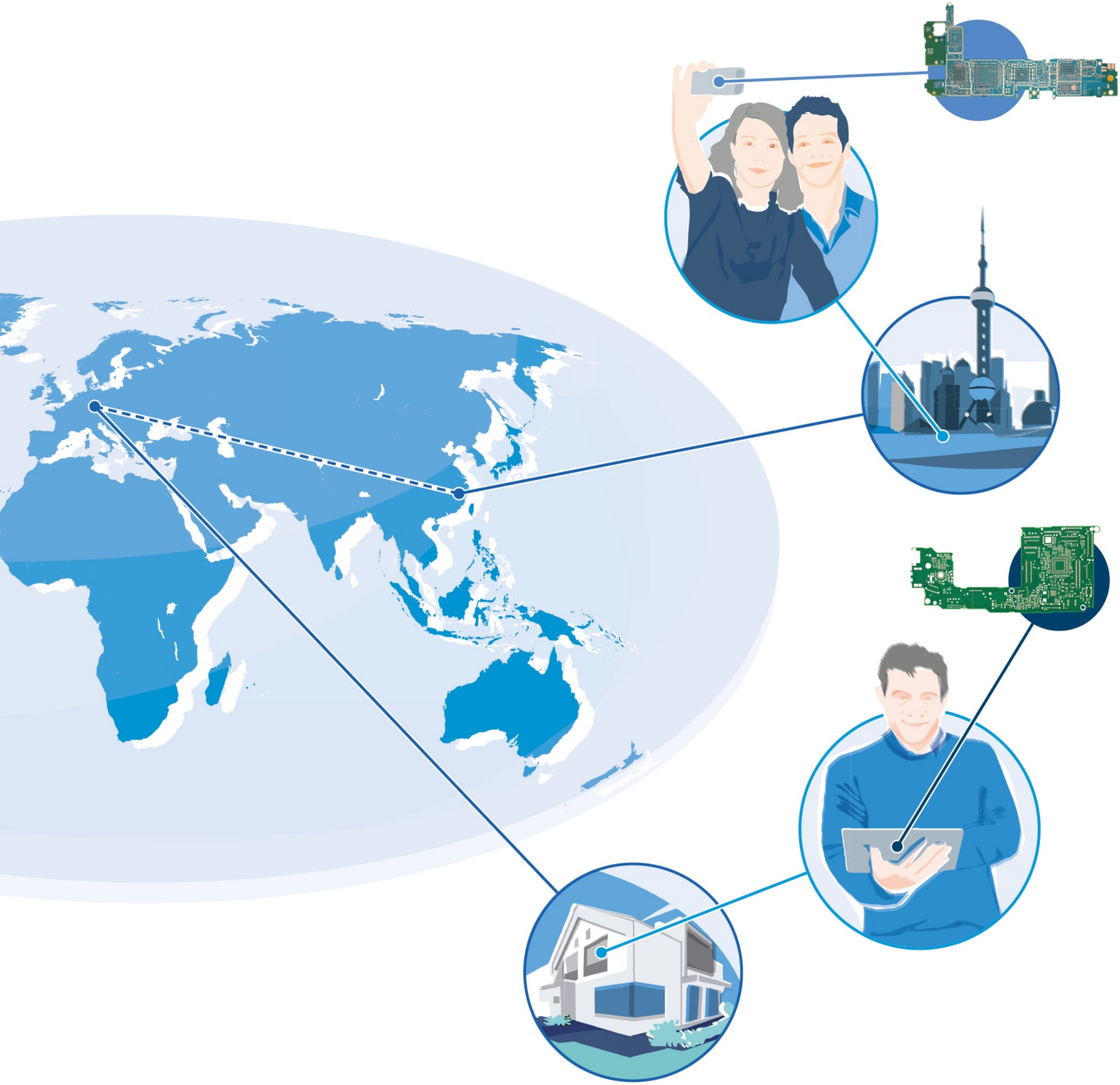
AT&S

Quarterly Financial Report 03
2014/15

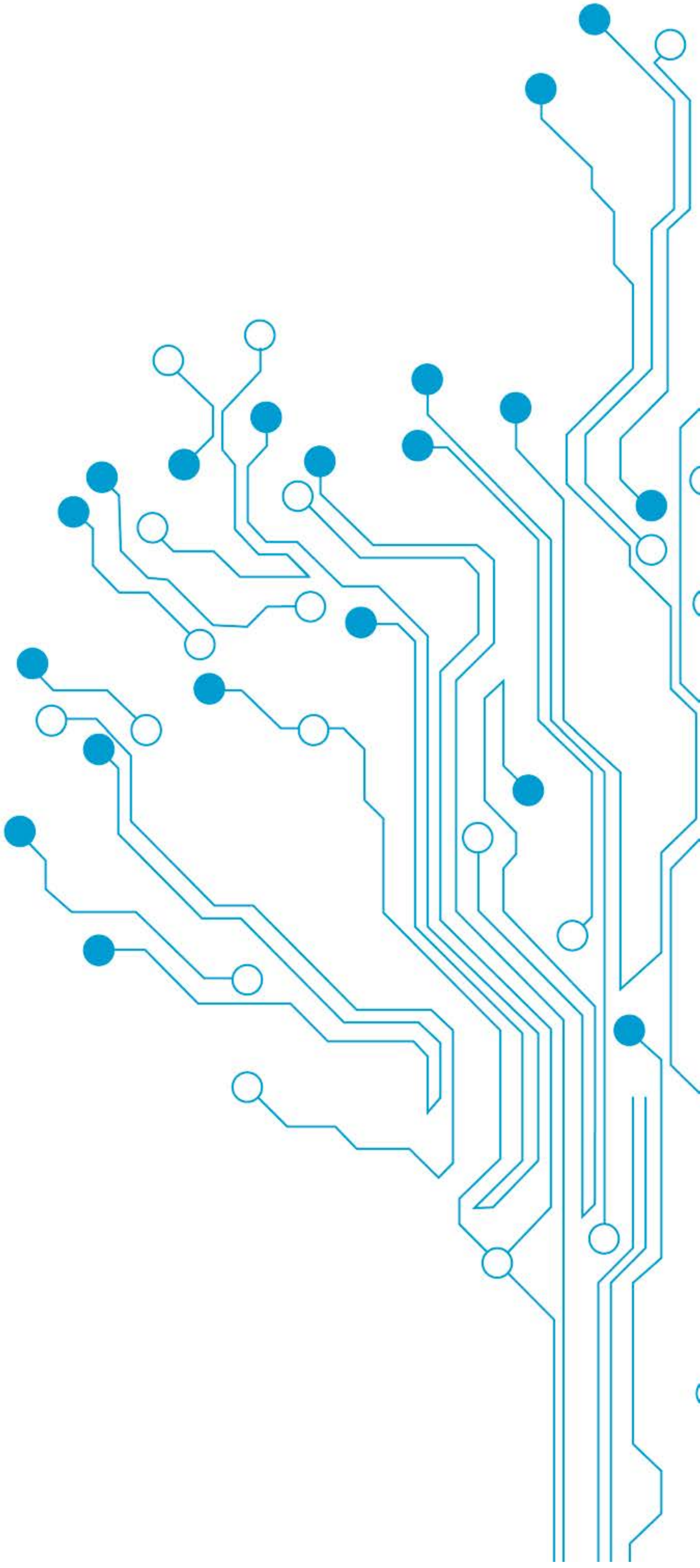


Key figures

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Unit	Q1-3 2014/15	Q1-3 2013/14
Revenue	€ in thousands	489,416	450,947
thereof produced in Asia	%	79%	76%
thereof produced in Europe	%	21%	24%
EBITDA	€ in thousands	127,284	100,138
EBITDA margin	%	26.0%	22.2%
EBIT	€ in thousands	70,811	43,458
EBIT margin	%	14.5%	9.6%
Profit for the period	€ in thousands	50,338	30,437
Profit for the period attributable to owners of the parent company	€ in thousands	50,279	30,404
Cash earnings	€ in thousands	106,751	87,084
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		31 Dec 2014	31 Mar 2014
Total assets	€ in thousands	1,097,548	916,059
Total equity	€ in thousands	502,803	390,680
Equity attributable to owners of the parent company	€ in thousands	502,733	390,682
Net debt	€ in thousands	153,716	110,874
Net gearing	%	30.6%	28.4%
Net working capital	€ in thousands	111,432	91,722
Net working capital per revenues	%	17.1%	15.6%
Equity ratio	%	45.8%	42.7%
CONSOLIDATED STATEMENT OF CASH FLOWS		Q1-3 2014/15	Q1-3 2013/14
Net cash generated from operating activities (OCF)	€ in thousands	95,374	82,070
CAPEX, net	€ in thousands	130,432	69,717
GENERAL INFORMATION		31 Dec 2014	31 Mar 2014
Employees (incl. leased personnel), end of reporting period	–	7,977	7,129
Employees (incl. leased personnel), average	–	7,526	7,027
KEY STOCK FIGURES		Q1-3 2014/15	Q1-3 2013/14
Shares outstanding, end of reporting period	–	38,850,000	38,850,000
Weighted average number of shares outstanding	–	38,850,000	28,192,723
Earnings per shares outstanding end of reporting period	€	1.29	0.76
Earnings per average number of shares outstanding	€	1.29	1.08
Cash earnings per average number of shares	€	2.75	3.09
Market capitalisation, end of reporting period	€ in thousands	347,708	277,778
Market capitalisation per equity [1]	%	69.2%	70.1%
KEY FINANCIAL FIGURES		Q1-3 2014/15	Q1-3 2013/14
ROE (Return on equity) [2]	%	15.0%	11.9%
ROCE (Return on capital employed) [2]	%	12.6%	10.4%
ROS (Return on sales)	%	10.3%	6.8%

[1] Equity attributable to owners of the parent company.
[2] Calculated on the basis of average values.

Highlights



- Revenue and earnings in the first nine months strongly influenced by outstanding Christmas business with mobile devices
- Increase in revenue of 8.5% to € 489.4 million despite high capacity utilisation
- EBITDA improved by 27.1% to € 127.3 million based on high capacity utilisation, improved product mix, succesful cost management program and positive currency translation effects
- EBITDA margin of 26.0% on all-time-high
- Profit for the period increased by 65.4% to € 50.3 million
- Earnings per share up 19.4% to € 1.29 - despite higher amount of issued shares
- Investments in fixed assets in the first three quarters were € 130.4 million
- Work at IC substrate plant in Chongqing proceeding - negotiations of ramp scenarios started
- Outlook for the financial year 2014/15 is improved based on the positive business development in the first nine months: revenue of € 623-633 million (previous year: € 589.9 million) and EBITDA margin in the range of 23% to 24% (previous year: 21.6%) expected

Statement of the Management Board

Dear shareholders,

In a market environment characterised by strong seasonality, we presented an outstanding quarterly result in the first nine months of the financial year 2014/15 and continued to significantly improve relevant key financial indicators. While the first two quarters were predominantly marked by positive revenue growth in the Business Unit Industrial & Automotive (incl. Medical), the Business Unit Mobile Devices & Substrates saw a sustainable benefit from the numerous product launches in the third quarter (1 October to 31 December 2014), thus consolidating and expanding its good positioning in the high-end segment of mobile devices. In the first nine months of 2014/15, AT&S recorded revenue of € 489.4 million, up 8.5% on the figure of the previous year. Although capacity utilisation was very high, we managed to significantly increase the output once again by optimising the planning and management of production and logistics processes, thus accomplishing the above mentioned increase in revenue.

Low visibility, especially in the Business Unit Mobile Devices & Substrates, and the related challenging balancing of capacity utilisation are a part of our daily business which has an immediate effect on our results. Traditionally, this seasonality of mobile devices is very positive for AT&S in the third quarter; in contrast, the fourth quarter (1 January – 31 March 2015) is a "low season", which - due to the Chinese New Year - also includes the temporary closure of the largest AT&S plant in Shanghai.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 27.1% to € 127.3 million thanks to high capacity utilisation, the improved product mix, a successful cost management program and positive exchange rate effects amounting to € 4.7 million. With an EBITDA margin of 26.0%, AT&S recorded one of the best quarterly results to date.

This exceptionally good performance is the result to the coincidence of several positive factors, which can, however, not be fully controlled by AT&S, such as the ideal product mix, the timely occurrence of high demand, and the effectiveness of internal optimisation programmes. We still see the future developments in the customer industries positively: there are many promising developments in total connectivity in all areas, some of which were also presented at the recently held global Consumer and Electronics Show CES in Las Vegas. Thanks to its technology leadership and the proven ability to anticipate and industrialise essential trends for the electronics and PCB industry, AT&S is already at the forefront of the development.

The establishment of the plant in Chongqing with the strategic orientation towards the production of IC substrates (Integrated Circuit Substrates) is still going according to plan. The equipment characterisation and certification for the first production line, which has already been installed, was continued in the third quarter. Moreover, the project has entered another phase of realisation and the negotiations about the product mix and the ramp scenarios have begun. The Management Board expects the negotiations to be concluded in the coming months.

We want to be a reliable partner not only for our customers, but also for the capital market. Therefore we have established a long-term EBITDA margin corridor of 18-20% for our guidance. However, based on the positive business development of the first nine months and taking into account the seasonality in the Mobile Devices & Substrates segment in the fourth quarter – and provided that the macroeconomic environment and the current exchange rates remain stable – we will enhance the outlook for the financial year 2014/15: we expect revenue amounting to € 623-633 million (previous year: € 589.9 million) and an EBITDA margin between 23% and 24% (previous year: 21.6%).

We would like to thank all our shareholders for their trust and our employees for their commitment and dedication in the past months.

With best regards

Andreas Gerstenmayer
Chairman of the Board

Karl Asamer
Member of the Board

Heinz Moitzi
Member of the Board

Corporate governance information

MANAGEMENT BOARD REMUNERATION The stock option based system of Management Board remuneration at AT&S, which already expired with regard to allocations, is based on the Stock Option Scheme 2009–2012, which ran from 1 April 2009 to 1 April 2012. Heinz Moitzi, Member of the Management Board (COO), executed on 10 December 2014, 30,000 stock options of this Stock Options Scheme 2009–2012 of the allocation in 2010 with an exercise price of € 7.45 at an actual price of € 8.88. The transaction was effected by cash settlement.

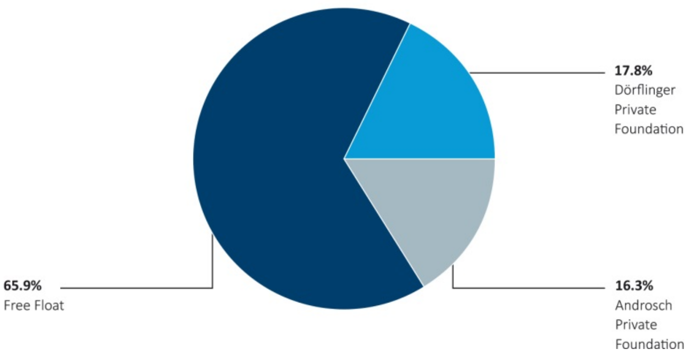
DIRECTORS' DEALINGS Karl Asamer, Member of the Management Board (CFO) of AT & S Austria Technologie & Systemtechnik Aktiengesellschaft, acquired 4,000 shares at a price of € 9.01 per share on 1 October 2014. As a result, Karl Asamer holds a total of 4,000 shares in the Company, which represents roughly 0.01% of the 38,850,000 shares in issue.

On 11 November 2014 the Androsch Private Foundation acquired 108,580 shares in AT & S Austria Technologie & Systemtechnik Aktiengesellschaft from AIC Androsch International Management Consulting GmbH at a price of € 9.21 per share. Chairman of the Supervisory Board Hannes Androsch is General Manager of AIC Androsch International Management Consulting GmbH. The Members of the Supervisory Board Georg Riedl and Gerhard Pichler are Members of the Board of Androsch Privatstiftung. It was noted that the acquisition of the shares by the Androsch Privatstiftung merely represented a transfer in ownership from its wholly owned subsidiary AIC Androsch International Management Consulting GmbH to the Androsch Privatstiftung; the total equity holding of the Androsch Private Foundation remains unchanged at about 16.32%.

The relevant reports on directors' dealings and other details can be viewed and downloaded in the FMA Directors' Dealings Database, at http://www.fma.gv.at/en/companies/issuers/directors-dealings/directorsdealings-database.html.

AT&S stock

SHAREHOLDINGS



AT&S AGAINST THE ATX-PRIME

SHARE PRICE IN THE FIRST NINE MONTHS OF 2014/15

The first nine months of the AT&S financial year 2014/15 were characterised by a heterogeneous economic development, uncertainties with regard to the policies of the central banks and a series of political crises. The growth prospects in Europe fell short of expectations; in addition, the Ukraine-Russia crisis had a sustainable negative impact on the economic development. The last calendar quarter was still marked by a largely negative mood on the stock markets: disappointing economic data and uncertainties about the future policy of the central banks led to significant price corrections worldwide.

Weak national economic data and the ongoing crisis in Ukraine continued to have an adverse effect on the Vienna Stock Exchange: the ATX, Vienna's lead index, declined by 2.0% in the fourth calendar quarter, thus increasing the loss to 15.2% by 30 December 2014.

The AT&S share was unable to detach itself from the generally negative mood during this period and fell to € 7.68 in mid-October in the wake of the international capital markets. The subsequent recovery led to a closing price of € 8.95. The average daily trade volume on the Vienna Stock Exchange amounted to 55,230 shares in the first nine months.

In order to increase the visibility of the AT&S share further and to sharpen the equity story, AT&S held numerous meetings with analysts and investors in the period from October to December 2014 – also as part of road shows and investor conferences, for example in New York, Boston, Hong Kong, London, Prague, Warsaw and Zurich.

The AT&S share is currently covered by nine analysts; six of them rate it "buy" and three "hold".

KEY STOCK FIGURES FOR THE FIRST NINE MONTHS (€)

	31 December 2014	31 December 2013
Earnings per share	1.29[1)]	1.08
High	10.44	8.40
Low	7.68	6.10
Close	8.95	7.15

[1)] Higher earnings despite an increased number of shares resulting from issue of new shares and the sale of treasury shares in September and October 2013. With the same number of shares as in the comparative period, earnings per share would amount to € 1.79.

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

07 May 2015	Publication of annual results 2014/15
09 July 2015	21st Annual General Meeting
28 July 2015	Publication of results for first quarter 2015/16
30 July 2015	Ex-dividend day & dividend payment day

CONTACT INVESTOR RELATIONS

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Group Interim Management Report

BUSINESS DEVELOPMENTS AND PERFORMANCE

We were able to exceed the positive performance in the first three quaters of last year. Furthermore the group revenue increased despite of limited production capacities by 8.5% to € 489.4 million. Although capacity utilisation was very high, we managed to significantly increase the output once again by optimising the planning and management of production and logistics processes, thus accomplishing the above mentioned increase in revenue. Due to this action we were able to cover the strong seasonal demand mainly in the segment Mobile Devices & Substrates. AT&S was able to increase EBITDA in the first three quarters of the financial year by 27.1% to € 127.3 million. Beside the improved capacity utilisation, efficient product mix and positive effects from currency translation are attributable to the positive result.

BUSINESS UNIT DEVELOPMENTS

Both Business Units Mobile Devices & Substrates and Industrial & Automotive, as well as the Business Unit Others recorded a significant improvement in the profit of the period in comparison to the first three quarters of the last financial year. Withal the utilisation was at a high level in the first nine months of the current financial year.

The revenue from external customers in the Business Unit Mobile Devices & Substrates exceeded the expected figure by 10.0% to € 277.6 million. The main reason therefore is the high-quality product mix, as well as the positive currency translation differences. Withal AT&S was able to launch in the third quarter numerous products and to expand and to consolidate the good market position in high-end segment of mobile devices. The consequent and strategic development of the customer and product portfolio for the Business Unit Industrial & Automotive resulted to a revenue increase of 7.5% to € 210.2 million in the reporting period. The main drivers behind this is the increased use of innovative electronics in passenger cars for example driver assistance systems. In the business area for industrial applications AT&S creates ambitious solutions for sensor technology, which is related to industry 4.0 applications. In the Medical Technology the demand of mobile patient monitoring application encourages the development of revenue.

The break down by customer regions shows continuously increasing sales in our Asian markets as well as in European markets. Only deliveries in Americas were lower.

The geographic distribution of production volumes – 79% in Asia and 21% in Europe – showed a further shift towards Asia in comparison with the same period last year, when the split was 76% to 24%.

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

Due to the changes in interest rates we expect actuarial losses for pension and severance payment obligations, which are recognised directly in the equity without affecting profit or loss.

In addition there were no material differences in the categories of risk exposure in the course of the first three quarters 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.

FINANCE AND TREASURY

AT&S’s liquidity is excellent. Sufficient long-term funds as well as 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 three quarters of the current financial year there was a significant positive cash flow of € 95.4 million from operating activities. Net cash used in investing activities amounted to € 130.4 million. 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 the equity without affecting profit or loss.

Net gearing of 30.6% at 31 December 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, the Indian rupee and the South Korean won 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

The management expects a normal seasonal development with reduced, yet good demand for mobile devices for the fourth quarter and continued strong demand in the Industrial, Automotive and Medical Technology.

Based on the positive business development of the first nine months and taking into account the seasonality in the Mobile Devices & Substrates segment in the fourth quarter, provided that the macroeconomic environment and the current exchange rates remain stable, the Management Board increases the outlook for the financial year 2014/15 and expects revenue amounting to € 623-633 million (previous year: € 589.9 million). This is equivalent to an increase by 6-7%. The EBITDA margin is expected to be in the range of 23% to 24% (previous year: 21.6%), thus significantly exceeding the target corridor of 18-20%.

Leoben-Hinterberg, 26 January 2015

Management Board

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

Interim Financial Report (IFRS)

Consolidated Statement of Profit or Loss

€ in thousands	01 October - 31 December 2014	01 October - 31 December 2013	01 April - 31 December 2014	01 April - 31 December 2013
Revenue	187,339	151,013	489,416	450,947
Cost of sales	(136,493)	(117,861)	(372,349)	(357,335)
Gross profit	**50,846**	**33,152**	**117,067**	**93,612**
Distribution costs	(8,362)	(8,421)	(23,130)	(23,458)
General and administrative costs	(6,843)	(6,153)	(20,338)	(17,273)
Other operating result	(4,758)	(5,687)	(2,788)	(6,419)
Non-recurring items	–	–	–	(3,004)
Operating result	**30,883**	**12,891**	**70,811**	**43,458**
Finance income	1,079	67	4,889	180
Finance costs	(3,092)	(2,907)	(9,265)	(9,268)
Finance income/(costs) - net	(2,013)	(2,840)	(4,376)	(9,088)
Profit before tax	28,870	10,051	66,435	34,370
Income taxes	(6,976)	(1,571)	(16,097)	(3,933)
Profit for the period	**21,894**	**8,480**	**50,338**	**30,437**
Attributable to owners of the parent company	21,863	8,464	50,279	30,404
Attributable to non-controlling interests	31	16	59	33
Earnings per share attributable to equity holders of the parent company (in € per share):				
- basic	0.56	0.22	1.29	1.08
- diluted	0.56	0.22	1.29	1.04
Weighted average number of shares outstanding - basic (in thousands)	38,850	37,660	38,850	28,193
Weighted average number of shares outstanding - diluted (in thousands)	38,850	38,850	38,850	29,251

Consolidated Statement of Comprehensive Income

€ in thousands	01 October - 31 December 2014	01 October - 31 December 2013	01 April - 31 December 2014	01 April - 31 December 2013
Profit for the period	**21,894**	**8,480**	**50,338**	**30,437**
Items to be reclassified:				
Currency translation differences	16,122	(3,800)	71,875	(30,395)
Gains/(losses) from the fair value measurement of hedging instruments for cash flow hedges, net of tax	(353)	23	(2,320)	78
Other comprehensive income for the period	**15,769**	**(3,777)**	**69,555**	**(30,317)**
Total comprehensive income for the period	**37,663**	**4,703**	**119,893**	**120**
Attributable to owners of the parent company	37,632	4,687	119,821	88
Attributable to non-controlling interests	31	16	72	32

Consolidated Statement of Financial Position

€ in thousands	31 December 2014	31 March 2014
ASSETS		
Non-current assets		
Property, plant and equipment	538,393	435,103
Intangible assets	29,412	9,145
Financial assets	96	96
Deferred tax assets	31,234	25,538
Other non-current assets	24,917	13,976
	624,052	483,858
Current assets		
Inventories	76,748	59,434
Trade and other receivables	145,339	110,999
Financial assets	792	836
Current income tax receivables	892	799
Cash and cash equivalents	249,725	260,133
	473,496	432,201
Total assets	**1,097,548**	**916,059**
EQUITY		
Share capital	141,846	141,846
Other reserves	68,245	(1,297)
Retained earnings	292,642	250,133
Equity attributable to owners of the parent company	502,733	390,682
Non-controlling interests	70	(2)
Total equity	**502,803**	**390,680**
LIABILITIES		
Non-current liabilities		
Financial liabilities	357,327	325,863
Provisions for employee benefits	26,422	24,755
Other provisions	7,704	9,736
Deferred tax liabilities	8,030	6,738
Other liabilities	3,829	3,244
	403,312	370,336
Current liabilities		
Trade and other payables	127,232	101,908
Financial liabilities	47,003	46,076
Current income tax payables	14,290	3,986
Other provisions	2,908	3,073
	191,433	155,043
Total liabilities	**594,745**	**525,379**
Total equity and liabilities	**1,097,548**	**916,059**

Consolidated Statement of Cash Flows

€ in thousands	01 April - 31 December 2014	2013
Cash flows from operating activities		
Profit for the period	50,338	30,437
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	56,473	56,680
Changes in non-current provisions	(680)	840
Income taxes	16,097	3,933
Finance costs/income	4,376	9,088
Gains/losses from the sale of fixed assets	100	25
Release from government grants	(937)	(861)
Other non-cash expense/(income), net	3,958	46
Changes in working capital:		
- Inventories	(11,629)	(8,243)
- Trade and other receivables	(32,764)	(10,103)
- Trade and other payables	24,266	13,016
- Other provisions	(279)	2,873
Cash generated from operating activities	109,319	97,731
Interest paid	(8,639)	(12,710)
Interest and dividends received	1,628	169
Income taxes paid	(6,934)	(3,120)
Net cash generated from operating activities	**95,374**	**82,070**
Cash flows from investing activities		
Capital expenditure for property, plant and equipment and intangible assets	(130,597)	(70,164)
Proceeds from the sale of property, plant and equipment and intangible assets	165	447
Capital expenditure for financial assets	(1)	(176)
Proceeds from the sale of financial assets	–	27
Net cash used in investing activities	**(130,433)**	**(69,866)**
Cash flows from financing activities		
Changes in other financial liabilities	23,566	(78,931)
Proceeds from government grants	1,042	846
Dividends paid	(7,770)	(4,665)
Proceeds from capital increase	–	79,179
Sale of treasury shares	–	16,753
Net cash generated from financing activities	**16,838**	**13,182**
Net increase/(decrease) in cash and cash equivalents	**(18,221)**	**25,386**
Cash and cash equivalents at beginning of the year	260,133	80,226
Exchange gains/(losses) on cash and cash equivalents	7,813	(3,592)
Cash and cash equivalents at end of the period	**249,725**	**102,020**

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 *)	**45,914**	**42,351**	**216,630**	**304,895**	**(51)**	**304,844**
Profit for the period	–	–	30,404	30,404	33	30,437
Other comprehensive income for the period	–	(30,316)	–	(30,316)	(1)	(30,317)
thereof currency translation differences	–	*(30,394)*	–	*(30,394)*	*(1)*	*(30,395)*
thereof change in hedging instruments for cash flow hedges, net of tax	–	*78*	–	*78*	–	*78*
Total comprehensive income for the period	–	(30,316)	30,404	88	32	120
Dividends paid relating to 2012/13	–	–	(4,665)	(4,665)	–	(4,665)
Sale of treasury shares, net of tax	16,753	–	–	16,753	–	16,753
Capital increase	79,179	–	–	79,179	–	79,179
31 December 2013	**141,846**	**12,035**	**242,369**	**396,250**	**(19)**	**396,231**
31 March 2014	**141,846**	**(1,297)**	**250,133**	**390,682**	**(2)**	**390,680**
Profit for the period	–	–	50,279	50,279	59	50,338
Other comprehensive income for the period	–	69,542	–	69,542	13	69,555
thereof currency translation differences	–	71,862	–	71,862	13	71,875
thereof change in hedging instruments for cash flow hedges, net of tax	–	(2,320)	–	(2,320)	–	(2,320)
Total comprehensive income for the period	–	69,542	50,279	119,821	72	119,893
Dividends paid relating to 2013/14	–	–	(7,770)	(7,770)	–	(7,770)
Sale of treasury shares, net of tax	–	–	–	–	–	–
31 December 2014	**141,846**	**68,245**	**292,642**	**502,733**	**70**	**502,803**

*) Adjusted taking into account IAS 19 revised

Segment Reporting

01 April - 31 December 2014

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	331,012	224,074	7,551	(73,221)	489,416
Intersegment revenue	(53,412)	(13,828)	(5,981)	73,221	–
Revenue from external customers	277,600	210,246	1,570	–	489,416
Operating result	**46,691**	**20,799**	**3,265**	**56**	**70,811**
Finance costs - net					(4,376)
Profit before tax					66,435
Income taxes					(16,097)
Profit for the period					**50,338**
Property, plant and equipment and intangible assets	491,774	65,142	10,889	–	567,805
Investments	98,701	21,885	1,752	–	122,338
Depreciation/amortisation	49,179	6,392	902	–	56,473
Non-recurring items	–	–	–	–	–

01 April - 31. December 2013

€ in thousands	Mobile Devices & Substrates	Industrial & Automotive	Others	Elimination/ Consolidation	Group
Segment revenue	294,086	201,745	5,517	(50,401)	450,947
Intersegment revenue	(41,815)	(6,223)	(2,363)	50,401	–
Revenue from external customers	252,271	195,522	3,154	–	450,947
Operating result	**38,408**	**7,451**	**(2,433)**	**32**	**43,458**
Finance costs - net					(9,088)
Profit before tax					34,370
Income taxes					(3,933)
Profit for the period					**30,437**
Property, plant and equipment and intangible assets *)	386,319	47,888	10,041	–	444,248
Investments	72,640	5,209	8,258	–	86,107
Depreciation/amortisation	49,476	6,211	993	–	56,680
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:

	01 April - 31 December	
€ in thousands	2014	2013
Austria	16,771	14,947
Germany	99,066	93,718
Other European countries	61,730	52,819
Asia	288,065	234,763
Americas	23,784	54,700
	489,416	450,947

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

€ in thousands	31 Dec 2014	31 Mar 2014
Austria	48,261	33,473
China	491,736	386,279
Others	27,808	24,496
	567,805	444,248

Notes to the Interim Financial Report

GENERAL

ACCOUNTING AND MEASUREMENT POLICIES The interim report for the nine months ended 31 December 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 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 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 interim consolidated statements ended 31 December 2014 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 nine months of the current financial year increased by 8.5% from € 450.9 million in the same period last year up to € 489.4 million.

GROSS PROFIT The gross profit for the first nine months of the current financial year of € 117.1 million was considerably higher than the € 93.6 million achieved in the same period last year. This is an increase of 25.1%. This highly satisfactory outcome results from increased group revenue, efficient capacity utilisation and continuous efficency improvement programs.

OPERATING RESULT On the basis of the improved gross profit, no non-recurring items, a one-time profit from a compensation payment and a permanent impairment for tangible assets of € 5.3 million, AT&S was able to improve its consolidated operating result to € 70.8 million or 14.5% of revenue.

FINANCE COSTS - NET Despite of the increased net debt, the finance costs of € 9.3 million were on last year level. The financial income from investment of free cash and gains from foreign exchange were € 4.9 million. As a consequence the net finance costs of € -4.4 million decreased by € 4.7 million in comparison to the same period last year. In the net finance costs € 2.1 million (previous year: € 0.2 million) gains for capitalised interest are included.

INCOME TAXES The change of the effective tax rate on consolidated level compared with the same period last year is resulting from the expected ending of a tax relief of AT&S (China) Company Limited (we continue to work on a return to last years tax regime) as well as the variation of proportions of Group earnings contributed by individual companies with different tax rates.

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 current financial year (€ 71.9 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, the Indian rupee and the South Korean won against the Group reporting currency, the euro.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS AND FINANCES Net debt of € 153.7 million increased versus the € 110.9 million outstanding at 31 March 2014. Main reasons are investments in the new facility in Chongqing and the increase in net working capital. Net working capital of € 91.7 million as at 31 March 2014 increased to € 111.4 million mainly due to increased business acitivities as well as due to seasonal impacts. The net gearing ratio was 30.6% compared to the 28.4% at 31 March 2014.

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 31 December 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Bonds	792	–	–	792
Available-for-sale financial assets	–	96	–	96
Financial liabilities				
Derivative financial instruments	–	3,513	–	3,513

€ 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 € 400.8 million (31 March 2014: € 371.5 million) are measured at amortised cost. The fair value of these liabilities was € 403.7 million (31 March 2014: € 377.6 million).

OTHER FINANCIAL COMMITMENTS At 31 December 2014 the Group had other financial commitments amounting to € 34.6 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.

EQUITY Consolidated equity increased from € 390.7 million at 31 March 2014 to € 502.8 million. The good consolidated profit for the period of € 50.3 million as well as positive impacts from currency translation differences of € 71.9 million, confronted with a negative change for hedging instruments of € -2.3 million, contributed mainly to the consolidated total comprehensive income of € 119.9 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 31 December 2014, the Group held no treasury shares.

NOTES TO THE STATEMENT OF CASH FLOWS

Net cash inflows generated by operating activities amounted to € 95.4 million compared with € 82.1 million in the same period last year. The increase is mainly due to the increase in the profit of the period.

The net cash used for capital expenditure was € 130.4 million, which is significantly higher than the € 69.7 million in the same period last year. This year's capital expenditures are predominantly in the new factory in Chongqing as well as technology upgrades in the other plants.

Cash inflows from financing activities amounted to € 16.8 million.

OTHER INFORMATION

DIVIDENDS

The Annual General Meeting of 3 July 2014 resolved on a dividend payment of € 0.20 per share out of retained earnings as at 31 March 2014. The dividend distribution of € 7.8 million took place on 24 July 2014.

RELATED PARTY TRANSACTIONS

In connection with various projects, in the first three quarters of the current financial year consultancy fees were payable as follows: € 289,000 to AIC Androsch International Management Consulting GmbH, € 6,000 to Dörflinger Management & Beteiligungs GmbH, and € 3,000 to Frotz Riedl Rechtsanwälte.

Leoben-Hinterberg, 26 January 2015

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