



**Ordinary General Meeting 2008
of AIXTRON Aktiengesellschaft, Aachen**

Report of the Executive Board to the General Meeting on agenda item 8

Agenda item 8 contains the proposal to authorize the Company, in accordance with § 71 (1) no. 8 AktG, to purchase own shares in the period to November 13, 2009 representing up to 10% of the share capital at the time the resolution is adopted. The current authorization, granted by the General Meeting on May 22, 2007 expires on November 21, 2008 and must therefore be replaced.

The proposed authorization will allow the Company to purchase own shares in the period to November 13, 2009 subject to the statutory limit of 10% of the existing share capital. The own shares shall only be purchased on the stock market or by way of a public offer to all shareholders. This ensures adherence to the duty to treat all shareholders equally set out in § 71 (1) no. 8 sentences 3 and 4 AktG.

In accordance with the provisions of § 71 (1) no. 8 AktG, the General Meeting may authorize the Company to dispose of shares other than via the stock market or by way of an offer to all shareholders. At the General Meeting on May 22, 2002, a contingent capital increase was resolved, which will only be implemented to the extent that the holders of the subscription rights issued under the Stock Option Plan 2002 resolved by the General Meeting on May 22, 2002 (agenda item 13) exercise their subscription rights according to § 192 (2) no. 3 AktG. The resolution authorizing the purchase and use of own shares allows the Company to use repurchased own shares, by excluding the pre-emption right of the shareholders, to fulfill subscription rights arising from share options. This is a suitable means of countering the dilution of equity holdings and voting rights conveyed by shares, as may occur to a certain extent when subscription rights are fulfilled by creating new shares. The same applies with respect to the resolution of the General Meeting on May 22, 2007 (agenda item 10) on the authorization and approval on the issuance of share options and the creation of new Contingent Capital II 2007 for the purpose of servicing the AIXTRON Stock Option Plan 2007.

The Executive Board is further authorized, with the approval of the Supervisory Board, to sell own shares in accordance with the provisions of § 186 (3) sentence 4 AktG at a price that is not significantly lower than the market price of the Company's shares at the time of disposal. This option to sell repurchased own shares for cash payments while excluding pre-emptive rights serves the Company's interest in achieving

the best possible issue price when selling own shares. Therefore, the option to exclude pre-emptive rights provided for in § 186 (3) sentence 4 AktG enables the Company to exploit opportunities arising out of stock market conditions quickly, flexibly, and cost-effectively. The sale proceeds that can be achieved by fixing a near-market price will lead to a higher inflow of funds than does a share placement with pre-emptive rights, and therefore to the largest possible injection of equity. Equity will thereby be strengthened to the greatest extent possible in the interests of the Company and its shareholders. In addition, by foregoing the time-consuming and costly process of settlement of pre-emptive rights, it becomes possible to cover equity capital requirements by exploiting near-term market opportunities and to attract additional shareholder groups at home and abroad. § 186 (2) sentence 2 AktG permits publication of the subscription price up to three days prior to the end of the subscription period. However, in view of the volatility of the equity markets, there is in this instance a market risk over several days, in particular a risk of a change in the price, which can lead to safety margins being built in when the sale price is fixed and therefore to terms that are not near-market. Furthermore, when granting pre-emptive rights, the Company is unable to respond quickly to favorable market conditions due to the length of the subscription period. This option to sell own shares under optimum conditions without a substantial rights discount is particularly important for the Company because, in its rapidly changing markets and in new markets, it needs to be able to exploit market opportunities quickly and flexibly. This authorization of the Executive Board to dispose of shares is restricted insofar as the shares to be disposed of shall in the aggregate not exceed 10% of the Company's share capital in existence at the time of the resolution adopted by this General Meeting or, if such amount is lower, 10% of the registered share capital of the Company at the time of disposal of the shares. In calculating the limit of 10%, those shares shall be included which are issued during the term of this authorization based on an authorization to issue new shares from contingent capital while excluding pre-emptive rights. When calculating the 10% limit, it is further necessary to include shares which are issued to service convertible bonds or bonds with warrants, if such bonds are issued based on an authorization during the term of this authorization while excluding pre-emptive rights in analogous application of § 186 (3) sentence 4 AktG. Due to this restriction on the scope of the authorization and the fact that the sale price for the shares to be disposed of or granted must be based on the market price, the interests of shareholders in terms of both asset protection and voting rights are appropriately protected when own shares are sold to third parties while excluding shareholders' pre-emptive rights on the basis of § 71 (1) no. 8 sentence 5 AktG in conjunction with § 186 (3) sentence 4 AktG.

It will also be possible to use the purchased shares to grant holders of warrants or convertible bonds which were or will be issued by the Company and/or its subsidiaries the right to subscribe for new shares to the extent that they are entitled to do so after option or conversion rights have been exercised or conversion obligations fulfilled. It may be more appropriate for the Company to use own shares instead of a capital increase to fully or partly service the rights arising from these convertible bonds to subscribe for the Company's shares. This option increases the Company's scope of action.

Therefore, the authorization provides for own shares to be used accordingly. In this respect, shareholders' pre-emptive rights are excluded.

It will further be possible to offer and transfer the purchased shares to third parties in connection with mergers or acquisitions of companies, parts of companies or equity interests in companies while excluding the pre-emptive rights of shareholders. The Company will be able to offer own shares as consideration in these cases. This form of consideration is increasingly required due to international competition and the globalization of the economy. The proposed authorization will enable the Company to exploit opportunities to acquire companies, parts of companies and equity interests in companies quickly.

The Executive Board will carefully examine in each specific case whether it should make use of the authorization to buy back own shares while excluding pre-emptive rights of shareholders. This authorization will only be exercised if it is in the interests of the Company and therefore of its shareholders in the opinion of the Executive Board and the Supervisory Board, and if it is reasonable.

The Executive Board will report on the utilization of the authorization to purchase and use own shares to the next General Meeting.

The present authorization to purchase and use own shares supersedes the authorization to purchase and use own shares that was resolved by the General Meeting on May 22, 2007.

Aachen, March 2008

AIXTRON Aktiengesellschaft

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