



**Explanatory Report by the Executive Board
regarding the information pursuant to
§§ 289 (4) and 315 (4) of the German Commercial Code (HGB)
for Fiscal Year 2008**

In the Management Report of the Company and the Group Management Report the Executive Board disclosed information pursuant to §§ 289 (4) and 315 (4) HGB, which is explained in this report as follows:

The Company's stated share capital (Grundkapital) as of December 31, 2007 amounts to EUR 90,894,616.00 divided into 90,894,616 ordinary registered shares with a proportionate amount of the share capital of EUR 1.00 per no-par value share. At the ordinary general meeting of the Company held on May 14, 2008 it was resolved to convert the Company's bearer shares into registered shares without changing the division of the share capital into shares. The corresponding amendments of the Articles of Association, including those for the purpose of adjusting the existing authorized and contingent capital, were entered in the commercial register on June 27, 2008; the conversion into registered shares for the purposes of the stock exchange and custody/securities accounts occurred as of September 22, 2008. Each no-par value share represents a proportionate amount of AIXTRON's stated share capital of EUR 1.00 and carries one vote at the Company's annual general meeting. All no-par value registered shares are fully paid in. The Company has issued a share certificate representing multiples of shares (global share); shareholders do not have the right to the issue of a share certificate representing their share(s).

There are no voting or transfer restrictions on AIXTRON's shares based on Company Law.

The Company has not been informed of any direct or indirect equity interests exceeding 10% of the voting rights.

There are no classes of shares endowed with special control rights.

The Company does not have an employee share participation program that directly grants shares to employees; however, the Company has certain stock option programs in place that grant employees the right to purchase AIXTRON shares.

The Supervisory Board appoints and removes the members of the Executive Board, who may serve for a maximum term of five years before being reappointed.

The articles of association of the Company may be amended by a resolution of the general meeting; any such amendment will become effective upon its registration in the commercial register. The general meeting is required to resolve any amendments of the articles of

association with a simple majority of the votes cast, i.e. of the share capital represented at the general meeting, except any amendments in respect of which the law prescribes a higher majority of the share capital. The articles of association do not provide for any additional requirements for amending the articles of association (section 179 (2) sentence 3 of the German Stock Corporation Act – “AktG”). The Supervisory Board is authorized to amend and restate the Articles of Association in accordance with the scope of the respective capital increase from authorized and contingent capital; the Supervisory Board is further authorized to resolve amendments of and supplements to the Articles of Association solely relating to the wording (Art. 4 clause 2.7 and Art. 26 of the Articles of Association).

Authorized Capital I

In accordance with the resolution of the General Meeting passed on May 18, 2005, the Executive Board is authorized to increase the share capital of the Company, with the approval of the Supervisory Board, on one or several occasions until May 17, 2010 by up to a total of EUR 35,919,751.00 by issuing new no-par value shares against cash and/or non-cash contributions (“Authorized Capital I”). Shareholders must be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the statutory pre-emptive rights of shareholders in full or in part (1) to eliminate fractions; (2) in the case of capital increases against non-cash contributions to grant shares to be used in the acquisition of companies, parts of companies, or equity interests in companies, or for the acquisition of other assets.

Authorized Capital II

In accordance with the resolution of the General Meeting passed on May 18, 2005, the Executive Board is authorized to increase the share capital, with the approval of the Supervisory Board, on one or several occasions until May 17, 2010 by up to a total of EUR 8,979,937.00 by issuing new no-par value shares against cash contributions (“Authorized Capital II”). Shareholders must be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude statutory pre-emptive rights of shareholders in full or in part (1) to eliminate fractions; (2) to grant holders of warrants or convertible bonds that 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; (3) if the issue price of the new shares is not significantly lower within the meaning of section 203 (1) and (2) and section 186 (3) sentence 4 of the AktG than the market price of the same class of listed shares carrying the same rights when the final issue price is fixed by the Executive Board. However, this authorization is only valid provided that the shares issued, while excluding pre-emptive rights in accordance with section 186 (3) sentence 4 of the AktG, do not exceed a total of 10% of the existing share capital at the time of the resolution on this authorization and at the time this authorization is exercised. The disposal of own shares shall be counted towards the restriction to 10% of the share capital if they are acquired on the basis of a General Meeting authorization valid at the time this authorization

enters into force and disposed of in accordance with section 71 (1) no. 8 and section 186 (3) sentence 4 of the AktG. Those shares issued to satisfy conversion and/or option rights arising from convertible bonds shall also be counted towards the restriction to 10% of the share capital if the convertible bonds were issued on the basis of an authorization to issue convertible bonds valid at the time this authorization enters into force and pre-emptive rights were excluded in accordance with section 186 (3) sentence 4 of the AktG.

Conditional Capital Increase of October 24, 1997

The Company's share capital was conditionally increased by up to EUR 43,680.00 as of December 31, 2003 in order to provide no-par value shares to holders of convertible bonds making use of their conversion rights based on the resolution passed by the General Meeting on October 24, 1997 and following a conversion of convertible bonds in 2007. On May 14, 2008 the General Meeting resolved to cancel the conditional capital in the amount of EUR 43,680.00 because such conditional capital has become obsolete following expiration of the conversion period and repayment of all convertible bonds not previously repaid or converted and any rights to issuance of shares from such conditional capital can consequently no longer be asserted.

Conditional Capital Increase of May 26, 1999

After a reduced number of exercisable options and the subsequent reduction of the conditional capital during fiscal year 2007, the Company's share capital is conditionally increased by up to EUR 1,926,005.00 in accordance with the resolution passed by the General Meeting on May 26, 1999. The conditional capital increase serves to grant options to members of the Executive Board and employees of AIXTRON AG and also to members of the management and employees of affiliated companies under the stock option plans in accordance with the General Meeting's resolution of May 26, 1999 on agenda item 5.

Conditional Capital Increase of May 22, 2002

Following a reduction of the conditional capital to EUR 3,134,560.00 resolved by the General Meeting on May 22, 2007 and the execution of stock options, the Company's share capital is now conditionally increased up to EUR 2,039,821.00. The conditional capital increase serves to grant options to members of the Executive Board of AIXTRON AG and members of the management of affiliated companies, as well as to employees of AIXTRON AG and of affiliated companies under the stock option plans in accordance with the General Meeting's resolution of May 22, 2002 (Stock Option Plan 2002).

Conditional Capital I 2007

Based on the authorizing resolution passed by the General Meeting on May 22, 2007, the share capital of the Company is conditionally increased by up to EUR 35,875,598.00. The Conditional Capital I 2007 serves the purpose of granting shares to the holders or creditors of warrants and/or convertible bonds. By resolution of the General Meeting passed on May

22, 2007, the Executive Board is authorized, with the approval of the Supervisory Board, to issue, through the Company or any companies in which the Company owns a majority interest either directly or indirectly ("subordinated group companies") warrants and/or convertible bonds in a total nominal amount of up to EUR 500,000,000.00 with or without a term restriction, once or several times until May 21, 2012, and to assume a guarantee for such bonds issued by subordinated group companies and to grant option or conversion rights to the holders or creditors of bonds for up to a total of 35,875,598 no-par value registered shares of the Company representing a pro rata amount of up to EUR 35,875,598.00 of its share capital, subject to the terms and conditions of the bonds.

Conditional Capital II 2007

Based on the resolution passed by the General Meeting on May 22, 2007, the share capital is further conditionally increased by EUR 3,919,374.00. The Conditional Capital II 2007 serves the purpose of granting shares to the holders of stock options issued under the AIXTRON Stock Option Plan 2007 ("SOP 2007"). Under the SOP 2007, up to 3,919,374 stock options may be issued by the Company on or before May 21, 2012. In fiscal year 2007, the Executive Board, with the approval of the Supervisory Board, issued 759,100 options, granting the right to subscribe to 759,100 shares of AIXTRON AG.

Authorization to repurchase own shares

In accordance with section 71 (1) no. 8 AktG, the Company is authorized to purchase own shares representing an amount of up to EUR 9,044,421.00 of the share capital in the period until November 13, 2009. This authorization may not be used by the Company for the purpose of trading in own shares. The authorization may be exercised in full or in part, once or several times by the Company. The own shares may be purchased (1) on the stock market or (2) by way of a public offer to all shareholders made by the Company. The Executive Board is further authorized to use own shares of the Company purchased on the basis of this authorization for the purposes referred to therein in addition to a sale through the stock exchange or by way of a public offer to all shareholders while excluding the pre-emptive rights of shareholders.

If a change of control situation exists, Wolfgang Breme, Member of the Executive Board, is entitled to terminate the service relationship with AIXTRON with a notice period of three months to the end of the month and to resign from his post on the termination date. Mr. Breme shall then be entitled to receive a settlement in accordance with the stipulations of his service contract with AIXTRON AG. A change of control situation exists if a third party or a group of third parties who contractually combine their shares in order to act subsequently as a third party, holds more than 50% of the Company's stated share capital be it directly or indirectly.

No further material agreements exist that require a change of control due to a takeover bid. There are no further compensation agreements of the company with members of the

Executive Board or with employees for such change of control situations.

Aachen, March 2009

AIXTRON Aktiengesellschaft

- The Executive Board -