



**Ordinary General Meeting 2011
of AIXTRON SE, Herzogenrath**

Report of the Executive Board to the General Meeting on agenda item 9 of the agenda in accordance with Art. 9 (1) c) ii) SE Regulation in conjunction with § 203 (2) sentence 2 and § 186 (4) sentence 2 of the German Stock Corporation Act (“AktG”)

It is in the interest of the Company to have as much flexibility as possible in order to be able to act quickly on capital markets.

To this end, in item 9 of the agenda of the Ordinary General Meeting on May 19, 2011 the Executive Board and the Supervisory Board propose creating new Authorized Capital 2011 with the possibility to exclude the pre-emptive rights of shareholders. In accordance with Art. 9 (1) c) ii) SE Regulation in conjunction with § 203 (2) sentence 2, § 186 (4) sentence 2 AktG, the Executive Board must submit a written report outlining the reasons for excluding pre-emptive rights.

The proposed resolution is intended to authorize the Executive Board, with the approval of the Supervisory Board, to increase the share capital on one occasion or in partial amounts on several occasions in the period to May 18, 2016 by up to a total of EUR 40,471,946.00 against cash and/or non-cash contributions by issuing new registered no-par value shares (Authorized Capital 2011). Shareholders must be granted pre-emptive rights. The shares may also be underwritten by one or several credit institutions with the obligation to offer the shares to the shareholders of the Company for subscription (indirect subscription right).

The Executive Board shall, however, be authorized, with the approval of the Supervisory Board, to eliminate the pre-emptive rights of shareholders (i) to eliminate fractions resulting from the subscription ratio; (ii) to grant holders and/or creditors of option or conversion rights arising from bonds with 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 would be entitled to do so after option or conversion rights have been exercised or conversion obligations fulfilled, if required for protection against dilution; (iii) in the case of capital increases against non-cash contributions in order 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, provided the number of the new shares is limited as indicated in the resolution and as

described below; (iv) if the issue price of the new shares is not significantly lower within the meaning of § 203 (1) and (2) and § 186 (3) sentence 4 AktG than the market price of the listed shares carrying the same rights when the final issue price is fixed by the Executive Board, provided the number of the new shares is limited as indicated in the resolution and as described below.

Excluding pre-emptive rights for fractions is generally accepted and necessary to ensure a practicable subscription ratio and to simplify the technical implementation by ensuring round figures and maintaining a subscription ratio based on whole numbers. This is in the Company's interests. Shares representing fractions for which pre-emptive rights are excluded will either be sold on the stock market or disposed of by other means at best for the Company. The potential dilutive effect and the encroachment on shareholders' rights are minimal due to the limitation to fractions. For these reasons, the Executive Board and the Supervisory Board believe that excluding pre-emptive rights is objectively justified and reasonable in relation to the shareholders.

Furthermore, it will be possible to exclude pre-emptive rights for protection against dilution insofar as this is necessary to grant the holders and/or creditors of bonds with warrants or convertible bonds issued in the future the right to subscribe for new shares, if the conditions of the bond in question provide for this. In order to facilitate placement on the capital market, the conditions for issuing bonds usually provide for protection against dilution. Protection against dilution may take the form of granting to the holders of bonds with warrants or convertible bonds the right to subscribe for new shares in any share issues cum-rights. They are therefore placed in the same position as if they had already exercised their option or conversion right or as if the conversion obligation had been fulfilled. As it will not be necessary for protection against dilution to reduce the option or conversion price, a higher issue price can be achieved for the no-par value shares issued in exchange for convertible bonds or bonds with warrants. In order to be able to provide for such anti-dilution protection, it must be possible to exclude the pre-emptive rights of shareholders. Ultimately, such anti-dilution protection will facilitate placement of the convertible bonds or bonds with warrants or conversion obligations and the exclusion of the pre-emptive rights is therefore in the interest of the shareholders to optimize the Company's financing structure.

The authorization to increase the share capital against non-cash contributions while excluding pre-emptive rights in order to acquire companies, parts of companies, equity interests in companies, or other assets, enables the Executive Board to acquire a company or a part of a company or an equity interest in a company or other assets in return for shares if a suitable opportunity arises. This form of acquisition financing is increasingly required in international competition. It is the Company's stated objective to maintain its leading technology and market position during the next development phase of this market and beyond. In the future shorter product life cycles of the systems than previously and new and stronger competition is to be expected. The Company must therefore be able to react flexibly and to protect its growth strategy through acquisition, if necessary. The proposed authorization is intended to enable the Company to react quickly and flexibly when advantageous acquisition opportunities or

opportunities to acquire suitable assets arise on national and international markets and the acquisition in question appears suitable to strengthen the Company's competitiveness or is otherwise in the interest of the Company. Depending on the scale of such an acquisition and the expectations of the respective seller, it may be expedient or necessary to provide shares in the Company as consideration. If the seller should, for tax or any other reasons, be interested in acquiring shares in the Company rather than receiving a cash consideration, the authorization to be granted will strengthen the negotiating position of the Company. It may also be appropriate, given specific interests of the Company, to offer the seller new shares as consideration which would strengthen the Company's equity base. In all of these cases the exclusion of the pre-emptive rights of shareholders would be necessary. If new shares are to be issued in order to finance a specific acquisition, such new shares must as a rule be issued quickly in light of the mostly complex transaction structures and the competitive situation with other potential purchasers. This would require the possibility to use authorized capital while excluding pre-emptive rights. The proposed authorization to exclude pre-emptive rights thus meets the requirement for the Executive Board to be able to act quickly and flexibly with the approval of the Supervisory Board if a suitable opportunity arises and to use as "acquisition currency" Company shares created through the full or partial use of Authorized Capital 2011. When determining the conversion ratio and/or the issue price for shares to be issued while excluding pre-emptive rights, the Executive Board and the Supervisory Board will ensure that the interests of the shareholders are appropriately safeguarded and that the new shares will not be issued at unreasonably low prices.

Finally, the Executive Board will be authorized, with the approval of the Supervisory Board, to exclude statutory pre-emptive rights in the event of cash capital increases if the issue price for the new shares in accordance with § 186 (3) sentence 4 AktG is not significantly lower than the market price of listed Company shares. This will enable the administration to place the new shares quickly and at a near-market price, i.e. without the discount that is as a rule required for rights issues. One of the main reasons for this is that a placement without a statutory subscription period can take place immediately after the issue price has been fixed, as a result of which it is unnecessary to factor into the issue price the risk of a change in the market price during a subscription period. Ultimately, this will generate higher issue proceeds which is in the interest of the Company. When exercising the authorization, the Executive Board will try to keep the discount as low as possible given the market conditions prevailing at the time of the placement. The discount on the market price at the time the Authorized Capital 2011 is used will in no event be more than 5 percent of the then current market price. The shares issued in accordance with § 186 (3) sentence 4 AktG while excluding pre-emptive rights may in the aggregate not exceed 10 percent of the share capital either at the time the authorization enters into force or at the time it is exercised. In accordance with legal requirements, these stipulations take into account the need to protect shareholders against the dilution of their shareholdings. Every shareholder has the opportunity to acquire the shares required to maintain his or her proportionate interest at approximately the same conditions via the stock market, due to the fact that

the new shares are issued at a near-market price and due to the size limit on the capital increase, excluding pre-emptive rights. In calculating this limit of 10 percent of the share capital, those shares shall be included which are issued or used during the term of this authorization while excluding pre-emptive rights in direct or analogous application of § 186 (3) sentence 4 AktG. In addition, in calculating the limit of 10 percent of the share capital, those shares shall be included which are or will have to be issued in respect of subscription rights arising from bonds with warrants and/or convertible bonds, provided that, following the granting of this authorization, the bonds are issued based on an authorization that is valid at the time of granting this authorization or any authorization replacing it, while excluding pre-emptive rights in analogous application of § 186 (3) sentence 4 AktG. This will also ensure that the interests of the shareholders in terms of asset protection and voting rights are appropriately protected when Authorized Capital 2011 is utilized while excluding pre-emptive rights in line with the legal provisions of § 186 (3) sentence 4 AktG, while giving the Company additional scope for action in the interest of all shareholders.

In order to protect the shareholders this authorization for issuing shares to the exclusion of the pre-emptive rights of shareholders shall apply only subject to the provision that – without taking into account shares issued without pre-emptive rights in order to eliminate fractions and/or to protect the holders and/or creditors of option or conversion rights arising from bonds with warrants or convertible bonds against dilution – following exercise of such authorization the sum of the shares issued without pre-emptive rights under Authorized Capital 2011 does not exceed 20 percent of the share capital existing at the time this authorization becomes effective or – if this amount is lower – existing at the time of its exercise. In calculating this limit of 20 percent of the share capital, those shares shall be included which are issued without pre-emptive rights under any other authorized capital and/or under Contingent Capital I 2007 or any contingent capital replacing Contingent Capital I 2007 (§ 4 (2.4) of the Articles of Association of AIXTRON SE) for the purpose of granting conversion and/or subscription rights to the creditors of bonds with warrants or convertible bonds.

In consideration of all of these circumstances, the authorization to exclude pre-emptive rights within the outlined limits is in the interest of the Company. Overall, the authorization to exclude pre-emptive rights does not unreasonably impair shareholders' interests. The Executive Board will carefully examine in each specific case whether it should make use of the authorization to implement a capital increase while excluding the pre-emptive rights of the 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 Authorized Capital 2011 to the next General Meeting.

Herzogenrath, April 2011

AIXTRON SE

– Executive Board –

Paul Hyland

Wolfgang Breme

Dr. Bernd Schulte