



**Report by the
Management Board
Pursuant to section 170 (2) in conjunction with section
153 (4) AktG (Companies Act)**

The Management Board of A-TEC Industries AG, registered in Vienna, reg. No. 216262 h, hereby makes the following report on the planned resolution regarding the Company's authorised capital and the intended exclusion of shareholders' subscription rights in connection with future capital increases utilising the authorised capital:

The Annual General Meeting of A-TEC Industries AG to be held on 27 June 2008 will consider, among other matters, a resolution authorising the Management Board, subject to the approval of the Supervisory Board, to increase the Company's share capital by up to €10,300,000.00 by issuing up to 10,300,000 new no par bearer shares in one or more tranches, against payment in cash or in kind, excluding subscription rights entirely or in part if necessary provided that equal treatment is accorded to all shareholders, and to determine the issue price, and terms and conditions subject to the approval of the Supervisory Board.

As stated above, this authority would empower the Management Board to increase the Company's capital whilst partly or wholly excluding shareholders' subscription rights.

The Management Board will only make use of its power to exclude subscription rights in conformity with the principle of equal treatment of all shareholders, and will only do so if such exclusion is in the overall interests of the Company. Any resolution involving the exclusion of subscription rights will be for the purpose of facilitating capital increases through the issuance of shares and/or the admission of new core shareholders against cash contributions.

Any decision on the complete or partial exclusion of subscription rights in connection with such capital increases, and on the issue price, and terms and conditions of issuance, is to be taken by the Management Board as the need arises, subject to the approval of the Supervisory Board and the principle of equal treatment of all shareholders. The issue price determined is to be consonant with the interests of shareholders who are not entitled to subscribe.

Vienna, June 2008

The Management Board