



## **Report by the Management Board of**

on Item 9 of the Agenda of the 2nd Annual General Meeting  
to be held on 27 June 2008

The ninth agenda item of the Annual General Meeting of A-TEC Industries AG, called for 27 June 2008, is as follows:

*Resolution authorising the Company to purchase its own shares, without special restrictions on use but excluding trading in own shares for gain; and conferring the authority:*

- a. *a. to sell the shares thus acquired as consideration for the purchase of or to finance the acquisition of companies, business operations or parts thereof, or interests in one or more companies in Austria or abroad, but not via the stock exchange or by public offer, applying the rules for the exclusion of subscription rights by extension; and/or*
- b. *b. to withdraw the shares from circulation without further resolution of the Annual General Meeting.*

### **1) Purchase of own shares**

At the 2nd Annual General Meeting of A-TEC Industries the Management Board will be seeking authority for the purchase of the Company's own shares for no designated purpose but excluding trading in own shares as the purpose (section 65[1]8 AktG [Companies Act]).

The Management Board will seek authority to purchase shares in A-TEC Industries AG up to a maximum of 10% (ten percent) of the Company's share capital, including own shares acquired in conformity with section 65(1)(1,4 and 7) Companies Act.

The Board proposes € 10<sup>1</sup> per share as the minimum price paid for the purchase of own shares, and € 25<sup>1</sup> as the maximum.

The authority is to be valid for 30 months, i.e. until 27 December 2010.

A-TEC Industries AG is in a position to set up a reserve for own shares as prescribed by section 225(5) UGB (Austrian Business Code), without its net assets falling below its share capital and the appropriated reserves required by law and the articles of association. The issue price of the shares has been fully paid-in.

---

<sup>1</sup> After capital increase from own resources according to agenda point 7



## **2) Use of own shares**

The Management Board will seek authority from the Annual General Meeting to sell own shares by means other than the stock exchange or public offer. To this end the Management Board makes the following written report pursuant to section 65(1b) in conjunction with section 153(4) Companies Act:

A-TEC Industries AG is pursuing a strategy of growth and expansion across all its four divisions. The Management Board needs to be a position to acquire existing companies, business operations, parts thereof or interests in companies in order to prepare for rapid market entry, or the expansion of production or engineering capacity, or to consolidate existing market positions.

When acquiring companies, business operations or parts thereof it may be advantageous to use own shares as consideration, e.g. to compensate shareholders of acquisition targets, or to pay sellers that prefer to receive A-TEC Industries shares instead of cash. Moreover, it may be possible to achieve a lower purchase price by paying in own shares rather than cash. The liquidity requirements associated with acquisitions are reduced and the completion of transactions accelerated, as existing shares are employed and new ones do not first need to be created.

The Management Board of A-TEC Industries AG is also to be enabled to use shares in the Company to finance the acquisition of companies, business operations or parts thereof, or interests in companies to the extent that the issuance of the shares ultimately makes it possible to acquire companies, business operations or parts thereof operations, or interests in companies.

The Management Board is therefore seeking authorisation from the Annual General Meeting in accordance with section 65(1b)(3rd sentence)Companies Act to acquire own shares by means other than the stock exchange or public offer, applying the legal provisions regarding the exclusion of subscription rights by extension.

The disposal of own shares and the determination of all the conditions for such disposal require the approval of the Supervisory Board of A-TEC Industries AG.

Vienna, June 2008

The Management Board