



REPORT OF THE SUPERVISORY BOARD

In the following report, the Supervisory Board provides information about its activities in the 2009 fiscal year. The primary focus of its deliberations was on the impact of the global financial and economic crisis on the SUSS MicroTec Group, strategic cooperation in the area of 3D integration, and strategic investment and divestment projects.

Dear Shareholders,

During the reporting period, the Supervisory Board fulfilled the duties and responsibilities incumbent upon it by law, its Articles of Incorporation, and the Company bylaws. We regularly advised the Management Board on directing the Company and monitored its activities. The Supervisory Board was directly involved in all decisions that were of vital importance to the Company. The Management Board provided us with regular, prompt, and comprehensive information – both in written and verbal form – about corporate planning, business progress, and the Group's current position. When business development deviated from plans, deviations were explained to us in detail and reviewed by us based on available documents and information. The Management Board coordinated the Company's strategic orientation with us. We extensively discussed significant business events for the Company based on the Management Board's reports and gave our consent to the transactions requiring our approval. During the 2009 fiscal year, the Supervisory Board held a total of eleven regular meetings and one extraordinary meeting. All members of the Supervisory Board routinely participated in these meetings. When necessary, the Supervisory Board prepared its decisions in writing.

In addition to participating in Supervisory Board meetings, the Chairman of the Supervisory Board maintained regular contact with the Management Board and remained informed about the business situation and significant events. In the 2009 reporting year, the Supervisory Board concluded a cooperative agreement with Thin Materials AG. At this time, their Chief Executive Officer Dr. Franz Richter was simultaneously Chairman of the Supervisory Board of SUSS MicroTec AG. The contract governs cooperation between the two companies in the area of thin wafer processing. In his capacity as Chairman of the Supervisory Board of SUSS MicroTec AG, Dr. Richter abstained from votes on the contract. Otherwise, there were no conflicts of interest of members of the Management and Supervisory Boards, which must immediately be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting.

Meetings and Main Topics of Discussion

The Supervisory Board conducted routine discussions regarding the order, sales, and earnings development of SUSS MicroTec AG, its subsidiaries, and the Group, as well as their financial position and investment/divestment projects. The Management Board provided regular and comprehensive information about corporate planning, strategic direction, business progress, and the Group's current condition. In addition, decisions were made regarding personnel issues in the Management Board. Furthermore, the Supervisory Board occupied itself with monitoring the financial reporting process as well as the effectiveness of the internal control and risk management systems.

In the meeting on February 6, 2009, the Supervisory Board dealt primarily with the Management Board's report on the preliminary figures for the fourth quarter and the 2008 fiscal year. The discussion focused particularly on the development of the margin and cash flow as well as extraordinary effects. The Management Board's plans for the 2009 fiscal year were approved after extensive discussions, particularly regarding the topics of subsidized projects, foreign subsidiaries, and cost structure. Furthermore, the Supervisory Board addressed strategic projects in the area of thin wafer handling during this meeting. The Management Board presented us with the key points of the planned cooperation with Thin Materials AG, and we discussed them intensively. In addition, we were informed of the intended cooperation with 3M.

At the meeting on March 24, 2009, following an in-depth examination, the Supervisory Board approved the annual financial statements and consolidated financial statements of SUSS MicroTec AG prepared for the 2008 fiscal year by the Management Board. In addition, the Supervisory Board's report for the past fiscal year was adopted by resolution. The auditor participated in this meeting and informed the Supervisory Board about the key results of the audit. With the auditor's representatives, we discussed accounting and other significant issues in the past fiscal year and their impact on the net assets, financial position, and results of operations. Furthermore, the auditor explained the key findings of the annual and consolidated financial statement audit. We acknowledged the Management Board's report on the 2008 fiscal year and the current business situation. Furthermore, we discussed potential agenda items for the Shareholders' Meeting on June 24, 2009. The Management Board reported on the employees bonus system in 2009. The approach for establishing goals for the variable remuneration of the Management Board in 2009 was approved. In addition, a resolution was adopted regarding the variable remuneration of Mr. Knopp and Dr. Schneidewind. With respect to the issuance of stock options in 2009, the setting of an additional exercise threshold was discussed. We also received a report about the implementation of projects in the area of operations designed to improve procurement and inventory management. Following the meeting, we conducted an examination of the efficiency of our activities in accordance with the German Corporate Governance Code.



Dr. Stefan Reineck
Chairman of the
Supervisory Board



In the extraordinary meeting on April 8, 2009, the Supervisory Board dealt with the resignation of Dr. Franz Richter and the resulting special Supervisory Board member election at the 2009 Shareholders' Meeting. It established the job requirements for Dr. Richter's successor. In addition, the Supervisory Board approved a resolution to issue stock options from the Stock Option Plan of 2008 to the Management Board.

In the meeting on April 30, 2009, the Supervisory Board occupied itself with the preliminary financial figures for the first quarter of 2009 and the outlook for the entirety of 2009, as presented by the Management Board, and received an explanation of discrepancies from plans. We adopted a resolution regarding the proposals of the Supervisory Board to the Shareholders' Meeting. In connection with strategic projects, we addressed the possible sale of SUSS MicroTec Test Systems GmbH, and a contemplated additional cooperative agreement in the area of thin wafer handling.

In the meeting on June 24, 2009, immediately before the ordinary Shareholders' Meeting, the Management Board informed us about the current business situation, particularly regarding order entry and backlog. In addition, we adopted a resolution regarding the amount of variable remuneration for Mr. Schubert for his period of service on the Management Board.

Immediately after the ordinary Shareholders' Meeting on June 24, 2009, Dr. Stefan Reineck was elected as Chairman of the Supervisory Board and Mr. Jan Teichert was elected as Deputy Chairman. The Management Board reported on the status of divestiture plans for SUSS MicroTec Test Systems GmbH and was requested to examine strategic alternatives.

In the Supervisory Board's meeting on July 6, 2009, the Management Board reported on the current business situation, and we discussed various order entry scenarios and their impact. The Management Board reported on the structure and performance of financial reporting as well as the functioning of the risk management system, and we discussed further optimization of these systems with the Management Board. In addition, the Management Board reported on the status of cooperative agreements in the area of 3D integration. Furthermore, during this meeting with the Management Board, we discussed possible options for organizational changes within the SUSS MicroTec Group and for the divestiture of the Test Systems division. Finally, we discussed the possible acquisition of HamaTech APE with the Management Board.

The main topics of discussion at the meeting on July 31, 2009 were the preliminary financial figures for the second quarter as well as the first half of 2009 and the latest provisional forecast for the entire fiscal year. In addition, the Supervisory Board discussed the Group's significant research and development projects and their accounting treatment. The Management Board notified us of changes in the area of IR activities. We were informed of the status of divestiture plans for SUSS MicroTec Test Systems and approved further steps in this direction, following extensive discussion and analysis of the alternative courses of action. The Management Board reported on progress and additional steps regarding the takeover of HamaTech APE. During this meeting, we also took up the issue of expanded internal corporate insider regulations.

During our meeting on September 28, we discussed and developed the structure of a new variable remuneration system for the Management Board with an independent management consultant. The Management Board briefed us on the status of the appeals process against Shareholders' Meeting resolutions. In addition, it informed us about the current business situation and reported on the structure and functioning of the cash management system. Furthermore, the Management Board issued a report on the status of divestiture plans for Test Systems as well as the purchase of HamaTech APE. After extensive deliberations, the Supervisory Board approved the continuation of discussions both with respect to the acquisition of HamaTech APE and the execution of a term sheet.

In the meeting on November 3, 2009, the Management Board presented the preliminary financial figures for the third quarter as well as the forecast for the 2009 fiscal year to the Supervisory Board. We discussed the situation and prospects in the individual divisions with the Management Board and were informed about progress with the operations project designed to improve procurement and inventory management. We discussed its presentation on strategy for the Coater area with the Management Board. In addition, the Management Board reported on the status of the HamaTech APE acquisition project. Following intensive discussions about overall conditions, we approved a continuation of negotiations. Based on a status report on the planned sale of the Test Systems division and after weighing the pros and cons, we approved the continuation of those negotiations as well. Furthermore, the Supervisory Board adopted a resolution to extend Mr. Michael Knopp's contract until July 31, 2015. His term in office would have expired on July 31, 2010. We also agreed to issue him a new employment contract for this period. Addenda to the employment contracts for the current appointment period of Mr. Knopp and Mr. Averdung were also part of this resolution. Furthermore, the Supervisory Board adopted a resolution on a declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG).

The meeting on December 3, 2009 featured wide-ranging discussions of the previously mentioned investment and divestment projects. After discussing the term sheet draft, expected synergies, and the possible impact of the acquisition of HamaTech APE on the Company's net assets, financial position, and results of operations, the Supervisory Board approved the execution of a term sheet and the commencement of purchase contract negotiations. With respect to the sale of the Test Systems division, the Supervisory Board approved additional negotiations for a term sheet with Cascade Microtech and subsequent purchase contract negotiations. Based on an extensive report by the Management Board, we also deliberated on preliminary planning for the 2010 fiscal year as well as two-year cash flow planning.

The meeting on December 23, 2009, which was conducted via teleconference, focused on deliberations regarding the planned acquisition of HamaTech APE. The Management Board presented us with the draft of the company purchase agreement. After discussing related issues and the post-merger integration of HamaTech APE into the SUSS MicroTec Group, we approved the acquisition of HamaTech APE. The Management Board reported on the status of contract negotiations regarding the planned sale of the Test Systems division. The Management Board also reported on the current business situation.



Corporate Governance

The Supervisory Board also concerned itself during the 2009 fiscal year with the content and implementation of the German Corporate Governance Code. Information on the Company's corporate governance as well as an extensive report on the amount and structure of remuneration for the Management and Supervisory Boards are provided in a separate Corporate Governance Report on pages 32–41 of this Annual Report. In their meetings on November 3, 2009, the Management and Supervisory Boards approved the declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG) and made this declaration permanently available to shareholders on the Company's website. Consistent with the legal requirements and recommendations of the Code, we addressed the remuneration system for the Management Board in detail. Furthermore, in its judgment, the Supervisory Board determined that it has a sufficient number of independent members.

Audit of the Annual and Consolidated Financial Statements

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, Germany, audited the annual financial statements and management report of SUSS MicroTec AG as of December 31, 2009, which were prepared in accordance with the German Commercial Code (HGB), as well as the consolidated financial statements and Group management report as of December 31, 2009 and issued an unqualified audit opinion for both. The consolidated financial statements and Group management report were prepared in accordance with Section 315a of the HGB based on International Financial Reporting Standards, as they are to be applied in the EU. The auditors conducted the audit in accordance with the generally accepted accounting principles promulgated by the Institute of Public Auditors in Germany (IDW) and with the International Standards on Auditing (ISA).

The audit reports of KPMG AG Wirtschaftsprüfungsgesellschaft were presented to all members of the Supervisory Board and were extensively addressed at the financial statements meeting of the Supervisory Board on March 23, 2010 in the presence of the auditor. The auditor reported on the primary results of the audit and stated that there were no substantive weaknesses in the internal control and risk management systems. In particular, the auditor provided explanations on the net assets, financial position, and results of operations of the Company and the Group and was available to us in order to provide additional information. The auditor also elaborated on the scope, key findings, and costs of the audit.

We audited the annual financial statements of the Company and the Group as well as the condensed management report in the Group management report. There were no objections. We noted with approval the reports of the auditor after examination of the reports.

The annual financial statements prepared by the Management Board were approved by the Supervisory Board and, thus, adopted. The Supervisory Board also approved the consolidated financial statements. We approved the combined management report of the Corporation and the Group and, in particular, the assessment regarding the further development of the Company.

Changes in the Supervisory and Management Boards

At the conclusion of the ordinary Shareholders' Meeting on June 24, 2009, Dr. Franz Richter relinquished his position as Chairman and member of the Supervisory Board. His resignation was the consequence of potential conflicts of interest, which might have arisen from his function as Chairman of the Supervisory Board of SUSS MicroTec AG and Chief Executive Officer of Thin Materials AG, Eichenau, Germany, after both companies entered into a cooperative agreement in the past fiscal year – although SUSS MicroTec did not rule out additional cooperative agreements in the area of thin wafer handling. Mr. Sebastian Reppgather was elected as successor for the remainder of Dr. Franz Richter's original term. Dr. Richter had served in office since June 19, 2008.

On February 1, Mr. Frank Averdung assumed the position of Chief Executive Officer. He was appointed by resolution of the Supervisory Board on November 25, 2008. Mr. Christian Schubert, who had been appointed as an interim member of the Management Board on October 2, 2008, resigned from the Management Board on May 31, 2009. Mr. Michael Knopp's contract was extended until July 31, 2015.

We would like to express our personal thanks to the former members of the Management and Supervisory Boards for their valuable contributions to the Company's success. In addition, we would also like to thank the members of the Management Board, all of the employees, and the workers' representatives for their personal commitment and efforts in a difficult economic environment.

Garching, Germany, March 23, 2010

On behalf of the Supervisory Board,



Dr. Stefan Reineck
Chairman of the Supervisory Board