Report by the Management Board on Agenda Item 6

The Management Board and Supervisory Board shall offer the following resolution proposal under item 6 of the agenda of the ordinary Shareholders' Meeting of our Company on June 21, 2011:

"a) The Management Board is authorized to increase the equity capital of the Company until June 21, 2016 on one or more occasions up to a total of € 6,500,000.00 through the issuance of up to 6,500,000 new individual share certificates for cash or non-cash contributions, subject to the approval of the Supervisory Board. The Management Board is also authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board. However, a subscription rights exclusion is permitted only in the following cases:

- for fractional amounts;
- if the issue price of the shares is not significantly lower than the market price and the exclusion of subscription rights only applies to new shares whose notional value does not exceed 10% of the equity capital, i.e. a total of at most € 1,872,103.00; with respect to whether or not the 10% limit has been utilized, the exclusion of subscription rights on the basis of other authorizations under Section 186 (3)(4) German Stock Corporation Law (AktG) after this authorization has become effective must be taken into account;
- to the extent that it is necessary to grant holders of still outstanding convertible bonds or convertible jouissance rights or options subscription rights in the amount to which they would be entitled as shareholders after exercising their conversion or option rights.

The Management Board shall determine the further content of share rights and the conditions of share issuance with the approval of the Supervisory Board.

b) Section 4 (4) of the articles of incorporation is as follows:

"(4) By way of a resolution adopted by the Shareholders' Meeting on June 21, 2011, the Management Board has been authorized, with the approval of the Supervisory Board, to increase the Company's equity capital on one or more occasions in the period through June 21, 2016 by up to a total of € 6,500,000.00 through the issuance of up to 6,500,000 new individual shares against cash or non-cash contributions (Approved Capital 2011). The Management Board is also authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board. However, a subscription rights exclusion is permitted only in the following cases:

- for fractional amounts;
- if the issue price of the shares is not significantly lower than the market price and the exclusion of subscription rights only applies to new shares whose notional value does not exceed 10% of the equity capital, i.e. a total of at most € 1,872,103.00; with respect to whether or not the 10% limit has been utilized, the exclusion of subscription rights on the basis of other authorizations under Section 186 (3)(4) German Stock Corporation Law (AktG) after this authorization has become effective must be taken into account;
- to the extent that it is necessary to grant holders of still outstanding convertible bonds or convertible jouissance rights or options subscription rights in the amount to which they would be entitled as shareholders after exercising their conversion or option rights.

The Management Board shall determine the further content of share rights and the conditions of share issuance, with the approval of the Supervisory Board."

c) The Supervisory Board is authorized to change the wording of Section 4 (1, 2, and 4) of the articles of incorporation (amount and classification of equity capital, Approved Capital 2011) as appropriate after completely or partially carrying out the increase in equity capital or after expiration of the authorization deadline."

We have prepared the following report on the authorization of the Management Board to exclude subscription rights in accordance with Sections 203 (2), 186 (4)(2) German Stock Corporation Law (AktG):

The proposed resolution initially provides that the subscription rights of shareholders may be excluded for fractional amounts, subject to the approval of the Supervisory Board. This measure is designed to create an even subscription ratio, thus easing the technical execution of a cash increase in capital stock with subscription rights for shareholders. It is therefore necessary and appropriate.

To the extent that this proposed resolution authorizes the Management Board to exclude subscription rights for new shares whose notional value does not exceed a total of 10% of the current equity capital (thus € 1,872,103.00) and whose issue price is not significantly lower than the market price (Section 186 (3) (4) German Stock Corporation Law [AktG]), this subscription rights exclusion is in the interests of the Company.

This makes it possible to offer a portion of the increase in capital stock to the general public through the stock exchange, thus enlarging the circle of shareholders domestically and possibly also internationally. In addition, it makes it possible to offer a strategic investor, as necessary, an equity investment in support of strategic alliances, while simultaneously strengthening the Company's financial power and equity base. Finally, this subscription rights exclusion makes it possible to distribute shares through a private placement at a time that is favorable to the Company.

In contrast to an issuance with subscription rights, where an increase in capital stock in carried out under exclusion of subscription rights it is possible to determine the issue price immediately prior to the placement. As a result, an increased risk of changes in the share price is avoided for the remaining subscription period. Thus, the subscription rights exclusion is designed to achieve the highest possible and most secure cash inflow, and therefore the greatest possible strengthening of the Company's equity capital, by virtue of setting the price close to the market.

The interests of shareholders are preserved by enabling them to purchase shares on the stock exchange in order to maintain their participation quota (proportionate holdings). Given a near-

market price issue price, such a purchase would be economically neutral for our shareholders. In addition, when making use of this authorization it will be taken into account whether and to what extent other authorizations of subscription rights exclusions as defined by Section 186 (3)(4) German Stock Corporation Law (AktG) have already been utilized. Thus, the number of shares which are issued or are to be issued to service options from optional or convertible bonds are to be deducted from the maximum number of shares to be issued under subscription rights exclusion, to the extent that the bonds are issued during the term of this authorization in corresponding application of Section 186 (3)(4) German Stock Corporation Law (AktG) under subscription rights exclusion. Furthermore, shares which were sold during the term of this authorization based on the authorization to sell treasury shares in accordance with Sections 71 (1)(8) and 186 (3)(4) German Stock Corporation Law (AktG) under subscription rights exclusion are to be deducted from this number. The deductions ensure that treasury shares acquired are not sold under subscription rights exclusion in accordance with Section 186 (3)(4) German Stock Corporation Law (AktG) if this would result in excluding the subscription rights of shareholders for a total of more than 10% of the equity capital under direct or indirect application of Section 186 (3)(4) German Stock Corporation Law (AktG).

Due to the near-market issue price, the value of the shareholders' investment is not diluted. The financial interests of shareholders, particularly protection against the dilution of the value of their investment, are safeguarded by permitting new shares to be issued only at a price that is not substantially lower than the market price of similar shares in the Company. The discount to the market price for the sale should, if possible, be a maximum of 3%, but in any case may not exceed 5%. The applicable market price is the current market price at the time that the Management Board sets the placement price. Since price fluctuations within a very short period cannot be excluded due to market volatility, it should not be determined in advance whether the price should be based on a current average price for a few days or a current price at a point in time. This should be determined on a case-by-case basis. The Management Board will strive to achieve the highest possible sale price and minimize a discount to the price at which existing shareholders can purchase additional shares on the stock exchange.

Finally, it is intended that the subscription rights of shareholders may be excluded by the Management Board, with the approval of the Supervisory Board, for the granting of subscription

rights to the holders of convertible bonds, convertible jouissance rights, or options. This subscription rights exclusion is necessary so that in case of a possible future issuance, subject to approval at the Shareholders' Meeting, of convertible bonds, convertible jouissance rights, jouissance rights, or bonds options, the conditions of convertible or optional bonds and convertible or optional jouissance rights can be structured in a way that is acceptable to the capital markets. The rationale for making it possible to exclude subscription rights for the holders of options, convertible bonds, and convertible jouissance rights is that in capital market practice convertible and optional bond conditions include stipulations whereby in case of a subscription offer to shareholders of the company for new shares, the conversion or option price is reduced in accordance with a dilution protection formula, if the holders of the conversion rights or options are not granted a subscription right to shares to the extent to which they would be after exercising the conversion or option rights or meeting the conversion obligation. The possibility proposed here of a subscription rights exclusion gives the Management Board a choice in such situations between these two design variants. The measure authorizing a subscription rights exclusion is provided purely as a precaution in case the Shareholders' Meeting decides to authorize the issuance of convertible bonds or optional bonds or convertible or optional jouissance rights and such instruments are issued.

In general, it is not possible to provide any information at the current time about the respective issue price since it is as yet undecided when and to what extent the Approved Capital will be utilized. To the extent that the subscription rights exclusion does not occur in accordance with Section 186 (3)(4) German Stock Corporation Law (AktG), the Management Board will set the issue price appropriately, taking into account the interests of our Company and its shareholders as well as the respective purpose.

Garching, Germany, May 2, 2011

Frank Averdung
Chief Executive Officer

Michael Knopp
Chief Financial Officer