

**Report of the Management Board in accordance with Sections 71 (1)(8)(5),
186 (4)(2) German Stock Corporation Law (AktG) about agenda item 7 of the
Shareholders' Meeting on June 19, 2013, regarding the reasons for
authorization of the Management Board to exclude the tender rights of
shareholders to acquire and the subscription rights of shareholders to use
treasury shares**

We have prepared the following report on the reasons for the authorization of the Management Board to exclude subscription rights in accordance with Sections 71 (1)(8)(5), 186 (4)(2) German Stock Corporation Law (AktG):

The management proposes authorizing the Company to acquire treasury shares in order to give the Company the option of acquiring treasury shares. This authorization should be granted for the maximum permissible legal period of five years.

Exclusion of Delivery Rights for the Acquisition of Treasury Shares

The authorization to acquire treasury shares should enable the Management Board to use the financial tool of a stock buyback in the interest of the Company and its shareholders. The acquisition may occur after the election of the Management Board via the stock exchange or by means of a public tender offer directed to all shareholders or of a public invitation to all shareholders to submit offers for sale.

If the acquisition occurs by means of a public tender offer or a public invitation to submit offers for sale, the volume of the offer or the invitation to submit purchase offers can be restricted. It is thus possible that the volume of shares tendered by shareholders exceeds the number of the shares the Company requires. In this case, the allocation must be based on a quota system. It should be possible to allot the shares in proportion to the tendered or offered shares (tender quotas) rather than by the percentage of shares held. The acquisition is easier to execute within an economically reasonable framework this way. In addition, it should be possible to provide for the preferential acceptance of small quantities of shares of up to 100 shares tendered per shareholder. This option helps avoid fractional amounts in determining the quotas to be acquired and small residual amounts, thereby simplifying the technical execution of the stock buyback. This also avoids any factual disadvantages to small shareholders. Finally, it should be possible to round off quantities according to established commercial principles to avoid fractions of shares. In this way, the share purchase quota and the number of shares to be purchased from the individual shareholders tendering shares are rounded in such a way to ensure that whole shares are acquired. The

Management Board and Supervisory Board consider it justified to exclude any further tender rights of shareholders in this context.

Exclusion of Subscription Rights for the Use of Treasury Shares

The option to sell treasury shares serves as a simplified means to generate funds. In accordance with Section 71 (1)(8)(5) German Stock Corporation Law (AktG), the Shareholders' Meeting can also authorize the Company to sell shares by means other than via the stock exchange or a tender to all shareholders.

Agenda item 7 c) (1) authorizes the sale of treasury shares in exchange for cash outside the stock market or a public tender. This makes use of the possibility of a simplified exclusion of subscription rights in accordance with Section 186 (3)(4) German Stock Corporation Law (AktG). In view of strong competition in the capital markets, the option of selling treasury shares is in the interests of the Company. It creates the opportunity for the Company to offer treasury shares to national and international investors quickly and flexibly, to expand the shareholder base, and to stabilize the value of the share. Restricting the share of treasury shares to a maximum total of 10% of the equity capital and selling them at an exchange price not substantially below the purchase price sufficiently safeguards the financial interests of shareholders. The final sales price for treasury shares is set shortly before the sale. The Management Board, with the approval of the Supervisory Board, will keep the discount to the stock market price as low as the prevailing market conditions at the time of the placement permit. It will not amount to more than 5% of the market price. Since the treasury shares are placed close to the stock market price, every shareholder can acquire shares at approximately the same conditions in the market in order to maintain his or her participation quota. The upper limit of 10% of the equity capital also serves as dilution protection. Deducted from this upper limit are all shares which were issued or sold during the term of the authorization excluding subscription rights in direct or corresponding application of Section 186 (3)(4) German Stock Corporation Law (AktG), for example from approved capital. Also deducted from this limit are shares which were issued to service option and/or conversion rights or conversion obligations from conversion or optional bonds or stock options provided that these bonds or stock options are issued during the term of the authorization excluding subscription rights in corresponding application of Section 186 (3)(4) German Stock Corporation Law (AktG).

Agenda item 7 c) (2) enables the Company to have treasury shares at its disposal so that it can offer them as consideration for payments in kind in the merger of companies, acquisition of companies or parts of companies or holdings in companies, but also in the acquisition of other critical tangible assets for the Company and assets related to an acquisition plan. This form of consideration is

frequently required. The authorization proposed here should give the Company the necessary flexibility to exploit opportunities that present themselves to acquire companies or holdings in them or other assets related to an acquisition plan quickly and flexibly. The proposed resolution provides for restricting the authorization to sell shares in exchange for payments in kind in order to ensure that the total amount of the equity capital accruing to shares, which were issued using treasury shares based on this authorization or in the process of an increase in tangible capital from approved capital, each time excluding shareholder subscription rights, not totaling more than 10% of the existing equity capital of the Company.

Agenda item 7 c) (3) enables the Company to use treasury shares to service conversion rights or options for shares of the Company. The proposed resolution does not create any authorization to permit additional conversion rights or options. Its sole purpose is to allow the management to service conversion rights or options, which will be issued in connection with future authorizations, with treasury shares instead of by utilizing contingent capital if this is in the interests of the Company in a given case.

Finally, in accordance with agenda item 7 c) (4), the Company can redeem treasury shares without necessitating a renewed resolution of the Shareholders' Meeting. In accordance with Section 237 (3)(3) German Stock Corporation Law (AktG), the Shareholders' Meeting of a company can resolve to redeem its fully paid-up shares without this necessitating a reduction in the equity capital of the company. The authorization proposed here explicitly provides for this alternative along with the redemption with a reduction in capital. As a result of the redemption of treasury shares without a reduction in capital, the pro rata nominal amount of the remaining shares relative to the Company's equity capital increases automatically. Therefore the Management Board should also be authorized to make the required change in the articles of incorporation regarding the changed number of individual shares resulting from the redemption.

In deciding on the acquisition and use of treasury shares, the Management Board will be guided solely by the best interests of the shareholders and the Company. The Management Board will notify the next Shareholders' Meeting about the utilization of the aforementioned authorizations.

Garching, Germany, April 22, 2013

Frank Averdung
Chief Executive Officer

Michael Knopp
Chief Financial Officer