

**AIXTRON SE**

**2015 Annual General Meeting**

Hotel Pullman Aachen Quellenhof, Aachen

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**Presentation on Agenda Item 1**

**“Consistently Promoting Our Transformation”**

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CEO

Check against delivery (the spoken word counts).

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Investor Relations

May 2015

Ladies and Gentlemen,  
Dear Shareholders,

In the past year, we stepped up the pace of transformation at our company, and that in both strategic and operating terms. AIXTRON is currently working in a climate characterized by clearly disparate demands. On the one hand, there is the need for strict productivity and cost management – our move to these premises is just one example. On the other hand, and naturally competing with the first demand, the further development of our technologies through to market maturity was and still is absolutely crucial. In the past year, we made good progress in satisfying both demands and reached some key milestones along the way.

Ladies and gentlemen, I would like to welcome you very warmly to the 2015 Annual General Meeting of AIXTRON SE.

### **[Slide - Milestones reached]**

#### **I. Summary of 2014**

So which interim milestones have we reached?

- The market launch of the MOCVD system **AIX R6** in conjunction with the acquisition of the largest order in the company's history and further follow-up agreements with a total of eight customers; here, we are still in the qualification phase at numerous customers.
- The intensification in **customer support**, thus enabling us to acquire some companies for the first time as new AIXTRON customers;
- The expansion in our **OLED** activities by launching operations with the Organic Cluster and the Gen8 demonstrator and the substantial boost to our portfolio due to the acquisition of the encapsulation specialist PlasmaSi;
- The development of our **III/V** activities for logic components and the enhancement of our **ALD** technology with qualification projects at potential new customers;
- The progress made in **power electronics** due to increasing market penetration with our G5 planetary systems;
- The improvements made to our internal structures and processes in **product development, service, supply chain and greater transparency in our controlling**;
- The improvement in the Group's **earnings position** driven by increased sales and strict cost management, enabling us to further contain our losses.

As you can see, we reached some key milestones last year and also initiated further important projects. Our results show that we achieved the improvements announced for 2014; however, these figures can only be viewed as a temporary staging post along the way! Returning our company to sustainable profitability is firmly in our

sights. That is crucial for successful business activity. After all, our existing products have to generate the revenues required to finance advance work in forward-looking business fields.

We have consistently implemented the Five Point Program devised two years ago in two phases and recently brought it to a successful conclusion. To further boost our efficiency, we will now be maintaining our efforts within the framework of our continuous improvement activities. We see the progress achieved not as the finishing line, but rather as the starting block for sustainably transforming our company and diversifying our portfolio.

After all, ladies and gentlemen,

our task is to further stabilize the company's earnings position while at the same time gradually sharpening the company's strategic focus. To this end, in the past year as well we further adapted AIXTRON's organization and structures in line with the ongoing change in customer needs and market requirements. On the one hand, that involves reorganizing and cutting jobs at the Group. On the other hand, it also involves consistently strengthening forward-looking business fields, such as organic electronics and silicon semiconductors, along targeted lines. This is reflected in a substantial build-up in competence in these areas.

I would now like to inform you about our activities and the progress we have made. I will base my comments on three key topics:

1. The LED market and our progress in launching and qualifying AIX R6,
2. AIXTRON's financial position and earnings performance, and
3. Our forward-looking business fields and relevant milestones on the way towards diversifying our portfolio.

Let us begin by looking at our core business – MOCVD systems for LED production. Last year as well, these accounted for more than two thirds of our revenues.

## [Slide - AIX R6]

As you may have noticed in your day-to-day lives, LED lights are becoming ever more widespread. Due to the ongoing decline in prices for LED products, lighting manufacturers have reported strong growth in this segment. Here is just one example: The price of a Type A19 LED standard lamp has fallen within one year by 30% worldwide, and that despite its increased functionality.

Worldwide, LEDs are increasingly becoming a mass-market product. At the recently concluded LightFair in New York, virtually all of the lighting solutions on offer involved LED products. Not only that, these are also being interlinked in increasingly smart ways. In some cases, companies are already going one step further by using organic light-emitting diodes, so-called OLEDs.

Turning now to our potential customers: Their capacity utilization rates are also rising continually. That means that the conditions necessary for the market to pick up are also improving. Despite all past experience, it is nevertheless not possible to forecast the precise moment when this process will be reflected in growing demand for new, additional production systems.

The reasons for this are relatively simple: Given their past experience, many manufacturers are currently still very cautious when it comes to expanding their production capacities. Some of them are also looking into the availability of government subsidies. Having said this, there are also manufacturers who are currently testing the performance capacity of the new systems.

This is one area where we have already reached a crucial milestone: Upon the launch of our new **showerhead generation AIX R6** last year, we secured the largest order in our company's history. The order for 50 systems placed by a Chinese LED manufacturer was a great success for AIXTRON – above all, as this is a customer that previously relied almost exclusively on competitor products.

The new AIX R6 offers substantial benefits for customers:

- An increase in capacity by more than 60%
- A throughput increase of more than 120% by maximizing capacity and automation
- A reduction in operating expenses by more than 30%.

To date, we have concluded agreements with eight customers concerning the supply of our new AIX R6 system. This figure includes the second significant order that we communicated yesterday. For some of the orders, we have reached the qualification phase.

Our objective for the coming months now involves qualifying the systems for production operations at our customers. Our new system generation offers extensive technical innovations. As a result, the LED component and production process qualification may take longer than for predecessor generations. We already stressed

this point several times in recent months. Not only that, we are working with some customers for the first time and these companies are therefore not able to draw on their experience with predecessor generations to AIX R6.

Building on the experience gained with the new system generation, we expect to see enhanced efficiency and productivity in the serial production phase for our AIX R6 system. This in turn will facilitate ongoing reductions in manufacturing expenses, leading the relatively low gross margins to rise during the current production ramp-up phase.

That brings me to the second topic, AIXTRON's **financial position and earnings performance** in the 2014 financial year and first quarter of 2015.

## **[Slide - Quarterly Development]**

In the 2014 financial year, we achieved slight revenue growth for the first time once again. We complied with our operating cost target of EUR 100 million, and further reduced our losses. Our equipment order intake grew by 15%. Our liquidity of EUR 268.1 million and equity ratio of 78% underline our great financial stability.

We owe this not least to the success of our Five Point Program, in which over the past two years we have launched and successfully implemented numerous efficiency and process enhancements. Let me single out just a few specific improvements – the acceleration in our supply chain process, new concepts for our service business, a value-driven target system for our employees, more transparent and structured reporting, and the enhancement of our management program.

Aiming for continuous improvements across all of our divisions – that too is an ever greater component of our company's DNA. How seriously we take this is apparent from the design-to-cost project aimed at cutting our production expenses in the long term, a process in which the development and procurement departments are also involved. It is also apparent in the continuous improvement in the product development process or the establishment of an intranet to boost internal communications and cooperation.

Despite the further rise in production capacity utilization rates at leading LED manufacturers in 2014, which thus reached high levels overall, customers for AIXTRON products remained cautious when it came to making new investments.

The equipment order intake grew to around EUR 38 million per quarter. At EUR 153.4 million for the year as a whole, it was round 15 percent up on the previous year's figure of EUR 133.2 million.

Revenues for the 2014 financial year grew by 6% from EUR 182.9 million in the previous year to EUR 193.4 million. For the first time, we thus managed to reverse the downward trend in revenues seen in recent years. These figures nevertheless reflect the hesitant recovery in demand over the past financial year.

Of total revenues, 77%, or EUR 148.5 million, involved equipment - with MOCVD systems for LED production accounting for 68% of equipment revenues, and thus still making the largest contribution to revenues.

At 83%, the large majority of total revenues in 2014 was attributable to customers in Asia. This figure was even 5 percentage points up on the previous year. The European share of revenues in the 2014 financial year amounted to 13%, while the remaining 4% of revenues were generated in the USA.

## **[Slide - Consolidated Income Statement]**

We generated positive gross profit of EUR 41.5 million in the 2014 financial year, equivalent to a gross margin of 21%. Lower write-downs enabled us to improve this figure compared with 2013. Given persistently low prices, the startup costs for AIX R6, and final conversion costs for old stock, however, the pressure on margins remained high.

One result of the 5 Point Program in 2014 was that we achieved our target of reducing operating costs to below EUR 100 million. Despite increased outlays for research and development, our operating costs of EUR 99.8 million remained just within our self-imposed target in the 2014 financial year as well.

We achieved substantial improvements in our selling and administration expenses in the 2014 financial year, which reduced by 25% to EUR 35.3 million. These savings were partly driven by efficiency enhancements, but largely also by a lower ratio of volume-dependent costs.

By contrast, despite consistent cost management we increased our research and development expenses in the past year by 17% from EUR 57.2 million to EUR 66.7 million. This was due to two main factors: Firstly, our clear commitment to innovation throughout our product portfolio and, secondly, the startup costs incurred in connection with the market launch and final development of our new AIX R6 MOCVD system generation.

Taken together, other operating income and expenses resulted in net operating income of EUR 2.2 million in 2014, compared with income of EUR 16.0 million in the previous year. The previous year's figure was due above all to a one-off item in the form of an insurance payment of EUR 22.5 million. At EUR 1.8 million, the government grants for R&D also included in this item, which AIXTRON received for taking part in subsidized research projects were slightly lower than the 2013 figure.

Given the developments in revenues and costs outlined above, our earnings performance did improve, but still remained in clearly negative territory. Our operating loss (EBIT) thus reduced from EUR -95.7 million to EUR -58.3 million in the 2014 financial year, while our earnings before taxes improved from EUR -95.2 million to EUR -57.1 million.

Due to country-specific taxes on income, AIXTRON reported an income tax charge of EUR 5.4 million in the past financial year. Some companies are required to pay country-specific taxes on locally generated profits. These taxes are then reported here in aggregate form. In the 2014 financial year, no deferred tax assets were recognized on loss carryforwards of EUR 129.5 million and on temporary differences of EUR 12.2 million.

The net loss posted by the AIXTRON Group for the 2014 financial year thus amounted to EUR -62.5 million. This unsatisfactory figure reflects the continuation of

the in-depth restructuring process undergone by AIXTRON in the past two years, high outlays for investments in our future, and ongoing subdued levels of investment demand in our most important customer markets.

**[Slide - Key Financials AIXTRON SE]**

Based on the accounting requirements of the German Commercial Code (HGB), the AIXTRON Group's parent company – AIXTRON SE – posted a net loss of EUR -53.6 million for the 2014 financial year. Unlike the net loss for the Group, the result for AIXTRON SE also includes earnings on participating interests in the subsidiary companies. That is the reason for the positive variance.

Dear shareholders,

In view of this earnings performance, we are proposing this year as well that the net loss for the 2014 financial year should be carried forward and that no dividend should be paid for the past financial year.

As I already mentioned, given this earnings situation the Executive Board is according top priority to returning the company to profitability. More about that later.

Let us return to the AIXTRON Group and its balance sheet.

### **[Slide - Consolidated Statement of Financial Position]**

Despite the losses incurred in the 2014 financial year, which by the way in some cases have not, or not yet, impacted on liquidity, AIXTRON is still debt-free and had liquid funds, including short-term financial investments, of EUR 268.1 million at the end of 2014. That is 12% less than in the previous year, a development chiefly due to the negative net result and the build-up in inventories. The outflow of funds was only made up for in part by the increase in advance payments from customers.

Inventories rose to EUR 81.7 million as of December 31, 2014. This was due to increased material requirements for our new MOCVD system generation to cover orders received, as well as to increased stocks of spare parts aimed at enhancing the delivery service level.

Other asset items showed only insignificant changes compared with the previous year.

At 78%, the equity ratio as of December 31, 2014 fell slightly compared with the figure of 83% as of December 31, 2013. This was chiefly due to the loss incurred in the past financial year.

All this means that AIXTRON still has a strong capital base and remains solidly positioned in terms of its financing.

## **[Slide - Consolidated Statement of Cash flows]**

AIXTRON reported a cash outflow for operating activities of EUR 33.8 million in the 2014 financial year. In the previous year, the reduction in old stocks and the insurance payment had resulted in a cash inflow of EUR 8.2 million.

The cash outflow of EUR 23.2 million for investing activities was primarily attributable to the EUR 9.9 million increase in fixed-term deposits with terms of more than three months and to investments of EUR 12.6 million in property, plant and equipment.

The cash inflow of EUR 0.2 million from financing activities resulted from the acquisition of shares by our employees within the various stock option programs offered by the company.

AIXTRON acted on the authorization to buy back treasury stock shares in the 2014 financial year and bought back a total of 24,594 company shares at an average price of EUR 10.11 on May 20, 2014. This average price was around 1 percent lower than the average closing price of AIXTRON's share on the three trading days preceding the buyback. The treasury stocks are used to finance the long-term share-based variable compensation assignable to me after a 3-year holding period. This item is also detailed in the Compensation Report for the 2014 financial year.

The free cash flow amounted to EUR -47.0 million in the past financial year. This resulted in particular from the net loss, i.e. from the high volume of outlays for our forward-looking technologies. The free cash flow was once again less negative than the net result. This was due to the disproportionate rise in advance payments from customers and the lower volume of capital expenditures.

I assure you that we will in future be paying particular attention to safeguarding our liquidity. Here, the development in the free cash flow – an important management figure – will play a key role.

## **[Slide – Key Financials Q1/2015]**

Let me now conclude the financial analysis section of this presentation by casting a brief glance at the latest developments in the current financial year. We published our interim report for the first quarter of 2015 on April 28.

The underlying climate in the market is increasingly improving. For us, however, this has yet to be reflected in stable investment demand for new LED production capacities.

Our level of revenues and order intake in the 1<sup>st</sup> quarter, even including the first systems from the major Chinese order, remained unsatisfactory.

At EUR 48.9 million, our first-quarter order intake figure, including spare parts and customer service, was stable compared with the previous year's figure of EUR 49.5 million. Please allow me a brief comment here: Starting in the new financial year, we have included the spare parts and customer service business in our order intake figure, thus accounting for the increased significance of this business field.

At EUR 79.0 million, the equipment order intake at the end of the first quarter was 23% up on the previous year's figure of EUR 64.2 million and 14% higher than the opening balance of EUR 69.0 million at the beginning of 2015.

By contrast, our revenues for the first quarter of 2015 showed a different picture. At EUR 40.3 million, these were 8% down on the previous year's figure. This performance is a reflection not least of our customers' continuing caution when it comes to investing.

Gross profit showed a slight year-on-year reduction from EUR 10.0 million to EUR 8.8 million, equivalent to a gross margin of 22%. This deterioration was chiefly due to the simultaneous reduction in revenues.

At EUR 17.6 million, operating costs for Q1/2015 were 16% lower than the figure of EUR 20.9 million for Q1/2014. This was due to the successful optimization of cost structures within the 5 Point Program on the one hand and to lower R&D expenses and positive currency items on the other.

Accordingly, our operating result (EBIT) improved year-on-year from EUR -10.9 million in the previous year to EUR -8.8 million in Q1/2015. Given the ongoing low revenue base, however, EBIT still remained negative.

The net result for the first quarter improved to EUR -9.5 million, up from EUR -11.8 million in the first quarter of 2014.

The net result is also clearly reflected in our cash flow performance in the first quarter. At EUR -8.6 million, the cash outflow for operating activities was largely consistent with the operating loss for the period under report. The free cash flow came to EUR -12.1 million. Both figures have been adjusted to exclude an amount of

EUR -1.5 million for a short-term loan provided in the run-up to the takeover of PlasmaSi, Inc.

The far less marked change in liquidity compared with the free cash flow was due to the appreciation in our cash holdings in US dollars. With liquid resources, including short-term financial investments, of EUR 263.2 million and no bank liabilities, AIXTRON had a solid financing structure at the end of the first quarter of 2015.

## [Slide – Technology Portfolio]

Ladies and gentlemen,

Before turning to our outlook, I would like to inform you about the activities in our forward-looking business fields.

As I mentioned at the beginning of my presentation, in the past financial year we once again made targeted investments in our diversification and thus in further developing the forward-looking business fields we have defined. Our long-term objective remains that of generating 50% of our sales in our non-LED business by 2019 and for this process to be accompanied by substantial growth. We have decided to continue to focus our portfolio on our core competency, namely the deposition of complex materials in the gas phase.

**In future, AIXTRON should have several pillars to stand on and should be present in attractive growth markets from the very outset.** This point is of course also reflected in our earnings situation. Of our technology segments, which we subject to regular strategic reviews, a large share are still in the development or very early growth phase of their life cycles. When we executed our capital increase in October 2013, we were aware of the need for these advance outlays but, following detailed reviews, were able to confirm the great value these technologies harbored for our portfolio.

Before continuing, however, I would like to offer you some information about our new research and development process. To optimize opportunities and risks, we have divided this into three stages:

- 1) The innovation process enables us to identify new markets and applications and innovative technologies at an early stage, and then to filter and evaluate these, and, depending on their potential, to follow them up in a targeted manner.
- 2) The technology process enables us to develop various core components, such as the showerhead or metrology systems, at an early stage for our various segments and without this delaying product development.
- 3) The product development process, newly defined within the 5 Point Program, ensures that the products to be developed can be brought to market maturity in line with market, application and customer requirements and within the respective time and cost budgets.

This way, we are convinced that we can identify market potential at an early stage and implement projects more efficiently and rapidly.

I would like to report now on the latest extension to our technology portfolio – the takeover of PlasmaSi, Inc. on April 1, 2015.

**[Slide - Acquisition PlasmaSi, Inc.]**

The market for organic light-emitting diodes – so-called OLEDs – is a key pillar of AIXTRON's further growth strategy. With PlasmaSi, we are supplementing our own current OLED coating activities to include the OLED encapsulation process step, a key addition to our front-end business.

Having acquired PlasmaSi, we can now offer customers almost two thirds of the investment volume involved in key front-end process steps in OLED production from a single source. In conjunction with our OVPD and PVPD technologies, encapsulation technology will open up numerous opportunities for our company.

Let me briefly explain the special technology used by PlasmaSi. The company seals organic LEDs by depositing thin and flexible encapsulating films using proprietary plasma-assisted CVD technology particularly suited to the production of flexible OLEDs. This process step with high throughput rates is decisive for cost-effective OLED production for all sizes of display for devices ranging from mobile phones to tablets through to large-format HD televisions, as well as for lighting applications.

PlasmaSi has thus significantly boosted our portfolio.

## [Slide - Technology portfolio]

### OLED

We also took an important step forward with our existing deposition technology for the production of **organic semiconductors**. In 2014, we launched operations with our organic cluster for the demonstration of OLED production processes. This was a real milestone! After all, this enables us to demonstrate in industrial relevant production conditions that our OLED production technology is more efficient than other methods currently available.

We are able to deposit highly expensive organic raw materials precisely, i.e. with high material efficiency, onto the substrate. Above all, we can do this significantly faster than with previous technologies. What counts almost even more when it comes to marketing the technology in future is that our patented OVPD technology has the potential to perform this step optimally on very large substrates as well.

With our integrated research line – the R&D cluster – we already enable customers to test and verify the benefits of our OVPD deposition technologies in practice as well. In recent months, various customers have already performed process qualification test runs.

Not only that, I am pleased to report to you today that we also launched operations with our Gen8 demonstration system at the end of April and have already successfully coated our first substrates. The purpose of this system is to demonstrate that our deposition technology is scalable to standards relevant to industry, i.e. that substrates can be coated on a scale of 2 meters 30 by 2 meters 50.

Ladies and gentlemen,

This potential to scale organic films up to billboard size is enormously powerful. After all, it means that our customers can then **produce large substrates more cost-efficiently**. This would relate in particular to the production of OLED displays and televisions, which could then be manufactured at significantly lower expense. The first tests performed in recent weeks are very promising indeed and the interest shown by the industry is correspondingly high.

As already mentioned in our annual report, we expect the first larger-scale order for this technology by mid-2016.

## Power Management

The trend towards energy efficiency is being supported new **power semiconductors**. New materials such as gallium nitride (GaN) or silicon carbide (SiC) are replacing today's highly inexpensive silicon modules. The great benefits of these new technologies are their substantial energy savings due to lower losses and the possibilities of significant miniaturization given their greater efficiency.

The most important applications include converters and transformers used to feed-in regenerative energies, to convert voltages or for hybrid vehicle technology. Following the R&D phase aimed at qualifying the new module structure and new production processes, we are now observing increasing commercialization and industrialization in this field.

One example here is the use of silicon carbide modules planned by Toyota for its next generation of electric and hybrid vehicles.

Another example can be seen in China. Within its 13<sup>th</sup> Five-Year Plan, the government there plans to invest USD 120 billion in the so-called Integrated Circuit (IC) Eco System. This also includes GaN and SiC power electronics for applications in the entertainment electronics, automobile, and renewable energies sectors.

All in all, in the field of power electronics we are working together with 45 companies worldwide. With our specialized MOCVD reactors, we have a very strong market position. Our aim here is to extend this position by consistently supporting our customers. This way, we aim to exploit the potential now emerging in this market upon the transition from the development to the production phase. It is pleasing to see that individual customers are already moving from R&D to the production phase and placing follow-up orders. Thanks above all to our AIX G5 WW (warm wall) and AIX G5+ planetary reactors, we have considerable advantages here compared with other market players.

## TFOS

We see further applications for our **MOCVD technology in the silicon semiconductor industry**. With the assistance of the so-called III-V compound semiconductors, the miniaturization of chip structures, i.e. Moore's Law, can be continued further, thus enabling even more high-performance processors to be manufactured. In their statements at the latest Semi Conference in San Francisco, manufacturers confirmed that this technology with 7nm lateral structure size should be in use by around 2018.

Even more important for us is to see that industry and research customers have achieved substantial development progress with the pilot systems we have supplied. The order for a further development system included in our order intake for the 1<sup>st</sup> quarter also counts as a success here.

It is now a question of developing and producing systems for the mass production of these kinds of state-of-the-art semiconductors. This project too is progressing at full steam and requires corresponding development resources. Given our close collaboration with customers and the substantial changes in our team – with numerous colleagues from the silicon industry – we have a clear plan as to how we can satisfy logic customers' requirements.

## **ALD**

Last but not least, we will also be pressing ahead with our ALD technology. The overall equipment market for logic and memory applications has an annual volume of around USD 1 billion until the end of the decade. As already reported, in the memory segment hereby targeted we currently serve one important customer and have further systems in the qualification phase at two other memory chip manufacturers. Having successfully regained market share in the past quarters due to our performance capacity, it is now a question of acquiring further new customers and extending the range of applications for our ALD technology.

This will require advance input, as we will have to invest once again in development projects with customers. Having said that, we see this field as offering great technological benefits for our customers, and thus substantial growth opportunities for us. Not only that, interaction with our TFOS activities will create substantial synergies.

## **CNT**

Another technology we are building on now and above all in future is that used to manufacture high-purity **carbon-based materials**, such as graphene or carbon nanotubes.

This is an area that is still in an early development stage. Having said that, ever more potential applications, such as innovative touchscreens or high-performance energy storage facilities, are already becoming apparent. Future applications will also arise in the silicon semiconductor industry.

Even though the development of this technology is still in its infancy, we sell around one system a month either to academic research institutes or to industrial research laboratories. We are also regularly involved in publicly subsidized research projects, such as the major EU Graphene Flagship project, in which AIXTRON manages the "Production" work package.

We aim to further expand our strong position in this field in the current financial year. To this end, we are liaising closely with our numerous customers and sharing our experiences, a process through which we also continually hear about new

applications and new technical requirements. The aim here is to achieve crucial strategic advantages in a field that we see as a further decisive future technology for our customers.

## **[Slide – Summary & Outlook]**

### **II. Outlook**

Ladies and gentlemen,

I hope that this extensive information has given you a clear picture of how AIXTRON is pressing ahead with its transformation, of the direction in which we are moving your company forward and of the opportunities arising as a result.

Our key targets for 2015 are clear:

- We intend to grow in all technology areas – i.e. both in our LED business with our new AIX R6 system generation and in our other forward-looking fields.
- We aim to increase our revenues to between EUR 220 million and EUR 250 million.
- We aim to progressively improve our earnings performance in the two halves of the year and to generate positive EBITDA, positive earnings before interest, taxes, depreciation and amortization, in the second half of 2015.

Key factors here are the successful qualification and marketing of AIX R6 and recovery in demand for new MOCVD production systems. Not only that, we will have to meet our project targets for rapidly bringing our forward-looking technology to market maturity. This is particularly true for power semiconductors and our OLED and silicon projects. Only this way will be able to exploit the full potential of these new product groups and – accompanied by substantial growth – generate 50% of our revenues in our non-LED business by 2019.

Alongside these activities, we will continue to systematically implement the productivity and efficiency programs across all areas of the company. All in all, we expect AIXTRON to post a negative operating result once again for the year as a whole. Given the advanced stage of cost-cutting measures and expected revenue growth, however, we expect to see a further substantial year-on-year improvement in our earnings performance in 2015.

Ladies and gentlemen,

Let me summarize: Returning the company to profitability is right at the top of our agenda. This will depend on the further marketing and successful qualification of AIX R6 within the framework of existing customer agreements and the implementation of our innovation roadmap. The Executive Board and the entire AIXTRON team will be focusing on this.

Dear shareholders,

As I hope I have now made clear, AIXTRON – your company – has a unique product and technology portfolio with attractive market opportunities!

On behalf of Dr. Schulte and myself, I would like to take this opportunity to thank the members of the Supervisory Board for their active support of our strategy and our work. I owe a special thank you of course to our employees and employee representatives. They have continued to proactively shape the necessary transformation process with great dedication – thus enabling us to successfully reach further major milestones in 2014.

Ladies and gentlemen,

Above all, I would like to thank you – the owners of our company – for your trust and support. It was a challenging year for AIXTRON, its Executive Board and all employees, but also a year in which we took decisive steps to set course for the future. We have laid the foundation enabling us now to press consistently ahead with transforming your company.

For me personally and for the entire team, your backing was and is crucial to enable us to successfully tackle and implement AIXTRON's restructuring. Please do continue to support us as we make further progress on our course in future. Together with each and every one of our employees, Dr. Schulte and I on the Executive Board are channeling all our energies into building a sustainably positive future for AIXTRON.

I will now hand you back to Mr. Schindelhauer.