



GESCO AG
Wuppertal

Securities identification number 587 590
ISIN DE0005875900

Notice of Annual General Meeting
of GESCO AG

to be held in the Stadthalle Wuppertal
at 10.30 a.m. on 23 August 2007
Doors open at 9.30 a.m.

Notice is hereby given that the Annual General Meeting will be held at the Stadthalle Wuppertal, Johannisberg 40, D-42103 Wuppertal, on 23 August 2007 at 10.30 a.m.

Agenda:

- 1. Presentation of the adopted annual financial statements of GESCO AG for financial year 2006/2007 (from 01.04.2006 to 31.03.2007) with the Directors' report as well as presentation of the approved consolidated financial statements for financial year 2006/2007 (from 01.04.2006 to 31.03.2007) with the Group Directors' report as well as presentation of the Report of the Supervisory Board and the explanatory report on the information in accordance with §§ 289 Para. 4, 315 Para. 4 HGB**

- 2. Resolution on the appropriation of retained profit for financial year 2006/2007**

The Executive Board and Supervisory Board of GESCO AG propose using the reported retained profit for financial year 2006/2007 of EUR 5,305,487.05 (net income for the year of EUR 10,610,974.09 less transfer to other revenue reserves of EUR 5,305,487.04) as follows:

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|--|-------------------------|
| a) Payment of a dividend of EUR 1.50 per unit share on the current dividend-bearing share capital (3,023,000 shares less 631 own shares) | EUR 4,533,553.50 |
| b) Transfer to other revenue reserves | <u>EUR 771,933.55</u> |
| | <u>EUR 5,305,487.05</u> |

3. Resolution on the approval of the actions of the Executive Board for financial year 2006/2007

The Supervisory Board and Executive Board propose to approve the actions of the members of the Executive Board for financial year 2006/2007.

4. Resolution on the approval of the actions of the Supervisory Board for 2006/2007

The Executive Board and the Supervisory Board propose to approve the actions of the members of the Supervisory Board for financial year 2006/2007.

5. Resolution on the cancellation of the existing authorised capital and creation of new authorised capital and the associated amendment of the Articles of Association

The Executive Board and Supervisory Board propose to cancel the existing authorised capital and create new authorised capital as well as to reword § 5 Para. 6 of the Articles of Association. The existing authorisation granted at the Annual General Meeting held on 24 August 2006 and limited until 23 August 2011 to increase the share capital of the company will be cancelled for the period from the effective date of the new authorisation.

The Executive Board is authorised to increase the share capital of the company up until 22 August 2012 with the consent of the Supervisory Board by issuing new unit shares in the name of the holder for cash contributions and/or contributions in kind, either once or several times, up to a total of EUR 3,929,900. Subscription rights are to be granted to shareholders. The new shares may be underwritten by one or more financial institutions appointed by the Executive Board, with the obligation of offering the shares to shareholders (indirect subscription right).

The Executive Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights

- a) to utilise any fractions, or
- b) to acquire companies, parts of companies and investments as appropriate in return for shares, or
- c) if the new shares are issued as part of a capital increase in return for cash contributions at an issue price which is not significantly lower than the stock exchange price and the total number of shares issued under this authorisation does not exceed 10 % of the share capital at the time of issue.

§ 5 Para. 6 of the Articles of Association is reworded as follows:

“The Executive Board is authorised to increase the share capital of the company up until 22 August 2012 with the consent of the Supervisory Board by issuing new unit shares in the name of the holder for cash contributions and/or contributions in kind, either once or several times, up to a total of EUR 3,929,900. Subscription rights are to be granted to shareholders. The new shares may be underwritten by one or more financial institutions appointed by the Executive Board, with the obligation of offering the shares to shareholders (indirect subscription right).

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- a) to utilise any fractions, or
- b) to acquire companies, parts of companies and investments as appropriate in return for shares, or
- c) if the new shares are issued as part of a capital increase in return for cash contributions at an issue price which is not significantly lower than the stock exchange price and the total number of shares issued under this authorisation does not exceed 10 % of the share capital at the time of issue."

6. Authorisation to buy own shares in accordance with § 71 Para. 1 No. 8 AktG (German Stock Corporation Act)

The Executive Board and Supervisory Board propose to resolve as follows:

The company is authorised to buy its own shares up until 22 February 2009, taking into account own shares already held – in an amount of up to 10 % of the current share capital. The acquisition will be via the stock exchange. The purchase price may not exceed or fall short of the average closing price of the shares on the Frankfurt stock exchange on the three preceding trading days in each case by more than 10 %. The existing authorisation, which was granted by the Annual General Meeting on 24 August 2006 and which is valid until 23 February 2008, for the acquisition of own shares will be cancelled once the new authorisation comes into force.

The Executive Board is authorised, with the consent of the Supervisory Board, to carry out the purchase of own shares by some other means than via the stock exchange or through an offer to all shareholders if the company's own shares acquired are sold at a price which is not significantly below the stock exchange price for shares in the company at the time of the sale. The decisive stock exchange price in the sense of the preceding provision is the average of the closing prices of the shares on the Frankfurt stock exchange on the last three days preceding the sale of the shares. Taking into account the existing authorisation in accordance with § 5 Para. 6 of the Articles of Association, this authorisation is limited to a total of a maximum of 10 % of the share capital of the company.

In addition, the Executive Board is authorised, with the consent of the Supervisory Board, to sell the own shares acquired to third parties excluding shareholders' subscription rights provided that the purpose is to buy companies, parts of companies and investments from such third parties. The Executive Board is also authorised, with the consent of the Supervisory Board, to call in all or some of the own shares acquired without further resolution of the Annual General Meeting.

In addition, the own shares acquired by the company may be issued with the consent of the Supervisory Board excluding subscription rights within the context of a share option programme. The intention is to issue share options to the members of the Executive Board of GESCO AG and to non-board executives, who can contribute to the success of the GESCO Group and who have been invited to participate in the programme after the prior consent of the Supervisory Board. Starting with financial year 2007/2008, the share options will be issued in annual tranches at an exercise price, which corresponds to the average XETRA closing price for the share on the ten consecutive stock exchange trading days after the Annual General Meeting held in the year the option was granted. The programme is initially intended to run for the next three years. Each option is granted within a month after the Annual General Meeting. For this, the persons participating in the share option programme will propose an equity investment in the form of self-acquired GESCO shares, which may

not be sold during the qualifying period. Ten options may be acquired per share proposed. The equity investment is subject to an upper and lower limit. The qualifying period until the option can be exercised is two years and nine months. The option can be exercised after the qualifying period all at once or in tranches of at least 500 until 15 March two years later in observance of the ban on insider trading. Exercising the option is linked to the attainment of a performance objective. The performance objective has been attained when the share price of the GESCO share has risen and at a higher rate than the SDAX. If both objectives have been attained, the programme participant can exercise all his/her options. If the price development of the GESCO share is positive, but it does not exceed the development of the SDAX, the programme participant may only have 75 % of his/her options, whilst the other 25 % of the options cease to be valid. GESCO AG reserves the right to compensate for the programme profit entirely or partially in money instead of granting shares. The share option programme governs the details.

7. Resolution on amendment of provisions of the Articles of Association with regard to information provided to shareholders

As a result of the changes in German law brought about by the German law on Electronic Commercial Registers, Cooperative Society Registers and the Company Register (EHUG) and the Transparency Directive Implementation Act (TUG), various duties of disclosure have been re-regulated along with other aspects. In addition, as per § 30b paragraph 3 WpHG (German Securities Trading Act) transmission of information to bearers of approved company securities by means of data transmission is only possible if the Annual General Meeting has passed a corresponding resolution.

The Executive Board and Supervisory Board are therefore proposing to resolve the following:

§ 4 of the Articles of Association will be reformulated as follows:

“§ 4 Announcements

(1) Announcements by the company shall be made in the electronic German Federal Gazette unless a different form of announcement is prescribed by law.

(2) Information may also be conveyed to the bearers of approved company securities by means of data transmission (in particular via e-mail).”

8. Resolution on the appointment of the auditors of the annual and consolidated financial statements for financial year 2007/2008

The Supervisory Board proposes to elect

Dr. Breidenbach, Dr. Güldenagel und Partner KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft,
Friedrich-Engels-Allee 32, D-42103 Wuppertal

as auditors for financial year 2007/2008.

Explanations by the Executive Board on individual items on the agenda

Re item 5

Directors' report to the Annual General Meeting in accordance with § 203 Para. 2 Clause 2 in conjunction with § 186 Para. 4 Clause 2 AktG (German Stock Corporation Act):

The creation of authorised capital is intended to provide the Executive Board with a flexible instrument for financing and developing the company. The proposed authorised capital should enable the Executive Board, with the consent of the Supervisory Board, to raise the capital required to develop the company on the capital markets, also at short notice, by issuing new shares, or to move quickly to take advantage of any more favourable market conditions to cover future financing requirements.

The authorisation to exclude subscription rights for fractions facilitates the option of setting simple and practicable subscription ratio when a capital increase is implemented. Fractions occur when not all new shares can be equally allotted to shareholders due to the subscription ratio or the amount of the capital increase. In relation to the capital increase overall, fractions are of secondary importance.

In addition, the Executive Board should be enabled, with the consent of the Supervisory Board, to acquire companies, parts of companies and investments in return for issuing shares without recourse to the capital markets. This gives the Executive Board more room for manoeuvre. Given that the use of authorised capital for such purposes assumes the option of excluding subscription rights, the Executive Board is to be authorised to exclude subscription rights in such cases. The authorisation requested provides a competitive advantage in terms of interesting acquisition targets and in individual cases also enables optimum financing of the acquisition in return for issuing shares, which at the same time strengthens the equity base of GESCO AG.

Moreover, the Executive Board is to be authorised, with the consent of the Supervisory Board, to exclude subscription rights if the capital increase is carried out in return for cash contributions, the issue price is not significantly lower than the stock exchange price and the total number of the shares issued under the authorisation does not exceed 10 % of share capital at the time of issue. The regulation complies with § 186 Para. 3 Clause 4 AktG (German Stock Corporation Act). This enables the Executive Board to cover future financing requirements in the short term by making use of favourable market conditions for the benefit of the company and its shareholders. Due to the time-consuming processing of subscription rights, this would only be possible to a very limited extent if subscription rights were granted.

There are currently no concrete plans to make use of this authorisation. The Executive Board will examine carefully in each case whether making use of the authorisation to increase the capital and any exclusion of subscription rights are in the well-considered interest of the company, taking into account the interests of existing shareholders. The Executive Board will report in the subsequent Annual General Meeting in each case whether authorised capital has been utilised.

Re item 6

Directors' report to the Annual General Meeting in accordance with § 71 I No. 8 in conjunction with § 186 IV AktG (German Stock Corporation Act):

The intended authorisation of the Executive Board initially covers the event that own shares acquired are sold at a price which is not significantly lower than the stock exchange price of shares of the company at the time of sale. This authorisation facilitates the use of the option to exclude subscription rights by applying § 186 Para. 3 Clause 4 AktG correspondingly, which serves the interests of the company in terms of selling its own shares to institutional investors, for example, or to gain new investor groups in Germany and abroad. This enables the management to make use of opportunities arising as a result of stock market conditions at any given time without the time and cost-intensive processing of subscription rights, in particular of the opportunity of placing shares more quickly and with less expenditure without impacting on the stock exchange price of the shares. The additional option specified of selling the shares acquired to third parties excluding shareholders' subscription rights is aimed at putting the Executive Board in a position to buy, with the consent of the Supervisory Board, companies, parts of companies or investments in suitable individual cases in return for the transfer of own shares. This is to give GESCO the opportunity of responding quickly and successfully to attractive offers or other opportunities arising to acquire companies, parts of companies or investments. If the seller is more interested in acquiring shares in the company than in receiving cash payment, this option of using shares as the acquisition currency improves the company's position during negotiations. The price to be achieved for the shares as part of such a transaction will be set by the Executive Board, with the consent of the Supervisory Board, taking into account the interests of the company and shareholders. Based on the intended authorisation – taking into account the own shares already held by the company within the legally specified limits of § 71 Para. 2 AktG (German Stock Corporation Act) – a maximum of 10 % of the current share capital is available for this.

The intended authorisation also covers the event that own shares acquired within the context of a share option programme are sold to the members of the Executive Board and other managing directors. The opportunity to exclude subscription rights opened up by this authorisation in appropriate application of § 186 Para. 4 AktG serves the interests of the company because it supports a sustained appreciation of the company due to aligned interests on the part of management and shareholders. At the same time, the share option programme makes the company more attractive to management staff.

Additional information in accordance with § 30b Para. 1 No. 1 of the German Securities Trading Act

At the time the Annual General Meeting convenes, the share capital of the company is EUR 7,859,800 and it is divided into 3,023,000 unit shares. The number of shares which grant voting rights, i.e. the total number of shares less the shares held by the company at the time the meeting convenes or own shares to be assigned to them as per § 71d AktG, is 3,022,369 shares at this time.

Entitlement to take part

Those entitled to take part in the Annual General Meeting and exercise their voting right are shareholders for whom proof of ownership has been submitted to the company in writing by the depositary bank (§ 126 b BGB, German Civil Code) in German or in English. The proof must refer to the start of **2 August 2007 (00.00 hrs)** and must be received by the company **not later than 16 August 2007, 24.00 hrs** at the following address:

GESCO AG
c/o Deutsche Bank AG

General Meetings
D-60272 Frankfurt am Main

Proxy

Shareholders who do not wish to attend the Annual General Meeting may exercise their voting rights by a representative by granting a relevant power of attorney, or by a financial institution or association of shareholders. There is a form as per § 30a Para. 1 No. 5 of the German Securities Trading Act to grant power of attorney on the reverse of the admission card, which is sent to the shareholders after proof of ownership in due form and time described above. Power of attorney forms can also be requested from the GESCO AG address given below. In addition to this, these forms are also available on the Internet at:

www.gesco.de/versammlungen.php

In order to facilitate the exercising of voting rights for shareholders not taking part in the Annual General Meeting, we offer the option of being represented by a proxy appointed by the company, who is bound by instructions. Shareholders wishing to grant a power of attorney to this proxy require a ticket to the Annual General Meeting. The power of attorney for the proxy appointed by the company must be in writing and contain instructions regarding the exercising of the voting right. Without such instructions, powers of attorney are invalid. The relevant form can be obtained from depositary banks together with the ticket. It can also be requested from GESCO AG or downloaded from the address given above. If you wish to make use of this proxy, we would recommend that you request a ticket as soon as possible and send this to us together with the signed power of attorney and your instructions no later than 21 August 2007 at the address indicated on the form.

Motions from shareholders

Countermotions opposing proposals by the Executive Board and Supervisory Board relating to an item on the agenda in accordance with § 126 Para. 1 AktG (German Stock Corporation Act) must be sent to:

GESCO AG
Investor Relations
Döppersberg 19
D-42103 Wuppertal
Fax +49 2 02 2 48 20 49

no later than 8 August 2007, 24.00 hrs.

Motions from shareholders to be made accessible will be published on the Internet at www.gesco.de immediately after receipt. Any statements by the management will also be published via this channel.

Wuppertal, July 2007

The Executive Board