



**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 21 August 2008  
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 Thursday 21 August 2008 at 10.30 a.m.**

**Agenda:**

- 1. Presentation of the adopted annual financial statements of GESCO AG for financial year 2007/2008 (from 01.04.2007 to 31.03.2008) with the Directors' report as well as the presentation of the approved consolidated financial statements for financial year 2007/2008 (from 01.04.2007 to 31.03.2008) with the Group Directors' report as well as the presentation of the Report of the Supervisory Board**

- 2. Resolution on the appropriation of retained profit for financial year 2007/2008**

The Executive Board and Supervisory Board of GESCO AG propose using the reported retained profit for financial year 2007/2008 of € 7,315,045.32 (net income for the year of € 9,979,423.71 less transfer to other revenue reserves of € 2,664,378.39) as follows:

Payment of a dividend of € 2.20 per unit share plus a bonus of € 0.22 per unit share on the current dividend-bearing share capital (3,023,000 shares less 5,254 own shares)	€ 7,302,945.32
Transfer to other revenue reserves	€ 12,100.00
	<u>€ 7,315,045.32</u>

**3. Resolution on the approval of the actions of the Executive Board for financial year 2007/2008**

The Supervisory Board and Executive Board propose to approve the actions of the members of the Executive Board for financial year 2007/2008.

**4. Resolution on the approval of the actions of the Supervisory Board for 2007/2008**

The Executive Board and the Supervisory Board propose to approve the actions of the members of the Supervisory Board for financial year 2007/2008.

**5. Authorisation to sign a profit transfer agreement from § 291 Para. 1 AktG (German Stock Corporation act) between GESCO AG and MAE Maschinen- und Apparatebau Götzen GmbH**

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

The Executive Board is authorised to sign a profit transfer agreement until 30 November 2008 between GESCO AG, Wuppertal, as controlling company and its wholly-owned subsidiary and controlled company, MAE Maschinen- und Apparatebau Götzen GmbH, Erkrath (referred to as "MAE GmbH" in the following), which originates from the change in legal status of MAE Maschinen- und Apparatebau Götzen GmbH & Co. KG, Erkrath.

**§ 1 Profit transfer**

1. MAE GmbH is required to pay all profit to GESCO AG that would otherwise be reported if the agreement was not in place, so that no profit comes from MAE GmbH subject to the stipulated regulation referred to in paragraph 2.
2. MAE GmbH can only transfer part of net income to revenue reserves with the consent of GESCO AG, provided that this is permissible according to the German Commercial Code and commercially feasible according to sound business judgement. Established revenue reserves are to be released and used to balance out a loss or to distribute profit throughout the agreement period if GESCO AG deemed it necessary.
3. The profit transfer obligation refers to all profit from the financial year, in which the profit transfer agreement is in force.

**§ 2 Absorption of losses**

1. GESCO AG undertakes to absorb all net losses incurred during the term of the contract, as far as these are not compensated by withdrawing funds from revenue reserves deposited during the term of this contract. § 1 Para. 3 applies.
2. § 302 Para. 3 AktG applies.

**§ 3 Effective date and duration**

1. This contract is subject to the approval of the Shareholders' Meeting of MAE GmbH and the Annual General Meeting of GESCO AG.
2. This contract comes into effect on being entered in the commercial register in the city in which MAE GmbH is based.

3. This contract is signed for an indefinite period and cannot be terminated before a term of five years from being entered in the commercial register. After this period the contract can be terminated to the end of every MAE GmbH financial year, with the termination coming into effect six months later. Termination must be in writing. Complying with the required termination period is based on the point the other company receives the letter of termination.
4. The right of the company to terminate the contract at any time for good reason remains. GESCO AG is entitled to terminate the contract for good reason if it no longer holds a majority stake in MAE GmbH or another shareholder buys a stake in MAE GmbH.

#### **§ 4 Severability clause**

If one or more provisions in this contract are invalid or unfeasible this does not affect the validity of the remaining contract.

#### **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 2010, 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 23 August 2007 and which is valid until 22 February 2009, 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 the Annual General Meeting resolution from 23 August 2007 for operating the share option programme. The share option programme was initiated on 23 August 2007 after the Annual General Meeting and contains the following: 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 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. In financial year 2007/2008, 24,000 share options were issued to the Executive Board of GESCO AG and a small number of leading employees.

**7. Resolution on the appointment of the auditors of the annual and consolidated financial statements for financial year 2008/2009**

The Supervisory Board proposes to elect

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

as auditors for financial year 2008/2009. This also includes appointing the above as the auditor in the event of a review of the abbreviated financial statement and the interim Director's report according to § 37w and § 37y WpHG in the course of compiling the interim report."

## **Explanations by the Executive Board on individual items on the agenda**

### **Re item 5**

By authorising the conclusion of a profit transfer agreement between GESCO AG and MAE Maschinen- und Apparatebau Götzen GmbH, the Executive Board has the possibility to react flexibly to the development of the German tax regime.

From the invitation to the Annual General Meeting onwards the following documents can be viewed by shareholders on the business premises of GESCO AG, Döppersberg 19, 42103 Wuppertal:

- The contract text of the profit transfer agreement between GESCO AG and MAE Maschinen- und Apparatebau Götzen GmbH
- Annual financial statements and Directors' reports of GESCO AG as well as annual financial statements and Directors' reports of MAE Maschinen- und Apparatebau Götzen GmbH & Co. KG, which was formed from the conversion of MAE Maschinen- und Apparatebau Götzen GmbH. All of these reports are available for the last three years.
- The report of the GESCO AG Executive Board.

The above mentioned documents will also be available at the Annual General Meeting.

### **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 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 € 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 3,017,746 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 **31 July 2008 (00.00 hrs)** and must be received by the company **not later than 14 August 2008, 24.00 hrs** at the following address:

GESCO AG  
c/o Deutsche Bank AG  
General Meetings  
60272 Frankfurt am Main  
E-Mail: wp.hv@xchanging.com  
FAX: +49 (0) 69 12012-86045

### **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/en/home/investor-relations/annual-meetings](http://www.gesco.de/en/home/investor-relations/annual-meetings)

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 20 August 2008 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  
42103 Wuppertal  
Telefax +49 (0) 202 2 48 20 49

no later than 6 August 2008, 24.00 hrs.

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

Wuppertal, July 2008

The Executive Board