

Notes

1. General Principles

AIXTRON SE is incorporated as a European Company (Societas Europaea) under the laws of the Federal Republic of Germany. The Company is domiciled at Kaiserstraße 98, 52134 Herzogenrath, Germany. AIXTRON SE is registered in the commercial register of the District Court ("Amtsgericht") of Aachen under HRB 16590.

The consolidated financial statements of AIXTRON SE and its subsidiaries ("AIXTRON" or "Company") have been prepared in accordance with, and fully comply with

- International Financial Reporting Standards (IFRS), and the interpretations as published by the International Accounting Standards Board (IASB); and also
- International Financial Reporting Standards (IFRS) as adopted for use in the European Union; and also
- the requirements of Section 315a of HGB (German Commercial Law).

AIXTRON is a leading provider of deposition equipment to the semiconductor and compound-semiconductor industry. The Company's technology solutions are used by a diverse range of customers worldwide to build advanced components for electronic and optoelectronic applications based on compound, silicon, or organic semiconductor materials. Such components are used in fibre optic communication systems, wireless and mobile telephony applications, optical and electronic storage devices, computing, signalling and lighting, displays, as well as a range of other leading-edge technologies.

These consolidated financial statements have been prepared by the Executive Board and have been submitted to the Supervisory Board at its meeting held on February 24, 2014 for approval and publication.

2. Significant Accounting Policies

(a) Companies included in consolidation

Companies included in consolidation are the parent company, AIXTRON SE, and 8 companies, in which AIXTRON SE has a 100% direct shareholding or control. The balance sheet date of all consolidated companies is December 31. A list of all consolidated companies is shown in note 31.

(b) Basis of accounting

The consolidated financial statements are presented in Euro (EUR). The amounts are rounded to the nearest thousand Euro (kEUR). Some items in the statement of financial position and income statement have been combined under one heading to improve the clarity of presentation. Such items are disclosed and commented on individually in the notes.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if this revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments which have a significant effect on the Company's financial statements are described in Note 37.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by each consolidated company.

(c) Bases of consolidation

(i) Subsidiaries

Entities over which AIXTRON SE has control are treated as subsidiaries (see note 31). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that controlling influence commences.

(ii) Transactions eliminated on consolidation

All intercompany income and expenses, transactions and balances have been eliminated in the consolidation.

(d) Foreign currency

The consolidated financial statements have been prepared in Euro (EUR). In the translation of financial statements of subsidiaries outside the Euro-Zone the local currencies are also the functional currencies of those companies. Assets and liabilities of those companies are translated to EUR at the exchange rate ruling at the balance sheet date. Revenues and expenses are translated to EUR at average exchange rates for the year or at average exchange rates for the period between their inclusion in the consolidated financial statements and the balance sheet date. Net equity is translated at historical rates. The differences arising on translation are disclosed in the Consolidated Statement of Changes in Equity.

Exchange gains and losses resulting from fluctuations in exchange rates in the case of foreign currency transactions are recognised in the income statement in "other operating income" or "other operating expenses".

(e) Property, plant and equipment

(i) Acquisition or manufacturing cost

Items of property, plant and equipment are stated at cost, plus ancillary charges such as installation and delivery costs, less accumulated depreciation (see below) and impairment losses (see accounting policy (j)).

Costs of internally generated assets include not only costs of material and personnel, but also a share of directly attributable overhead costs, such as employee benefits, delivery costs, installation, and professional fees.

Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing components or enhancement of such an item when that cost is incurred if it is probable that the future economic benefits embodied in the item will flow to the Company and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are expensed as incurred.

(iii) Government grants

Government grants related to the acquisition or manufacture of owned assets are deducted from original cost at the date of capitalisation.

(iv) Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Useful lives, depreciation method and residual values of property, plant and equipment are reviewed at the year-end date or more frequently if circumstances arise which are indicative of a change. The estimated useful lives are as follows:

Buildings	25 years
Machinery and equipment	3 - 14 years
Other plant, factory and office equipment	2 - 14 years

(f) Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. In respect of business combinations that have occurred since January 1, 2004, goodwill represents the difference between the fair value of the consideration for the business combination and the fair value of the net identifiable assets acquired. In respect of business combinations prior to this date, goodwill, determined under the previous accounting principles (US-GAAP), applied until 2004, and has continued to be recognised at its then carrying amount.

Goodwill is stated at cost less any accumulated impairment loss. Goodwill is allocated to cash-generating units and is tested annually for impairment (see accounting policy (j)).

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding using scientific methods, is recognised as an expense as incurred.

Expenditure on development comprises costs incurred with the purpose of using scientific knowledge technically and commercially. As not all criteria of IAS 38 are met AIXTRON did not capitalise such costs.

(iii) Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (j)).

Intangible assets acquired through business combinations are stated at their fair value at the date of purchase.

Expenditure on internally generated goodwill, trademarks and patents is expensed as incurred.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets, except for goodwill. Goodwill has a useful life which is indefinite and is tested annually in respect of its recoverable amount. Other intangible assets are amortised from the date they are available for use. Useful lives and residual values of intangible assets are reviewed at the year-end date or more frequently if circumstances arise which are indicative of a change. The estimated useful lives are as follows:

Software	2 - 5 years
Patents and similar rights	5 - 18 years
Customer base and product and technology know how	6 - 7 years

(g) Financial Instruments

(i) Financial Assets

Financial assets are classified into the following specific categories: financial assets 'at fair value through the profit or loss' (FVTPL), 'held to maturity investments', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Investments are recognised at the contract date, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(ii) Financial assets at FVTPL

Financial assets are classified as at FVTPL where the asset is either

- held for trading or
- it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Held to maturity investments

Investments with fixed or determinable payments and fixed maturity dates that the Company intends to and has the ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are recorded at amortised cost using the effective interest rate method less any impairment, with revenue recognised on an effective yield basis.

(iv) Trade receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted on an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment.

(v) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with banks with a maturity of less than three months at inception.

(vii) Equity instruments

Equity instruments, including share capital, issued by the company are recorded at the proceeds received, net of direct issue costs.

(viii) Financial liabilities

Financial liabilities are classified as either financial liabilities “at FVTPL” or “other financial liabilities”.

(ix) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the liability is either

- held for trading or
- it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(x) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

(xi) Derivative financial instruments and hedge accounting

The Company’s activities expose it to the financial risks of changes in foreign exchange currency rates (see note 26). The Company uses foreign exchange forward contracts to hedge these exposures. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by policies approved by the Executive Board, which provide written principles on the use of financial derivatives.

Changes in the fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement.

Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the derivative financial instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the derivative financial instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Cost is determined using weighted average cost.

The cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work in progress and finished goods, cost includes direct material and production cost, as well as an appropriate share of overheads based on normal operating capacity.

Allowance for slow moving, excess and obsolete, and otherwise unsaleable inventory is recorded based primarily on either the Company’s estimated forecast of product demand and production requirement or historical trailing twelve month usage. When the estimated future demand is less than the inventory, the Company writes down such inventories.

(i) Operating Result

Operating result is stated before finance income, finance expense and tax.

(j) Impairment of property, plant and equipment and intangible assets

Goodwill purchased as part of a business acquisition is tested annually for impairment, irrespective of whether there is any indication of impairment. For impairment test purposes, the goodwill is allocated to cash-generating units. Impairment losses are recognised to the extent that the carrying amount exceeds the higher of fair value less cost to sell or value in use of the cash-generating unit.

Property, plant and equipment as well as other intangible assets are tested for impairment, where there is any indication that the asset may be impaired. The company assesses at the end of each period whether there is an indication that an asset may be impaired. Impairment losses on such assets are recognised, to the extent that the carrying amount exceeds either the fair value that would be obtainable from a sale in an arm’s length transaction, or the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments and the risks associated with the asset.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. Reversals are made only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

(k) Earnings per share

Basic earnings per share are computed by dividing net income (loss) by the weighted average number of issued common shares (see note 21) for the year. Diluted earnings per share reflect the potential dilution that could occur if options issued under the Company's stock option plans were exercised and convertible bonds were converted, unless such conversion had an anti-dilutive effect.

(l) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(ii) Defined benefit plans

The obligation from defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in prior periods; that benefit is discounted to determine its present value. The calculation is performed by a qualified actuary using the projected unit credit method.

(iii) Share-based payment transactions

The stock option programs allows members of the Executive Board, management and employees of the Company to acquire shares/ADS (see note 23) of the Company. These stock option programs are accounted for by AIXTRON according to IFRS 2. The fair value of options granted after November 7, 2002 is recognised as personnel expense with a corresponding increase in the additional paid-in capital. The fair value is calculated at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms and conditions upon which the options were granted. In the calculation of the personnel expense options forfeited are taken into account.

(m) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle this obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

(i) Warranties

The Company normally offers one, occasionally two, year warranties on all of its products. Warranty expenses generally include cost of labor, material and related overhead necessary to repair a product free of charge during the warranty period, and are recorded as a selling expense. The specific terms and conditions of those warranties may vary depending on the equipment sold, the terms of the contract and the locations from which they are sold. The Company establishes the costs that may be incurred under its warranty obligations and records a liability in the amount of such costs at the time revenue is recognised. Factors that affect the Company's warranty liability include the historical and anticipated rates of warranty claims and cost per claim.

The Company accrues material and labor cost for systems shipped based upon historical experience. The Company periodically assesses the adequacy of its recorded warranty provisions and adjusts the amounts as necessary.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected economic benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The amount recognised as a provision is determined as the excess of the unavoidable costs of meeting the obligations under the contract over the economic benefits expected to be received. Before making that provision any impairment loss that has occurred on assets dedicated to that contract are recognised. The provision is discounted to present value if the adjustment is material.

(n) Revenue

Revenue is generated from the sale and installation of equipment, spare parts and maintenance services. The sale of equipment involves a customer acceptance test at AIXTRON's production facility. After successful completion of this test, the equipment is dismantled and packaged for shipment. Upon arrival at the customer site the equipment is reassembled and installed, which is a service generally performed by AIXTRON engineers. AIXTRON gives no general rights of return, discounts, credits or other sales incentives within its terms of sale. However, occasionally some customers of AIXTRON have specifically negotiated terms and conditions of business.

Revenues from the sale of products that have been demonstrated to meet product specification requirements are recognised upon shipment to the customer, if a full customer acceptance test has been successfully completed at the AIXTRON production facility and the significant risks and rewards of ownership has passed to the customer.

Revenue relating to the installation of the equipment at the customer's site is recognised when the installation is completed and the final customer acceptance has been confirmed.

The portion of the contract revenue deferred until completion of the installation services is determined based on either the fair value of the installation services or, if the company determines that there may be a risk that the economic benefits of installation services may not flow to the Company, the portion of the contract amount that is due and payable upon completion of the installation.

Fair value of the installation services is determined based on the price that would be received in an orderly transaction in the principal market for such equipment at the measurement date under current market conditions.

Revenue related to products where meeting the product specification requirements has not yet been demonstrated, or where specific rights of return have been negotiated, is recognised only upon final customer acceptance.

Revenue on the sale of spare parts is recognised when title and risk passes to the customer, generally upon shipment. Revenue from maintenance services is recognised as the services are provided.

(o) Expenses

(i) Cost of sales

Cost of sales includes such direct costs as materials, labor and related production overheads.

(ii) Research and development

Research and development costs are expensed as incurred. Project funding received from governments (e.g. state funding) and the European Union is recorded in other operating income, if the Research and Development costs are incurred and provided that the conditions for the funding have been met.

(iii) Operating lease payments

Payments made under operating leases are recognised as expense on a straight-line basis over the term of the lease.

(p) Other operating income

Government grants

Government grants awarded for project funding are recorded in "Other operating income" if the Research and Development costs are incurred and provided that the conditions for the funding have been met.

(q) Tax

The tax expense represents the sum of the current and deferred tax.

Deferred tax assets and liabilities are recorded for all temporary differences between tax and commercial balance sheets and for losses brought forward for tax purposes as well as for tax credits of the companies included in consolidation. The deferred taxes are calculated, based on tax rates applicable at the balance sheet date or known to be applicable in the future. Effects of changes in tax rates on the deferred tax assets and liabilities are recognised upon substantively enacted amendments to the law.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits can be set off against tax credits and tax losses carried forward. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit can be realised. The recoverability of deferred tax assets is reviewed at least annually.

(r) Segment reporting

An operating segment is a distinguishable component of the Company that is engaged in business activities and whose operating results are reviewed regularly by the Chief Operating Decision Maker, which the Company considers to be its Executive Board. The Executive Board regularly reviews financial information on a consolidated group basis. Aixtron has only one reportable segment.

Accounting standards applied in segment reporting are in accordance with the general accounting policies as explained in this section.

(s) Cash flow statement

The cash flow statement is prepared in accordance with IAS 7. Cash flows from operating activities are prepared using the indirect method. Cash inflows and cash outflows from taxes and interest are included in cash flows from operating activities.

(t) Recently issued accounting standards

In the current year, the following new and revised standards have been adopted. Their adoption has not had any significant impact on the amounts reported in these financial statements.

IFRS 10 – Consolidated Financial Statements	This standard replaces the parts of IAS 27 that deal with consolidated financial statements and changes the definition of control.
IFRS 12 – Disclosures of interests in Other Entities	The standard generally increases the required disclosures for subsidiaries, joint arrangements, associates and unconsolidated entities.
Amendments to IAS 1 – Presentation of Financial Statements	This standard amends the presentation requirements when an entity applies accounting policies retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements.
Amendments to IFRS 7 Disclosures	The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective

IFRS 9	Financial Instruments
IAS 36 (amendments)	Recoverable amount disclosures for Non-Financial Assets
IAS 39 (amendments)	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC Interpretation 21	Levies

The company does not expect that the adoption of these standards will have a material impact on the financial statements of the Group in future periods.

3. Segment Reporting and Revenues

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Executive Board, as chief operating decision maker, in order to allocate resources to the segments and to assess their performance.

The Executive Board regularly reviews financial information on a consolidated group basis since the various activities of the group are largely integrated from an operational perspective. In accordance with IFRS, AIXTRON has only one reportable segment.

The company's reportable segment is based around the category of goods and services provided to the semiconductor industry.

Revenues are recognised as disclosed in Note 2 (n).

The company values the revenue deferred for installation services, using a market based approach, based on observed transactions for all such contracts involving multiple elements where revenue has been recognised during the financial year. This is level 2 within the fair value hierarchy described in IFRS 13. The fair value of the installation services is taken as the most frequently observed (modal value) percentage of the contract price payable upon completion of the installation service.

For contracts where revenue is recognised in two elements, the same method is also used to determine the fair value of products delivered, which is taken to be the most frequently observed (modal value) percentage of the contract value payable upon delivery of the equipment to the customer. This is also level 2 in the fair value hierarchy.

Segment revenues and results

<i>in EUR thousands</i>	Note	2013	2012	2011
Equipment revenues		138,044	176,865	556,275
Spares and service revenue		44,819	50,967	54,685
Revenue from external customers		182,863	227,832	610,960
Inventories recognized as an expense	16	117,900	113,083	255,357
Obsolescence and valuation allowance expense for inventories	16	17,885	40,947	41,602
Personnel expense	7	67,548	81,076	76,494
Depreciation	11	16,314	11,165	8,960
Impairment	6 / 11	9,888	2,756	0
Amortization	12	1,609	2,720	3,540
Other expenses		74,864	104,496	112,072
Net foreign exchange losses	5	206	6,977	2,449
Other operating income	5	-27,610	-3,121	-2,394
Segment profit /loss		-95,741	-132,267	112,880
Investment revenue	8	839	2,353	3,393
Finance Costs	8	-313	-29	-1,306
Profit/loss before tax		-95,215	-129,943	114,967

The accounting policies of the reportable segment are identical to the Group's accounting policies as described in note 2. Segment profit represents the profit earned by the segment without the allocation of investment revenue, finance costs and income tax expense. This is the measure reported to the Executive Board for the purpose of resource allocation and assessment of performance.

Segment assets and liabilities

<i>in EUR thousands</i>	Dec 31, 2013	Dec 31, 2012
Semi-conductor equipment segment assets	246,708	337,730
Unallocated assets	316,485	222,241
Total Group assets	563,193	559,971

<i>in EUR thousands</i>	Dec 31, 2013	Dec 31, 2012
Semi-conductor equipment segment liabilities	96,802	89,057
Unallocated liabilities	988	894
Total Group liabilities	97,790	89,951

For the purpose of monitoring segment performance and allocating resources all assets other than tax assets, cash and other financial assets are treated as allocated to the reportable segment. All liabilities are allocated to the reportable segment apart from tax liabilities and post-employment benefit liabilities.

Additions to Property, Plant and Equipment, to Goodwill and to Intangible assets, and the depreciation and amortization expenses are given in notes 11 and 12. Other non-current assets increased by kEUR 230 during 2013 (decreased by kEUR 43 in 2012).

Information concerning other material items of income and expense for personnel expenses and R&D expenses can be found in notes 7 and 4.

Geographical Information

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below. Revenues from external customers are attributed to individual countries based on the country in which it is expected that the products will be used.

<i>in EUR thousands</i>	2013	2012	2011
Asia	141,785	177,490	547,782
Europe	24,213	21,352	26,322
Americas	16,865	28,990	36,856
Total	182,863	227,832	610,960

Sales from external customers attributed to Germany, Aixtron's country of domicile, and to other countries which are of material significance are as follows:

<i>in EUR thousands</i>	2013	2012	2011
Germany	7,210	10,105	10,929
USA	14,805	28,868	35,871
Korea	30,578	29,759	57,744
China	56,788	71,611	314,900
Taiwan	43,177	47,147	157,446

Revenues from all foreign countries outside of Germany were kEUR 175,653, kEUR 217,727 and kEUR 600,031 for the years ended December 31, 2013, 2012 and 2011 respectively.

Sales to one customer in 2013 amounted to 14.4% of Group revenue, in 2012 sales to one customer amounted to 11% of Group revenues. In 2011 there were no customers who accounted for more than 10% of Group revenues.

<i>in EUR thousands</i>	Non-current assets	
	Dec 31, 2013	Dec 31, 2012
Asia	5,181	5,352
Europe excluding Germany	13,052	14,459
Germany	127,977	144,745
USA	1,736	2,237
Total Group non current assets	147,946	166,793

Non-current assets exclude deferred tax assets, financial instruments, post-employment benefit assets and rights arising under insurance contracts.

4. Research and development

Research and development costs, before deducting project funding received, were kEUR 57,153, kEUR 72,862 and kEUR 50,410 for the years ended December 31, 2013, 2012 and 2011 respectively.

After deducting project funding received and not repayable, net expenses for research and development were kEUR 54,627, kEUR 70,201 and kEUR 49,003 for the years ended December 31, 2013, 2012 and 2011 respectively.

5. Other operating income

<i>in EUR thousands</i>	2013	2012	2011
Research and development funding	2,526	2,661	1,407
Income from resolved contract obligations	225		
Income from the reversal of provisions and the write-off of debts	33	78	92
Gain from the disposal of fixed assets	43		17
Compensation payments	22,638	11	2
Foreign exchange gains	746	136	367
Other	1,399	235	509
	27,610	3,121	2,394

In June 2013 inventory belonging to Aixtron with an original cost of kEUR 22,284 was destroyed by a fire in a third party warehouse in the United Kingdom. The inventory valuation had been written down by a provision of kEUR 17,127 to a net amount of kEUR 5,157. Insurance proceeds related to the incident amounting to kEUR 22,479 are included within Compensation payments in Other operating income. The destroyed inventory, net of the provision, is expensed in cost of sales.

The total amount of exchange gains and losses (see also note 6) recognised in profit or loss was a gain of kEUR 540, (2012 loss kEUR -6,841; 2011 loss kEUR -2,082).

<i>in EUR thousands</i>	2013	2012	2011
Foreign exchange gains	746	136	367
Foreign exchange losses (see note 6)	-206	-6,977	-2,449
Net foreign exchange gains (losses)	540	-6,841	-2,082
Gains (losses) arising on financial instruments at FVTPL	0	-6,774	-1,320
Other foreign exchange gains (losses)	540	-67	-762
Net foreign exchange gains (losses)	540	-6,841	-2,082

6. Other operating expenses

<i>in EUR thousands</i>	2013	2012	2011
Foreign exchange losses	206	6,977	2,449
Impairment of building	9,888		
Losses from the disposal of fixed assets	54	149	66
Additions to allowances for receivables or write-off of receivables	142	1,449	101
Customs penalty			1,334
Other	1341		469
	11,631	8,575	4,419

7. Personnel expense

<i>in EUR thousands</i>	2013	2012	2011
Payroll	58,783	67,179	63,315
Social insurance contributions	6,444	8,732	6,777
Decrease/Increase in defined benefit plan obligations			-17
Expense for defined contribution plans	1,340	1,712	1,355
Share based payments	981	3,453	5,064
	67,548	81,076	76,494

8. Net finance income

<i>in EUR thousands</i>	2013	2012	2011
Interest income from financial assets			
On financial assets measured at amortised cost	839	2,274	3,309
Other financial assets	0	79	84
	839	2,353	3,393
Interest expense from financial liabilities			
On financial liabilities not at fair value through profit or loss	-313	-29	-546
On financial liabilities at fair value through profit or loss			-760
	-313	-29	-1,306
Net finance income	526	2,324	2,087

Interest income relates to interest on cash and cash equivalents and held to maturity investments

9. Income tax expense/benefit

The following table shows income tax expenses and income recognised in the consolidated income statement

<i>in EUR thousands</i>	2013	2012	2011
Current tax expense (+)/current tax income (-)			
for current year	5,697	-4,508	40,686
adjustment for prior years	-539	-204	552
Total current tax expense/income	5,158	-4,712	41,238
Deferred tax expense (+)/deferred tax income (-)			
• from temporary differences	55	22,868	-5,802
• Income/expense from changes in local tax rate	4	-56	-5
• from reversals and write-downs	584	-2,607	
Total deferred tax expense/income	643	20,205	-5,807
Taxes on income/loss	5,801	15,493	35,431

Income/loss before income taxes and income tax expense relate to the following regions

<i>in EUR thousands</i>	2013	2012	2011
Income/loss before income taxes			
Germany	-104,284	-101,617	56,554
Outside Germany	9,069	-28,326	58,413
Total	-95,215	-129,943	114,967
Income tax expense			
Germany	353	21,143	18,867
Outside Germany	5,448	-5,650	16,564
Total	5,801	15,493	35,431

The Company's effective tax rate is different from the German statutory tax rate of 30.54% (2012: 30.54%; 2011: 30.21%) which is based on the German corporate income tax rate, including solidarity surcharge, and trade tax.

The following table shows the reconciliation from the expected to the reported tax expense:

<i>in EUR thousands</i>	2013	2012	2011
Net result before taxes	-95,215	-129,943	114,967
Income tax expense/benefit (German tax rate)	-29,079	-39,685	34,732
Effect from differences to foreign tax rates	-1,768	1,250	-1,574
Non-deductible expenses	338	1,343	2,236
Non-consideration of tax claims from loss carryforwards	36,089	55,062	
Reversal of Allowance / write-off against deferred tax assets	662	-2,607	587
Effect from changes in local tax rate	4	-56	-5
Effect of the use of loss carryforwards	-1,752	-1,482	-1,369
Effect of permanent differences	-25	152	-71
Other	1,332	1,516	895
Taxes on income/loss	5,801	15,493	35,431
Effective tax rate	-6.1%	-11.9%	30.8%

10. Current tax receivable and payable

As of December 31, 2013 the current tax receivable and payable, arising because the amount of tax paid in the current or in prior periods was either too high or too low, are kEUR 5,388 (2012: kEUR 7,127) and kEUR 688 (2012: kEUR 770) respectively.

11. Property, plant and equipment

<i>in EUR thousands</i>	Land and buildings	Technical equipment and machinery	Other plant, factory and office equipment	Assets under construction	Total
Cost					
Balance at January 1, 2012	41,263	51,258	17,429	44,955	154,905
Acquisitions	2,252	7,479	1,156	4,881	15,768
Disposals	119	6,182	44	2,639	8,984
Transfers	21,403	18,584	1,838	-41,825	0
Effect of movements in exchange rates	40	-202	-20	3	-179
Balance at December 31, 2012	64,839	70,937	20,359	5,375	161,510
Balance at January 1, 2013	64,839	70,937	20,359	5,375	161,510
Acquisitions	282	5,273	443	3,608	9,606
Disposals	1,476	639	859	745	3,719
Transfers		3,896	25	-3,921	0
Effect of movements in exchange rates	-106	-752	-213	-26	-1,097
Balance at December 31, 2013	63,539	78,715	19,755	4,291	166,300
Depreciation and impairment losses					
Balance at January 1, 2012	11,694	37,163	9,872	0	58,729
Depreciation charge for the year	2,239	6,436	2,489		11,164
Impairment		253		2,503	2,756
Disposals	117	5,848	24	2,503	8,492
Transfers	-50	48	2		0
Effect of movements in exchange rates	20	-207	-12		-199
Balance at December 31, 2012	13,786	37,845	12,327	0	63,958
Balance at January 1, 2013	13,786	37,845	12,327	0	63,958
Depreciation charge for the year	2,383	11,602	2,329		16,314
Impairment	6,264	3,450	174		9,888
Disposals	1,471	639	810		2,920
Transfers					0
Effect of movements in exchange rates	-59	-611	-136		-806
Balance at December 31, 2013	20,903	51,647	13,884	0	86,434
Carrying amounts					
At January 1, 2012	29,569	14,095	7,557	44,955	96,176
At December 31, 2012	51,053	33,092	8,032	5,375	97,552
At January 1, 2013	51,053	33,092	8,032	5,375	97,552
At December 31, 2013	42,636	27,068	5,871	4,291	79,866

Depreciation

Depreciation expense amounted to kEUR 16,314 for 2013 and was kEUR 11,164 and kEUR 8,959 for 2012 and 2011 respectively.

During each financial year, asset useful lives are reviewed in accordance with IAS 16. The effect of the changes in assets useful lives has been to increase the depreciation expense in 2013 by kEUR 2,160 (2012 kEUR nil) compared with the depreciation which would have occurred had the asset useful lives remained unchanged.

Impairments

In 2013 impairment charges of kEUR 9,888 were made in respect of a building and specific equipment contained in that building in Herzogenrath, Germany. The impairment losses are recorded in Other operating expenses in the Income Statement, within Aixtron's one operating segment, and are also shown in the table above.

The company decided to relocate its main activities from its Kaiserstrasse facility in Herzogenrath to a purpose built building nearby. Consequently, the recoverable amount of the Kaiserstrasse facility was re-assessed as its fair value less costs of disposal, which is kEUR 5,500.

The valuation was carried out by a professionally qualified valuer (CIS Immobiliengutachter HypZert fuer finanzwirtschaftliche Zwecke) and is level 2 in the hierarchy of valuations in IFRS 13. The valuation given of the building was kEUR 5,670 and an allowance for the costs of disposal of kEUR 170 has been made against this.

The building is expected to be put on the market for sale in the near future.

In 2012 impairment charges of kEUR 2,756 were made in respect of specific test equipment for discontinued products. They are reported within the line item research and development costs in the Income Statement. During 2011 no impairment charges were necessary.

Assets under construction

Assets under construction relates mainly to the research and development centre in Germany in 2012 and to self-built systems for development laboratories in 2013.

12. Intangible assets

<i>in EUR thousands</i>	Goodwill	Other intangible assets	Total
Cost			
Balance at January 1, 2012	81,461	37,548	119,009
Acquisitions		715	715
Disposals			0
Transfers			0
Effect of movements in exchange rates	368	-295	73
Balance at December 31, 2012	81,829	37,968	119,797
Balance at January 1, 2013	81,829	37,968	119,797
Acquisitions		464	464
Disposals		718	718
Transfers			0
Effect of movements in exchange rates	-325	-881	-1,206
Balance at December 31, 2013	81,504	36,833	118,337

<i>in EUR thousands</i>	Goodwill	Other intangible assets	Total
Amortisation and impairment losses			
Balance at January 1, 2012	17,383	31,343	48,726
Amortisation charge for the year		2,720	2,720
Disposals			0
Effect of movements in exchange rates	100	-313	-213
Balance at December 31, 2012	17,483	33,750	51,233
Balance at January 1, 2013	17,483	33,750	51,233
Amortisation charge for the year		1,609	1,609
Disposals		718	718
Effect of movements in exchange rates	-94	-866	-960
Balance at December 31, 2013	17,389	33,775	51,164
Carrying amounts			
At January 1, 2012	64,078	6,205	70,283
At December 31, 2012	64,346	4,218	68,564
At January 1, 2013	64,346	4,218	68,564
At December 31, 2013	64,115	3,058	67,173

Amortisation and impairment expenses for other intangible assets

Amortisation and impairment expenses for other intangible assets are recognised in the income statement as follows:

<i>in EUR thousands</i>	2013		2012		2011	
	Amortisation	Impairment	Amortisation	Impairment	Amortisation	Impairment
Cost of sales	0	0	202	0	1,000	0
Selling expenses	1	0	5	0	255	0
General administration expenses	1,461	0	1,915	0	1,670	0
Research and development costs	147	0	598	0	615	0
	1,609	0	2,720	0	3,540	0

In 2013, 2012 and 2011, no impairment losses were incurred and no reversals of impairment losses were made.

The amortisation expected to be charged on other intangible assets in the future years is as follows:

<i>in EUR thousands</i>	
2014	1,300
2015	682
2016	492
2017	156
2018	113
after 2018	315

The actual amortisation can differ from the expected amortization.

Impairment of goodwill

At the end of 2013 the Group assessed the recoverable amount of goodwill and determined that no impairment loss had to be recognized (2012: kEUR 0; 2011 kEUR 0).

The carrying value of goodwill was kEUR 64,115 (2012 kEUR 64,346; 2011 kEUR 64,078).

As at the end of 2013 the cash generating unit, to which the goodwill has been allocated, is the Aixtron Group operational segment.

The recoverable amount of the cash-generating unit is determined through a fair value less cost to sell calculation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As Aixtron has only one cash generating unit (CGU), market capitalisation of Aixtron, adjusted for a control premium, has been used to determine the fair value less cost to sell of the cash generating unit. This is level 2 in the hierarchy of fair value measures set out in IFRS 13.

As at December 31, 2013 the market capitalisation of Aixtron was Euro 1,172.8 million, based on a share price of Euro 10.515 and issued shares (excluding Treasury Shares) of 111,534,520.

In an orderly selling process costs are incurred. Aixtron has used 1.5% to account for the costs to sell.

A control premium of 20% has been applied to adjust the market capitalization to the fair value. Market capitalisation was also adjusted for net debt and tax assets prior to comparing it to the carrying amount of the CGU. The analysis shows that the fair value less costs to sell of the CGU Aixtron exceeds its carrying amount and that Goodwill is not impaired.

Euro millions	Impairment Test	Impairment Test	Sensitivity Analysis
	2013	2012	2013
Market capitalisation as of December 31, 2013 (December 28, 2012)	1,172.8	896.0	472.5
Costs to sell in percentage	1.50%	1.50%	1.50%
Costs to sell	-17.6	-13.4	-7.1
Market capitalisation less cost to sell	1,155.2	882.6	465.4
Control premium in percentage	20.00%	20.00%	0.00%
Control premium	231.0	179.2	0.0
Market capitalisation and control premium less cost to sell	1,386.2	1,061.8	465.4
Net debt	-306.3	-209.5	-306.3
Tax assets	-9.2	-11.9	-9.2
Fair value less costs to sell of CGU	1,070.7	840.4	149.9
Carrying amount of the CGU	149.9	248.7	149.9
Surplus of fair value less cost to sell over carrying amount	920.8	591.7	0.0
Surplus of fair value less cost to sell over carrying amount as a percentage	614%	238%	0%

The fair value less costs to sell, which is the recoverable amount, exceeds the carrying amount of the CGU by 614% (2012 238%).

A sensitivity analysis of the impairment test, in which the control premium is reduced to zero, shows that the carrying amount of the CGU would equal the recoverable amount should the market capitalisation of AIXTRON fall by 60% (2012 47%) to Euro 472.5 million (2012 Euro 477.3 million).

13. Other non-current assets

Other non-current assets totalling kEUR 907 (2012: kEUR 677) include mainly rent deposits for buildings.

14. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

<i>in EUR thousands</i>	Assets		Liabilities		Net	
	2013	2012	2013	2012	2013	2012
Property, plant and equipment	124	53			124	53
Trade receivables	693	0			693	0
Inventories	959	1,690			959	1,690
Employee benefits	209	191			209	191
Currency translation	29	12			29	12
Provisions and other liabilities	53	-638			53	-638
Intangible assets	-711				-711	0
Other	-71	-16	-300	-123	-371	-139
Tax losses	3,328	4,096			3,328	4,096
Deferred tax assets (+) liabilities (-)	4,613	5,388	-300	-123	4,313	5,265

Deferred tax assets are recognised at the level of individual consolidated companies in which a loss was realised in the current or preceding financial year, only to the extent that realisation in future periods is probable. The nature of the evidence used in assessing the probability of realisation includes forecasts, budgets and the recent profitability of the relevant entity. The carrying amount of deferred tax assets for entities which have made a loss in either the current or preceding year was kEUR nil (2012: kEUR 151).

Deferred taxes for tax losses in the amount of kEUR 88,664 (2012: kEUR 90,897) and on deductible temporary differences in the amount of kEUR 27,021 (2012: kEUR 20,984) were not recognised. Tax losses in the amount of kEUR 71,811 can be used indefinitely (2012: kEUR 53,302), kEUR 10,309 expire by 2018 (2012: kEUR 7,302, by 2017) and kEUR 6,544 expire after 2018 (2012: kEUR 30,293 after 2017).

The following table shows the development of temporary differences during the financial year:

	Balance at January 1, 2013	Recognised in income statement	Directly recognised in Other Comprehensive Income	Balance at December 31, 2013
<i>in EUR thousands</i>				
Property, plant and equipment	53	71	0	124
Trade receivables	0	693	0	693
Inventories	1,690	-731	0	959
Employee benefits	191	18	0	209
Currency translation	12	326	-309	29
Provisions and other liabilities	-638	691	0	53
Customer advances	0	0	0	0
Intangible assets	0	-711	0	-711
Other	-139	-232	0	-371
Tax losses	4,096	-768	0	3,328
Derivative financial instruments	0	0	0	0
	5,265	-643	-309	4,313

<i>in EUR thousands</i>	Balance at January 1, 2012	Recognised in income statement	Directly recognised in Other Comprehensive Income	Balance at December 31, 2012
Property, plant and equipment	10	43	0	53
Trade receivables	7,160	-7,160	0	0
Inventories	13,629	-11,932	-7	1,690
Employee benefits	59	138	-6	191
Currency translation	0	-118	130	12
Provisions and other liabilities	-2,955	2,325	-8	-638
Customer Advances	1,578	-1,578	0	0
Intangible assets	5,576	-5,576	0	0
Other	-105	-26	-8	-139
Tax losses	1,688	2,458	-50	4,096
Derivative financial instruments	1,567	1,221	-2,788	0
	28,207	-20,205	-2,737	5,265

15. Long term receivable from current tax

Long term receivables from current tax consist of a receivable from corporate tax which will be refunded over a period of five years. The amount included in long term receivables is for the amount receivable after more than one year from the balance sheet date.

16. Inventories

<i>in EUR thousands</i>	Note	2013	2012
Raw materials and supplies		23,307	49,272
Work in process		38,606	64,984
Finished goods and services completed		0	1,790
Inventories at customers' locations		4,270	9,940
		66,183	125,986

<i>in EUR thousands</i>	Note	2013	2012
Inventories recognised as an expense during the period	3	117.900	113.083
Reversals of write-downs recognised during the year	3	-17.127	0
		100.773	113.083
Write-down of inventories during the year	3	35.012	40.947
Inventories measured at net realisable value		17.959	8.135
Carrying amount of inventories pledged as security for liabilities		0	0

On June 28th, 2013 a fire at a warehouse in the United Kingdom destroyed inventory with an original cost of kEUR 22,284. At that date, the inventory valuation had been written down by a provision of kEUR 17,127 to kEUR 5,157. The provision was reversed because the inventory was expensed at that time.

Inventories recognised as an expense during the period includes the inventory destroyed in the fire in 2013 (2012 nil)

17. Trade receivables and other current assets

<i>in EUR thousands</i>	2013	2012
Trade receivables	29,475	39,110
Allowances for doubtful accounts	-1,821	-1,819
Trade receivables - net	27,654	37,291
Prepaid expenses	735	955
Reimbursement of research and development costs	1,196	1,553
Advance payments to suppliers	61	897
VAT recoverable	2,187	2,572
Other assets	746	1,683
Total other current assets	4,925	7,660
	32,579	44,951

Additions to allowances against trade receivables are included in other operating expenses, releases of allowances are included in other operating income. Allowances against receivables developed as follows:

<i>in EUR thousands</i>	2013	2012
Allowance at January 1	1,819	389
Translation adjustments	-10	-7
Impairment losses recognised	89	1,593
Used	-25	-29
Impairment losses reversed	-52	-127
Allowance at December 31	1,821	1,819

Ageing of past due but not impaired receivables

<i>in EUR thousands</i>	2013	2012
1-90 days past due	1,437	1,971
More than 90 days past due	2,023	1,246

Due to the worldwide spread of risks, there is a diversification of the credit risk for trade receivables. Generally, the Company demands no securities for financial assets. In accordance with usual business practice for capital equipment however, the Company mitigates its exposure to credit risk by requiring payment by irrevocable letters of credit and substantial payments in advance from most customers as conditions of contracts for sale of major items of equipment.

At the balance sheet date one customer accounted for 16% of the company's net trade receivables, no other customer accounted for more than 10% of trade receivables. In 2012 one customer accounted for 26% of the company's net trade receivables, no other single customer accounted for more than 10% of trade receivables. In determining concentrations of credit risk the company defines counterparties as having similar characteristics if they are connected entities.

Included in the Company's trade receivable balance are debtors with a carrying amount of kEUR 3,460 (2012: kEUR 3,217) which are past due at the reporting date for which the Company has not provided. As there has not been a significant change in credit quality, and although the company has no collateral, the amounts are still considered recoverable.

In determining the financial assets which may be individually impaired the Company has taken into account the likelihood of recoverability based on the past due nature of certain receivables, and our assessment of the ability of all counter-parties to perform their obligations.

18. Other financial assets

Other financial assets of kEUR 138,853 (2012: kEUR 109,756) are fixed deposits with banks with a maturity of more than three months at inception of the contracts.

An analysis of the maturities at December 31, 2013 and 2012 is as follows:

<i>In EUR thousands</i>	2013	2012
Maturity up to 180 days	38,853	94,756
Maturity 181 days to 365 days	100,000	15,000
	138,853	109,756

19. Cash and cash equivalents

<i>in EUR thousands</i>	2013	2012
Cash-in-hand	5	9
Bank balances	167.449	99.725
Cash and Cash equivalents	167.454	99.734

Cash and cash equivalents comprise short-term bank deposits with an original maturity of 3 months or less. The carrying amount and fair value are the same.

Bank balances included kEUR 0 given as security (2012: kEUR 0) at December 31, 2013.

20. Shareholders' Equity

FULLY PAID CAPITAL	2013	2012
January 1	101,975,023	101,789,527
Shares issued during the year	10,638,422	185,496
Issued and fully paid capital at December 31, including Treasury Shares	112,613,445	101,975,023
Treasury shares	-1,078,925	-1,078,925
Issued and fully paid share capital at December 31 under IFRS	111,534,520	100,896,098

The share capital of the company consists of no-par value shares and was fully paid-up during 2013 and 2012. Each share represents a portion of the share capital in the amount of EUR 1.00.

Authorised share capital

Authorised share capital, including issued capital, amounted to EUR 203,422,077 (2012: 203,579,052)

Additional paid-in capital

Additional paid-in capital mainly includes the premium on increases of subscribed capital as well as cumulative expense for share-based payments.

In 2013 the company issued 10,638,422 shares. Of these, 10,223,133 were issued to qualified investors under an accelerated book-building process in October 2013, the remainder were issued as a result of the exercise of stock options during the year. Shares issued in 2012 were all issued as a result of stock options being exercised.

The Company regards its shareholders' equity as capital for the purpose of managing capital. Changes in Shareholders' equity are shown in the Consolidated Statement of Changes in Equity. The Company considers its capital resources to be adequate.

Income and expenses recognised in other comprehensive income

<i>in EUR thousands</i>	Currency translation	Derivative financial instruments	Total
Balance at December 31, 2010	-10.995	-340	-11.335
Change in currency translation	6.930		6.930
Change in unrealised gains/losses before taxes		-9.032	-9.032
Deferred taxes		2.934	2.934
Balance at December 31, 2011	-4.065	-6.438	-10.503
Change in currency translation	1.512		1.512
Change in unrealised gains/losses before taxes		9.226	9.226
Deferred taxes		-2.788	-2.788
Balance at December 31, 2012	-2.553	0	-2.553
Change in currency translation	-6.130		-6.130
Balance at December 31, 2013	-8.683	0	-8.683

The foreign currency translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is not the Euro.

The item "derivative financial instruments" comprises the gain or loss on foreign currency hedge contracts deferred in other comprehensive income.

21. Earnings/Loss per share

Basic earnings/loss per share

The calculation of the basic earnings/loss per share is based on the weighted-average number of common shares outstanding during the reporting period.

Diluted earnings/loss per share

The calculation of the diluted earnings/loss per share is based on the weighted-average number of outstanding common shares and of common shares with a possible dilutive effect resulting from share options being exercised under the share option plan.

	2013	2012	2011
Earnings/loss per share			
Net profit/loss attributable to the shareholders of AIXTRON SE in kEUR	-101.016	-145.436	79.536
Weighted average number of common shares and ADS for the purpose of Earnings/Loss Per Share	103.016.618	100.805.804	100.530.006
Basic earnings/loss per share (EUR)	-0,98	-1,44	0,79
Earnings/loss per share (diluted)			
Net profit/loss attributable to the shareholders of AIXTRON SE in kEUR	-101.016	-145.436	79.536
Weighted average number of common shares and ADS for the purpose of Earnings/Loss Per Share	103.016.618	100.805.804	100.530.006
Dilutive effect of share options	0	0	1.304.711
Weighted average number of common shares and ADS for the purpose of Earnings/Loss Per Share (diluted)	103.016.618	100.805.804	101.834.717
Diluted earnings/loss per share (EUR)	-0,98	-1,44	0,78

The following securities issued were not included in the computation of the diluted earnings per share, as their effect would be anti-dilutive:

Number of shares	2013	2012	2011
Share options	3,289,025	3,366,396	2,305,590

22. Employee benefits

Defined contribution plan

The Company grants retirement benefits to qualified employees through various defined contribution pension plans. The expenses incurred for defined contribution plans mainly arise from two pension plans in subsidiaries. The contributions made do not exceed 10% of qualified employees' base salaries. In 2013 the expense recognised for defined contribution plans amounted to kEUR 1,340 (2012: kEUR 1,712, 2011: kEUR 1,338).

In addition to the Company's retirement benefit plans, the company is required to make contributions to state retirement benefit schemes in most of the countries in which it operates. The company is required to contribute a specified percentage of payroll costs to the retirement schemes in order to fund the benefits. The only obligation of the group is to make the required contributions.

Defined benefit plan

The Company's net obligation in respect of defined benefit pension plans reflects commitments to two former members of the Executive Board of AIXTRON SE. These are final salary plans.

In the three years ending 2013 no payments were made under these plans. The value of the obligations from pension plans is determined annually at December 31. During 2010 these obligations were contracted out to an insurance company. Following the transfer of the pension obligation to the insurance company, the guaranteed increase in pensions is 1% only. The company does not expect to have any further obligation under these schemes.

Movements in the present value of defined benefit obligations

<i>in EUR thousands</i>	2013	2012	2011
Present value of defined benefit obligations at January 1	1,466	1,024	1,048
Interest expense	48	54	51
Actuarial gains and losses	-29	388	-58
Settlement			-17
Present value of defined benefit obligations at December 31	1,485	1,466	1,024

The amount included in the consolidated statement of financial position arising from defined benefit obligations is

<i>in EUR thousands</i>	2013	2012	2011	2010	2009
Present value of defined benefit obligations	1,485	1,466	1,024	1,048	1,064
Fair value of scheme assets - funded	-1,485	-1,466	-1,024	-1,031	0
Defined benefit liability - unfunded	0	0	0	17	1064

Expense recognised in the consolidated income statement

<i>in EUR thousands</i>	2013	2012	2011
	0	0	0
Interest expense	0	0	0
Actuarial gains and losses	0	0	-17
	0	0	-17

Development of plan assets

<i>in EUR thousands</i>	2013	2012	2011
at January 1	1,466	1,024	1,031
Contributions by the sponsoring companies	0	0	0
Return from plan assets	48	54	51
Actuarial gains and losses	-29	388	-58
	1,485	1,466	1,024

In the 2013 income statement, the income of kEUR nil (2012 kEUR nil; income 2011 kEUR 17) is recognised in general administration expense.

The following table shows the principal actuarial assumptions.

	2013	2012
Biometrical calculation assumptions	Heubeck tables 2005G	Heubeck tables 2005G
Interest rate at December 31	3.40%	3.30%
Expected salary increase	0.00%	0.00%
Expected pension increase	1.00%	1.00%
Expected rate of return on plan assets	3.40%	3.30%

23. Share-based payment

The Company has different fixed option plans which reserve shares of common stock and AIXTRON American Depository Shares (ADS) for issuance to members of the Executive Board, management and employees of the Company. Each AIXTRON ADS represents the beneficial ownership in one AIXTRON common share. The following is a description of these plans:

AIXTRON stock option plan 1999

In May 1999, options were authorized to purchase 3,000,000 shares of common stock (after giving effect to capital increases, stock splits, and the EURO conversion). The stock options can be exercised when 15 years have elapsed since their issue. Under the terms of the 1999 plan, options were granted at prices equal to the average closing price over the last 20 trading days on the Frankfurt Stock Exchange before the grant date. Under this plan 890,976 options for the purchase of 1,514,710 common shares were outstanding as of December 31, 2013.

AIXTRON stock option plan 2002

In May 2002, options were authorized to purchase 3,511,495 shares of common stock. The options are exercisable in equal instalments of 25% per year after the second anniversary of the date of grant, subject to certain conditions. Options expire ten years from date of grant. Under the terms of the 2002 plan, options are granted at prices equal to the average closing price over the last 20 trading days on the Frankfurt Stock Exchange before the grant date, plus 20%. No grants were issued with a strike price less than fair market value. A total of 161,447 options to purchase the same number of common stock were outstanding under this plan as of December 31, 2013.

AIXTRON stock option plan 2007

In May 2007, options were authorized to purchase 3,919,374 shares of common stock. 50% of the granted options may be executed after a waiting period of not less than two years, further 25% after three years and the remaining 25% after at least four years. The options expire 10 years after they have been granted. Under the terms of the 2007 plan, options were granted at prices equal to the average closing price over the last 20 trading days on the Frankfurt Stock Exchange before the grant date, plus 20%. A total of 1,607,278 options to purchase the same number of common stock were outstanding under this plan as of December 31, 2013.

AIXTRON stock option plan 2012

In May 2012, options were authorized to purchase shares of common stock. The granted options may be exercised after a waiting period of not less than four years. The options expire 10 years after they have been granted. Under the terms of the 2012 plan, options are granted at prices equal to the average closing price over the last 20 trading days on the Frankfurt Stock Exchange before the grant date, plus 30%. As of December 31, 2013 no options had been granted under this plan.

Genus stock option plan 2000

With the acquisition of Genus, Inc. the company adopted the Genus Incentive Stock Option Plan 2000. Under this plan at the date of acquisition options were authorized to purchase the equivalent of 2,013,487 AIXTRON ADS. Options granted before October 3, 2003 vest over a three-year-period and expire five years from the date of grant. Options granted after October 3, 2003 vest over a four-year-period and expire ten years from the date of grant.

A total of 5,590 options to purchase AIXTRON ADS were outstanding under this plan as of December 31, 2013. Upon exercise of options new shares are issued from the trust (see note 20).

Summary of Stock Option Transactions

	Number of shares	Average exercise price (EUR)	Number of shares	Average exercise price (EUR)
	2013		2012	
Balance at January 1	4,274,126	21.68	4,519,641	21.06
Granted during the year	0	0.00	31,000	15.75
Exercised during the year	415,289	5.31	185,496	4.79
Forfeited during the year	575,402	23.29	91,019	23.29
Outstanding at December 31	3,283,435	23.47	4,274,126	21.68
Exercisable at December 31	2,014,503	26.22	937,426	23.24

Genus share options

	Number of shares	Average exercise price (USD)	Number of shares	Average exercise price (USD)
	2013		2012	
Balance at January 1	6,610	7.44	6,610	7.44
Exercised during the year				
Expired during the year	1,020	12.35		
Outstanding at December 31	5,590	6.55	6,610	7.44
Exercisable at December 31	5,590	6.55	6,610	7.44

AIXTRON Stock Options as of December 31, 2013

Exercise price per share (EUR)	Underlying shares represented by outstanding options	Shares represented by exercisable options	Average option life (in years)
18.70	406,824	406,824	0.5
67.39	334,416	334,416	1.5
26.93	310,800	0	2.5
7.48	462,670	0	3.5
6.17	39,322	39,322	0.5
3.83	122,125	122,125	2.5
10.09	226,325	226,325	4.0
4.17	133,553	133,553	5.0
24.60	590,950	443,213	6.0
26.60	617,450	308,725	7.0
12.55	14,000	0	8.0
15.75	25,000	0	9.0
	3,283,435	2,014,503	

Genus Stock Options as of December 31, 2013

Average exercise price (USD)	Outstanding	Exercisable	Average option life (in Years)
3.55	1,000	1,000	0.9
7.20	4,590	4,590	0.3
	5,590	5,590	

Assumptions used to calculate fair values and share-based payment expenses

The fair value of services received in return for stock options granted is measured by reference to the fair value of the stock options granted. The fair value of the stock options is determined on the basis of a binomial lattice model. In accordance with IFRS 2 the measurement includes only options which were granted after November 7, 2002.

In 2013, the personnel expenses from share-based payments, all of which were equity settled share based payments, were kEUR 981 (2012: kEUR 3,453; 2011: kEUR 5,064).

As of December 31, 2013 an amount of kEUR 622 relating to stock options granted prior to that date had not yet been recognised as a personnel expense. This amount will be charged over the periods to 2016. The expected allocation of the expense is as follows: 2014: kEUR 541, 2015: kEUR 79 and 2016 kEUR 2.

AIXTRON share options granted

	in 2013	in 2012	in 2011
Fair value on grant date	N/A	4.66 €	3.22 €
Price per share	N/A	12.74 €	9.95 €
Exercise price	N/A	15.75 €	12.55 €
Expected volatility	N/A	55.96%	59.03%
Option life	N/A	10.0 years	10.0 years
Expected dividend payments	N/A	0.33 €	0.38 €
Risk-free interest rate	N/A	1.47%	2.02%

The expected volatility is based on historical volatility.

24. Provisions

Development and breakdown of provisions

in EUR thousands	01.01. 2013	Exchange rate differences	Usage	Reversal	Addition	31.12. 2013	Current	Non-current
Personnel expenses	8,244	-120	5,808	925	4,314	5,705	5,705	0
Warranties	6,252	29	1,107	2	7,417	12,589	10,846	1,743
Onerous contracts	4,669	-6	2,021		2,760	5,402	5,402	0
Commissions	2,170	-1	1,623	106	813	1,253	1,253	0
Other	8,075	-69	5,113	191	6,406	9,108	8,874	234
Total	29,410	-167	15,672	1,224	21,710	34,057	32,080	1,977

<i>in EUR thousands</i>	01.01. 2012	Exchange rate differences	Usage	Reversal	Addition	31.12. 2012	Current	Non-current
Personnel expenses	14,407	-56	11,466	2,015	7,374	8,244	8,244	0
Warranties	3,579	-23	3,135	96	5,927	6,252	5,262	990
Onerous contracts	416		19	399	4,671	4,669	4,669	0
Commissions	6,538	-3	5,543		1,178	2,170	2,170	0
Other	11,618	-92	9,047	148	5,744	8,075	7,859	216
Total	36,558	-174	29,210	2,658	24,894	29,410	28,204	1,206

Personnel expenses

These include mainly provisions for holiday pay, payroll and bonuses, which are financial liabilities.

Provisions for onerous contracts

These include provisions associated with contracts where the unavoidable costs of meeting the contract obligations exceed the economic benefits expected to be received. These mainly relate to supply contracts for materials which are excess to the forecast future requirements.

Commissions

Commissions are payable to sales agents and are recorded as financial liabilities.

Warranties

Warranty provisions are the estimated unavoidable costs of providing parts and service to customers during the normal warranty periods.

Other provisions

Other provisions consist mainly of the estimated cost of services received.

For provisions existing at both December 31, 2013 and December 31, 2012, the economic outflows resulting from the obligations that are provided for are expected to be settled within one year of the respective balance sheet date for current provisions and within two years of the respective balance sheet date, but more than one year, for non-current provisions.

25. Trade payables and other current liabilities

The liabilities consist of the following:

<i>in EUR thousands</i>	2013	2012
Trade payables	13,517	9,683
Liabilities from grants	1,507	1,740
Payroll taxes and social security contributions	1,111	981
VAT and similar taxes	94	739
Other liabilities	236	323
	2,948	3,783
	16,465	13,466

The carrying amount of trade payables and other current liabilities approximates their fair value. Trade payables, grant liabilities, taxes and other liabilities fall due for payment within 90 days of receipt of the relevant goods or services.

26. Financial Instruments

Details of the significant accounting policies and methods, the basis of measurement that are used in preparing the financial statements and the other accounting policies that are relevant to an understanding of the financial statement are disclosed in note 2 to the financial statements.

Financial risk management objectives

The group seeks to minimise the effects of any risk that may occur from any financial transaction. Key aspects are the exposures to liquidity risk, credit risk, interest rate risk and currency risk arising in the normal course of the Company's business.

The AIXTRON Group's central management co-ordinates access to domestic and international financial institutions and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposure to risk by likelihood and magnitude. These risks cover all aspects of the business, including financial risks; and the risk management system is in accordance with the corporate governance recommendations specified in the German Corporate Governance Code.

Where the Company uses derivative financial instruments it does so to hedge exposure to fluctuations in foreign exchange rates.

Liquidity risks

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk is one of the central tasks of AIXTRON SE. In order to be able to ensure the Group's solvency and flexibility at all times cash and cash equivalents are projected on the basis of regular financial and liquidity planning.

As at December 31, 2013 the group had no borrowings (2012 nil). Financial liabilities, all due within one year, of kEUR 16,465 (2012 kEUR 13,466) consisting of trade payables and other liabilities and are shown in Note 25, together with an analysis of their maturity.

As at December 31, 2013 the group had kEUR 167,454 cash and cash equivalents (2012 kEUR 99,734) and a further kEUR 138,853 of fixed deposits with banks (2012 kEUR 109,756).

Credit risks

Financial assets generally exposed to a credit risk are trade receivables (see note 17) and cash and cash equivalents.

The Group's cash and cash equivalents are kept with banks that have a good credit standing. Central management of the Group assesses the counter-party risk of each financial institution dealt with and sets limits to the Group's exposure to those institutions. These credit limits are reviewed from time to time so as to minimise the default risk as far as possible and to ensure that concentrations of risk are managed.

The maximum exposure of the Group to credit risk is the total amount of receivables, financial assets and cash balances as described in notes 17, 18 and 19.

For receivables measured at fair value, the maximum amount of the exposure to credit risk is the amount of receivables measured at fair value as disclosed in note 26. There are no credit derivatives or similar instruments which mitigate the maximum exposure to credit risk and there has been no change during the period or cumulatively in the fair value of such receivables that is attributable to changes in the credit risk.

Market risks

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rate risks. Interest rate risks are not material as the company only receives a minor amount of interest income. The Company does not use derivative financial instruments to manage its exposure to interest rate risk. Cash deposits are made with the company's bankers at the market rates prevailing at inception of the deposit for the period and currency concerned. There has been no change to the Company's exposure to market risk or the manner in which it manages and measures the risk.

Foreign currency risk

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward exchange contracts to hedge the exchange rate risk arising on the export of equipment. The main exchange rates giving rise to the risk are those between the US Dollar, Pound Sterling and Euro.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

<i>in EUR thousands</i>	Liabilities		Assets	
	2013	2012	2013	2012
US Dollars	-44,424	-43,342	83,781	72,064
GB Pounds	-1,612	-2,168	15,227	17,124

Exposures are reviewed on a regular basis and are managed by the Company through sensitivity analysis.

Foreign currency sensitivity analysis

The Company is mainly exposed to US Dollar exchange rate risks through its worldwide activities.

The following table details the company's sensitivity to a 10% change in the value of the Euro against the Dollar. A positive number indicates an increase in profit and other equity, a negative number indicates a reduction in profit and other equity.

Increase in value of Euro by 10%		USD Currency Effect	
kEUR		2013	2012
Profit or loss		530	1,266
Other comprehensive income		-	-
Decrease in value of Euro by 10%		USD Currency Effect	
kEUR		2013	2012
Profit or loss		-530	-1,266
Other comprehensive income		-	-

The sensitivity analysis represents the foreign exchange risk at the year-end date only. It is calculated by revaluing the Group's financial assets and liabilities, existing at 31 December, denominated in US-Dollars by 10%. It does not represent the effect of a 10% change in exchange rates sustained over the whole of the financial year, only the effect of a different rate occurring on the last day of the year.

Forward foreign exchange contracts

The company had no forward foreign exchange contracts with banks at December 31, 2013 or December 31, 2012.

Foreign currency cash flow hedges

As of 31st December 2013, the aggregate amount of unrealised gains on forward foreign exchange contracts deferred in the hedging reserve relating to the exposure on anticipated future transactions is kEUR nil (2012: kEUR nil).

There were no unrealised losses or gains (unrealised losses 31 December 2011: kEUR 6,438) included in income and expenses recognised in equity as of December 31, 2012. The losses actually realised in 2013 were kEUR nil (2012: losses kEUR 8,531).

Foreign currency option contracts

The company had no option contracts as at December 31, 2013 or December 31, 2012.

Fair values

Cash and cash equivalents, Loans and receivables and Held to maturity investments are stated at amortised cost. At FVTPL are classed as at fair value through profit or loss and are designated as such upon initial recognition. At FVTPL includes accrued receivables arising as the difference between the fair value of revenue (note 3) and the invoiced amounts. The fair value is level 2 in the fair value hierarchy.

The fair values and the carrying amounts of the financial instruments shown in the balance sheet are shown in the following table. Financial assets are classified into categories.

FINANCIAL ASSETS 2013

<i>in EUR thousands</i>	Cash and cash equivalents	Loans and receivables	Held to-maturity investments	At FVTPL	Total Carrying amount and fair value
	at amortised cost	at amortised cost	at amortised cost	at fair value	
Cash and cash equivalents	167,454	0	0	0	167,454
Other financial assets	0	0	138,853	0	138,853
Other non-current assets	0	907	0	0	907
Trade receivables	0	27,266	0	388	27,654
Total	167,454	28,173	138,853	388	334,868
At amortized cost	167,454	28,173	138,853		334,480
At fair value				388	388

FINANCIAL LIABILITIES 2013

<i>in EUR thousands</i>	Cash and cash equivalents	Loans and receivables	Other payables	At FVTPL	Hedging Derivatives	Total Carrying amount and fair value
	at amortised cost	at amortised cost	at amortised cost	at fair value	at fair value	
Trade payables	0	0	13,517	0	0	13,517
Advance payments from customers (not in scope of IFRS 7)	0	0	46,188	0	0	46,188
Total	0	0	59,705	0	0	59,705
At amortized cost	0	0	59,705			59,705
At fair value				0	0	0

FINANCIAL ASSETS 2012

<i>in EUR thousands</i>	Cash and cash equivalents	Loans and receivables	Held to-maturity investments	At FVTPL	Total Carrying amount and fair value
	at amortised cost	at amortised cost	at amortised cost	at fair value	
Cash and cash equivalents	99,734	0	0	0	99,734
Other financial assets	0	0	109,756	0	109,756
Other non-current assets	0	677	0	0	677
Trade receivables	0	29,683	0	7,608	37,291
Total	99,734	30,360	109,756	7,608	247,458
At amortized cost	99,734	30,360	109,756		239,850
At fair value				7,608	7,608

FINANCIAL LIABILITIES 2012

<i>in EUR thousands</i>	Cash and cash equivalents	Loans and receivables	Other payables	At FVTPL	Hedging Derivatives	Total Carrying amount and fair value
	at amortised cost	at amortised cost	at amortised cost	at fair value	at fair value	
Trade payables	0	0	9,683	0	0	9,683
Advance payments from customers (not in scope of IFRS 7)	0	0	45,969	0	0	45,969
Total	0	0	55,652	0	0	55,652
At amortized cost	0	0	55,652			55,652
At fair value				0	0	0

Trade receivables/payables

For trade receivables/payables due within less than one year, measured at amortised cost, the fair value is taken to be the carrying amount. All other receivables/payables, measured at amortised cost, are discounted to determine the fair value.

27. Operating leases

LEASES AS LESSEE

Non-cancellable operating lease rentals are payable as follows:

<i>in EUR thousands</i>	
Not later than one year	3.342
Later than one year and not later than five years	4.667
Later than five years	258
	8.267

The Company leases certain office and plant facilities, office furniture and motor vehicles under various operating leases. Under most of the lease commitments for office and plant facilities the Company has options to renew the leasing contracts. The leases typically run for a period between one and fifteen years. None of the leases include contingent rentals.

The expenses for leasing contracts were kEUR 3,957, kEUR 4,393 and kEUR 4,490 for 2013, 2012 and 2011 respectively

28. Capital commitments

As of December 31, 2013, the Company had entered into purchase commitments with suppliers in the amount of kEUR 30,270 (2012: kEUR 33,860) for purchases within the next 12 months. Commitments for capital expenditures for fixed assets are kEUR 831 (2012: kEUR 437) as of December 31, 2013.

29. Contingencies

The Company is involved in various legal proceedings or can be exposed to a threat of legal proceedings in the normal course of business. The Executive Board regularly analyses these matters, considering any possibilities of avoiding legal proceedings or of covering potential damages under insurance contracts and has recognised, where required, appropriate provisions. It is not expected that such matters will have a material effect on the Company's net assets, results of operations and financial position.

30. Identity of related parties

Related parties of the Company are members of the Executive Board and members of the Supervisory Board.

Executive Board Remuneration

The Supervisory Board as a whole is responsible for establishing the structure of the remuneration system and for the total remuneration for individual members of the Executive Board. It regularly discusses and reviews remuneration for appropriateness.

The remuneration level of the Executive Board members of AIXTRON SE is aligned with the commercial and financial situation and future prospects of the Company and the level and structure of Executive Board remuneration at comparable companies as well as the compensation structure in place in other areas of the Company. In addition, the responsibilities, experience and contribution of each individual Executive Board member, and the desire to retain them, are taken into account when calculating the remuneration.

Executive Board remuneration currently consists of three components: fixed remuneration (including benefits in kind and payments into a private pension insurance), a variable bonus, and may include stock-based remuneration.

The Executive Board employment contracts stipulate an annual income for the fixed remuneration component. The fixed remuneration component is non-performance-related and is paid out on a monthly basis (13 times a year) as a salary. Additional payments in kind are made, chiefly consisting of company car usage and payments for private pension insurance.

For contracts entered into before 2013, the variable bonus scheme for the collective Executive Board (profit-sharing) is based on consolidated net income for the year and is paid from an "accrued internal bonus", defined as up to 10% of the modified consolidated net income for the year, but not to exceed EUR 6.5 million in total. The modified consolidated net income for the year is obtained from the Company's Consolidated Financial Statements (IFRS) certified by the auditor, less a consolidated loss carry forward figure and those amounts that are to be allocated to retained earnings in the Annual Financial Statements of AIXTRON by law or in accordance with the Articles of Association. The consolidated loss carry forward is obtained from consolidated net losses from previous years, less consolidated net income from subsequent fiscal years.

In addition, as a variable component acting as a long-term incentive with an element of risk, the members of the Executive Board may receive a share-based payment in the form of options that are granted under AIXTRON's stock option plans. The stock option plans, including the exercise thresholds, are adopted at each General Meeting. The number of options granted to the Executive Board is stipulated by the Supervisory Board. Further details on the outstanding stock options of the Executive Board as well as comments on the respective stock option plans are set out further in this report.

The appropriateness of the above mentioned remuneration components, and the likelihood that they do not encourage Management to take unreasonable risks, are regularly reviewed by the Supervisory Board.

If the tenure of any Executive Board member ends prematurely as result of a revocation of the appointment, such member of the Executive Board will receive a severance pay in an amount equal to the fixed and variable compensation expected to be owed by the Company for the remaining term of the employment contract, however, not exceeding an amount equal to twice the annual compensation (severance cap). Any payments beyond this severance pay shall be excluded.

If the tenure of any Executive Board member ends prematurely and the employment contract is terminated by mutual agreement, the total amount of any payments agreed to be paid by the Company to the Executive Board member as part of such an agreement may not exceed the amount of the severance pay which the Executive Board member would receive in the event of a revocation of the appointment with due regard to the severance cap.

If any Executive Board Member terminates the employment relationship after a change of control, such member of the Executive Board will receive a severance pay in an amount equal to the fixed and variable compensation expected to be owed by the Company for the remaining term of the employment contract, however, not exceeding the severance cap, i.e. an amount equal to twice the annual compensation. Any payments beyond this severance pay shall be excluded. A change of control situation exists if a third party or a group of third parties who contractually combine their shares in order to act subsequently as a third party, directly or indirectly holds more than 50% of the Company's registered share capital.

The Executive Board members have no individual Company pension benefits, which would result in pension provisions being required to be made by AIXTRON, and receive no loans from the Company.

In accordance with Section 120(4) of the German Stock Corporation Act, the remuneration system was approved by the General Meeting on May 18, 2010.

For other contracts, the new compensation scheme envisages that variable bonuses - which will be continued to be provided from an "accrued internal bonus" as defined above – will be paid half through a monetary element and half in shares. That part of the variable bonus payable in shares will be converted into whole numbers of shares of the Company and will be deferred until the third bank working day following the ordinary General Meeting in the third fiscal year after having been granted to the Board members. The number of the shares to be granted for the part of the variable bonus payable in shares will be determined in accordance with the closing price of the share of the Company on the third bank working day following the ordinary General Meeting which is presented with the annual financial statements of the Company and the consolidated financial statements for the fiscal year for which the bonus is granted. The shares will be granted from treasury shares.

As a result of this new compensation scheme, the Board members will not only participate in positive, but also in negative developments of the share price which may occur during the extended waiting period of several years, and the orientation towards a sustainable growth of the Company is strengthened; therefore, the Supervisory Board has decided to incorporate corresponding provisions on compensation into future management contracts (upon conclusion or renewal).

On February 18, 2013 Mr. Martin Goetzeler was appointed as new Executive Board member of AIXTRON SE; he took up his office on March 1, 2013. The revised remuneration system was approved by the General Meeting on May 23, 2013.

Supervisory Board Remuneration

Supervisory Board remuneration is governed by § 17 of AIXTRON's Articles of Association. Accordingly, the annual fixed compensation for individual members of the Supervisory Board is EUR 25,000. The Chairman's compensation is three times this amount and the Deputy Chairman's one and a half times the amount received by a regular member of the Supervisory Board.

The members of the Supervisory Board also receive, in aggregate, a variable compensation of 1% of the Company's balance sheet profit, less an amount corresponding to 4% of the paid-in contributions to the share capital. The Chairman of the Supervisory Board receives 6/17 of the variable compensation, the Deputy Chairman 3/17, and each other member of the Supervisory Board 2/17. The variable compensation is limited to the fourfold of the fixed compensation per Supervisory Board member. In addition, committee members receive an attendance fee of EUR 2,000 for attending a committee meeting, with the Chairman of the committee receiving triple this amount. The total annual attendance fee per Supervisory Board member is limited to one and a half times that individual's fixed compensation.

The Supervisory Board members receive no loans from the Company.

Other

The Company has a D&O insurance contract in place, covering the activities of members of the Executive Board and members of the Supervisory Board. Pursuant to the amended § 93, Section 2 AktG following the Act on the Appropriateness of Executive Board remuneration (VorstAG), as well as to the amended recommendation in chapter 3.8. German Corporate Governance Code, the deductible for members of the Executive Board and members of the Supervisory Board is equal to a minimum of 10% of the respective loss incurred. The deductible cannot exceed a factor of 1.5 of the respective annual fixed remuneration.

Individual Structure of Remuneration

Executive Board Remuneration

In fiscal year 2013, the cash remuneration of the Executive Board (including benefits in kind and allowances for pensions) totalled EUR 2,584,833 (2012: EUR 1,124,274; 2011: EUR 7,623,754). During the past fiscal year, the Executive Board was allocated 0 options (2012: 0; 2011: 0). The breakdown among the individual members of the Executive Board in Euros for the years 2011 to 2013 is presented in the table below.

Martin Goetzeler
President/CEO
since 1. March
2013

	Granted remuneration					Amounts received by the individual		
	2011	2012	2013	2013 (Min)	2013 (Max)	2011	2012	2013
Fixed remuneration	0	0	506.667	506.667	506.667	0	0	506.667
Termination benefits								
Other			11.063	11.063	11.063	0	0	11.063
Sub-total	0	0	517.730	517.730	517.730	0	0	517.730
One-year variable remuneration			500.000	500.000	2.888.889	0	0	0
Multi-year variable remuneration						0	0	0
<i>Share option program 2007 (Tranche 2008)</i>								
<i>Share option program 2002 (Tranche 2006)</i>								
<i>Share option program 2002 (Tranche 2004)</i>								
<i>Share option program 2002 (Tranche 2003)</i>								
Sub-total	0	0	500.000	500.000	2.888.889	0	0	0
Pension expense	0	0	0	0	0	0	0	0
Total remuneration	0	0	1.017.730	1.017.730	3.406.619	0	0	517.730

Dr. Bernd Schulte
Vice President and Chief Operating officer

	Granted remuneration					Amounts received by the individual		
	2011	2012	2013	2013 (Min)	2013 (Max)	2011	2012	2013
Fixed remuneration	365.000	365.000	365.000	365.000	365.000	365.000	365.000	365.000
Termination benefits								
Other	12.527	12.527	12.527	12.527	12.527	12.527	12.527	12.527
Sub-total	377.527	377.527	377.527	377.527	377.527	377.527	377.527	377.527
One-year variable remuneration	1.805.556	0	0	0	1.805.556	1.805.556	1.805.556	0
Multi-year variable remuneration						0	0	0
<i>Share option program 2007 (Tranche 2008)</i>								
<i>Share option program 2002 (Tranche 2006)</i>								
<i>Share option program 2002 (Tranche 2004)</i>								
<i>Share option program 2002 (Tranche 2003)</i>								
Sub-total	1.805.556	0	0	0	1.805.556	1.805.556	1.805.556	0
Pension expense	0	0	0	0	0	0	0	0
Total remuneration	2.183.083	377.527	377.527	377.527	2.183.082	2.183.083	2.183.083	377.527

Wolfgang Breme
Vice President and Chief Financial Officer

	Granted remuneration					Amounts received by the individual		
	2011	2012	2013	2013 (Min)	2013 (Max)	2011	2012	2013
Fixed remuneration	300.000	300.000	330.769	330.769	330.769	300.000	300.000	330.769
Termination benefits								
Other	9.413	9.413	10.745	10.745	10.745	9.413	9.413	10.745
Sub-total	309.413	309.413	341.514	341.514	341.514	309.413	309.413	341.514
One-year variable remuneration	1.805.556	0	0	0	1.805.556	1.805.556	1.805.556	0
Multi-year variable remuneration						0	209.586	512.600
<i>Share option program 2007 (Tranche 2008)</i>							209.586	
<i>Share option program 2002 (Tranche 2006)</i>								512.600
<i>Share option program 2002 (Tranche 2004)</i>								
<i>Share option program 2002 (Tranche 2003)</i>								
Sub-total	1.805.556	0	0	0	1.805.556	1.805.556	2.015.142	512.600
Pension expense	0	0	0	0	0	0	0	0
Total remuneration	2.114.969	309.413	341.514	341.514	2.147.070	2.114.969	2.324.555	854.114

Paul Hyland
President and Chief Executive Officer
until 28. February 2013

	Granted remuneration					Amounts received by the individual		
	2011	2012	2013	2013 (Min)	2013 (Max)	2011	2012	2013
Fixed remuneration	424.422	424.941	65.728	65.728	65.728	424.422	424.941	65.728
Termination benefits			780.000	780.000	780.000			780.000
Other	12.392	12.392	2.335	2.335	2.335	12.392	12.392	2.335
Sub-total	436.814	437.334	848.063	848.063	848.063	436.814	437.333	848.063
One-year variable remuneration	2.888.889			0	481.481	2.888.889	2.888.889	0
Multi-year variable remuneration						0	0	836.778
<i>Share option program 2007 (Tranche 2008)</i>								210.405
<i>Share option program 2002 (Tranche 2006)</i>								322.135
<i>Share option program 2002 (Tranche 2004)</i>								123.095
<i>Share option program 2002 (Tranche 2003)</i>								181.143
Sub-total	2.888.889	0	0	0	481.481	2.888.889	2.888.889	836.778
Pension expense	0	0	0	0	0	0	0	0
Total remuneration	3.325.703	437.334	848.063	848.063	1.329.544	3.325.703	3.326.222	1.684.840

* pro rata for 2 months until 28.2.2013

As of December 31, 2013, the AIXTRON Executive Board held a total of 500,408 options for the purchase of 505,116 shares of the Company (December 31, 2012: 923,516 shares; December 31, 2011: 962,516 shares). The number of shares underlying the options is set out below. The actual profits from exercising the stock options may differ significantly from the figures shown in the table.

Executive Board Member	Allocation Date	Allocation (shares)	Exercisable	Option Value on Allocation	Exercise Price	Maturity	Total
		(shares)	(shares)	(EUR)	(EUR)		
Wolfgang Breme	Nov 2010	52,000	26,000	461,240	26.60	Nov 2020	
	Nov 2009	52,000	39,000	448,240	24.60	Nov 2019	
	Nov 2008	13,000	13,000	92,040	4.17	Nov 2018	
	Dec 2007	52,000	52,000	225,680	10.09	Dec 2017	169,000
Dr. Bernd Schulte	Nov 2010	52,000	26,000	461,240	26.60	Nov 2020	
	Nov 2009	52,000	39,000	448,240	24.60	Nov 2019	
	Nov 2008	52,000	52,000	92,040	4.17	Nov 2018	
	Dec 2007	52,000	52,000	225,680	10.09	Dec 2017	
	May 2006	55,000	55,000	84,150	3.83	Nov 2016	
	May 2004	35,000	35,000	107,800	6.17	Nov 2014	
	May 2002	27,500	0	152,625	7.48	May 2017	
	May 2001	5,000	0	106,500	26.93	May 2016	
	May 2000	2,640	660	55,981	67.39	May 2015	
	May 1999	2,976	2,976	35,640	18.70	May 2014	336,116
Total		505,116	392,636				505,116

Under IFRS 2, the "Option value at grant date" is also used as the basis for recognizing options issued after November 7, 2002 under expenses on the Income Statement. For stock options issued prior to November 7, 2002, the fair value was determined using the Black-Scholes model.

The stock option expenses for each individual member of the Executive Board are as follows:

<i>in EUR thousands</i>	2013	2012	2011
Paul Hyland	-532	249	347
Wolfgang Breme	118	244	347
Dr. Bernd Schulte	118	249	347

In 2013 207,000 options lapsed on cessation of employment of Paul Hyland. The expenses for the unvested lapsed options have been reversed in accordance with IFRS 2.

In fiscal year 2013, Executive Board members exercised 211,500 options (2012: 39,000; 2011: 0); 207,000 options expired (2011: 0; 2010: 0).

	Date of exercise	Weighted average share price at date of exercise	Number of shares
2013			
Paul Hyland	21.11.13	9.8440	39,000
Paul Hyland	18.11.13	9.8132	117,500
Wolfgang Breme	31.05.13	13.7101	55,000
2012			
Wolfgang Breme	30.11.12	9.5362	39,000
2011			
N/A			

The current Executive Board members have no individual company pension benefits which would result in pension provisions being required to be made by the company. Instead, the Executive Board annual pension allowance (a total of EUR 40,000 for Paul Hyland (EUR 6,667 pro rata in 2013), Wolfgang Breme and Dr. Bernd Schulte in each of the years; 2013, 2012 and 2011 and EUR 80,000 for Martin Goetzeler in 2013) is paid by AIXTRON and included in the fixed remuneration, and is transferred by the Executive Board members into independent insurance contracts with a benevolent fund or similar plan.

Supervisory Board Remuneration

In fiscal year 2013, the remuneration of the Supervisory Board totaled EUR 290,042 (2012: EUR 302,500; 2011: EUR 1,024,933). For the years 2011 to 2013, Supervisory Board remuneration may be broken down as follows:

SB Compensation

Supervisory Board Member	Year	Fixed (EUR)	Variable (EUR)	Attendance Fee (EUR)	Total (EUR)
Kim Schindelhauer ¹⁾²⁾³⁾⁴⁾⁵⁾ (Chairman of the Supervisory Board) (Chairman of the 2013 Capital Markets Committee)	2013	75,000	0	20,000	95,000
	2012	75,000	0	18,000	93,000
	2011	75,000	257,333	16,000	348,333
Prof. Dr. Wolfgang Blättchen ¹⁾⁴⁾ (Deputy Chairman of the Supervisory Board since Feb 27, 2013) (Chairman of the Audit Committee)	2013	35,556	0	24,000	59,556
	2012	25,000	0	24,000	49,000
	2011	25,000	85,778	24,000	134,778
Dr. Andreas Biagosch ²⁾ (since May 23, 2013)	2013	15,139	0	2,000	17,139
	2012	0	0	0	0
	2011	0	0	0	0
Prof. Dr. Petra Denk ²⁾³⁾ (since May 19, 2011) (Chair of the Technology Committee)	2013	25,000		28,000	53,000
	2012	25,000	0	26,000	51,000
	2011	15,548	53,347	23,322	92,217
Dr. Martin Komischke (since May 23, 2013)	2013	15,139	0	0	15,139
	2012	0	0	0	0
	2011	0	0	0	0
Prof. Dr. Rüdiger von Rosen ¹⁾³⁾⁴⁾ (Chairman of the of the Nomination Committee)	2013	25,000	0	20,000	45,000
	2012	25,000	0	6,000	31,000
	2011	25,000	85,778		110,778
Dr. Holger Jürgensen ⁶⁾ (Deputy Chairman of the Supervisory Board until January 30, 2013)	2013	3,125			3,125
	2012	37,500	0	16,000	53,500
	2011	37,500	128,667	16,000	182,167

	2013	2,083			2,083
Karl-Hermann Kuklies (until January 30, 2013)	2012	25,000	0	0	25,000
	2011	25,000	85,778	0	110,778
	2013	0	0		0
Joachim Simmroß ¹⁾ (until May 19, 2011)	2012	0	0	0	0
	2011	9,452	32,431	4,000	45,883
	2013	196,042	0	94,000	290,042
Total	2012	212,500	0	90,000	302,500
	2011	212,500	729,111	83,322	1,024,933

1) Member of the Audit Committee

2) Member of the Technology Committee

3) Member of the Nomination Committee

4) Member of the 2013 Capital Markets Committee

5) Former AIXTRON Executive Board Member

6) Honorary Chairman of the Supervisory Board

In the years 2011 to 2013, there were no payments made to any Supervisory Board member for advisory services.

31. Consolidated entities

AIXTRON S.E. controls the following subsidiaries:

	Country	Share of capital in %	
		2013	2012
AIXTRON Inc	USA	100	100
AIXTRON Ltd.	England & Wales	100	100
AIXTRON Korea Co. Ltd.	South Korea	100	100
AIXTRON Taiwan Co. Ltd.	Taiwan	100	100
AIXTRON AB	Sweden	100	100
AIXTRON KK	Japan	100	100
AIXTRON China Ltd	P. R. China	100	100
Nanoinstruments Ltd	England & Wales	100	100
Genus trust *	USA	n.a.	n.a.

* The shares held in the Genus trust are attributed, as beneficial owner, to AIXTRON, as control exists through the trust relationship with Aixtron SE

32. Events after the reporting period

There are no events which have occurred after the balance sheet date, of which the directors have knowledge, which would result in a different assessment of the Company's net assets, results of operation and financial position.

33. Auditors' fees

Fees expensed in the income statement for the services of the group auditor Deloitte & Touche are as follows:

<i>in EUR thousands</i>	2013	2012
for audit	719	728
for other confirmation services	35	36
for tax advisory services	299	226
for other services	30	0
	1,083	990

Included in the total amount of fees are fees for the group auditor Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, Duesseldorf, in the amount of kEUR 444 for audit (2012: kEUR 443), kEUR 32 for other confirmation services (2012: kEUR 36), kEUR 34 for tax services (2012: kEUR 89) and kEUR nil for other services (2012: kEUR nil).

34. Employees

Compared to last year, the average number of employees during the current year was as follows:

	2013	2012
Sales	70	90
Research and Development	297	337
Manufacturing and Service	373	440
Administration	88	98
Employees (§ 314 HGB)	828	965
Executive board members	3	3
	831	968
Apprentices	16	15
	847	983

35. Statement of compliance with the German Corporate Governance Code

In 2013, Executive and Supervisory Boards have made the declaration of compliance in accordance with Section 161 of AktG and this is permanently available on the Company's web site at www.aixtron.com/en/investors/corporate-governance/principles.

36. Supervisory Board and Executive Board

Composition of the Supervisory Board as of December 31, 2013

- Dipl.-Kfm. Kim Schindelhauer, Aachen, businessman (Chairman of the Supervisory Board since 2002)
- Dr. Holger Jürgensen, Aachen, physicist (Deputy Chairman of the Supervisory Board until January 30, 2013) (Resigned January 30, 2013)
- Prof. Dr. Wolfgang Blättchen, Leonberg, Managing Director of Blättchen Advisory Group GmbH, member of the Supervisory Board since 1998.
 - Membership of Supervisory Boards and controlling bodies:
 - Pfisterer Holding AG, Winterbach - Chairman of the Supervisory Board
 - HAUBROK AG, Berlin – Deputy Chairman of the Supervisory Board (until August 28, 2013) -

- APCOA Parking AG, Leinfelden-Echterdingen– member of the Supervisory Board -
- FAS AG, Stuttgart - member of the Supervisory Board -
- Mr. Karl-Hermann Kuklies, Duisburg, businessman (member of the Supervisory Board since 1997) (Resigned January 30, 2013)
- Prof. Dr. Rüdiger von Rosen, Frankfurt/Main, businessman, Managing Director Serius GmbH, Düsseldorf (member of the Supervisory Board since 2002)
 - Membership of Supervisory Boards and controlling bodies:
 - PriceWaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Frankfurt/Main -member of the Supervisory Board (until February 12, 2014) –
 - ICF Kursmakler AG, Frankfurt/Main – Deputy Chairman of the Supervisory Board
 - Paladin Asset Management Investment AG, Hanover – Chairman of the Supervisory Board
- Prof. Dr. Petra Denk, Unterschleißheim, physicist, Professor of Energy Economics, Landshut University of Applied Sciences (member of the Supervisory Board since 2011)
- Dr Andreas Biagosch, Munich, businessman, Managing Director Impacting I GmbH & Co KG (member of the Supervisory Board since May 2013)
 - Membership of Supervisory Boards and controlling bodies
 - Lürssen Maritime Beteiligungen, Bremen, Advisory Board member
- Dr Martin Komischke, Morgarten Switzerland, Group Chief Executive Officer, Hoerbiger Holding AG, Zug (Switzerland) (member of the Supervisory Board since May 2013)

The composition of the Company's Executive Board is:

- Dipl.-Kfm. Martin Goetzeler, Icking, Chairman, President and Chief Executive Officer since March 1, 2013
- Dr. Bernd Schulte, Aachen, physicist, Executive Vice President and Chief Operating Officer since 2002
- Dipl.-Kfm. Wolfgang Breme, Aachen, business graduate, Executive Vice President and Chief Financial Officer since 2005
- Paul Hyland, Aachen, businessman, Chairman, President and Chief Executive Officer until February 28, 2013

37. Critical accounting judgments and key sources of estimation and uncertainty

The preparation of AIXTRON's Consolidated Financial Statements requires the Company to make certain estimates, judgments and assumptions that the Company believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts and related disclosures and are made in order to fairly present the Company's financial position and results of operations. The following accounting policies are significantly impacted by these estimates and judgments that AIXTRON believes are the most critical to aid in fully understanding and evaluating its reported financial results:

Revenue Recognition

Revenue is generally recognised in two stages for the supply of equipment to customers, partly on delivery and partly on final installation and acceptance (see note 2 (n)). The Company believes, based on past experience, that this method of recognising revenue fairly states the revenues of the Company. The judgements made by management include an assessment of the point at which substantially all of the risks and rewards of ownership have passed to the customer.

Valuation of Inventories

Inventories are stated at the lower of cost and net realisable value. This requires the Company to make judgments concerning obsolescence of materials. This evaluation requires estimates, including both forecasted product demand and pricing environment, both of which may be susceptible to significant change. The carrying amount of inventories is disclosed in note 16.

As disclosed in notes 3 and 16, during the years 2013, 2012 and 2011 the Company incurred expenses of kEUR 35,012, kEUR 40,947 and kEUR 41,602 respectively arising mainly from changes to past assumptions concerning net realisable value of inventories and excess and obsolete inventories. In future periods, write-downs of inventory may be necessary due to (1) reduced demand in the markets in which the Company operates, (2) technological obsolescence due to rapid developments of new products and technological improvements, or (3) changes in economic or other events and conditions that impact the market price for the Company's products. These factors could result in adjustment to the valuation of inventory in future periods, and significantly impact the Company's future operating results.

Income Taxes

At each balance sheet date, the Company assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to future taxable income. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize future tax benefits. The carrying amount of deferred tax assets is disclosed in note 14.

Provisions

Provisions are liabilities of uncertain timing or amount. At each balance sheet date, the Company assesses the valuation of the liabilities which have been recorded as provisions and adjusts them if necessary. Because of the uncertain nature of the timing or amounts of provisions, judgement has to be exercised by the Company with respect to their valuation. Actual liabilities may differ from the estimated amounts. Details of provisions are shown in Note 24.