

Supervisory Board Report

During fiscal year 2013, the Company's Supervisory Board continuously monitored the management of the Executive Board and regularly advised it with regard to the management of the Company.

In the scope of our responsibilities as a supervisory board, during fiscal year 2013 we intensively addressed the question of restructuring the AIXTRON Group, largely due to the continuing slow demand and reduced business activities in the "traditional" AIXTRON markets. We also focused on the strategic orientation of the Group. Both processes have been pursued by the Chairman and Chief Executive Officer Martin Goetzeler who has been in office since March 1.

In order to strengthen AIXTRON's position in non-LED markets, we approved a capital increase in October 2013 after a careful and thorough review of the proposal by the Executive Board. The proceeds from the offering will be used to extend AIXTRON's technology leadership. To do this, the Company will systematically invest in defined growth fields, particularly in technologies for the production of power electronics, organic LEDs (OLEDs) and applications in the silicon semiconductor industry. In addition, the raising of equity capital bolstered the balance sheet and liquidity, which will increase the financial flexibility of the Company and also its negotiating position, particularly with larger customers.

In fiscal year 2013, on the basis of a 5 Point Program initiated by the Executive Board, we also continued to address the corporate strategy, business development and planning in detail, with subjects such as increasing efficiency, further cost reductions, management/employee structures and process adjustments in the area of research and development as well as the supply chain.

As in every year, we also advised on the risk situation, risk management and compliance in the Company and carefully checked the corresponding developments and measures.

Both, the Supervisory Board in plenum as well as the Audit Committee and the Technology Committee regularly met with the Executive Board, which reported promptly and comprehensively on all the relevant points. In all decisions of material importance to the Company, we were directly involved with our specialist committees and actively advised the Executive Board.

Furthermore, the Executive Board management activities and actions were monitored on a regular basis and it was ensured that the Company was managed in a legal, orderly, proper and cost-effective manner.

Supervisory Board Meetings and Content

During 2013, the Supervisory Board held four ordinary Supervisory Board meetings on February 27, May 22, September 18 and December 4. After the resignation of Dr. Jürgensen and Mr. Kuklies as of January 30, the Supervisory Board (still capable of adopting resolutions) temporarily consisted of four members, who were all present in the first two ordinary Supervisory Board meetings. On February 27, 2013, the Supervisory Board appointed Prof. Dr. Blättchen to be Deputy Chairman until the Annual General Meeting. Upon the proposal of the Nomination Committee the Supervisory Board decided in a written resolution circulated to the members on March 5, 2013, to propose Dr. Biagosch and Dr. Komischke as candidates for the election into the Supervisory Board. The Annual General Meeting elected Dr. Biagosch and Dr. Komischke on May 23 as new members of the now six-person Supervisory Board. At the ordinary Supervisory Board meeting on September 18, all six Supervisory Board members were present, while at the last ordinary meeting of the year Dr. Biagosch was excused.

During the reporting year, three extraordinary Supervisory Board meetings also took place, which were held on January 29, February 18 and May 23. Subject of the meeting on January 29, 2013 was the operational management of the Company. On February 18, the Supervisory Board unanimously approved the resignation of Mr. Hyland from the Executive Board effective February 28, 2013 and appointed Mr. Goetzeler, effective March 1, 2013, as a new member of the Executive Board as well as nominating him to be Chairman and Chief Executive Officer. Immediately after the Annual General Meeting, on May 23, a meeting of the new Supervisory Board took place without Dr. Komischke, at which Prof. Dr. Blättchen was elected Deputy Chairman of the Supervisory Board, Dr. Biagosch was appointed to the Technology Committee and Prof. Dr. von Rosen was appointed to the Audit Committee.

In light of his 30 years of work and service for the Company, the Supervisory Board named Dr. Jürgensen Honorary Chairman of the Supervisory Board in April.

At each of the ordinary Supervisory Board meetings, we were informed by the Executive Board about the current status of the finances, the risk management, the staff and organization structure, the different product developments and other operational activities. We also addressed in great detail process issues both in the area of research and development and in production as well as in the entire supply chain and in service. Product- and country-specific aspects were also taken into consideration here. We paid special attention to the structural and organizational adjustments required on account of the continuing lack of recovery in demand in important markets for AIXTRON. Since the May meeting, these subjects have been addressed, in particular, as part of the objectives of the newly implemented 5 Point Program: 1) focus on the customer, 2) technology and products, 3) efficiency, 4) financial performance, 5) management conduct and culture.

On the basis of the updated forecast reports and business development plans, during the meetings we were also able to gain an adequate picture of the short-, medium- and long-term corporate strategy and plan (above all objectives, strategy and tactics) for the entire AIXTRON Group. Deviations from the budget plan during the course of business were explained and justified.

The performance of the stock, analyst expectations for AIXTRON's shares, information about the shareholder structure, the performance of the US Dollar relative to the Euro and the related use of financial instruments for hedging the currency risks (hedging strategy) were also included in the points that were regularly discussed in the Supervisory Board meetings.

Between meetings, all Supervisory Board members received detailed quarterly reports on the status of the Company. Through a protected intranet web portal, the Supervisory Board had access to other documents and information, such as internal control reports, meeting minutes, company presentations, research analyst reports, analyst consensus reports, press releases and AIXTRON's financial reports. Furthermore, in numerous telephone calls and face-to-face meetings, the Chairman of the Audit Committee, the Chair of the Technology Committee and I, the Chairman of the Supervisory Board, were promptly and comprehensively informed by the Executive Board about relevant material developments and forthcoming decisions. In these telephone calls and meetings, I also had the opportunity to discuss topics such as strategy, planning, business development, the risk situation, risk management and compliance with the Executive Board on a regular basis.

All business transactions which needed Supervisory Board approval were presented in a timely manner by the Executive Board and, where appropriate, were approved after thorough consideration and examination.

At the first ordinary meeting of the year on February 27, 2013, the Financial Statements for AIXTRON SE as of December 31, 2012, the Consolidated Financial Statements as of December 31, 2012 and the respective management reports (including the Risk Report), the Auditor's Report and the report by the Audit Committee on the key audit results were extensively discussed by the Supervisory Board, then adopted and approved. We also discussed and approved for publication the Company's Annual Report in Form 20-F, pursuant to United States Securities and Exchange Commission (SEC) rules, and passed various resolutions on subjects to be addressed at the Annual General Meeting in 2013. The Supervisory Board Report and the Corporate Governance Report with the Declaration of Conformity were discussed in the same meeting and approved for publication in the Annual Report. Furthermore, proposed amendments to the by-laws of the Supervisory Board were discussed and adopted.

At the meeting held on May 22, 2013, the Supervisory Board discussed the Company's future action in a legal dispute with a customer and approved the initiation of the necessary legal steps. The Supervisory Board also adopted a resolution regarding an amendment to a formulation in the Articles of Association (with respect to the phrase: announcements of the Company in the "Federal Gazette", which replaced the previous wording "electronic Federal Gazette").

At the meeting on September 18, 2013, we essentially approved the awarding of additional stock options, on both a national and international basis, subject to a proposal for the exact distribution. We also addressed the question of obtaining additional liquidity.

On December 4, 2013, the Supervisory Board of AIXTRON SE met for its last ordinary meeting of the year. Here we agreed to the 2014 budget presented by the Executive Board after a detailed discussion, with the provision that the planned expenditures must be monitored regularly along with the progress of the business. Among other elements, the budget includes sales revenues, income, financial and investment planning data, as well as the planned personnel development. Furthermore, we released a new tranche ("Tranche 2013" under the Stock Option Plan 2012) of 800,000 stock options that can be used for the Executive Board, management, selected key employees and for highly qualified employees hired in the future. We also granted our approval to the by-laws of the Executive Board.

Committees

The Supervisory Board currently has three committees: an Audit Committee, a Technology Committee and a Nomination Committee.

The Audit Committee is composed of a Chairman, Prof. Dr. Blättchen, and two other members, Mr. Schindelhauer and Prof. Dr. von Rosen. The Chairman of the Audit Committee, Prof. Dr. Blättchen, is an independent Supervisory Board member whose area of expertise is reporting and audits (as required by law: Art. 107 (4); Art. 100 (5) AktG // German Stock Corporation Act) and who has particular knowledge and experience in the application of internal control processes.

The Audit Committee addresses, in particular, the monitoring of the accounting process, compliance, the effectiveness of the internal control system, the risk management system and the internal audit system and the implementation of the rules in accordance with Section 404 Sarbanes-Oxley Act (SOA 404). In addition, the Audit Committee is responsible for the audit of the financial statements and ensures, in particular, the required independence of the Auditor and any additional services performed by the Auditor. Finally, it issues the mandate to the Auditor, identifies the focal points of the audit and handles the fee arrangements. The Committee chairman reports regularly on the work of the Audit Committee to the Supervisory Board.

The four Audit Committee meetings held during fiscal year 2013 (February 26, May 22, September 17 and December 3) were attended by all the committee members. The Audit Committee members addressed the development of the financial position and financial planning, as well as the following issues among others:

- The engagement of the auditing firm Deloitte & Touche to audit the 2013 Annual Financial Statements, the Individual Financial Statements of AIXTRON SE in accordance with the German Commercial Code (HGB), the Consolidated Financial Statements of the AIXTRON Group in accordance with IFRS, the US Annual Report in the 20-F form, the risk screening system in the meaning of Article 91 (2) AktG and the internal controls for the financial reporting in the meaning of Section 404 of the Sarbanes-Oxley Act and prepare a Management Letter and findings in accordance with Section 7.2.3 DCGK (German Code of Corporate Governance) at AIXTRON SE.
- Review of the Statement of Independence and the Management Letter written by the Auditor (main conclusions from the 2012 annual audit of the Individual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group and of the internal control system).
- Risk screening system, the effectiveness of the risk management system, the internal audit system and the risk management report.
- Implementation of a compliance plan or team for the observance of the new SEC requirements (Dodd-Frank Act) for conflict minerals (e.g. tantalum, tungsten, tin, gold) and regular reporting (SEC Form SD); adjustments to the compliance manual; obtaining compliance statements from executives on a quarterly basis.
- Detailed discussion of extraordinary effects in 2013 (including impairments, pending loss provisions, restructuring costs, and move to the new R&D building).
- Regular discussion of the quarterly report and the semi-annual report in telephone conferences.
- Audit focal points for Deloitte & Touche for the audit of the 2013 AIXTRON Individual Financial Statements and Consolidated Financial Statements.

- Changes in the German Corporate Governance Code with respect to the remuneration of the Executive Board and its impact on the Remuneration Report of AIXTRON SE.

The Technology Committee is also composed of three members. It deals, in particular, with questions of AIXTRON's market positioning in technology, the assessment of its competitive position, the IP (intellectual property) strategy, product planning and technology development, potential technology acquisitions and other topics relating to diversification. The chair, Prof. Dr. Denk, regularly reports to the Supervisory Board on the activity of the Technology Committee.

In fiscal year 2013, the Technology Committee held four meetings on February 26, May 22, September 17 and December 3, at which all committee members were present, except for the last meeting where Dr. Biagosch was excused. At each meeting, the committee discussed the current status of projects for various product developments both in the area of compound semiconductors and in the area of the carbon nanostructures, as well as in the areas of organic semiconductors and silicon semiconductors. The Technology Committee also intensively addressed the already mentioned project on the implementation of improved product development processes. The goal of this project is to achieve greater reliability with regard to quality, timeframe and budget compliance for the development of new products.

The Nomination Committee, chaired by Prof. Dr. von Rosen and including Prof. Dr. Denk and Mr. Schindelhauer, makes nomination proposals to the Supervisory Board if one of the Supervisory Board positions needs to be replaced. In fiscal year 2013 the Nomination Committee held meetings on January 29 and March 1, at which all the committee members were present. At the meeting on January 29, the committee decided to recommend to the Supervisory Board that Mr. Goetzeler be made an offer to become the new Chairman and Chief Executive Officer. At the meeting on March 1, the committee decided to recommend to the Supervisory Board the nomination of two new Supervisory Board members.

In the preparations for the capital increase at the end of October 2013, the Supervisory Board, as in the past, formed a Capital Market Committee consisting of Mr. Schindelhauer, Prof. Dr. Blättchen and Prof. Dr. von Rosen, and transferred to it the authority to make decisions and act independently in connection with the use of approved capital. On October 23, 2013, in a phone conference, the Capital Market Committee elected Mr. Schindelhauer as the Committee Chairman and approved the resolution of the Executive Board from the same day on the increase in the Company's share capital from the approved 2011 capital by up to EUR 10,223,133.00. On October 24, 2013, the Capital Market Committee also advised on and approved the resolution of the Executive Board from the same day to specify the final placement volume of 10,223,133 new shares at a placement price of EUR 9.90 per new share.

Since the duties of the Capital Market Committee were completed after the capital increase, it was formally dissolved in the Supervisory Board meeting on December 4, 2013.

Monitoring of the Management

Due to the continuing lack of recovery in demand on the relevant markets for AIXTRON and the structural and organizational adjustments which are necessary as a result, we paid increased attention in fiscal year 2013 to the "transformation costs", i.e. restructuring costs, social plan costs, impairments of inventory and relevant topics, about which the Executive Board regularly informed us.

Furthermore, we have had the Executive Board explain, in detail, the activities and progress of the 5 Point Program since its introduction at the beginning of May. We have also discussed them extensively during the Supervisory Board meetings. The following core points have been defined as the main objectives of the program:

- Stabilizing and restructuring the organization,
- Improving customer satisfaction and productivity, and
- Returning to sustainable profitability

The following issues were also subject to regular control by the Supervisory Board:

- Staff development – "Volunteer Agreement" for employees and the current status of staff measures
- Project for the implementation of efficient product development processes
- Supply chain management project (including process changes, e.g. to reduce delivery times)
- Naming of "Key Customer Satisfaction Managers" for strategic customers
- Refinement and weighting of the AIXTRON product/technology portfolio
- Continuation and financing of the OLED business
- Future M&A strategy
- Employee management, responsibility and communication
- Business prospects and development in Korea and China (personal presentation by the General Managers of AIXTRON Korea and AIXTRON China)

During the reporting year, the Supervisory Board did not make use of the option of inspecting the books and documentation of the Company (Article 111 (2) AktG // German Stock Corporation Act). Due to the regular intensive and satisfactory reporting by the Executive Board, the audit by and the discussions with the Auditor (German Public Auditors) and the described supplementary monitoring measures, there was no need for this.

Corporate Governance

The Supervisory Board regularly checks on the development of the Corporate Governance Standards and, together with the Executive Board, writes a joint Corporate Governance report. We will continue to support the Executive Board in its efforts to remain in full compliance with the German Corporate Governance Code recommendations. The Government Commission on the German Corporate Governance Code made various changes to the Code during the reporting year. In the latest Declaration of Conformity in accordance with Art. 161 AktG (German Stock Corporation Act) dated February 2014, with the exception of the deviations declared for precautionary reasons the Executive and Supervisory Board certified full compliance with the recommendations of the German Corporate Governance Code.

No conflicts of interest were reported by the members of the Supervisory or Executive Board.

Audit and Annual Financial Statements

Following the resolution passed at the Company's Annual General Meeting on May 23, 2013, the Supervisory Board awarded the mandate to audit the Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group for fiscal year 2013 to Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf.

The Auditors also reviewed the Company's Annual Report in Form 20-F and the internal control system in accordance with the Sarbanes Oxley Act of 2002 (SOX), as well as measures implemented by the Executive Board to detect, at an early stage, business risks that could potentially jeopardize the performance and existence of the Company. It was also agreed that the Auditors would, if necessary, inform the Supervisory Board or make a note in the audit report of any facts found during their examination which conflict with the Declaration of Conformity under Section 161 AktG (German Stock Corporation Act) issued by the Executive Board and the Supervisory Board. As in previous years, the Auditors did not make any note of such a finding for fiscal year 2013.

The Financial Statements of AIXTRON SE as of December 31, 2013 and the Management Report were prepared in accordance with the requirements of the German Commercial Code (HGB), while the Consolidated Financial Statements as at December 31, 2013 and the Group Management Report were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS). The Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group were given an unqualified audit opinion. The Auditors found that the Management Reports of both AIXTRON SE and the AIXTRON Group present a true and fair view of the current position and prospects of AIXTRON SE and the AIXTRON Group.

The Annual Financial Statement documents (Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group as of December 31, 2013, including the Management Report of the Company and the Group) and the audit reports by the Auditors were submitted to the Audit Committee and the Supervisory Board for examination in a timely manner. The Supervisory Board has closely examined those documents. The Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group, as well as the respective Management Reports, were discussed in detail with the Company's Auditors at the Audit Committee and Supervisory Board Meeting on February 24, 2014, with due consideration given to the Auditor's reports. The Auditor reported on the key audit results, which also covered the internal control and risk management system as they relate to the accounting process, and was available to answer any additional questions raised by the Audit Committee or Supervisory Board. The Supervisory Board also discussed the 2013 Annual Report Form 20-F as required by the U.S. Securities and Exchange Commission (SEC).

Following our own examination, we had no objections to the single-entity or consolidated financial statements submitted; the respective Management Reports matched our own assessment of the Company and the Group's situation. We fully concurred with the Auditor's results and opinion and consequently, in a resolution passed on February 24, 2014, we approved both the Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group prepared by the Executive Board for fiscal year 2013. The Annual Financial Statements of AIXTRON SE are therefore formally adopted. Form 20-F for fiscal year 2013 was approved for filing with the SEC.

Composition of the Executive Board and the Supervisory Board

As already explained, the following changes occurred to the composition of the Executive Board and the Supervisory Board of AIXTRON SE during the fiscal year:

Mr. Paul Hyland departed from the Executive Board and thus resigned as Chairman and Chief Executive Officer, effective February 28, 2013. On March 1, 2013, Mr. Martin Goetzeler succeeded Mr. Hyland as Chief Executive Officer and Chairman of the Company.

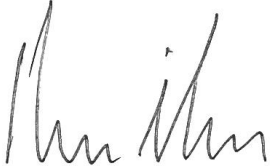
On January 30, 2013, Dr. Jürgensen and Mr. Kuklies resigned from the Supervisory Board. Until the election of new Supervisory Board members, the Supervisory Board consisted of four people and continued to be capable of passing resolutions. After a recommendation by the Nomination Committee, the Supervisory Board proposed the election of Dr. Andreas Biagosch and Dr. Martin Komischke at the ordinary Annual General Meeting on May 23, 2013 in Aachen. The election proposals were accepted by a large majority at the Annual General Meeting.

Note of thanks from the Supervisory Board

The Supervisory Board would like to thank the Executive Board and all Company employees for their personal dedication and loyalty in a difficult fiscal year that was characterized by continuing very low demand on the market, the resulting need for restructuring, and therefore once again serious challenges. We would like to thank in particular the employee representatives for their constructive work with various boards and councils within the Company during the restructuring and the resulting layoffs. We would also like to express our appreciation to our shareholders for their support and their ongoing confidence in AIXTRON SE.

Herzogenrath, February 2014
AIXTRON SE

Kim Schindelhauer
Chairman of the Supervisory Board

A handwritten signature in black ink, appearing to read 'Kim Schindelhauer', is positioned below the printed name and title.